

108TH CONGRESS
1ST SESSION

S. 747

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

IN THE SENATE OF THE UNITED STATES

MARCH 31, 2003

Mr. WARNER (for himself and Mr. LEVIN) (by request) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Defense Au-
5 thorization Act for Fiscal Year 2004”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.
- Sec. 105. Defense Inspector General.
- Sec. 106. Defense health program.
- Sec. 107. Chemical agents and munitions destruction.

Subtitle B—Multi-Year Contract Authorizations

- Sec. 111. Multiyear procurement authority for Navy programs.
- Sec. 112. Amendment to multiyear procurement authority for C-130J aircraft for the Air Force.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

- Sec. 201. Authorization of appropriations.

Subtitle B—Ballistic Missile Defense

- Sec. 211. Renewal of authority to assist local communities impacted by ballistic missile defense system test bed.

Subtitle C—Other Matters

- Sec. 221. Rescind the prohibition on research and development of low-yield nuclear weapons.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Armed Forces Retirement Home.

Subtitle B—Environmental Provisions

- Sec. 311. Clarify definitions of salvage facilities and salvage services to include environmental responses and related equipment.
- Sec. 312. Authorization for federal participation in wetland mitigation banks.
- Sec. 313. Provision to exempt restoration advisory boards from the Federal Advisory Committee Act.
- Sec. 314. Repeal of military equipment and infrastructure: prevention and mitigation of corrosion.
- Sec. 315. Right of removal to federal district court in Clean Air Act and Safe Drinking Water Act cases filed against the federal government.
- Sec. 316. Readiness and Range Preservation Initiative.

Subtitle C—Workplace and Depot Issues

- Sec. 321. Repeal of time limitation on exclusion of expenditures on contracting for depot-level maintenance.
- Sec. 322. Exception to competition requirement for depot-level maintenance and repair.
- Sec. 323. Exclude workloads for special access programs from limitations on the performance of depot-level maintenance of materiel.
- Sec. 324. Establishing minimum level of performance of depot-level maintenance of materiel by federal government personnel or at a government-owned facility.
- Sec. 325. Centers of industrial and technical excellence: extension of partnership exemption.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

- Sec. 401. End strengths for active forces.

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 limitation on number of non-dual status technicians.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

- Sec. 501. Repeal of prohibition against regular navy officers transferring between line and staff corps in grades above lieutenant commander.
- Sec. 502. Retention of officers serving in health professions to fulfill active duty service commitments following promotion non-selection.
- Sec. 503. Requirement of exemplary conduct.

Subtitle B—Reserve Component Management

- Sec. 511. Ready Reserve training requirement.
- Sec. 512. Streamline process to continue officers on the Reserve active status list.
- Sec. 513. Extending eligibility to the federal long-term care insurance program to reservists transferred to the Retired Reserves awaiting receipt of retired pay.

Subtitle C—Military Education and Training

- Sec. 521. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
- Sec. 522. Joint professional military education.

Subtitle D—Administrative Matters

- Sec. 531. Enhancements to personnel tempo program.
- Sec. 532. Eliminate requirement that the Department of Defense report earned but non-taxable income on form W-2.
- Sec. 533. Consistent time in service retirement criteria.

Subtitle E—Benefits

- Sec. 541. Authority to transport remains of retirees who die in military treatment facilities outside the United States.
- Sec. 542. Change family separation housing allowance from an entitlement to a discretionary allowance.
- Sec. 543. Payment of dependent student baggage storage.
- Sec. 544. Modification of prohibition on requirement of nonavailability statement or preauthorization.

Subtitle F—Military Justice Matters

- Sec. 551. Technical amendment to the Uniform Code of Military Justice concerning the offense of drunken operation of a vehicle, aircraft, or vessel.

Subtitle G—Other Matters

- Sec. 561. Termination of disability review boards.
- Sec. 562. Basic training requirement for certain members accessed under a direct entry program.
- Sec. 563. Alternate initial military service obligation for persons accessed under direct entry program.
- Sec. 564. Release of taxpayer address information held by the Internal Revenue Service on members of the Armed Forces.
- Sec. 565. Joint warfighting capabilities funding.
- Sec. 566. Reappointment of Chairman and Vice-Chairman of the Joint Chiefs of Staff during national emergency.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2004.
- Sec. 602. Housing allowance for each married partner when both are on sea duty and there are no other dependents.
- Sec. 603. Amendment to basic pay for certain commissioned officers with prior service as an enlisted member or warrant officer.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. Increase maximum amount of selective reenlistment bonus.
- Sec. 612. Making all warrant officers eligible for accession bonus for new officers in critical skills.
- Sec. 613. Incentive bonus: lateral conversion bonus for converting to unmanned military occupational specialties.
- Sec. 614. Extending hostile fire and imminent danger pay to Reserve component members on inactive duty.
- Sec. 615. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
- Sec. 616. Notice and wait provision concerning critical skills retention bonus.
- Sec. 617. Expansion of overseas tour extension incentive program benefits to officers.
- Sec. 618. One-year extension of certain bonus and special pay authorities for Reserve forces.
- Sec. 619. One-year extension of special pay and bonus authorities for nuclear officers.

Sec. 620. One-year extension of authorities relating to payment of other bonuses.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Shipment of a privately owned motor vehicle within the continental United States.

Subtitle D—Other Matters

Sec. 631. Providing members serving in a contingency operation the same tax filing delay provided to members serving in a combat zone or in a qualified hazardous duty area.

Sec. 632. Permit non-scholarship senior ROTC sophomores to voluntarily contract and receive subsistence allowance.

Sec. 633. Increase annual student loan repayment authority.

Sec. 634. Authorize cabinet secretaries, secretaries of military departments, and heads of independent agencies to be paid on a biweekly basis.

TITLE VII—HEALTH CARE PROVISIONS

Sec. 701. Revision of Department of Defense Medicare Eligible Retiree Health Care Fund to permit more accurate actuarial valuations.

Sec. 702. Applicability of the Federal Advisory Committee Act to the Pharmacy and Therapeutics Committee.

Sec. 703. Changes to Department of Defense-Department of Veterans Affairs Health Executive Committee.

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

Subtitle A—Acquisition Policy and Management

Sec. 801. Milestone authorization of selected defense acquisition programs.

Sec. 802. Contract closeout.

Sec. 803. Clarification of requirement to buy certain articles from American sources; exceptions.

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

Sec. 811. Extend use of the Defense Modernization Account for life cycle cost reduction initiatives.

Sec. 812. Extension and clarification of authority to carry out certain prototype projects.

Sec. 813. Other transaction authority for modernizing legacy systems.

Sec. 814. Authority for DoD intelligence components to award personal service contracts.

Sec. 815. Elimination of subcontract notification requirements.

Sec. 816. Exception for replacement ball bearings and roller bearings to be used in a component of non-domestic origin.

Sec. 817. Industry assignment program.

Sec. 818. Reauthorization of Defense Production Act.

Subtitle C—Acquisition-Related Reports and Other Matters

Sec. 821. Limited access to controlled unclassified information by administrative support service contractors.

- Sec. 822. Elimination of the requirement to furnish written assurances of technical data conformity.
- Sec. 823. Authorization to take actions to correct the industrial resource shortfall for radiation-hardened electronics.
- Sec. 824. Conversions of commercial activities.
- Sec. 825. Make permanent the authority to enter into certain personal services contracts.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers

- Sec. 901. Repeal of rotating chairman for the Economic Adjustment Committee.
- Sec. 902. Alternative authority for acquisition and improvement of military housing.

Subtitle B—Space Activities

- Sec. 911. Authorize provision of space surveillance network services to non-United States government entities.
- Sec. 912. Commercial space competitiveness and contributions of funds and services from non-federal agencies.

Subtitle C—Reports

- Sec. 921. Repeal of various reports required of the Department of Defense.

Subtitle D—Other Matters

- Sec. 931. Combatant commands initiatives fund.
- Sec. 932. Consolidating the financial management of facilities in the national capital region and designated alternate sites.
- Sec. 933. Protection of operational files of the National Security Agency.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

- Sec. 1001. Repeal of requirement for separate budget request for procurement of Reserve equipment.
- Sec. 1002. Repeal of requirement for two-year budget cycle for the Department of Defense.
- Sec. 1003. Payment of full replacement value for personal property claims.
- Sec. 1004. Treatment of reimbursements for subpoena and litigation costs; recovery to agency funds.
- Sec. 1005. Restoration of authority to enter into 12-month leases at any time during the fiscal year.
- Sec. 1006. Authority to provide reimbursement for cellular telephone use.
- Sec. 1007. Reimbursement for Reserve intelligence support.
- Sec. 1008. Increased use of energy cost savings.
- Sec. 1009. Allow the Department of Defense to capture all expired funds from the Military Personnel and Operation and Maintenance Appropriations Accounts for use in the Foreign Currency Fluctuations Account.
- Sec. 1010. Funding for special operations Reserve component personnel engaged in activities relating to clearance of landmines.

Subtitle B—Naval Vessels and Shipyards

- Sec. 1011. Reimbursement to the Navy for assistance provided in support of certain ship and shipboard equipment transfers.
- Sec. 1012. Vessels stricken from naval vessel register: use for experimental purposes.
- Sec. 1013. Authorize transfer of vessels stricken from the naval vessel register for use as artificial reefs.
- Sec. 1014. Repeal of the Shipbuilding Capability Preservation Agreement.

Subtitle C—Counter-Drug Activities

- Sec. 1021. Extend authority for use of counter drug activities.
- Sec. 1022. Department of Defense support for counter-terrorism activities in the Americas.
- Sec. 1023. Expansion and extension of authority to provide additional support for counter-drug activities.

Subtitle D—Other Department of Defense Provisions

- Sec. 1031. Provision of living quarters for certain students.
- Sec. 1032. Repeal of required grade for defense attaché in France.
- Sec. 1033. National Geospatial-Intelligence Agency.

Subtitle E—Other Matters

- Sec. 1041. Use of the National Driver Register for personnel security investigations and determinations.
- Sec. 1042. National Defense Heritage Foundation.
- Sec. 1043. Updating definitions in title 10, United States Code.
- Sec. 1044. Improving readiness in providing firefighting services.
- Sec. 1045. Exemption for charter operations to provide transportation to the Armed Forces.
- Sec. 1046. Documents, historical artifacts, and obsolete or surplus materiel: loan, donation, or exchange.
- Sec. 1047. Authority to ensure demilitarization of significant military equipment formerly owned by the Department of Defense.
- Sec. 1048. Stopping vessels; immunity for firing at or into vessel.
- Sec. 1049. Reauthorization of aviation insurance program.
- Sec. 1050. Modification of national security education program.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

- Sec. 1101. Extension of voluntary separation incentive pay authority.
- Sec. 1102. Modify the overtime pay cap.
- Sec. 1103. Application of grievance procedures.
- Sec. 1104. Civil service retirement system computation for part-time service.
- Sec. 1105. Position vacancy promotion consideration in time of war or national emergency.
- Sec. 1106. Military leave for mobilized federal civilian employees.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Related to Arms Control and Monitoring

- Sec. 1201. Clarification and extension of authority to provide assistance to United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.

Subtitle B—Matters Related to Allies and Friendly Foreign Nations

- Sec. 1211. Expansion of authority to conduct the Arctic military environmental cooperation program.
- Sec. 1212. Provision of cataloging data and services.
- Sec. 1213. Authority to waive domestic source or content requirements.
- Sec. 1214. Authority to expend funds to recognize superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals.
- Sec. 1215. Administrative support and services for foreign liaison officers.
- Sec. 1216. George C. Marshall European Center for Security Studies.
- Sec. 1217. Restrictions on permanent transfer of significant military equipment.
- Sec. 1218. Amendment to authority for acceptance by Asia-Pacific Center for Security Studies of foreign gifts and donations.
- Sec. 1219. Addition of individuals authorized to receive check cashing and exchanges of foreign currency.
- Sec. 1220. Continuation of the regional counterterrorism fellowship program.
- Sec. 1221. Logistics support for friendly nations.

Subtitle C—Other Matters

- Sec. 1231. Repeal of the authorization for the establishment of the Center for the Study of Chinese Military Affairs.

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

- Sec. 1301. Expanded use of cooperative threat reduction funds.

TITLE XIV—HOMELAND SECURITY

- Sec. 1401. Sales of chemical and biological defense articles and services to state and local governments.
- Sec. 1402. Clarification of intelligence exceptions from limitations on interception and disclosure of wire, oral, and electronic communications.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

- Sec. 2001. Short title.

TITLE XXI—ARMY

- Sec. 2101. Authorized Army construction and land acquisition projects.
- Sec. 2102. Family housing.
- Sec. 2103. Improvements to military family housing units.
- Sec. 2104. Authorization of appropriations, Army.
- Sec. 2105. Modification to carry out certain fiscal year 2002 projects.

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.

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.

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.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

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

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

- Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
- Sec. 2702. Extension of authorizations of certain fiscal year 2001 projects.
- Sec. 2703. Extension of authorizations of certain fiscal year 2000 projects.
- Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction and Military Family Housing

- Sec. 2801. Streamlining military construction to reduce facility acquisition and construction cycle time.
- Sec. 2802. Increased terms for leases of family housing and other facilities in foreign countries.

Subtitle B—Real Property and Facilities Administration

- Sec. 2811. Expanded authority to transfer property at military installations to be closed to persons who construct or provide military housing.
- Sec. 2812. Acceptance of in-kind consideration for easements.
- Sec. 2813. Modification of authority to accept funds to cover administrative expenses relating to certain real property transactions.
- Sec. 2814. Authority to convey property at military installations to persons who construct or provide military housing.
- Sec. 2815. Increase in threshold for reports to congressional committees on real property transactions.
- Sec. 2816. Contracting with local governments for municipal services.

Subtitle C—Other Matters

- Sec. 2821. Increase authority to lease military family housing in Italy.

Sec. 2822. Conveyance of Army and Air Force Exchange Service property, Dallas, Texas.

Sec. 2823. Relief from McKinney-Vento (Homeless) Act screening requirements.

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

Subtitle A—Authorization of Appropriations

Sec. 101. Army.

Sec. 102. Navy and Marine Corps.

Sec. 103. Air Force.

Sec. 104. Defense-wide activities.

Sec. 105. Defense Inspector General.

Sec. 106. Defense health program.

Sec. 107. Chemical agents and munitions destruction.

Subtitle B—Multi-Year Contract Authorizations

Sec. 111. Multiyear procurement authority for Navy programs.

Sec. 112. Amendment to multiyear procurement authority for C-130J aircraft for the Air Force.

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

6 **SEC. 101. ARMY.**

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

9 (1) For aircraft, \$2,128,485,000.

10 (2) For missiles, \$1,459,462,000.

11 (3) For weapons and tracked combat vehicles,
 12 \$1,640,704,000.

13 (4) For ammunition, \$1,309,966,000.

14 (5) For other procurement, \$4,216,854,000.

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

2 (a) NAVY.—Funds are hereby authorized to be appro-
3 priated for fiscal year 2004 for procurement for the Navy
4 as follows:

5 (1) For aircraft, \$8,788,148,000.

6 (2) For weapons, including missiles and tor-
7 pedoes, \$1,991,821,000.

8 (3) For shipbuilding and conversion,
9 \$11,438,984,000.

10 (4) For other procurement, \$4,679,443,000.

11 (b) MARINE CORPS.—Funds are hereby authorized to
12 be appropriated for fiscal year 2004 for procurement for
13 the Marine Corps in the amount of \$1,070,999,000.

14 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
15 are hereby authorized to be appropriated for fiscal year
16 2004 for procurement of ammunition for the Navy and
17 Marine Corps in the amount of \$922,355,000.

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

19 Funds are hereby authorized to be appropriated for
20 fiscal year 2004 for procurement for the Air Force as fol-
21 lows:

22 (1) For aircraft, \$12,079,360,000.

23 (2) For missiles, \$4,393,039,000.

24 (3) For procurement of ammunition,
25 \$1,284,725,000.

26 (4) For other procurement, \$11,583,659,000.

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

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2004 for defense-wide procurement in the
4 amount of \$3,691,006,000.

5 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2004 for procurement for the Defense Inspec-
8 tor General in the amount of \$2,100,000.

9 **SEC. 106. DEFENSE HEALTH PROGRAM.**

10 Funds are hereby authorized to be appropriated for
11 fiscal year 2004 for the Department of Defense for pro-
12 curement for carrying out health care programs, projects,
13 and activities of the Department of Defense in the total
14 amount of \$327,826,000.

15 **SEC. 107. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
16 **TION.**

17 Funds are hereby authorized to be appropriated for
18 fiscal year 2004 for chemical agents and munitions de-
19 struction in the amount of \$1,650,076,000 for—

20 (1) the destruction of lethal chemical weapons
21 in accordance with section 1412 of the Department
22 of Defense Authorization Act, 1986 (50 U.S.C.
23 1521); and

24 (2) the destruction of chemical warfare material
25 of the United States that is not covered by section
26 1412 of such Act.

1 **Subtitle B—Multi-Year Contract**
2 **Authorizations**

3 **SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR**
4 **NAVY PROGRAMS.**

5 (a) MULTI-YEAR CONTRACT AUTHORITY.—Begin-
6 ning with the fiscal year 2004 program year, the Secretary
7 of the Navy may, in accordance with section 2306b of title
8 10, United States Code, enter into multiyear contracts for
9 the procurement of the following:

10 (1) F/A–18 aircraft.

11 (2) E–2C aircraft.

12 (3) The Tactical Tomahawk missile.

13 (4) The Virginia Class Submarine.

14 (b) SHIPBUILDER TEAMING.—Paragraphs (2)(A),
15 (3), and (4) of section 121(b) of the National Defense Au-
16 thorization Act for Fiscal Year 1998 (Public Law 105–
17 85; 111 Stat. 1648) apply to the procurement of Virginia
18 class submarines under this section.

19 **SEC. 112. AMENDMENT TO MULTIYEAR PROCUREMENT AU-**
20 **THORITY FOR C-130J AIRCRAFT FOR THE AIR**
21 **FORCE.**

22 Section 131(a) of the Bob Stump National Defense
23 Authorization Act for Fiscal Year 2003 (Public Law 107–
24 314; 116 Stat. 2475) is amended by striking “40 C–130J
25 aircraft” and inserting “42 C–130J aircraft”.

1 **TITLE II—RESEARCH, DEVELOP-**
2 **MENT, TEST, AND EVALUA-**
3 **TION**

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.

Subtitle B—Ballistic Missile Defense

Sec. 211. Renewal of authority to assist local communities impacted by ballistic missile defense system test bed.

Subtitle C—Other Matters

Sec. 221. Rescind the prohibition on research and development of low-yield nuclear weapons.

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

6 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

7 Funds are hereby authorized to be appropriated for
8 fiscal year 2004 for the use of the Armed Forces for re-
9 search, development, test, and evaluation, as follows:

10 (1) For the Army, \$9,122,825,000.

11 (2) For the Navy, \$14,106,653,000.

12 (3) For the Air Force, \$20,336,258,000.

13 (4) For Defense-wide research, development,
14 test, and evaluation, \$18,260,918,000, of which
15 \$286,661,000 is authorized for the Director of Oper-
16 ational Test and Evaluation.

17 (5) For the Defense Health Program,
18 \$65,796,000.

1 (6) For the Defense Inspector General,
2 \$300,000.

3 **Subtitle B—Ballistic Missile**
4 **Defense**

5 **SEC. 211. RENEWAL OF AUTHORITY TO ASSIST LOCAL COM-**
6 **MUNITIES IMPACTED BY BALLISTIC MISSILE**
7 **DEFENSE SYSTEM TEST BED.**

8 Section 235(b)(1) of the National Defense Authoriza-
9 tion Act for Fiscal Year 2002 (Public Law 107–107; 115
10 Stat. 1041) is amended by striking “for fiscal year 2002”
11 and inserting “for fiscal years after fiscal year 2001”.

12 **Subtitle C—Other Matters**

13 **SEC. 221. RESCIND THE PROHIBITION ON RESEARCH AND**
14 **DEVELOPMENT OF LOW-YIELD NUCLEAR**
15 **WEAPONS.**

16 Section 3136 of the National Defense Authorization
17 Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat.
18 1946) is repealed.

19 **TITLE III—OPERATION AND**
20 **MAINTENANCE**

 Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Armed Forces Retirement Home.

 Subtitle B—Environmental Provisions

- Sec. 311. Clarify definitions of salvage facilities and salvage services to include environmental responses and related equipment.
- Sec. 312. Authorization for federal participation in wetland mitigation banks.

- Sec. 313. Provision to exempt restoration advisory boards from the Federal Advisory Committee Act.
- Sec. 314. Repeal of military equipment and infrastructure: prevention and mitigation of corrosion.
- Sec. 315. Right of removal to federal district court in Clean Air Act and Safe Drinking Water Act cases filed against the federal government.
- Sec. 316. Readiness and Range Preservation Initiative.

Subtitle C—Workplace and Depot Issues

- Sec. 321. Repeal of time limitation on exclusion of expenditures on contracting for depot-level maintenance.
- Sec. 322. Exception to competition requirement for depot-level maintenance and repair.
- Sec. 323. Exclude workloads for special access programs from limitations on the performance of depot-level maintenance of materiel.
- Sec. 324. Establishing minimum level of performance of depot-level maintenance of materiel by federal government personnel or at a government-owned facility.
- Sec. 325. Centers of industrial and technical excellence: extension of partnership exemption.

1 **Subtitle A—Authorization of**
 2 **Appropriations**

3 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

4 Funds are hereby authorized to be appropriated for
 5 fiscal year 2004 for the use of the Armed Forces of the
 6 United States and other activities and agencies of the De-
 7 partment of Defense, for expenses, not otherwise provided
 8 for, for operation and maintenance, in amounts as follows:

- 9 (1) For the Army, \$24,965,342,000.
- 10 (2) For the Navy, \$28,287,690,000.
- 11 (3) For the Marine Corps, \$3,406,656,000.
- 12 (4) For the Air Force, \$27,793,931,000.
- 13 (5) For the Defense-wide activities,
 14 \$16,570,847,000.
- 15 (6) For the Army Reserve, \$1,952,009,000.
- 16 (7) For the Naval Reserve, \$1,171,921,000.

1 (8) For the Marine Corps Reserve,
2 \$173,952,000.

3 (9) For the Air Force Reserve, \$2,179,188,000.

4 (10) For the Army National Guard,
5 \$4,211,331,000.

6 (11) For the Air National Guard,
7 \$4,402,646,000.

8 (12) For the Defense Inspector General,
9 \$160,049,000.

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

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

14 (15) For Environmental Restoration, Navy,
15 \$256,153,000.

16 (16) For Environmental Restoration, Air Force,
17 \$384,307,000.

18 (17) For Environmental Restoration, Defense-
19 wide, \$24,081,000.

20 (18) For Environmental Restoration, Formerly
21 Used Defense Sites, \$212,619,000.

22 (19) For Overseas Humanitarian, Disaster, and
23 Civic Aid programs, \$59,000,000.

24 (20) For Drug Interdiction and Counter-drug
25 Activities, Defense-wide, \$817,371,000.

1 (21) For the Defense Health Program,
2 \$14,876,887,000.

3 (22) For Cooperative Threat Reduction pro-
4 grams, \$450,800,000.

5 (23) For Overseas Contingency Operations
6 Transfer Fund, \$50,000,000.

7 **SEC. 302. WORKING CAPITAL FUNDS.**

8 Funds are hereby authorized to be appropriated for
9 fiscal year 2004 for the use of the Armed Forces of the
10 United States and other activities and agencies of the De-
11 partment of Defense for providing capital for working cap-
12 ital and revolving funds in amounts as follows:

13 (1) For the Defense Working Capital Funds,
14 \$1,721,507,000.

15 (2) For the National Defense Sealift Fund,
16 \$1,062,762,000.

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

18 There is hereby authorized to be appropriated for fis-
19 cal year 2004 from the Armed Forces Retirement Home
20 Trust Fund the sum of \$65,279,000 for the operation of
21 the Armed Forces Retirement Home, including the United
22 States Soldiers' and Airmen's Home and the Naval Home.

1 **Subtitle B—Environmental**
2 **Provisions**

3 **SEC. 311. CLARIFY DEFINITIONS OF SALVAGE FACILITIES**
4 **AND SALVAGE SERVICES TO INCLUDE ENVI-**
5 **RONMENTAL RESPONSES AND RELATED**
6 **EQUIPMENT.**

7 (a) SALVAGE FACILITIES.—Section 7361(a) of title
8 10, United States Code, is amended by adding at the end
9 the following new sentence: “Salvage facilities include, but
10 are not limited to, equipment and gear utilized to prevent,
11 abate or minimize damage to the environment.”.

12 (b) SETTLEMENT OF CLAIMS FOR SALVAGE SERV-
13 ICES.—Section 7363 of such title is amended by adding
14 at the end the following new sentence: “Claims for such
15 salvage services include, but are not limited to, those for
16 enhanced or special compensation for services that pre-
17 vent, abate or minimize damage to the environment.”.

18 **SEC. 312. AUTHORIZATION FOR FEDERAL PARTICIPATION**
19 **IN WETLAND MITIGATION BANKS.**

20 (a) IN GENERAL.—Chapter 159 of title 10, United
21 States Code, is amended by adding at the end the fol-
22 lowing new section:

1 **“§ 2697. Authorization for Federal participation in**
 2 **wetland mitigation banks**

3 “The Secretary of a military department engaged in
 4 any activity resulting, or which may result, in the destruc-
 5 tion of or impacts to wetlands is authorized to make pay-
 6 ments to wetland mitigation banking programs and con-
 7 solidated user sites (‘in-lieu-fee’ programs) that have been
 8 approved in accordance with the Federal Guidance for the
 9 Establishment, Use, and Operation of Mitigation Banks
 10 or the Federal Guidance on the Use of In-Lieu-Fee Ar-
 11 rangements for Compensatory Mitigation Under Section
 12 404 of the Clean Water Act and Section 10 of the Rivers
 13 and Harbors Act as an alternative to creating a wetland
 14 for mitigation on federal property for construction
 15 projects. These payments may be included as eligible
 16 project costs for military construction.”.

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

“2697. Authorization for Federal participation in wetland mitigation banks.”.

20 **SEC. 313. PROVISION TO EXEMPT RESTORATION ADVISORY**
 21 **BOARDS FROM THE FEDERAL ADVISORY**
 22 **COMMITTEE ACT.**

23 Section 2705 (d)(2) of chapter 160 of title 10, United
 24 States Code, is amended by adding at the end the fol-
 25 lowing new subparagraph:

1 “(C) The Federal Advisory Committee Act
2 (5 U.S.C. App.) shall not apply to any restora-
3 tion advisory board established by the Secretary
4 pursuant to this subsection.”.

5 **SEC. 314. REPEAL OF MILITARY EQUIPMENT AND INFRA-**
6 **STRUCTURE: PREVENTION AND MITIGATION**
7 **OF CORROSION.**

8 (a) IN GENERAL.—Section 2228 of title 10, United
9 States Code, is repealed.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 for chapter 131 of this title is amended by striking the
12 item relating to section 2228.

13 **SEC. 315. RIGHT OF REMOVAL TO FEDERAL DISTRICT**
14 **COURT IN CLEAN AIR ACT AND SAFE DRINK-**
15 **ING WATER ACT CASES FILED AGAINST THE**
16 **FEDERAL GOVERNMENT.**

17 (a) CLARIFICATION OF RIGHT TO REMOVE.—Section
18 118(a) of the Clean Air Act (42 U.S.C. 7418(a)) is
19 amended by adding at the end the following new sentence:
20 “Nothing in this chapter shall be construed to prevent any
21 department, agency, or instrumentality of the Federal
22 Government, or any officer, agent, or employee thereof in
23 the performance of his official duties, from removing to
24 the appropriate Federal district court any proceeding in
25 State court to which the department, agency, or instru-

1 mentality or officer, agent, or employee thereof is subject
2 pursuant to this subsection, and any such proceeding may
3 be removed in accordance with section 1441 et seq. of title
4 28.”.

5 (b) CLARIFICATION OF RIGHT TO REMOVE.—Section
6 1447 of the Safe Drinking Water Act (42 U.S.C. 300j–
7 6) is amended by adding at the end the following new sub-
8 section:

9 “(f) REMOVAL.—Nothing in this part shall be con-
10 strued to prevent any department, agency, or instrumen-
11 tality of the Federal Government, or any officer, agent,
12 or employee thereof in the performance of his official du-
13 ties, from removing to the appropriate Federal district
14 court any proceeding in State court to which the depart-
15 ment, agency, or instrumentality or officer, agent, or em-
16 ployee thereof is subject pursuant to subsection (a), and
17 any such proceeding may be removed in accordance with
18 section 1441 et seq. of title 28.”.

19 (c) APPLICATION.—The amendments made by this
20 section shall apply to any action filed in a state court after
21 the effective date of this section.

1 **SEC. 316. READINESS AND RANGE PRESERVATION INITIA-**
 2 **TIVE.**

3 (a) IN GENERAL.—(1) Part III of subtitle A of title
 4 10, United States Code, is amended by inserting after
 5 chapter 101 the following new chapter:

6 **“CHAPTER 101A—READINESS AND RANGE**
 7 **PRESERVATION**

“Sec.

“2015. Purpose of this chapter.

“2016. Definitions.

“2017. Military readiness and the conservation of protected species.

“2018. Conformity with State Implementation Plans for air quality.

“2019. Range management and restoration.

8 **“§ 2015. Purpose of this chapter**

9 “The purpose of this chapter is to—

10 “(1) protect the lives and well-being of citizens
 11 of the United States and preserve their freedoms,
 12 economic prosperity, and environmental heritage by
 13 ensuring military readiness;

14 “(2) ensure military readiness by addressing
 15 problems created by encroachment on military readi-
 16 ness activities and lands, marine areas, and airspace
 17 reserved, withdrawn, or designated for a military
 18 use;

19 “(3) reaffirm the principle that such lands, ma-
 20 rine areas, and airspace exist to ensure military pre-
 21 paredness;

1 “(4) shield military readiness activities and
2 lands, marine areas, and airspace reserved, with-
3 drawn, or designated for a military use, including
4 land, sea, and air training and operating areas, from
5 encroachment, while ensuring that the Department
6 of Defense fulfills its environmental stewardship re-
7 sponsibilities;

8 “(5) manage such lands, marine areas, and air-
9 space for other purposes to the extent the non-mili-
10 tary purpose does not reduce capability to support
11 military readiness activities;

12 “(6) re-establish the appropriate balance be-
13 tween military readiness and environmental steward-
14 ship; and

15 “(7) establish a framework to ensure long-term
16 sustainability of military ranges.

17 **§ 2016. Definitions**

18 “For purposes of this chapter:

19 “(1) The term ‘military readiness activities’ in-
20 cludes all training and operations that relate to com-
21 bat, and the adequate and realistic testing of mili-
22 tary equipment, vehicles, weapons, and sensors for
23 proper operation and suitability for combat use. The
24 term does not include the routine operation of instal-
25 lation operating support functions, such as adminis-

1 trative offices, military exchanges, commissaries,
2 water treatment facilities, storage, schools, housing,
3 motor pools, laundries, morale, welfare and recre-
4 ation activities, shops, and mess halls, nor the oper-
5 ation of industrial activities, or the construction or
6 demolition of such facilities.

7 “(2) The terms ‘combat’ or ‘combat use’ in-
8 clude all forms of armed conflict and operational em-
9 ployment as well as those support functions nec-
10 essary for armed conflict and operational employ-
11 ment, including transportation of personnel, weap-
12 ons, supplies, ammunition and other military mate-
13 rial to the vicinity of actual or potential armed con-
14 flict; intelligence gathering in support of actual or
15 potential armed conflict; command of and commu-
16 nications between military units; and similar activi-
17 ties necessary for the successful prosecution of
18 armed conflict, whether or not conducted at the
19 scene of actual conflict.

20 “(3) The term ‘the Department’ means the De-
21 partment of Defense as defined in section 101(a)(6)
22 of this title and the Coast Guard when it is not op-
23 erating as a service in the Department of the Navy.

1 **“§2017. Military readiness and the conservation of**
2 **protected species**

3 “(a) The completion of an Integrated Natural Re-
4 sources Management Plan, pursuant to the Sikes Act Im-
5 provement Act (16 U.S.C. 670a), for lands or other geo-
6 graphical areas owned or controlled by the Department,
7 or designated for its use, that addresses endangered or
8 threatened species and their habitat, provides the ‘special
9 management considerations or protection’ required under
10 the Endangered Species Act (16 U.S.C. 1532(5)(A)) and
11 precludes designation of critical habitat for any such land
12 or geographical areas under section 4 of the Endangered
13 Species Act (16 U.S.C. 1533).

14 “(b) This section does not remove the requirement
15 for agency consultation under section 7(a)(2) of the En-
16 dangered Species Act (16 U.S.C. 1536(a)(2)).

17 **“§2018. Conformity with State Implementation Plans**
18 **for air quality**

19 “(a) CONFORMITY WITH CLEAN AIR ACT.—In all
20 cases in which the requirements of section 176(c) of the
21 Clean Air Act would have applied to proposed military
22 readiness activities, the Department shall not be prohib-
23 ited from engaging in such military readiness activities,
24 but shall—

25 “(1) estimate for all criteria pollutants for
26 which the area is designated ‘nonattainment’ or

1 ‘maintenance’ the quantity of emissions that are
2 caused by the military readiness activities;

3 “(2) notify the state air quality planning agency
4 for the affected area of such emission estimates
5 prior to engaging in proposed military readiness ac-
6 tivities; and

7 “(3) ensure that military readiness activities
8 conform with the requirements of section 176(c)
9 within three years of the date new activities begin.

10 “(b) EPA APPROVAL.—Notwithstanding any other
11 provisions of law, an implementation plan or plan revision
12 required under the Clean Air Act shall be approved by the
13 Administrator of the Environmental Protection Agency
14 if—

15 “(1) such plan or revision meets all the require-
16 ments applicable to it under the Clean Air Act other
17 than a requirement that such plan or revision dem-
18 onstrate attainment and maintenance of the relevant
19 national ambient air quality standards by the attain-
20 ment date specified under the applicable provision of
21 the Act, or in a regulation promulgated under such
22 provision; and

23 “(2) the submitting State established to the
24 satisfaction of the Administrator that the implemen-
25 tation plan of such State would be adequate to at-

1 tain and maintain the relevant national ambient air
2 quality standards by the attainment date specified
3 under the applicable provision of the Act, or in a
4 regulation promulgated under such provision, but for
5 emissions emanating from military readiness activi-
6 ties not otherwise meeting section 176(c) of the Act
7 pursuant to paragraph (a) of this section.

8 “(c) EFFECT ON STATE COMPLIANCE WITH OZONE
9 STANDARDS.—Notwithstanding any other provisions of
10 law, any state that establishes to the satisfaction of the
11 Administrator that, with respect to an ozone nonattain-
12 ment area in such State, such State would have attained
13 the national ambient air quality standard for ozone by the
14 applicable attainment date, but for emissions emanating
15 from military readiness activities not otherwise meeting
16 section 176(c) of the Act pursuant to paragraph (a) of
17 this section, shall not be subject to the provisions of sec-
18 tion 182(a)(2) or (5) or section 185 of the Act.

19 “(d) EFFECT ON STATE COMPLIANCE WITH CARBON
20 MONOXIDE STANDARDS—Notwithstanding any other pro-
21 vision of law, any State that establishes to the satisfaction
22 of the Administrator, with respect to a carbon monoxide
23 nonattainment area in such State, that such State has at-
24 tained the national ambient air quality standard for car-
25 bon monoxide by the applicable attainment date, but for

1 emissions emanating from military readiness activities not
2 otherwise meeting section 176(c) of the Act pursuant to
3 paragraph (a) of this section, shall not be subject to the
4 provisions of section 186(b)(2) of the Act.

5 “(e) EFFECT ON STATE COMPLIANCE WITH PM-10
6 STANDARDS.—Notwithstanding any other provisions of
7 law, any State that establishes to the satisfaction of the
8 Administrator that, with respect to a PM-10 nonattain-
9 ment area in such State, such State would have attained
10 the national ambient air quality standard for PM-10 by
11 the applicable attainment date, but for emission ema-
12 nating from military readiness activities not otherwise
13 meeting section 176(c) of the Act pursuant to paragraph
14 (a) of this section, shall not be subject to the provisions
15 of section 188(b)(2) of the Act.

16 **“§ 2019. Range management and restoration**

17 “(a) DEFINITION OF SOLID WASTE.—(1)(A) The
18 term ‘solid waste’, as used in the Solid Waste Disposal
19 Act, as amended (42 U.S.C. 6901 et seq.), includes explo-
20 sives, unexploded ordnance, munitions, munition frag-
21 ments, or constituents thereof that—

22 “(i) are or have been deposited, incident to
23 their normal and expected use, on an operational
24 range, and—

1 “(I) are removed from the operational
2 range for reclamation, treatment, disposal,
3 treatment prior to disposal, or storage prior to
4 or in lieu of reclamation, treatment, disposal, or
5 treatment prior to disposal;

6 “(II) are recovered, collected, and then dis-
7 posed of by burial or landfilling; or

8 “(III) migrate off an operational range
9 and are not addressed under the Comprehensive
10 Environmental Response, Compensation, and
11 Liability Act of 1980, as amended (42 U.S.C.
12 9601 et seq.); or

13 “(ii) are deposited, incident to their normal and
14 expected use, off an operational range, and are not
15 promptly rendered safe or retrieved.

16 “(B) The explosives, unexploded ordnance, muni-
17 tions, munitions fragments, or constituents thereof defined
18 as solid waste in subparagraph (a)(1)(A) shall be subject
19 to the provisions of the Solid Waste Disposal Act, as
20 amended, including but not limited to sections 7002 and
21 7003, where applicable.

22 “(2) Except as set out in subparagraph (1), the term
23 ‘solid waste,’ as used in the Solid Waste Disposal Act, as
24 amended, does not include explosives, unexploded ord-

1 nance, munitions, munitions fragments, or constituents
2 thereof that—

3 “(A) are used in training military personnel or
4 explosives and munitions emergency response spe-
5 cialists (including training in proper destruction of
6 unused propellant or other munitions);

7 “(B) are used in research, development, testing,
8 and evaluation of military munitions, weapons, or
9 weapon systems;

10 “(C) are or have been deposited, incident to
11 their normal and expected use, and remain on an
12 operational range, except as provided in subpara-
13 graph (a)(1)(A);

14 “(D) are deposited, incident to their normal
15 and expected use, off an operational range, and are
16 promptly rendered safe or retrieved; or

17 “(E) are recovered, collected, and destroyed on-
18 range during range clearance activities at oper-
19 ational ranges, but not including the on-range burial
20 of unexploded ordnance and contaminants when the
21 burial is not a result of product use.

22 Nothing in subparagraphs (2)(A), (B), (C), (D), or (E)
23 hereof affects the legal requirements applicable to explo-
24 sives, unexploded ordnance, munitions, munitions frag-
25 ments, or constituents thereof that have been deposited

1 on an operational range once the range ceases to be an
2 operational range.

3 “(b) DEFINITION OF RELEASE.—(1) The term ‘re-
4 lease,’ as used in the Comprehensive Environmental Re-
5 sponse, Compensation, and Liability Act of 1980, as
6 amended (42 U.S.C. 9601 et seq.), includes the deposit
7 off an operational range, or the migration off an oper-
8 ational range, of any explosives, unexploded ordnance, mu-
9 nitions, munitions fragments, or constituents thereof.

10 “(2) The term ‘release,’ as used in the Comprehensive
11 Environmental Response, Compensation, and Liability Act
12 of 1980, as amended (42 U.S.C. 9601 et seq.), does not
13 include the deposit or presence on an operational range
14 of any explosives, unexploded ordnance, munitions, muni-
15 tions fragments, or constituents thereof that are or have
16 been deposited thereon incident to their normal and ex-
17 pected use and remain thereon.

18 “(3) Notwithstanding the provisions of paragraph
19 (2), the authority of the President under section 106(a)
20 of the Comprehensive Environmental Response, Com-
21 pensation, and Liability Act of 1980, as amended (42
22 U.S.C. 9606(a)), to take action because there may be an
23 imminent and substantial endangerment to the public
24 health or welfare or the environment because of an actual
25 or threatened release of a hazardous substance includes

1 the authority to take action because of the deposit or pres-
 2 ence on an operational range of any explosives, unexploded
 3 ordnance, munitions, munitions fragments, or constituents
 4 thereof that are or have been deposited thereon incident
 5 to their normal and expected use and remain thereon.

6 “(4) Nothing in this section affects the authority of
 7 the Department to protect the environment, safety, and
 8 health on operational ranges.”.

9 (2) The table of chapters at the beginning of such
 10 subtitle and the beginning of part III of such subtitle are
 11 amended by inserting after the item relating to chapter
 12 101 the following new item:

“101A. Readiness and Range Preservation 2015”.

13 (b) MILITARY READINESS AND MARINE MAMMAL
 14 PROTECTION RECONCILIATION.—The Marine Mammal
 15 Protection Act of 1972, as amended (Public Law 92–522;
 16 86 Stat. 1027; 16 U.S.C. 1361 et. seq.), is amended as
 17 follows:

18 (1) DEFINITIONS.—Section 3 (16 U.S.C. 1362)
 19 is amended—

20 (A) by amending paragraph (18) to read
 21 as follows:

22 “(18)(A) Except as provided in subparagraph
 23 (B), the term ‘harassment’ means any act of pur-
 24 suit, torment, or annoyance which—

1 “(i) has the potential to injure a marine
2 mammal or marine mammal stock in the wild;
3 or

4 “(ii) has the potential to disturb a marine
5 mammal or marine mammal stock in the wild
6 by causing disruption of behavioral patterns, in-
7 cluding, but not limited to, migration, breath-
8 ing, nursing, breeding, feeding, or sheltering.

9 “(iii) The term ‘Level A harassment’
10 means harassment described in subparagraph
11 (A)(i).

12 “(iv) The term ‘Level B harassment’
13 means harassment described in subparagraph
14 (A)(ii).

15 “(B) For purposes of military readiness activi-
16 ties, the term ‘harassment’ means any act which—

17 “(i) injures or has the significant potential
18 to injure a marine mammal or marine mammal
19 stock in the wild; or

20 “(ii)(I) disturbs or is likely to disturb a
21 marine mammal or marine mammal stock in
22 the wild by causing disruption of natural behav-
23 ioral patterns, including, but not limited to, mi-
24 gration, surfacing, nursing, breeding, feeding,
25 or sheltering, to a point where such behavioral

1 patterns are abandoned or significantly altered;
2 or

3 “(II) is directed toward a specific indi-
4 vidual, group or stock of marine mammals in
5 the wild that is likely to disturb the individual,
6 group, or stock of marine mammals by dis-
7 rupting behavior, including, but not limited to,
8 migration, surfacing, nursing, breeding, feeding,
9 or sheltering.”; and

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

12 “(30) The term ‘military readiness activities’
13 includes all training and operations that relate to
14 combat, and the adequate and realistic testing of
15 military equipment, vehicles, weapons, and sensors
16 for proper operation and suitability for combat use.
17 The term does not include the routine operation of
18 installation operating support functions, such as ad-
19 ministrative offices, military exchanges, com-
20 missaries, water treatment facilities, storage,
21 schools, housing, motor pools, laundries, morale, wel-
22 fare and recreation activities, shops, and mess halls,
23 nor the operation of industrial activities, or the con-
24 struction or demolition of such facilities.

1 “(31) The terms ‘combat’ or ‘combat use’ in-
2 clude all forms of armed conflict and operational em-
3 ployment as well as those support functions nec-
4 essary for armed conflict and operational employ-
5 ment, including transportation of personnel, weap-
6 ons, supplies, ammunition and other military mate-
7 rial to the vicinity of actual or potential armed con-
8 flict; intelligence gathering in support of actual or
9 potential armed conflict; command of and commu-
10 nications between military units; and similar activi-
11 ties necessary for the successful prosecution of
12 armed conflict, whether or not conducted at the
13 scene of actual conflict.

14 “(32) The term ‘Department of Defense’ means
15 the military departments and the Coast Guard when
16 it is not operating as a service in the Department
17 of the Navy.”.

18 (3) TAKING AND IMPORTING MARINE MAM-
19 MALS.—Section 101 (16 U.S.C. 1371) is amended—

20 (A) in subsection (a)—

21 (i) in paragraph (5)—

22 (I) in subparagraph (A), by in-
23 serting “and military readiness activi-
24 ties” after “other than commercial
25 fishing”; and

1 (II) in subparagraph (D)(i), by
2 inserting “and military readiness ac-
3 tivities” after “other than commercial
4 fishing”; and

5 (ii) by adding at the end the following
6 new paragraph:

7 “(7)(A) Upon request by the Department of
8 Defense for an authorization related to military
9 readiness activities, the Secretary, shall allow, dur-
10 ing periods of not more than five consecutive years
11 each, the incidental, but not intentional, taking of
12 marine mammals of a species or population stock if
13 the Secretary—

14 “(i) finds that the total of such taking dur-
15 ing each five-year (or less) period concerned will
16 have a negligible impact upon such species or
17 stock and will not have an unmitigable adverse
18 impact on the availability of such species or
19 stock for taking for subsistence uses pursuant
20 to subsection (b) of this section or section
21 1379(f) of this title, or in the case of a coopera-
22 tive agreement under both this chapter and the
23 Whaling Convention Act of 1949 (16 U.S.C.
24 916 et seq.), pursuant to section 1382(c) of this
25 title; and

1 “(ii) prescribes regulations setting forth—

2 “(I) permissible methods of taking
3 pursuant to such activity, and other means
4 of affecting the least practicable adverse
5 impact on such species or stock and its
6 habitat, paying particular attention to
7 rookeries and mating grounds, and on the
8 availability of such species or stock for
9 subsistence uses; and

10 “(II) requirements pertaining to the
11 monitoring and reporting of such taking.

12 “(B) The Secretary shall withdraw, or suspend
13 for a time certain, the permission to take marine
14 mammals granted under subparagraph (A), if the
15 Secretary finds, after notice and opportunity for
16 public comment (unless subparagraph (C)(i) ap-
17 plies), that—

18 “(i) the regulations prescribed under sub-
19 paragraph (A) regarding methods of taking,
20 monitoring, or reporting are not being substan-
21 tially complied with; or

22 “(ii) the taking allowed under subpara-
23 graph (A) is having, or may have, more than a
24 negligible impact on the species or stock con-
25 cerned.

1 “(C)(i) The requirement for notice and oppor-
2 tunity for public comment shall not apply in the case
3 of a suspension of permission to take if the Sec-
4 retary determines that an emergency exists which
5 poses a significant risk to well-being of the species
6 or stock concerned.

7 “(ii) Sections 1373 and 1374 of this title shall
8 not apply to the taking of marine mammals under
9 the authority of this paragraph.

10 “(D)(i) Upon request by the Department of De-
11 fense for an authorization related to military readi-
12 ness activities, the Secretary shall authorize, for pe-
13 riods of not more than 1 year, subject to such condi-
14 tions as the Secretary may specify, the incidental,
15 but not intentional, taking by harassment of marine
16 mammals of a species or population stock if the Sec-
17 retary finds that such harassment during each pe-
18 riod concerned—

19 “(I) will have a negligible impact on such
20 species or stock, and

21 “(II) will not have an unmitigable adverse
22 impact on the availability of such species or
23 stock for taking for subsistence uses pursuant
24 to subsection (b) of this section, or 1379(f) of

1 this title, or pursuant to a cooperative agree-
2 ment under section 1388 of this title.

3 “(ii) The authorization for such military readi-
4 ness activities shall prescribe, where applicable—

5 “(I) permissible methods of taking by har-
6 assment pursuant to such military readiness ac-
7 tivity, and other means of affecting the least
8 practicable impact upon such species or stock
9 and its habitat, paying particular attention to
10 rookeries and mating grounds, and on the avail-
11 ability of such species or stock for subsistence
12 uses pursuant to subsection (b) of this section,
13 or 1379(f) of this title, or pursuant to a cooper-
14 ative agreement under section 1388 of this title;

15 “(II) the measures that the Secretary of
16 Commerce or Secretary of Interior determines
17 are necessary to ensure no unmitigable adverse
18 impact upon the availability of the species or
19 stock for subsistence uses pursuant to sub-
20 section (b) of this section, or 1379(f) of this
21 title, or pursuant to a cooperative agreement
22 under section 1388 of this title; and

23 “(III) requirements pertaining to the mon-
24 itoring and reporting of such taking by harass-
25 ment, including requirements for the inde-

1 pendent peer review of proposed monitoring
2 plans or other research proposals where the
3 proposed military readiness activity may affect
4 the availability of the species or stock for sub-
5 sistence uses pursuant to subsection (b) of this
6 section, or 1379(f) of this title, or pursuant to
7 a cooperative agreement under section 1388 of
8 this title.

9 “(iii) The Secretary shall publish a proposed
10 authorization not later than 45 days after receiving
11 a request under this subparagraph and request pub-
12 lic comment through notice in the Federal Register
13 for a period of 30 days after publication. Not later
14 than 45 days after the close of the public comment
15 period, if the Secretary makes the findings set forth
16 in clause (E)(i), the Secretary shall issue an author-
17 ization with appropriate conditions to meet the re-
18 quirements of clause (D)(ii).

19 “(iv) The Secretary shall modify, suspend, or
20 revoke an authorization if the Secretary finds that
21 the provisions of clauses (D)(i) or (D)(ii) are not
22 being met.

23 “(v) A person conducting a military readiness
24 activity for which an authorization has been granted
25 under this subparagraph shall not be subject to the

1 penalties of this chapter for taking by harassment
2 that occurs in compliance with such authorization.

3 “(E) Nothing in this chapter shall require dis-
4 closure of information classified in the interests of
5 national defense.”;

6 (4) by redesignating subsection (e) as sub-
7 section (f); and

8 (5) by inserting after subsection (d) the fol-
9 lowing new subsection (e):

10 “(e) EXEMPTION OF ACTIONS NECESSARY FOR NA-
11 TIONAL DEFENSE.—The Secretary of Defense, after con-
12 ferring with the Secretary of Commerce, the Secretary of
13 Interior, or both, as appropriate, may exempt any action
14 or category of actions undertaken by the Department of
15 Defense or its components from compliance with any re-
16 quirement of the Marine Mammal Protection Act, 16
17 U.S.C. 1361 et seq., if he determines that it is necessary
18 for national defense. Exemptions granted under this sec-
19 tion shall be for a period of not more than two years. Addi-
20 tional exemptions for periods not to exceed two years each
21 may be granted for the same action or category of actions
22 upon the Secretary of Defense, after conferring with the
23 Secretary of Commerce, the Secretary of Interior, or both
24 as appropriate, making a new determination.”.

1 **Subtitle C—Workplace and Depot**
2 **Issues**

3 **SEC. 321. REPEAL OF TIME LIMITATION ON EXCLUSION OF**
4 **EXPENDITURES ON CONTRACTING FOR**
5 **DEPOT-LEVEL MAINTENANCE.**

6 Section 2474(f)(2) of title 10, United States Code,
7 is amended by striking “for fiscal years 2002 through
8 2005”.

9 **SEC. 322. EXCEPTION TO COMPETITION REQUIREMENT**
10 **FOR DEPOT-LEVEL MAINTENANCE AND RE-**
11 **PAIR.**

12 Section 2469 of title 10, United States Code, is
13 amended by inserting at the end the following new sub-
14 section (d):

15 “(d) EXCEPTIONS.—This section shall not apply with
16 respect to depot-level maintenance and repair workload
17 that is the subject of a public-private partnership entered
18 into pursuant to section 2474(b) of this title provided—

19 (1) competition is sought to select the source
20 that will partner with the depot to perform the
21 workload;

22 (2) the payment requests made by the partner-
23 ship for work performed reflect the full cost to the
24 Government of resources used by the depot for pro-

1 viding services, which shall include costs of resources
2 used, but not paid for, by the depot;

3 (3) the portion of the payment received by the
4 partnership that is necessary to cover the full cost
5 of performance by the depot, as required by para-
6 graph (2), is transferred to the General fund in the
7 Treasury to the extent the payment is reimbursing
8 the depot for federal resources the depot has used,
9 but not paid for, in performing its work;

10 (4) in accordance with applicable contracting
11 procedures, the customer agency is not charged for
12 any effort undertaken by the partnership to correct
13 performance deficiencies; and

14 (5) the depot does not charge its partner con-
15 tractor for any effort the depot undertakes to cor-
16 rect performance deficiencies under the contract.”.

17 **SEC. 323. EXCLUDE WORKLOADS FOR SPECIAL ACCESS**
18 **PROGRAMS FROM LIMITATIONS ON THE PER-**
19 **FORMANCE OF DEPOT-LEVEL MAINTENANCE**
20 **OF MATERIEL.**

21 Section 2466(d) of title 10, United States Code, is
22 amended to read as follows:

23 “(d) EXCEPTIONS.—Subsection (a) shall not apply
24 with respect to—

1 “(1) the Sacramento Army Depot, Sacramento,
2 California; and

3 “(2) workloads for special access programs.”.

4 **SEC. 324. ESTABLISHING MINIMUM LEVEL OF PERFORM-**
5 **ANCE OF DEPOT-LEVEL MAINTENANCE OF**
6 **MATERIEL BY FEDERAL GOVERNMENT PER-**
7 **SONNEL OR AT A GOVERNMENT-OWNED FA-**
8 **CILITY.**

9 (a) ESTABLISHING MINIMUM LEVEL.—Section
10 2466(a) of title 10, United States Code, is amended to
11 read as follows:

12 “(a) ALLOCATION OF WORKLOAD PERCENTAGE.—At
13 least 50 percent of the funds made available in a fiscal
14 year to a military department or a Defense Agency for
15 depot-level maintenance and repair workload shall be used
16 for the performance of such workload for the military de-
17 partment or the Defense Agency by Federal Government
18 personnel or at a Government-owned facility.”.

19 (b) CONFORMING AMENDMENT.—Section 2474(f)(1)
20 of such title is amended by striking “percentage limita-
21 tion” and inserting “allocation of workload percentage”.

1 **SEC. 325. CENTERS OF INDUSTRIAL AND TECHNICAL EX-**
 2 **CELLENCE: EXTENSION OF PARTNERSHIP EX-**
 3 **EMPTION.**

4 Section 2474(f)(1) of title 10, United States Code,
 5 is amended by striking “at” and inserting “for”.

6 **TITLE IV—MILITARY**
 7 **PERSONNEL AUTHORIZATIONS**

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.

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 limitation on number of non-dual status technicians.

8 **Subtitle A—Active Forces**

9 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

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

12 (1) The Army, 480,000.

13 (2) The Navy, 373,800.

14 (3) The Marine Corps, 175,000.

15 (4) The Air Force, 359,300.

16 **Subtitle B—Reserve Forces**

17 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

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

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

3 (2) The Army Reserve, 205,000.

4 (3) The Naval Reserve, 85,900.

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

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

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

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

10 (b) ADJUSTMENTS.—The end strengths prescribed by
11 subsection (a) for the Selected Reserve of any reserve com-
12 ponent shall be proportionately reduced by—

13 (1) the total authorized strength of units orga-
14 nized to serve as units of the Selected Reserve of
15 such component which are on active duty (other
16 than for training) at the end of the fiscal year; and

17 (2) the total number of individual members not
18 in units organized to serve as units of the Selected
19 Reserve of such component who are on active duty
20 (other than for training or for unsatisfactory partici-
21 pation in training) without their consent at the end
22 of the fiscal year.

23 Whenever such units or such individual members are re-
24 leased from active duty during any fiscal year, the end
25 strength prescribed for such fiscal year for the Selected

1 Reserve of such reserve component shall be increased pro-
2 portionately by the total authorized strengths of such
3 units and by the total number of such individual members.

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

6 Within the end strengths prescribed in section
7 411(a), the reserve components of the Armed Forces are
8 authorized, as of September 30, 2004, the following num-
9 ber of Reserves to be serving on full-time active duty or,
10 in the case of members of the National Guard, full-time
11 National Guard duty for the purpose of organizing, ad-
12 ministering, recruiting, instructing, or training the reserve
13 components:

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

16 (2) The Army Reserve, 14,374.

17 (3) The Naval Reserve, 14,384.

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

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

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

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

3 The Reserve Components of the Army and the Air
4 Force are authorized strengths for military technicians
5 (dual status) as of September 30, 2004, as follows:

6 (1) For the Army Reserve, 6,699

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

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

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

12 **SEC. 414. FISCAL YEAR 2004 LIMITATION ON NUMBER OF**
13 **NON-DUAL STATUS TECHNICIANS.**

14 The number of civilian employees who are non-dual
15 status technicians of a reserve component of the Army or
16 Air Force as of September 30, 2004, may not exceed the
17 following:

18 (1) For the Army Reserve, 895.

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

21 (3) For the Air Force Reserve, 90.

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

24 **TITLE V—MILITARY PERSONNEL**
25 **POLICY**

Subtitle A—Officer Personnel Policy

- Sec. 501. Repeal of prohibition against regular navy officers transferring between line and staff corps in grades above lieutenant commander.
- Sec. 502. Retention of officers serving in health professions to fulfill active duty service commitments following promotion non-selection.
- Sec. 503. Requirement of exemplary conduct.

Subtitle B—Reserve Component Management

- Sec. 511. Ready Reserve training requirement.
- Sec. 512. Streamline process to continue officers on the Reserve active status list.
- Sec. 513. Extending eligibility to the federal long-term care insurance program to reservists transferred to the Retired Reserves awaiting receipt of retired pay.

Subtitle C—Military Education and Training

- Sec. 521. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
- Sec. 522. Joint professional military education.

Subtitle D—Administrative Matters

- Sec. 531. Enhancements to personnel tempo program.
- Sec. 532. Eliminate requirement that the Department of Defense report earned but non-taxable income on form W-2.
- Sec. 533. Consistent time in service retirement criteria.

Subtitle E—Benefits

- Sec. 541. Authority to transport remains of retirees who die in military treatment facilities outside the United States.
- Sec. 542. Change family separation housing allowance from an entitlement to a discretionary allowance.
- Sec. 543. Payment of dependent student baggage storage.
- Sec. 544. Modification of prohibition on requirement of nonavailability statement or preauthorization.

Subtitle F—Military Justice Matters

- Sec. 551. Technical amendment to the Uniform Code of Military Justice concerning the offense of drunken operation of a vehicle aircraft, or vessel.

Subtitle G—Other Matters

- Sec. 561. Termination of disability review boards.
- Sec. 562. Basic training requirement for certain members accessed under a direct entry program.
- Sec. 563. Alternate initial military service obligation for persons accessed under direct entry program.
- Sec. 564. Release of taxpayer address information held by the Internal Revenue Service on members of the Armed Forces.
- Sec. 565. Joint warfighting capabilities funding.
- Sec. 566. Reappointment of Chairman and Vice-Chairman of the Joint Chiefs of Staff during national emergency.

1 **Subtitle A—Officer Personnel**
2 **Policy**

3 **SEC. 501. REPEAL OF PROHIBITION AGAINST REGULAR**
4 **NAVY OFFICERS TRANSFERRING BETWEEN**
5 **LINE AND STAFF CORPS IN GRADES ABOVE**
6 **LIEUTENANT COMMANDER.**

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

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

12 **SEC. 502. RETENTION OF OFFICERS SERVING IN HEALTH**
13 **PROFESSIONS TO FULFILL ACTIVE DUTY**
14 **SERVICE COMMITMENTS FOLLOWING PRO-**
15 **MOTION NON-SELECTION.**

16 (a) IN GENERAL.—Subsection (a) of section 632 of
17 title 10, United States Code, is amended—

18 (1) by striking “or” at the end of paragraph

19 (2);

20 (2) by striking the period at the end of para-
21 graph (3) and inserting “; or”; and

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

24 “(4) if on the date on which he is to be dis-
25 charged under paragraph (1) a medical officer or

1 dental officer or an officer appointed in a medical
2 skill other than as a medical officer or dental officer
3 (as defined in regulations prescribed by the Sec-
4 retary of Defense) has yet to complete a period of
5 active duty service obligation incurred under section
6 2005, 2114, 2123, or 2603 of this title, he shall be
7 retained on active duty until completion of such
8 service obligation, unless the Secretary concerned de-
9 termines that completion of the active duty obliga-
10 tion is not in the best interest of the military depart-
11 ment.”.

12 (b) TECHNICAL AMENDMENT.—Such subsection is
13 further amended by striking “clause (1)” in paragraph (3)
14 and inserting “paragraph (1)”.

15 **SEC. 503. REQUIREMENT OF EXEMPLARY CONDUCT.**

16 (a) IN GENERAL.—Chapter 3 of title 10, United
17 States Code, is amended by inserting after section 121 the
18 following new section:

19 **“§ 121a. Requirement of exemplary conduct**

20 “All commanding officers and others in authority in
21 the Department of Defense, are required—

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

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

4 “(3) to guard against and to suppress all disso-
5 lute and immoral practices and to correct, according
6 to applicable laws and regulations, all persons who
7 are guilty of them; and

8 “(4) to take all necessary and proper measures,
9 under the laws, regulations, and customs applicable
10 to the armed forces, to promote and safeguard the
11 morale, the physical well-being, and the general wel-
12 fare of the officers, enlisted persons, and civilian
13 persons under their command or charge.”.

14 (b) CONFORMING AND CLERICAL AMENDMENTS.—

15 (1) The table of sections at the beginning of such chapter
16 is amended by inserting after the item relating to section
17 121 the following new item:

“121a. Requirement of exemplary conduct.”.

18 (2) Title 10 is further amended as follows:

19 (A)(i) Section 3583 is repealed.

20 (ii) The table of sections at the beginning of
21 chapter 345 is amended by striking the item relating
22 to section 3583.

23 (B)(i) Section 5947 is repealed.

1 **SEC. 512. STREAMLINE PROCESS TO CONTINUE OFFICERS**
2 **ON THE RESERVE ACTIVE STATUS LIST.**

3 (a) CONTINUATION.—Section 14701 of title 10,
4 United States Code, is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by striking “by a se-
7 lection board convened under section 14101(b)
8 of this title” and inserting “under regulations
9 prescribed by the Secretary concerned”; and

10 (B) in paragraph (6), by striking “as a re-
11 sult of the convening of a selection board under
12 section 14101(b) of this title”;

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

14 (3) by redesignating subsection (d) as sub-
15 section (b).

16 (b) CONFORMING AMENDMENT.—Subsection (b) of
17 section 14101 of such title is amended—

18 (1) by striking paragraph (1); and

19 (2) by redesignating paragraphs (2) and (3) as
20 paragraphs (1) and (2), respectively.

1 **SEC. 513. EXTENDING ELIGIBILITY TO THE FEDERAL LONG-**
 2 **TERM CARE INSURANCE PROGRAM TO RE-**
 3 **SERVISTS TRANSFERRED TO THE RETIRED**
 4 **RESERVES AWAITING RECEIPT OF RETIRED**
 5 **PAY.**

6 Section 9001(4) of title 5, United States Code, is
 7 amended—

8 (1) by striking “including” and inserting
 9 “and”; and

10 (2) by striking “who has attained the age of 60
 11 and”.

12 **Subtitle C—Military Education and**
 13 **Training**

14 **SEC. 521. AUTHORITY FOR THE MARINE CORPS UNIVER-**
 15 **SITY TO AWARD THE DEGREE OF MASTER OF**
 16 **OPERATIONAL STUDIES.**

17 Section 7102 of title 10, United States Code, is
 18 amended—

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

21 (2) by inserting after subsection (b) the fol-
 22 lowing new subsection (c):

23 “(c) **COMMAND AND STAFF COLLEGE OF THE MA-**
 24 **RINE CORPS UNIVERSITY.**—Upon the recommendation of
 25 the Director and faculty of the Command and Staff Col-
 26 lege of the Marine Corps University, the President of the

1 Marine Corps University may confer the degree of master
2 of operational studies upon graduates of the Command
3 and Staff College’s School of Advanced Warfighting who
4 fulfill the requirements for that degree.”.

5 **SEC. 522. JOINT PROFESSIONAL MILITARY EDUCATION.**

6 Section 663(e) of title 10, United States Code, is re-
7 pealed.

8 **Subtitle D—Administrative Matters**

9 **SEC. 531. ENHANCEMENTS TO PERSONNEL TEMPO PRO-**
10 **GRAM.**

11 (a) REVISIONS TO DEPLOYMENT LIMITS AND AU-
12 THORITY TO AUTHORIZE EXEMPTIONS.—Section 991(a)
13 of title 10, United States Code, is amended to read as
14 follows:

15 “(a) SERVICE AND GENERAL OR FLAG OFFICER RE-
16 SPONSIBILITIES.—The deployment (or potential deploy-
17 ment) of a member of the armed forces shall be managed
18 to ensure the member is not deployed, or continued in a
19 deployment, on any day on which the total number of days
20 on which the member has been deployed out of the pre-
21 ceding 730 days would exceed 400, or a lower threshold
22 as approved by the Under Secretary of Defense for Per-
23 sonnel and Readiness. The member may be deployed, or
24 continued in a deployment, without regard to the pre-
25 ceding sentence if such deployment, or continued deploy-

1 ment, is approved by a member of the Senior Executive
2 Service or the first general or flag officer (including offi-
3 cers in the grade of 0–6 in such positions already selected
4 for general or flag rank) in the member’s chain of com-
5 mand.”.

6 (b) CHANGES TO HIGH-DEPLOYMENT ALLOW-
7 ANCE.—Section 436 of title 37, United States Code, is
8 amended—

9 (1) by amending subsection (a) to read as fol-
10 lows:

11 “(a) MONTHLY ALLOWANCE REQUIRED.—The Sec-
12 retary of the military department concerned shall pay a
13 high-deployment allowance to a member of the armed
14 forces under the Secretary’s jurisdiction for each month
15 during which the member—

16 “(1) is deployed; and

17 “(2) has, as of that day, been deployed for ei-
18 ther or both of the following periods:

19 “(A) 401 or more days out of the pre-
20 ceding 730 days (or at a lower threshold as ap-
21 proved by the Under Secretary of Defense for
22 Personnel and Readiness); or

23 “(B) 191 or more consecutive days (or for
24 a lower threshold as approved by the Under

1 Secretary of Defense for Personnel and Readiness).”;

2
3 (2) by amending subsection (c) to read as follows:
4

5 “(c) MAXIMUM RATE.—The maximum monthly rate
6 of the allowance payable to a member under this section
7 is \$1,000.”;

8 (3) in subsection (e), by striking “per diem”
9 and inserting “allowance”;

10 (4) in subsection (f)—

11 (A) by striking “per diem” and inserting
12 “allowance”; and

13 (B) by striking “day on” and inserting
14 “month during”; and

15 (5) by adding at the end the following new sub-
16 section:

17 “(g) EXCLUDED BILLETS.—The Secretary concerned
18 may exclude selected billets from eligibility for the high-
19 deployment allowance upon approval by the Under Sec-
20 retary of Defense for Personnel and Readiness. A billet
21 may only be excluded on a prospective basis once the cur-
22 rent incumbent has vacated that billet.”.

23 (c) CHANGES TO REPORTING REQUIREMENT.—Sec-
24 tion 487(b)(5) of title 10, United States Code, is amended
25 to read as follows:

1 “(5) For each of the armed forces, the description
 2 shall indicate the number of members who received the
 3 high-deployment allowance, the total number of months
 4 for which the allowance was paid to members, and the
 5 total amount spent on the allowance.”.

6 (d) CLERICAL AMENDMENTS.—(1) The heading of
 7 section 436 of title 37, United States Code, is amended
 8 to read as follows:

9 **“§ 436. Monthly high-deployment allowance for**
 10 **lengthy or numerous deployments”;**

11 and

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

“436. Monthly high-deployment allowance for lengthy or numerous deploy-
 ments.”.

15 **SEC. 532. ELIMINATE REQUIREMENT THAT THE DEPART-**
 16 **MENT OF DEFENSE REPORT EARNED BUT**
 17 **NON-TAXABLE INCOME ON FORM W-2.**

18 Section 6051(a) of subpart A of part III of chapter
 19 61 of the Internal Revenue Code of 1986 (relating to in-
 20 formation concerning persons subject to special provi-
 21 sions) is amended—

22 (1) by striking paragraph (10); and

23 (2) by redesignating paragraph (11) as para-
 24 graph (10).

1 **SEC. 533. CONSISTENT TIME IN SERVICE RETIREMENT CRI-**
2 **TERIA.**

3 (a) OFFICERS IN REGULAR NAVY OR MARINE CORPS
4 WHO COMPLETED 40 YEARS OF ACTIVE SERVICE.—Sec-
5 tion 6321(a) of title 10, United States Code, is amended
6 by striking “after completing 40 or more years” and in-
7 serting “and has at least 40 years”.

8 (b) OFFICERS IN REGULAR NAVY OR MARINE CORPS
9 WHO COMPLETED 30 YEARS OF ACTIVE SERVICE.—Sec-
10 tion 6322(a) of such is amended by striking “after com-
11 pleting 30 or more years” and inserting “and has at least
12 30 years”.

13 (c) OFFICERS IN NAVY OR MARINE CORPS WHO
14 COMPLETED 20 YEARS OF ACTIVE SERVICE.—Section
15 6323(a)(1) of such title is amended by striking “after
16 completing more than 20 years” and inserting “and has
17 at least 20 years”.

18 (d) ENLISTED MEMBERS IN REGULAR NAVY OR MA-
19 RINE CORPS WHO COMPLETED 30 YEARS OF ACTIVE
20 SERVICE.—Section 6326(a) of such title is amended by
21 striking “after completing 30 or more years” and inserting
22 “and has at least 30 years”.

23 (e) TRANSFER OF ENLISTED MEMBERS TO THE
24 FLEET RESERVE AND FLEET MARINE CORPS RE-
25 SERVE.—Section 6330(b) of such title is amended by
26 striking “who has completed 20 or more years” both

1 places it appears and inserting “and has at least 20
2 years”.

3 (f) TRANSFER OF MEMBERS OF THE FLEET RE-
4 SERVE AND FLEET MARINE CORPS RESERVE TO THE RE-
5 TIRED LIST.—Section 6331(a) of such title is amended
6 by striking “completed 30 years” and inserting “has at
7 least 30 years”.

8 (g) EFFECTIVE DATE.—The Secretary of the Navy
9 may determine the effective date of the amendments made
10 by this section.

11 **Subtitle E—Benefits**

12 **SEC. 541. AUTHORITY TO TRANSPORT REMAINS OF RETIR- 13 EES WHO DIE IN MILITARY TREATMENT FA- 14 CILITIES OUTSIDE THE UNITED STATES.**

15 (a) AUTHORIZE TRANSPORT OUTSIDE THE UNITED
16 STATES.—Section 1490 of title 10, United States Code,
17 is amended—

18 (1) in subsection (a), by striking “located in the
19 United States”; and

20 (2) in subsection (b)(1), by striking “outside
21 the United States or to a place”.

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

24 “(c) In this section, the term ‘dependent’ has the
25 meaning given such term in section 1072(2) of this title.”.

1 **SEC. 542. CHANGE FAMILY SEPARATION HOUSING ALLOW-**
2 **ANCE FROM AN ENTITLEMENT TO A DISCRE-**
3 **TIONARY ALLOWANCE.**

4 Section 403(d)(1) of title 37, United States Code, is
5 amended by striking “is entitled to” and inserting “may
6 be paid, at the discretion of the Secretary concerned,”.

7 **SEC. 543. PAYMENT OF DEPENDENT STUDENT BAGGAGE**
8 **STORAGE.**

9 Section 430(b)(2) of title 37, United States Code, is
10 amended by striking “during the dependent’s annual trip
11 between the school and the member’s duty station” and
12 inserting “one time per fiscal year”.

13 **SEC. 544. MODIFICATION OF PROHIBITION ON REQUIRE-**
14 **MENT OF NONAVAILABILITY STATEMENT OR**
15 **PREAUTHORIZATION.**

16 Section 721 of the Floyd D. Spence National Defense
17 Authorization Act for Fiscal Year 2001 (Public Law 106–
18 398; 114 Stat. 1654A–184), as enacted into law by Public
19 Law 106–398, and as amended by Public Law 107–107,
20 is hereby repealed.

1 **Subtitle F—Military Justice**
2 **Matters**

3 **SEC. 551. TECHNICAL AMENDMENT TO THE UNIFORM CODE**
4 **OF MILITARY JUSTICE CONCERNING THE OF-**
5 **FENSE OF DRUNKEN OPERATION OF A VEHI-**
6 **CLE, AIRCRAFT, OR VESSEL.**

7 Section 911 of title 10, United States Code, is
8 amended to read as follows:

9 **“§911. Drunken or reckless operation of a vehicle,**
10 **aircraft, or vessel**

11 “(a) Any person subject to this chapter who—

12 “(1) operates or physically controls any vehicle,
13 aircraft, or vessel in a reckless or wanton manner or
14 while impaired by a substance described in section
15 912a(b) of this title, or

16 “(2) operates or is in actual physical control of
17 any vehicle, aircraft, or vessel while drunk or when
18 the alcohol concentration in the person’s blood or
19 breath is at or above the level prohibited under sub-
20 section (b), as shown by chemical analysis, shall be
21 punished as a court-martial may direct.

22 “(b)(1) For purposes of subsection (a), the applicable
23 limit on the alcohol concentration in a person’s blood or
24 breath is as follows:

1 “(A) In the case of the operation or control of
2 a vehicle, aircraft, or vessel in the United States, the
3 level is the blood or breath alcohol concentration
4 prohibited under the law of the State in which the
5 conduct occurred, except as may be provided under
6 paragraph (2) for conduct on a military installation
7 that is in more than one State, and subject to the
8 prohibited alcohol concentration level specified in
9 paragraph (3).

10 “(B) In the case of the operation or control of
11 a vehicle, aircraft, or vessel outside the United
12 States, the level is the blood alcohol concentration
13 specified in paragraph (3) or such lower level as the
14 Secretary of Defense may by regulation prescribe.

15 “(2) In the case of a military installation that is in
16 more than one State, if those States have different levels
17 for defining their prohibited blood alcohol concentrations
18 under their respective State laws, the Secretary concerned
19 for the installation may select one such level to apply uni-
20 formly on that installation.

21 “(3) For purposes of paragraph (1), the level of alco-
22 hol concentration prohibited in a person’s blood is 0.10
23 grams or more of alcohol per 100 milliliters of blood and
24 with respect to a person’s breath is 0.10 grams or more

1 of alcohol per 210 liters of breath, as shown by chemical
2 analysis.

3 “(4) In this subsection, the term ‘United States’ in-
4 cluded the District of Columbia, the Commonwealth of
5 Puerto Rico, the Virgin Islands, Guam, and American
6 Samoa and the term ‘State’ includes each of those juris-
7 dictions.”.

8 **Subtitle G—Other Matters**

9 **SEC. 561. TERMINATION OF DISABILITY REVIEW BOARDS.**

10 (a) **MILITARY DEPARTMENTS.**—Section 1554 of title
11 10, United States Code, is repealed.

12 (b) **PUBLIC HEALTH SERVICE.**—Section 221(a) of
13 the Public Health Service Act (42 U.S.C. 213a(a)) is
14 amended—

15 (1) by striking paragraph (14); and

16 (2) by redesignating paragraphs (15), (16), and
17 (17) as paragraphs (14), (15), and (16), respec-
18 tively.

19 **SEC. 562. BASIC TRAINING REQUIREMENT FOR CERTAIN** 20 **MEMBERS ACCESSED UNDER A DIRECT** 21 **ENTRY PROGRAM.**

22 Paragraph (1) of section 671(c) of title 10, United
23 States Code, is amended to read as follows:

24 “(1) Under regulations prescribed under paragraph
25 (2), a period of basic training (or equivalent training)

1 shorter than 12 weeks may be established by the Secretary
2 concerned for members of the armed forces who—

3 “(A) have been credentialed in a medical pro-
4 fession or occupation and are serving in a health-
5 care occupational specialty; or

6 “(B) have been accessed into a direct entry pro-
7 gram established by the Secretary concerned based
8 on unique skills acquired in a civilian occupation.

9 Any such period shall be established under regulations
10 prescribed under paragraph (2) and may be established
11 notwithstanding section 4(a) of the Military Selective
12 Service Act (50 U.S.C. App. 454(a)).”.

13 **SEC. 563. ALTERNATE INITIAL MILITARY SERVICE OBLIGA-**
14 **TION FOR PERSONS ACCESSED UNDER DI-**
15 **RECT ENTRY PROGRAM.**

16 Subsection (a) of section 651 of title 10, United
17 States Code, is amended to read as follows:

18 “(a)(1) Each person who becomes a member of an
19 armed force, other than a person described in paragraph
20 (2), shall serve in the armed forces for a total initial period
21 of not less than six years nor more than eight years, as
22 provided in regulations prescribed by the Secretary of De-
23 fense for the armed forces under his jurisdiction and by
24 the Secretary of Homeland Security for the Coast Guard
25 when it is not operating as a service in the Navy, unless

1 such person is sooner discharged under such regulations
2 because of personal hardship. Any part of such service
3 that is not active duty or that is active duty for training
4 shall be performed in a reserve component.

5 “(2) A person is not subject to paragraph (1) if that
6 person—

7 “(A) deferred under the next to the last sen-
8 tence of section 6(d)(1) of the Military Selective
9 Service Act (50 U.S.C. App. 456(d)(1)); or

10 “(B) accessed into a direct entry program es-
11 tablished by the Secretary concerned based on
12 unique skills acquired in a civilian occupation.”.

13 **SEC. 564. RELEASE OF TAXPAYER ADDRESS INFORMATION**
14 **HELD BY THE INTERNAL REVENUE SERVICE**
15 **ON MEMBERS OF THE ARMED FORCES.**

16 (a) **AUTHORITY.**—Section 6103(m) of the Internal
17 Revenue Code of 1986 (26 U.S.C. 6103(m)) is amended
18 by adding at the end the following new paragraph:

19 “(8) **MEMBERS OF THE ARMED FORCES.**—

20 “(A) **IN GENERAL.**—Upon written request
21 by the Secretary of Defense, the Secretary of a
22 military department, or the Secretary of Home-
23 land Security with respect to the Coast Guard
24 when it is not operating as a service in the
25 Navy, the Secretary may disclose the mailing

1 address of an individual to officers or employees
2 of the Department of Defense or Department of
3 Homeland Security for use by such officers or
4 employees or their agents for the purpose of lo-
5 cating such individual who is serving in a re-
6 serve component of the armed forces of the
7 United States.

8 “(B) PRIOR ATTEMPTS TO OBTAIN AD-
9 DRESS INFORMATION FROM OTHER SOURCES.—

10 Such requests shall be made only after the Sec-
11 retary of Defense, the Secretary of a military
12 department or the Secretary of Homeland Secu-
13 rity, as the case may be, has made every rea-
14 sonable effort to locate the individual through
15 other sources.

16 “(C) EXCEPTION DURING NATIONAL
17 EMERGENCY OR WAR.—During a national emer-
18 gency declared by the President or war declared
19 by Congress, the Secretary of Defense, the Sec-
20 retary of a military department or the Sec-
21 retary of Homeland Security may request the
22 address of an individual, notwithstanding sub-
23 paragraph (B), if the individual possesses a
24 critical skill and is needed for immediate mobili-

1 zation under section 12304, 12302, or 12301(a)
2 of title 10.

3 “(D) EXPIRATION OF AUTHORITY.—No in-
4 formation shall be released under this section
5 after September 30, 2006.”.

6 (b) DISCLOSURE TO CONTRACTORS.—Subsection (p)
7 of such section is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(9) DISCLOSURE TO CONTRACTORS.—

10 “(A) IN GENERAL.—Notwithstanding any
11 other provision of this section, no return or re-
12 turn information shall be disclosed to a con-
13 tractor or other agent of a Federal, State, or
14 local agency unless such agency, to the satisfac-
15 tion of the Secretary—

16 “(i) has requirements in effect that
17 require each contractor or other agent of
18 such agency that would have access to re-
19 turns or return information to provide
20 safeguards (within the meaning of para-
21 graph (4)) to protect the confidentiality of
22 such returns or return information;

23 “(ii) agrees to conduct a regular, on-
24 site review (mid-point review in the case of
25 contracts of less than 1 year in duration)

1 of each contractor or other agency to de-
2 termine compliance with such require-
3 ments;

4 “(iii) submits the findings of the most
5 recent review conducted under clause (ii)
6 to the Secretary as part of the report re-
7 quired by paragraph (4)(E); and

8 “(iv) certifies to the Secretary for the
9 most recent annual period that all contrac-
10 tors or other agents are in compliance with
11 all such requirements. Such certification
12 shall be signed by the head of the agency
13 or his or her delegate.

14 “The certification required by clause (iv) shall
15 include the name and address of each con-
16 tractor or other agent, a description of the con-
17 tract or agreement of the contractor with the
18 agency, or other authority for agency relation-
19 ship, and the duration of such contract, agree-
20 ment or authority.

21 “(B) RELATIONSHIP TO PROVISION GOV-
22 ERNING DISCLOSURE FOR PURPOSES OF TAX
23 ADMINISTRATION.—The requirements of this
24 paragraph shall not apply to disclosures pursu-

1 ant to subsection (n) for purposes of Federal
2 tax administration.”.

3 (c) CONFORMING AND TECHNICAL AMENDMENTS.—

4 (1) Such section is further amended—

5 (A) in subsection (a)(3), by striking “(2) or
6 (4)(B)” and inserting “(2), (4)(B), (5), (7), or (8)”;
7 and

8 (B) in subsection (p)(4), by striking “under
9 paragraph (2), (4), (6), or (7) of subsection (m)”
10 and inserting “under paragraph (2), (4), (5), (6),
11 (7), or (8) of subsection (m)”.

12 (2) Section 7213(a)(2) of such Code (26 U.S.C.
13 7213(a)(2)) is amended by striking “or (7) of section
14 6103” and inserting “(7), or (8) of section 6103”.

15 **SEC. 565. JOINT WARFIGHTING CAPABILITIES FUNDING.**

16 Section 166a(b) of title 10, United States Code, is
17 amended by adding at the end the following new para-
18 graph:

19 “(10) Joint warfighting capabilities.”.

20 **SEC. 566. REAPPOINTMENT OF CHAIRMAN AND VICE-**
21 **CHAIRMAN OF THE JOINT CHIEFS OF STAFF**
22 **DURING NATIONAL EMERGENCY.**

23 (a) REAPPOINTMENT OF THE CHAIRMAN OF THE
24 JOINT CHIEFS OF STAFF.—Section 152(a) of title 10,
25 United States Code, is amended—

1 (1) in paragraph (1), by striking “in time of
2 war” and inserting “in time of war or during a na-
3 tional emergency declared by the President or Con-
4 gress”; and

5 (2) in paragraph (3), by striking “in time of
6 war” and inserting “in time of war or during a na-
7 tional emergency declared by the President or Con-
8 gress”.

9 (b) REAPPOINTMENT OF THE VICE-CHAIRMAN OF
10 THE JOINT CHIEFS OF STAFF.—Paragraph (3) of section
11 154(a) of such title is amended by striking “in time of
12 war” and inserting “in time of war or during a national
13 emergency declared by the President or Congress”.

14 **TITLE VI—COMPENSATION AND**
15 **OTHER PERSONNEL BENEFITS**

 Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2004.
- Sec. 602. Housing allowance for each married partner when both are on sea duty and there are no other dependents.
- Sec. 603. Amendment to basic pay for certain commissioned officers with prior service as an enlisted member or warrant officer.

 Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. Increase maximum amount of selective reenlistment bonus.
- Sec. 612. Making all warrant officers eligible for accession bonus for new officers in critical skills.
- Sec. 613. Incentive bonus: lateral conversion bonus for converting to undermanned military occupational specialties.
- Sec. 614. Extending hostile fire and imminent danger pay to Reserve component members on inactive duty.
- Sec. 615. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
- Sec. 616. Notice and wait provision concerning critical skills retention bonus.
- Sec. 617. Expansion of overseas tour extension incentive program benefits to officers.

Sec. 618. One-year extension of certain bonus and special pay authorities for Reserve forces.

Sec. 619. One-year extension of special pay and bonus authorities for nuclear officers.

Sec. 620. One-year extension of authorities relating to payment of other bonuses.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Shipment of a privately owned motor vehicle within the continental United States.

Subtitle D—Other Matters

Sec. 631. Providing members serving in a contingency operation the same tax filing delay provided to members serving in a combat zone or in a qualified hazardous duty area.

Sec. 632. Permit non-scholarship senior ROTC sophomores to voluntarily contract and receive subsistence allowance.

Sec. 633. Increase annual student loan repayment authority.

Sec. 634. Authorize cabinet secretaries, secretaries of military departments, and heads of independent agencies to be paid on a biweekly basis.

1 **Subtitle A—Pay and Allowances**

2 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.**

3 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
4 adjustment to become effective during fiscal year 2004 re-
5 quired by section 1009 of title 37, United States Code,
6 in the rates of monthly basic pay authorized members of
7 the uniformed services shall not be made.

8 (b) INCREASE IN BASIC PAY FOR MEMBERS OF THE
9 ARMED FORCES.—Effective on January 1, 2004, the rates
10 of monthly basic pay for members of the armed forces
11 within each pay grade are as follows:

COMMISSIONED OFFICERS ¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30
O-7 ...	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40
O-6 ...	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70
O-5 ...	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80
O-4 ...	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30
O-3 ³	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10
O-2 ³	2,595.60	2,956.50	3,405.00	3,519.90	3,592.50
O-1 ³	2,253.60	2,345.10	2,834.70	2,834.70	2,834.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90
O-7 ...	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90
O-6 ...	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30
O-5 ...	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60
O-4 ...	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60
O-3 ³	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30
O-2 ³	3,592.50	3,592.50	3,592.50	3,592.50	3,592.50
O-1 ³	2,834.70	2,834.70	2,834.70	2,834.70	2,834.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,524.70	\$12,586.20	\$12,847.80	\$13,303.80
O-9 ...	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O-8 ...	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O-7 ...	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O-6 ...	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O-5 ...	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O-4 ...	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O-3 ³	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O-2 ³	3,592.50	3,592.50	3,592.50	3,592.50	3,592.50
O-1 ³	2,834.70	2,834.70	2,834.70	2,834.70	2,834.70

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, is \$14,679.30, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

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 OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,119.40	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

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8 ...	0.00	0.00	0.00	0.00	0.00
E-7 ...	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10
E-6 ...	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00
E-5 ...	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60
E-4 ...	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50
E-3 ...	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E-1 ³	1,086.00	0.00	0.00	0.00	0.00
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,769.20	\$3,854.70	\$3,962.40	\$4,089.30
E-8 ...	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50
E-7 ...	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60
E-6 ...	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90
E-5 ...	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90
E-4 ...	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3 ...	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E-1 ³	1,173.90	1,173.90	1,173.90	1,173.90	1,173.90
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$4,216.50	\$4,421.10	\$4,594.20	\$4,776.60	\$5,054.70
E-8 ...	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E-7 ...	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E-6 ...	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E-5 ...	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E-4 ...	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3 ...	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E-1 ³	1,173.90	1,173.90	1,173.90	1,173.90	1,173.90

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, is \$6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,086.00.

- 1 (c) INCREASE IN BASIC PAY FOR MEMBERS OF THE
- 2 UNIFORMED SERVICES NOT IN THE ARMED FORCES.—
- 3 Effective on January 1, 2004, the rates of monthly basic
- 4 pay for members of the uniformed services not in the
- 5 armed forces is increased by 2.0 percent.

1 **SEC. 602. HOUSING ALLOWANCE FOR EACH MARRIED PART-**
2 **NER WHEN BOTH ARE ON SEA DUTY AND**
3 **THERE ARE NO OTHER DEPENDENTS.**

4 Subparagraph (C) of subsection 403(f)(2) of title 37,
5 United States Code, is amended to read as follows:

6 “(C) Notwithstanding section 421 of this
7 title, two members of the uniformed services in
8 a pay grade below pay grade E-6 who are mar-
9 ried to each other, have no other dependents,
10 and are simultaneously assigned to sea duty are
11 each entitled to a basic allowance for housing
12 during the period of such simultaneous sea
13 duty. The amount of each member’s allowance
14 shall be based on the without dependents rate
15 for the pay grade of the member.”.

16 **SEC. 603. AMENDMENT TO BASIC PAY FOR CERTAIN COM-**
17 **MISSIONED OFFICERS WITH PRIOR SERVICE**
18 **AS AN ENLISTED MEMBER OR WARRANT OF-**
19 **FICER.**

20 Section 203(d)(2) of title 37, United States Code, is
21 amended to read as follows:

22 “(2) Service to be taken into account for pur-
23 poses of computing basic pay under paragraph (1)
24 is as follows:

25 “(A) Active service as a warrant officer or
26 as a warrant officer and an enlisted member.

1 “(B) Service as a warrant officer, as an
2 enlisted member, or as a warrant officer and an
3 enlisted member, for which at least 1,460
4 points have been credited to the officer for the
5 purposes of section 12732(a)(2) of title 10.”.

6 **Subtitle B—Bonuses and Special**
7 **and Incentive Pays**

8 **SEC. 611. INCREASE MAXIMUM AMOUNT OF SELECTIVE RE-**
9 **ENLISTMENT BONUS.**

10 Section 308(a)(2)(B) of title 37, United States Code,
11 is amended by striking “\$60,000” and inserting
12 “\$90,000”.

13 **SEC. 612. MAKING ALL WARRANT OFFICERS ELIGIBLE FOR**
14 **ACCESSION BONUS FOR NEW OFFICERS IN**
15 **CRITICAL SKILLS.**

16 Section 324 of title 37, United States Code, is
17 amended—

18 (1) in subsection (a), by inserting “or an ap-
19 pointment” after “commission”; and

20 (2) in subsection (f), by inserting “or an ap-
21 pointment” after “commission”.

1 **SEC. 613. INCENTIVE BONUS: LATERAL CONVERSION**
2 **BONUS FOR CONVERTING TO UNDERMANNED**
3 **MILITARY OCCUPATIONAL SPECIALTIES.**

4 (a) BONUS AUTHORIZED.—Chapter 5 of title 37,
5 United States Code, is amended by adding at the end the
6 following new section:

7 **“§ 326. Incentive bonus: lateral conversion bonus for**
8 **converting to undermanned military oc-**
9 **cupational specialties**

10 “(a) AUTHORITY AND ELIGIBILITY REQUIRE-
11 MENTS.—(1) The Secretary concerned may pay a bonus
12 to a member of the armed forces who agrees to serve in
13 a military occupational specialty, rating or other military
14 specialty defined by the member’s armed force, that is des-
15 ignated by the Secretary concerned as undermanned for
16 purposes of this bonus.

17 “(2) A bonus may only be paid under this section
18 to a member who:

19 “(A) is entitled to basic pay;

20 “(B) is serving in pay grade E–6 (with less
21 than 10 years of service) or E–5 and below (regard-
22 less of years of service); and

23 “(C) agrees to serve for a period of not less
24 than two years in a military occupational specialty,
25 rating or other military specialty designated by the

1 Secretary concerned as undermanned for the pur-
2 poses of this bonus.

3 “(b) AMOUNT AND PAYMENT OF BONUS.—(1) A
4 bonus under this section may not exceed \$4,000.

5 “(2) Any bonus payable under this section shall be
6 disbursed in one lump sum payment when the member’s
7 conversion to the new military specialty is approved by the
8 personnel chief of the member’s armed force, or his des-
9 ignee.

10 “(c) RELATIONSHIP TO OTHER PAY AND ALLOW-
11 ANCES.—A bonus paid to a member under this section is
12 in addition to any other pay and allowances to which the
13 member is entitled.

14 “(d) REPAYMENT OF BONUS.—(1) A member who re-
15 ceives a bonus payment under this section and who volun-
16 tarily or through misconduct, fails to serve for the re-
17 quired period in the undermanned military occupational
18 specialty, rating or other military specialty defined by the
19 armed force for which the bonus was paid, shall refund
20 to the United States an amount that bears the same ratio
21 to the amount of the bonus paid to the member as the
22 period that the member failed to serve bears to the total
23 period for which the bonus was paid.

1 “(2) An obligation to reimburse the United States
2 imposed under paragraph (1) is, for all purposes, a debt
3 owed to the United States.

4 “(3) A discharge in bankruptcy under title 11 that
5 is entered less than five years after the termination of
6 service for which a bonus was paid under this section shall
7 not discharge the person receiving such bonus payment
8 from the debt arising under paragraph (1).

9 “(4) Under regulations prescribed pursuant to sub-
10 section (e), the Secretary concerned may waive, in whole
11 or in part, an obligation to reimburse the United States
12 imposed under paragraph (1) when the Secretary deter-
13 mines that recovery would be against equity and good con-
14 science or would be contrary to the best interests of the
15 United States.

16 “(e) REGULATIONS.—The Secretaries concerned shall
17 prescribe regulations to carry out this section. Regulations
18 prescribed by the Secretary of a military department shall
19 be subject to the approval of the Secretary of Defense.

20 “(f) TERMINATION OF BONUS AUTHORITY.—No
21 bonus may be paid under this section with respect to any
22 lateral conversion approved after September 30 of the
23 third fiscal year that began after the date of enactment
24 of this section.”.

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

“326. Incentive bonus: lateral conversion bonus for converting to undermanned
 military occupational specialties.”.

4 **SEC. 614. EXTENDING HOSTILE FIRE AND IMMINENT DAN-**
 5 **GER PAY TO RESERVE COMPONENT MEM-**
 6 **BERS ON INACTIVE DUTY.**

7 Section 310 of title 37, United States Code, is
 8 amended—

9 (1) in subsection (a), by inserting “under sec-
 10 tion 204, or to compensation under section 206 (as
 11 provided in subsection (b)(2)), of this title,” after
 12 “basic pay”; and

13 (2) in subsection (b)(2), by inserting “, includ-
 14 ing a member who is entitled to compensation under
 15 section 206 of this title if performing inactive duty
 16 in an area that has not been designated as an immi-
 17 nent danger area or has not been under hostile fire
 18 but comes under hostile fire or an explosion of hos-
 19 tile mines during such inactive duty for training pe-
 20 riod,” after “reserve component”.

1 **SEC. 615. EXPANDED EDUCATIONAL ASSISTANCE AUTHOR-**
2 **ITY FOR CADETS AND MIDSHIPMEN RECEIV-**
3 **ING ROTC SCHOLARSHIPS.**

4 (a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE
5 ON ACTIVE DUTY.—Section 2107(c) of title 10, United
6 States Code, is amended by adding at the end the fol-
7 lowing new paragraph:

8 “(3)(A) In the case of any cadet or midshipman eligi-
9 ble to receive financial assistance as provided under para-
10 graph (1) or (2), the Secretary of the military department
11 concerned may pay room and board expenses for such
12 cadet or midshipman, and other expenses required by the
13 educational institution, in lieu of all or part of the finan-
14 cial assistance described in paragraph (1).

15 “(B) The total amount of financial assistance, includ-
16 ing the payment of room and board and other educational
17 expenses, provided to a cadet or midshipman in an aca-
18 demic year under this subsection may not exceed an
19 amount equal to the amount that could be provided as fi-
20 nancial assistance for such cadet or midshipman under
21 paragraph (1) or (2), or other amount determined by the
22 Secretary concerned, without regard to whether room and
23 board and other educational expenses for such cadet or
24 midshipman are paid under this paragraph.”.

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

4 (1) by inserting “(1)” after “(c)”; and

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

7 “(2)(A) In the case of any cadet eligible to re-
8 ceive financial assistance as provided under para-
9 graph (1), the Secretary of the military department
10 concerned may pay room and board expenses for
11 such cadet, and other expenses required by the edu-
12 cational institution, in lieu of all or part of the fi-
13 nancial assistance described in paragraph (1).

14 “(B) The total amount of financial assistance,
15 including the payment of room and board and any
16 other educational expenses, provided to a cadet in an
17 academic year under this subsection may not exceed
18 an amount equal to the amount that could be pro-
19 vided as financial assistance for such cadet under
20 paragraph (1), or other amount determined by the
21 Secretary of the Army, without regard to whether
22 the room and board and other educational expenses
23 for such cadet are paid under this paragraph.”.

1 **SEC. 616. NOTICE AND WAIT PROVISION CONCERNING**
2 **CRITICAL SKILLS RETENTION BONUS.**

3 Section 323(b) of title 37, United States Code, is
4 amended by striking paragraph (2).

5 **SEC. 617. EXPANSION OF OVERSEAS TOUR EXTENSION IN-**
6 **CENTIVE PROGRAM BENEFITS TO OFFICERS.**

7 (a) REST AND RECUPERATIVE ABSENCE.—(1) Sec-
8 tion 705 of title 10, United States Code, is amended—

9 (A) by striking “enlisted” in the section head-
10 ing; and

11 (B) in subsection (a), by striking “an enlisted”
12 and inserting “a”.

13 (2) The item relating to such section in the table of
14 sections at the beginning of chapter 40 of such title is
15 amended to read as follows:

“705. Rest and recuperative absence for qualified members extending duty at
designated locations overseas.”.

16 (b) SPECIAL PAY OR BONUS.—(1) Section 314 of
17 title 37, United States Code, is amended—

18 (A) by striking “enlisted” in the section head-
19 ing;

20 (B) in subsection (a), by striking “an enlisted”
21 and inserting “a”; and

22 (C) in subsection (b), by striking “an enlisted”
23 and inserting “a”.

1 (2) The item relating to such section in the table of
2 sections at the beginning of chapter 5 of such title is
3 amended to read as follows:

“314. Special pay or bonus: qualified members extending duty at designated lo-
cations overseas.”.

4 **SEC. 618. ONE-YEAR EXTENSION OF CERTAIN BONUS AND**
5 **SPECIAL PAY AUTHORITIES FOR RESERVE**
6 **FORCES.**

7 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN
8 CRITICALLY SHORT WARTIME SPECIALTIES.—Section
9 302g(f) of title 37, United States Code, is amended by
10 striking out “December 31, 2003” and inserting “Decem-
11 ber 31, 2004”.

12 (b) SELECTED RESERVE REENLISTMENT BONUS.—
13 Section 308b(f) of such title is amended by striking out
14 “December 31, 2003” and inserting “December 31,
15 2004”.

16 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
17 tion 308c(e) of such title is amended by striking out “De-
18 cember 31, 2003” and inserting “December 31, 2004”.

19 (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-
20 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
21 308d(c) of such title is amended by striking out “Decem-
22 ber 31, 2003” and inserting “December 31, 2004”.

1 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-
2 tion 308e(e) of such title is amended by striking “Decem-
3 ber 31, 2001” and inserting “December 31, 2004”.

4 (f) READY RESERVE ENLISTMENT AND REENLIST-
5 MENT BONUS.—Section of 308h(g) of such title is amend-
6 ed by striking “December 31, 2003” and inserting “De-
7 cember 31, 2004”.

8 (g) PRIOR SERVICE REENLISTMENT BONUS.—Sec-
9 tion 308i(f) of such title is amended by striking “Decem-
10 ber 31, 2003” and inserting “December 31, 2004”.

11 (h) REPAYMENT OF EDUCATION LOANS FOR CER-
12 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
13 LECTED RESERVE.—Section 16302(d) of title 10, United
14 States Code, is amended by striking “January 1, 2004”
15 and inserting “January 1, 2005”.

16 **SEC. 619. ONE-YEAR EXTENSION OF SPECIAL PAY AND**
17 **BONUS AUTHORITIES FOR NUCLEAR OFFI-**
18 **CERS.**

19 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
20 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
21 312(e) of title 37, United States Code, is amended by
22 striking “December 31, 2003” and inserting “December
23 31, 2004”.

1 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
2 312b(c) of such title is amended by striking “December
3 31, 2003” and inserting “December 31, 2004”.

4 (c) NUCLEAR CAREER ANNUAL INCENTIVE
5 BONUS.—Section 312c(d) of such title is amended by
6 striking “December 31, 2003” and inserting “December
7 31, 2004”.

8 **SEC. 620. ONE-YEAR EXTENSION OF AUTHORITIES RELAT-**
9 **ING TO PAYMENT OF OTHER BONUSES.**

10 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
11 tion 301b(a) of title 37, United States Code, is amended
12 by striking “December 31, 2003” and inserting “Decem-
13 ber 31, 2004”.

14 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
15 BERS.—Section 308(g) of such title is amended by strik-
16 ing “December 31, 2003” and inserting “December 31,
17 2004”.

18 (c) ENLISTMENT BONUS.—Section 309(e) of such
19 title is amended by striking “December 31, 2003” and in-
20 serting “December 31, 2004”.

21 (d) RETENTION BONUS FOR MEMBERS QUALIFIED
22 IN A CRITICAL MILITARY SKILL.—Section 323(i) of such
23 title is amended by striking “December 31, 2003” and in-
24 serting “December 31, 2004”.

1 (e) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
 2 ICAL SKILLS.—Section 324(g) of such title is amended by
 3 striking “December 31, 2003” and inserting “December
 4 31, 2004”.

5 **Subtitle C—Travel and** 6 **Transportation Allowances**

7 **SEC. 621. SHIPMENT OF A PRIVATELY OWNED MOTOR VEHI-**
 8 **CLE WITHIN THE CONTINENTAL UNITED**
 9 **STATES.**

10 (a) AUTHORITY TO PROCURE CONTRACT FOR
 11 TRANSPORTATION OF MOTOR VEHICLE.—Section 2634 of
 12 title 10, United States Code, is amended by adding at the
 13 end the following new subsection:

14 “(i) In the case of a change of permanent station de-
 15 scribed in clause (A) or (B) of subsection (h)(1) of this
 16 section, the Secretary concerned may authorize the mem-
 17 ber to arrange shipment of the motor vehicle in lieu of
 18 transportation at the expense of the United States. The
 19 member may be paid a monetary allowance in lieu of
 20 transportation as established under section 404(d)(1) of
 21 title 37 and the member is responsible for any transpor-
 22 tation costs in excess of such allowance.”.

23 (b) ALLOWANCE FOR SELF-PROCUREMENT OF
 24 TRANSPORTATION OF MOTOR VEHICLE.—Subparagraph
 25 (B) of section 406(b)(1) of title 37, United States Code,

1 is amended by adding at the end the following new sen-
 2 tence: “In the case of the transportation of a motor vehicle
 3 arranged by the member under subsection (i) of section
 4 2634 of title 10, the member, who has proof of shipment,
 5 may be paid a monetary allowance in lieu of transpor-
 6 tation as established under section 404(d)(1) of this
 7 title.”.

8 **Subtitle D—Other Matters**

9 **SEC. 631. PROVIDING MEMBERS SERVING IN A CONTIN-** 10 **GENCY OPERATION THE SAME TAX FILING** 11 **DELAY PROVIDED TO MEMBERS SERVING IN** 12 **A COMBAT ZONE OR IN A QUALIFIED HAZ-** 13 **ARDOUS DUTY AREA.**

14 (a) IN GENERAL.—Section 7508(a) of the Internal
 15 Revenue Code of 1986 (relating to deadlines postponed by
 16 reason of service in a combat zone) is amended—

17 (1) by inserting “or when deployed outside the
 18 United States away from the individual’s permanent
 19 duty station while participating in an operation des-
 20 ignated by the Secretary of Defense as a contin-
 21 gency operation, or which became a contingency op-
 22 eration by operation of law, pursuant to section 101
 23 of title 10” after “section 112”; and

1 prescribed under subsection (a) for a maximum of twenty
2 months.

3 “(2) To be eligible to receive a subsistence allowance
4 under this subsection, a person must—

5 “(A) be a citizen of the United States;

6 “(B) enlist in an armed force under the juris-
7 diction of the Secretary of the military department
8 concerned for the period prescribed by the Secretary;

9 “(C) contract, with the consent of his parent or
10 guardian if he is a minor, with the Secretary of the
11 military department concerned, or his designated
12 representative, to serve for the period required by
13 the program;

14 “(D) agree in writing that he will accept an ap-
15 pointment, if offered, as a commissioned officer in
16 the Army, Navy, Air Force, or Marine Corps, as the
17 case may be, and that he will serve in the armed
18 forces for the period prescribed by the Secretary;

19 “(E) complete successfully the first year of a
20 four-year Senior Reserve Officers’ Training Corps
21 course;

22 “(F) not be eligible for advanced training under
23 section 2104 of title 10;

24 “(G) not be appointed under section 2107 of
25 title 10; and

1 (B) by amending paragraph (B) to read as
2 follows:

3 “(B) an employee or individual excluded
4 from the definition of ‘employee’ in section
5 5541(2), other than an employee or individual
6 excluded by clauses (ii), (iii), and (xiv)–(xvii) of
7 such section. Notwithstanding the preceding
8 sentence, an individual who otherwise would be
9 excluded from this section shall be deemed to be
10 an employee for purposes of this section if the
11 individual’s employing agency so elects, under
12 guidelines in regulations to be promulgated by
13 the Office of Personnel Management under sub-
14 section (c)(2).”;

15 (2) in subsection (b), by striking the last sen-
16 tence; and

17 (3) in subsection (c)—

18 (A) by inserting “(1)” after “(c)”; and

19 (B) by adding at the end the following new
20 paragraph:

21 “(2) The Office of Personnel Management shall
22 provide guidelines by regulation for exemptions to be
23 made by the heads of agencies under the last sen-
24 tence of subsection (a)(B) only under exceptional
25 circumstances.”.

1 **TITLE VII—HEALTH CARE**
 2 **PROVISIONS**

Sec. 701. Revision of Department of Defense Medicare Eligible Retiree Health Care Fund to permit more accurate actuarial valuations.

Sec. 702. Applicability of the Federal Advisory Committee Act to the Pharmacy and Therapeutics Committee.

Sec. 703. Changes to Department of Defense-Department of Veterans Affairs Health Executive Committee.

3 **SEC. 701. REVISION OF DEPARTMENT OF DEFENSE MEDI-**
 4 **CARE ELIGIBLE RETIREE HEALTH CARE**
 5 **FUND TO PERMIT MORE ACCURATE ACTU-**
 6 **ARIAL VALUATIONS.**

7 Section 1115(c) of title 10, United States Code, is
 8 amended by adding at the end the following new para-
 9 graph:

10 “(6) In determining single level dollar amounts in
 11 subparagraphs (1)(A) and (1)(B), the Secretary of De-
 12 fense may, if the Secretary determines that it would
 13 produce a more accurate and appropriate actuarial valu-
 14 ation, determine a separate single level dollar amount
 15 under either or both subparagraphs for any individual par-
 16 ticipating uniformed service. If the Secretary makes any
 17 such determination, the Secretary (or in the case of a par-
 18 ticipating uniformed service under the jurisdiction of an-
 19 other administering Secretary, the administering Sec-
 20 retary concerned) shall make corresponding calculations
 21 under section 1116(a) of this title for the contributions
 22 applicable to the affected uniformed services.”.

1 **SEC. 702. APPLICABILITY OF THE FEDERAL ADVISORY**
 2 **COMMITTEE ACT TO THE PHARMACY AND**
 3 **THERAPEUTICS COMMITTEE.**

4 Section 1074g(b)(1) of title 10, United States Code,
 5 is amended by adding at the end the following new sen-
 6 tence: “The Federal Advisory Committee Act (5 U.S.C.
 7 App.) shall not apply to the Pharmacy and Therapeutics
 8 Committee.”.

9 **SEC. 703. CHANGES TO DEPARTMENT OF DEFENSE-DE-**
 10 **PARTMENT OF VETERANS AFFAIRS HEALTH**
 11 **EXECUTIVE COMMITTEE.**

12 Subsection (c) of section 8111 of title 38, United
 13 States Code, is amended to read as follows:

14 “(c) DOD–VA JOINT EXECUTIVE COMMITTEE.—(1)
 15 There is established an interagency committee to be
 16 known as the Department of Veterans Affairs-Department
 17 of Defense Joint Executive Committee (hereinafter in this
 18 section referred to as the ‘Committee’). The Committee
 19 is composed of—

20 “(A) the Deputy Secretary of Veterans Affairs
 21 and such other officers and employees of the Depart-
 22 ment of Veterans Affairs as the Secretary of Vet-
 23 erans Affairs may designate; and

24 “(B) the Under Secretary of Defense for Per-
 25 sonnel and Readiness and such other officers and

1 employees of the Department of Defense as the Sec-
2 retary of Defense may designate.

3 “(2) The Deputy Secretary of Veterans Affairs and
4 the Under Secretary of Defense shall determine the size
5 and structure of the Committee, as well as the administra-
6 tive and procedural guidelines for the operation of the
7 Committee. The two Departments shall supply appro-
8 priate staff and resources to provide administrative sup-
9 port and services. Support for such purposes shall be pro-
10 vided at a level sufficient for the efficient operation of the
11 Committee, including a subordinate Health Executive
12 Committee, a subordinate Benefits Executive Committee,
13 and such other committees or working groups as deemed
14 necessary by the co-chairs.

15 “(3) The Committee shall recommend to the Secre-
16 taries strategic direction for the joint coordination and
17 sharing efforts between and within the two Departments
18 under this section and shall oversee implementation of
19 those efforts.

20 “(4) The Committee shall submit to the two Secre-
21 taries and to Congress an annual report containing such
22 recommendations as the Committee considers appropriate.

23 “(5) In order to enable the Committee to make rec-
24 ommendations in its annual report under paragraph (4),
25 the Committee shall do the following:

1 “(A) Review existing policies, procedures, and
2 practices relating to the coordination and sharing of
3 resources between the two Departments.

4 “(B) Identify changes in policies, procedures,
5 and practices that, in the judgment of the Com-
6 mittee, would promote mutually beneficial coordina-
7 tion, use, or exchange of use of services and re-
8 sources of the two Departments, with the goal of im-
9 proving the quality, efficiency and effectiveness of
10 the delivery of benefits and services to veterans,
11 service members, military retirees and their families
12 through an enhanced Department of Veterans Af-
13 fairs and Department of Defense partnership.

14 “(C) Identify and assess further opportunities
15 for the coordination and collaboration between the
16 Departments that, in the judgment of the Com-
17 mittee, would not adversely affect the range of serv-
18 ices, the quality of care, or the established priorities
19 for benefits provided by either Department.

20 “(D) Review the plans of both Departments for
21 the acquisition of additional resources, especially
22 new facilities and major equipment and technology,
23 in order to assess the potential effect of such plans
24 on further opportunities for the coordination and
25 sharing of resources.

1 “(E) Review the implementation of activities
2 designed to promote the coordination and sharing of
3 resources between the Departments.”.

4 **TITLE VIII—ACQUISITION POL-**
5 **ICY, ACQUISITION MANAGE-**
6 **MENT, AND RELATED MAT-**
7 **TERS**

Subtitle A—Acquisition Policy and Management

- Sec. 801. Milestone authorization of selected defense acquisition programs.
- Sec. 802. Contract closeout.
- Sec. 803. Clarification of requirement to buy certain articles from American sources; exceptions.

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

- Sec. 811. Extend use of the Defense Modernization Account for life cycle cost reduction initiatives.
- Sec. 812. Extension and clarification of authority to carry out certain prototype projects.
- Sec. 813. Other transaction authority for modernizing legacy systems.
- Sec. 814. Authority for DoD intelligence components to award personal service contracts.
- Sec. 815. Elimination of subcontract notification requirements.
- Sec. 816. Exception for replacement ball bearings and roller bearings to be used in a component of non-domestic origin.
- Sec. 817. Industry assignment program.
- Sec. 818. Reauthorization of Defense Production Act.

Subtitle C—Acquisition-Related Reports and Other Matters

- Sec. 821. Limited access to controlled unclassified information by administrative support service contractors.
- Sec. 822. Elimination of the requirement to furnish written assurances of technical data conformity.
- Sec. 823. Authorization to take actions to correct the industrial resource shortfall for radiation-hardened electronics.
- Sec. 824. Conversions of commercial activities.
- Sec. 825. Make permanent the authority to enter into certain personal services contracts.

1 **Subtitle A—Acquisition Policy and**
2 **Management**

3 **SEC. 801. MILESTONE AUTHORIZATION OF SELECTED DE-**
4 **FENSE ACQUISITION PROGRAMS.**

5 (a) IN GENERAL.—Chapter 144 of title 10, United
6 States Code is amended by adding after section 2435 the
7 following new section:

8 **“§ 2436. Milestone authorization**

9 “(a) DESIGNATION OF PARTICIPATING PROGRAMS.—

10 (1) The Secretary of Defense may designate defense ac-
11 quisition programs in each military department to be con-
12 sidered for milestone authorization of appropriations
13 under subsection (c).

14 “(2) The Secretary may designate a defense acquisi-
15 tion program under paragraph (1) only if the program—

16 “(A) is ready to proceed into system develop-
17 ment and demonstration or production and deploy-
18 ment, or

19 “(B) is in either system development and dem-
20 onstration or production and deployment.

21 “(b) SUBMISSION OF BASELINE DESCRIPTIONS.—

22 Not later than the end of the 90-day period beginning on
23 the date that a defense acquisition program is designated
24 under subsection (a), the Secretary of Defense shall re-
25 quest from Congress that funds be authorized to be appro-

1 priated in a single amount sufficient to carry out the ac-
2 quisition phase for which the baseline description is sub-
3 mitted.

4 “(c) MILESTONE AUTHORIZATION.—Congress shall
5 authorize the appropriation of funds for the system devel-
6 opment and demonstration, or the production and deploy-
7 ment of a program designated by the Secretary of Defense
8 under subsection (a) in a single amount sufficient to carry
9 out that phase, provided that such period for which funds
10 may be obligated may not exceed six years.

11 “(d) NO EFFECT ON STATUTORY AND REGULATORY
12 REQUIREMENTS.—Granting milestone authorization does
13 not change any other statutory or regulatory requirements
14 relating to defense acquisition programs.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 at the beginning of such chapter is amended by adding
17 after the item relating to section 2435 the following new
18 item:

“2436. Milestone authorization.”.

19 **SEC. 802. CONTRACT CLOSEOUT.**

20 (a) IN GENERAL.—The Secretary of Defense shall
21 have the authority to promulgate regulations to settle the
22 financial accounts for contracts executed prior to Sep-
23 tember 30, 1996 that are administratively complete and
24 for which any unreconciled balance, either positive or neg-
25 ative, is less than \$100,000.

1 (b) FINALITY OF DECISION.—Decisions carried out
2 in accordance with these regulations shall be final and
3 conclusive upon the accounting officers of the United
4 States.

5 **SEC. 803. CLARIFICATION OF REQUIREMENT TO BUY CER-**
6 **TAIN ARTICLES FROM AMERICAN SOURCES;**
7 **EXCEPTIONS.**

8 Section 2533a of title 10, United States Code, is
9 amended—

10 (1) in subsection (a)—

11 (A) by striking “subsections (e) through
12 (h)” and inserting “subsections (b) through
13 (i)”; and

14 (B) by striking “if the item is not grown,
15 reprocessed, reused, or produced in the United
16 States”;

17 (2) in subsection (b), by amending paragraphs
18 (1) through (3) to read as follows:

19 “(1) An article or item of—

20 “(A) meals ready-to-eat listed in Federal
21 Supply Class 8970 unless the item is produced
22 or manufactured in the United States;

23 “(B) clothing unless the item is grown, re-
24 processed, reused, or produced in the United
25 States;

1 “(C) tents, tarpaulins, or covers unless the
2 item is grown, reprocessed, reused, or produced
3 in the United States;

4 “(D) cotton and other natural fiber prod-
5 ucts, woven silk or woven silk blends, spun silk
6 yarn for cartridge cloth, synthetic fabric or
7 coated synthetic fabric (including all textile fi-
8 bers and yarns that are for use in such fabrics),
9 canvas products, or wool (whether in the form
10 of fiber or yarn or contained in fabrics, mate-
11 rials, or manufactured articles) unless the item
12 is grown, reprocessed, reused, or produced in
13 the United States; or

14 “(E) any item of individual equipment
15 manufactured from or containing such fibers,
16 yarns, fabrics, or materials unless the item is
17 grown, reprocessed, reused, or produced in the
18 United States;

19 “(2) Equipment of the following Federal supply
20 classifications that contain a specialty metal unless
21 the specialty metal used to produce or manufacture
22 the item, or an equivalent amount that is acquired
23 by the contractor or a subcontractor, was smelted in
24 the United States:

1 “(A) Weapons listed in Federal Supply
2 Group 10.

3 “(B) Nuclear ordnance listed in Federal
4 Supply Group 11.

5 “(C) Fire control equipment listed in Fed-
6 eral Supply Group 12.

7 “(D) Ammunition and explosives listed in
8 Federal Supply Group 13.

9 “(E) Guided missiles listed in Federal
10 Supply Group 14.

11 “(F) Aircraft and related components, ac-
12 cessories, and equipment listed in Federal Sup-
13 ply Groups 15, 16, and 17.

14 “(G) Space vehicles listed in Federal Sup-
15 ply Group 18.

16 “(H) Ships, small craft, pontoons, and
17 floating docks listed in Federal Supply Group
18 19.

19 “(I) Ship and marine equipment listed in
20 Federal Supply Group 20.

21 “(J) Passenger motor vehicles listed in
22 Federal Supply Class 2310.

23 “(K) Tracked combat vehicles listed in
24 Federal Supply Class 2350.

1 “(L) Engines, turbines, and components
2 listed in Federal Supply Group 28.

3 For the purposes of this paragraph, ‘specialty metal’
4 means:

5 “(A) steel—

6 “(i) where the maximum alloy content
7 exceeds one or more of the following limits:
8 manganese, 1.65 percent; silicon, 0.60 per-
9 cent; or copper, 0.60 percent; or

10 “(ii) that contains more than 0.25
11 percent of any of the following elements:
12 aluminum, chromium, cobalt, columbium,
13 molybdenum, nickel, titanium, tungsten, or
14 vanadium;

15 “(B) metal alloys consisting of nickel, iron-
16 nickel, and cobalt base alloys containing a total
17 of other alloying metals (except iron) in excess
18 of 10 percent;

19 “(C) titanium and titanium alloys; or

20 “(D) zirconium and zirconium base alloys;

21 and

22 “(3) Hand tools listed in Federal Supply Group
23 51 and measuring tools listed in Federal Supply
24 Group 52 unless the item is produced or manufac-
25 tured in the United States.”;

1 (3) in subsection (c)—

2 (A) by striking “Subsection (a)” and in-
3 serting “This section”; and

4 (B) by striking “(1) or specialty metals
5 (including stainless steel flatware)”;

6 (4) in subsection (d)—

7 (A) in the catchline for such subsection, by
8 striking “OUTSIDE THE UNITED STATES” and
9 inserting “IN EXIGENT CIRCUMSTANCES”;

10 (B) by striking “Subsection (a) does not
11 apply” and inserting “This section does not
12 apply”;

13 (C) by revising paragraph (1) to read as
14 follows:

15 “(1) Procurements of items listed in sub-
16 sections (b)(1)(A), (b)(2), and (b)(3) in support of
17 contingency operations as defined in section
18 101(a)(13) of this title, and procurements outside
19 the United States of items listed in subsections
20 (b)(1)(B) through (b)(1)(E) in support of combat
21 operations.”; and

22 (D) by revising paragraph (3) to read as
23 follows:

24 “(3) Procurements of items listed in sub-
25 sections (b)(1)(A), (b)(2), and (b)(3) of unusual and

1 compelling urgency under the authority of section
2 2304(e)(2) of this title, and emergency procurements
3 by an establishment located outside the United
4 States of items listed in subsections (b)(1)(B)
5 through (b)(1)(E) for the personnel attached to such
6 establishment.”;

7 (5) by revising subsection (e) to read as follows:

8 “(e) EXCEPTION FOR SPECIALTY METALS AND
9 CHEMICAL WARFARE PROTECTIVE CLOTHING.—(1) This
10 section does not apply to the procurement of end items
11 or components of equipment listed in subsection (b)(2) if
12 the specialty metal used to produce or manufacture the
13 item, or an equivalent amount that is acquired by the con-
14 tractor or a subcontractor, was smelted in a foreign coun-
15 try that has a memorandum of understanding providing
16 for reciprocal procurement of defense items that is entered
17 into with the Department of Defense in accordance with
18 section 2531 of this title.

19 “(2) This section does not apply to the procurement
20 of chemical warfare protective clothing produced outside
21 the United States if—

22 “(A) such procurement is necessary—

23 “(i) to comply with agreements with for-
24 eign governments requiring the United States
25 to purchase supplies from foreign sources for

1 the purposes of offsetting sales made by the
2 United States Government or United States
3 firms under approved programs serving defense
4 requirements; or

5 “(ii) in furtherance of agreements with for-
6 eign governments in which both such govern-
7 ments agree to remove barriers to purchases of
8 supplies produced in the other country or serv-
9 ices performed by sources of the other country;
10 and

11 “(B) any such agreement with a foreign govern-
12 ment complies, where applicable, with the require-
13 ments of section 36 of the Arms Export Control Act
14 (22 U.S.C. 2776) and with section 2457 of this
15 title.”;

16 (6) in subsection (f), by striking “Subsection
17 (a) does not preclude” and inserting “This section
18 does not preclude”;

19 (7) in subsection (g), by striking “Subsection
20 (a) does not apply” and inserting “This section does
21 not apply”;

22 (8) in subsection (h), by striking “Subsection
23 (a) does not apply” and inserting “This section does
24 not apply”; and

25 (9) in subsection (i)—

1 (A) by striking “This section” and insert-
 2 ing “(1) Except as provided in paragraph (2),
 3 this section”; and

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

6 “(2) This section does not apply to commercial
 7 items, or components thereof, that are listed in sec-
 8 tions (b)(1)(A), (b)(2), and (b)(3), except if the end
 9 item is specialty metal.”.

10 **Subtitle B—Amendments to Gen-**
 11 **eral Contracting Authorities,**
 12 **Procedures, and Limitations**

13 **SEC. 811. EXTEND USE OF THE DEFENSE MODERNIZATION**
 14 **ACCOUNT FOR LIFE CYCLE COST REDUCTION**
 15 **INITIATIVES.**

16 (a) TITLE 10 AMENDMENTS.—Section 2216 of title
 17 10, United States Code, is amended—

18 (1) by striking the catchline in subsection (c);

19 (2) by redesignating subsection (c) as para-
 20 graph (b)(5);

21 (3) by inserting after subsection (b) the fol-
 22 lowing new subsection (c):

23 “(c) APPROPRIATIONS FOR LIFE CYCLE COST RE-
 24 Duction.—(1) Funds are authorized to be appropriated
 25 for fiscal years 2004–2006 in the amount of \$25,000,000

1 annually to the Defense Modernization Account for the
2 purpose of providing start-up funds for projects under-
3 taken by a military department, Defense Agency, or other
4 element of the Department of Defense to reduce the life
5 cycle cost of new or existing systems in accordance with
6 criteria established by the Secretary of Defense.

7 “(2) A military department, Defense Agency, or other
8 element of the Department of Defense that receives funds
9 appropriated pursuant to paragraph (1) shall, upon
10 achieving savings from such a project, reimburse the Ac-
11 count for the funds previously received. Funds transferred
12 back to the Account pursuant to this paragraph shall be
13 available for funding new projects under paragraph (1).”;

14 (4) in subsection (d), by striking “AUTHORIZED
15 USE OF FUNDS.—Funds available from the Defense
16 Modernization Account pursuant to subsection (f) or
17 (g) may be used for the following purposes:” and in-
18 serting “AUTHORIZED USE OF TRANSFERRED
19 FUNDS.—Funds transferred to the Defense Mod-
20 ernization Account pursuant to subsection (b) may
21 be used for the following purposes:”; and

22 (5) in paragraph (f)(1), by striking the sentence
23 beginning with “The Secretary” and inserting “The
24 Secretary of Defense may transfer funds in the De-
25 fense Modernization Account to appropriations avail-

1 able to the Department of Defense for the purposes
2 set forth in subsections (c) and (d).”.

3 (b) **EXTENSION OF AUTHORITY.**—Subsection (c) of
4 section 912 of the National Defense Authorization Act for
5 Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410)
6 is amended to read as follows:

7 “(c) **EXPIRATION OF AUTHORITY AND ACCOUNT.**—

8 (1) The authority under section 2216(b) of title 10,
9 United States Code, to transfer funds into the Defense
10 Modernization Account and the authorization under sec-
11 tion 2216(c) of such title to appropriate funds to the De-
12 fense Modernization Account shall terminate on Sep-
13 tember 30, 2006.; and

14 “(2) The Defense Modernization Account shall be
15 closed on September 30, 2011, and any remaining balance
16 in the Account shall be cancelled and thereafter shall not
17 be available for any purpose.”.

18 **SEC. 812. EXTENSION AND CLARIFICATION OF AUTHORITY**
19 **TO CARRY OUT CERTAIN PROTOTYPE**
20 **PROJECTS.**

21 Section 845 of the National Defense Authorization
22 Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat.
23 1547) is amended in subsection (g), by striking “Sep-
24 tember 30, 2004” and inserting “September 30, 2008”.

1 **SEC. 813. OTHER TRANSACTION AUTHORITY FOR MODERN-**
2 **IZING LEGACY SYSTEMS.**

3 Section 845(a) of National Defense Authorization
4 Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat.
5 1547) is amended by inserting “, or are improvements to
6 weapons or weapon systems currently fielded by the De-
7 partment of Defense” after “Department of Defense”.

8 **SEC. 814. AUTHORITY FOR CERTAIN DOD COMPONENTS TO**
9 **AWARD PERSONAL SERVICES CONTRACTS.**

10 (a) Notwithstanding any other provision of law, sums
11 made available by appropriation or otherwise to a covered
12 component, as defined in subsection (b), may be expended
13 for personal services contracts necessary to carry out the
14 covered component’s missions, including personal services
15 without regard to limitations on types of persons to be
16 employed.

17 (b) The term “covered component” includes—

18 (1) any Department of Defense component that
19 is an element of the Intelligence Community, as de-
20 fined in Section 3(4) of the National Security Act of
21 1947 (50 U.S.C. 401a);

22 (2) any element of the Office of the Secretary
23 of Defense designated by the Secretary of Defense
24 for purposes of this section; and

1 (3) the United States Special Operations Com-
2 mand when engaged in special operations activities
3 delineated in 10 U.S.C. 167(j)(1)–(4).

4 **SEC. 815. ELIMINATION OF SUBCONTRACT NOTIFICATION**
5 **REQUIREMENTS.**

6 Section 2306(e) of title 10, United States Code, is
7 amended to read as follows:

8 “(e) Except for contracts with a contractor that
9 maintains a purchasing system approved by the cognizant
10 contracting officer, each cost contract and each cost-plus-
11 a-fixed-fee contract shall require the contractor to provide
12 notice to the agency, prior to the award under a prime
13 contract, of—

14 “(1) a cost-plus-fixed-a-fee subcontract; or

15 “(2) a fixed-price subcontract or purchase order
16 involving more than the greater of—

17 “(A) the simplified acquisition threshold;

18 or

19 “(B) five percent of the estimated cost of
20 the prime contract.”.

21 **SEC. 816. EXCEPTION FOR REPLACEMENT BALL BEARINGS**
22 **AND ROLLER BEARINGS TO BE USED IN A**
23 **COMPONENT OF NON-DOMESTIC ORIGIN.**

24 Section 2534(a)(5) of title 10, United States Code,
25 is amended by inserting before the period at the end the

1 following: “, other than ball bearings and roller bearings
2 to be used in an end product or a component of non-do-
3 mestic origin”.

4 **SEC. 817. INDUSTRY ASSIGNMENT PROGRAM.**

5 (a) IN GENERAL.—Chapter 81 of title 10, United
6 States Code, is amended by inserting after section 1599c
7 the following new section:

8 **“§ 1599d. Government industry assignment program**

9 “(a) AUTHORITY.—The Secretary of Defense may es-
10 tablish a pilot program for the temporary assignment of
11 non-governmental personnel who are employed in the pri-
12 vate sector to the Department of Defense. The Secretary
13 may promulgate regulations for such purpose.

14 “(b) PURPOSE.—This program is designed to im-
15 prove the Department’s acquisition related processes and
16 procedures. It would accomplish this through an infusion
17 of new and modern ideas by the temporary assignment
18 in the Department of non-governmental personnel who are
19 employed by private industry. The private sector employ-
20 ees would be compensated by their private employer yet
21 would be subject generally to Governmental requirements
22 that are in force for Federal employees. The Department
23 would provide the private employer the benefit of a career
24 enhancement for its private sector employees who partici-
25 pate in the program.

1 “(c) LIMITATIONS.—(1) This program is limited to
2 those individuals in private sector positions whose duties,
3 as determined by the Secretary, are comparable to defense
4 acquisition positions.

5 “(2) Each such assignment shall be based on a writ-
6 ten agreement between the Department of Defense, the
7 private sector employer, and the employee concerned,
8 which shall include nondisclosure provisions addressing
9 the use and disclosure of classified and unclassified infor-
10 mation in the possession or under the control of the De-
11 partment of Defense that has not been released to the
12 public and which shall also include the Federal laws and
13 penalties applicable to the disclosure of classified informa-
14 tion, including, but not limited to section 798 of title 18,
15 United States Code.

16 “(3) During the period of an assignment made pursu-
17 ant to this section, a private sector employee—

18 “(A) is not entitled to pay from the Depart-
19 ment of Defense, except, as determined by the Sec-
20 retary on a case by case basis, to the extent that the
21 pay received from the private sector employer is less
22 than the appropriate rate of pay which the duties
23 would warrant under the applicable pay provisions of
24 this title, title 5, United States Code, or other appli-
25 cable authority;

1 “(B) is deemed an employee of the Department
2 of Defense, subject to section 7353 of title 5, United
3 States Code; sections 201, 203, 205, 207, 208, 209,
4 219, 602, 603, 606, 607, 610, 643, 654, 1905,
5 1913, and other provisions of title 18, United States
6 Code, not specifically exempted herein; sections
7 1343, 1344, and 1349(b) of title 31, United States
8 Code; the Federal Tort Claims Act (28 U.S.C. 2671
9 et seq.); any other Federal tort liability statute; sec-
10 tion 27 of the Office of Federal Procurement Policy
11 Act, as amended (41 U.S.C. 423) and regulations
12 implementing that Act; the Ethics in Government
13 Act of 1978 (5 U.S.C. App.) and regulations imple-
14 menting that Act; and any other provisions of Fed-
15 eral law not specifically exempted herein. Notwith-
16 standing section 209 of title 18, United States Code,
17 the private sector employer may pay, contribute to,
18 or supplement the salary or other benefits of such
19 private sector employee (who may accept such pay,
20 contributions, and benefits), subject to the terms of
21 the written private sector employee assignment
22 agreement required in paragraph (c)(2) above;

23 “(C) is also deemed an employee of his or her
24 private sector employer for purposes of section 208
25 of title 18, United States Code;

1 “(D) is subject to such regulations that the
2 Secretary may prescribe, which shall incorporate by
3 reference executive branch standards of ethical con-
4 duct and any authorized agency supplemental stand-
5 ards of conduct and which shall include as a min-
6 imum—

7 “(i) limitations on the number of partici-
8 pants (no more than 400);

9 “(ii) length of temporary assignments (up
10 to two years);

11 “(iii) protection of government informa-
12 tion;

13 “(iv) procedures for avoidance of conflicts
14 of interest, including selection of program prior-
15 ities and funding decisions that may involve the
16 assignee’s employer or its competitors, and
17 avoidance of the appearance of conflicts of in-
18 terest; and

19 “(v) exclusions from the performance of in-
20 herently governmental functions, such as policy-
21 making and supervision of Government employ-
22 ees; and

23 “(vi) methodology and criteria for evalua-
24 tion of the pilot; and

1 “(E) is not deemed to be an employee for pur-
2 poses of Federal employee pay and benefits under
3 title 5, United States Code, except as provided for
4 under this subsection.

5 “(d) WORKERS COMPENSATION COVERAGE.—

6 “(1) A private sector employee assigned to the
7 Department of Defense pursuant to this section
8 shall not be deemed an employee of the United
9 States for the purposes of Chapter 81 of title 5,
10 United States Code, (relating to compensation for
11 injury).

12 “(2) Notwithstanding any other law, the United
13 States, any instrumentality of the United States; or
14 an employee, agent, or assign of the United States
15 shall not be liable to:

16 “(A) a private sector employee assigned to
17 the Department of Defense pursuant to this
18 section;

19 “(B) such employee’s legal representative,
20 spouse, dependents, survivors and next of kin;
21 and

22 “(C) any other person, including any third
23 party as to whom such employee, or his or her
24 legal representative, spouse, dependents, sur-
25 vivors, or next of kin, has a cause of action

1 arising out of an injury or death sustained in
2 the performance of duty pursuant to an assign-
3 ment under this section, otherwise entitled to
4 recover damages from the United States, any
5 instrumentality of the United States, or any
6 employee, agent, or assign of the United
7 States—

8 with respect to any injury or death suffered by a pri-
9 vate sector employee sustained in the performance of
10 duty pursuant to an assignment under this section.

11 “(e) DEFINITIONS.—In this section:

12 “(1) The term ‘private sector employer’ means
13 a corporation, partnership, sole proprietorship, or
14 other entity operated on a for-profit basis. It may,
15 at the option of the Secretary, also include “other
16 organizations” as defined in section 3371 of title 5.

17 “(2) The term ‘acquisition position’ has the
18 same meaning as in section 1721(b) of this title.

19 “(3) The term ‘assignment’ means an assign-
20 ment under an arrangement made pursuant to the
21 section under which a private sector employee is as-
22 signed to the Department of Defense by being ap-
23 pointed without regard to the provisions of title 5,
24 United States Code, governing appointments in the

1 competitive service or being deemed to be detailed
2 to the Department of Defense.

3 “(4) The term ‘government employee’ means an
4 ‘employee’ as defined in section 2105 of title 5.

5 “(f) EXPIRATION.—The Secretary may not assign
6 non-governmental personnel who are employed in the pri-
7 vate sector to the Department of Defense under the provi-
8 sions of this section after the last day of the fifth year
9 beginning with the effective date of this Act.”.

10 (b) REPORTING REQUIREMENT.—During the fourth
11 year after the enactment of this Act, the Secretary of De-
12 fense, with input from the Inspector General of the De-
13 partment of Defense, and in consultation with the Direc-
14 tor of the Office of Personnel Management, shall evaluate
15 the program authorized under this section and prepare a
16 report for the President that includes an analysis of the
17 use of the authorities of this section, including conflict of
18 interest standards, and the costs and benefits of assign-
19 ments made pursuant to this section.

20 (c) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter 81 is amended by insert-
22 ing after the item relating to section 2331 the following
23 new item:

“1599d. Government industry assignment program.”.

1 **SEC. 818. REAUTHORIZATION OF DEFENSE PRODUCTION**
2 **ACT.**

3 (a) IN GENERAL.—Subsection (a) of Section 717 of
4 the Defense Production Act of 1950 (50 U.S.C. App.
5 2166(a)) is amended in the first sentence by striking
6 “Title I (except section 104), title III, and title VII (ex-
7 cept sections 708 and 721), and all authority conferred
8 thereunder, shall terminate at the close of September 30,
9 2003” and insert “Title I (except section 104), title III,
10 and title VII (except sections 707, 708, and 721), and all
11 authority conferred thereunder, shall terminate at the
12 close of September 30, 2008.”; and

13 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
14 711(b) of the Defense Production Act of 1950 (50 U.S.C.
15 App. 2161(b)) is amended by striking “1996 through
16 2003” and inserting “2004 through 2008”.

17 **Subtitle C—Acquisition-Related**
18 **Reports and Other Matters**

19 **SEC. 821. LIMITED ACCESS TO PROTECTED INFORMATION**
20 **BY ADMINISTRATIVE SUPPORT CONTRAC-**
21 **TORS.**

22 (a) The Office of Federal Procurement Policy Act (41
23 U.S.C. 403 et seq.) is amended by adding at the end the
24 following new section:

1 **“§ Sec. 40. Limited access to protected information by**
2 **administrative support contractors**

3 “(a) With respect to a contractor who performs an
4 administrative support function, the head of an executive
5 agency may, in the discretion of the executive agency head,
6 authorize access to, and use by, that contractor of pro-
7 tected information to perform such function for such exec-
8 utive agency, unless—

9 “(1) such access or use is prohibited by a law
10 or Executive Order other than an information pro-
11 tection statute; or

12 “(2) the contractor has no need to know or use
13 the information to perform duties under a contract
14 with the United States or an executive agency.

15 “(b) Any contractor who has exercised access to or
16 used protected information to which access was authorized
17 pursuant to subsection (a) shall be subject to—

18 “(1) any provision of a contract with respect to
19 which such access was authorized regarding use, re-
20 production, modification, performance, display, re-
21 lease or disclosure of such protected information;

22 “(2) any Federal rule or regulation regarding
23 use, reproduction, modification, performance, dis-
24 play, release or disclosure of such protected informa-
25 tion that applies to an employee of the United
26 States with respect to such protected information,

1 unless the authority issuing the rule or regulation
2 determines in writing that, in the public interest, the
3 rule or regulation shall not apply to such contractor;

4 “(3) any information protection statute that ap-
5 plies with respect to such protected information to
6 the same extent (including any civil and criminal
7 penalties for violation of such statute) as an officer
8 or employee of the United States; and

9 “(4) any other applicable law.

10 “(c) Nothing in this section shall be construed to im-
11 pair or otherwise affect—

12 “(1) the rights of any person with respect to
13 patents, copyrights or other intellectual property of
14 that person under Federal law; or

15 “(2) the rights of any person vested prior to the
16 date of enactment of this section under section 21
17 of this Act or section 2320 of title 10, United States
18 Code.

19 “(d) DEFINITIONS.—In this section—

20 “(1) The term ‘contractor’ means an individual
21 who is—

22 “(A) a party to a contract with the United
23 States or an executive agency thereof;

1 “(B) employed by a party to a contract
2 with the United States or an executive agency
3 thereof; or

4 “(C) a subcontractor at any tier (or em-
5 ployee of a subcontractor at any tier) of a con-
6 tractor described in paragraph (A) or (B).

7 “(2) The term ‘administrative support function’
8 means any of the following—

9 “(A) secretarial or clerical support;

10 “(B) auditing or audit support;

11 “(C) provisioning or logistics support;

12 “(D) data entry;

13 “(E) document reproduction, scanning, im-
14 aging, or destruction;

15 “(F) operation, management, or mainte-
16 nance of paper-based or electronic mail rooms,
17 file rooms, or libraries;

18 “(G) installation, operation, management,
19 or maintenance of computer systems, electronic
20 networks, or internet or intranet systems;

21 “(H) security services, including facilities
22 or information security; and

23 “(I) supervision or legal services in connec-
24 tion with functions listed in paragraphs (A)
25 through (H) above.

1 “(3) The term ‘information protection statute’
2 means any of the following laws—

3 “(A) Section 21 of this Act.

4 “(B) Section 2320 of title 10, United
5 States Code.

6 “(C) Section 1905 of title 18, United
7 States Code.

8 “(4) The term ‘protected information’ means
9 information for which an information protection
10 statute prohibits disclosure to a contractor.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 in section 1(b) of such Act is amended by adding at the
13 end the following new item:

“Sec. 40. Limited access to protected information by administrative support con-
tractors.”.

14 **SEC. 822. ELIMINATION OF THE REQUIREMENT TO FUR-**
15 **NISH WRITTEN ASSURANCES OF TECHNICAL**
16 **DATA CONFORMITY.**

17 Section 2320(b) of title 10, United States Code, is
18 amended—

19 (1) by striking paragraph (7); and

20 (2) by redesignating paragraphs (8) and (9) as
21 paragraphs (7) and (8), respectively.

1 **SEC. 823. AUTHORIZATION TO TAKE ACTIONS TO CORRECT**
2 **THE INDUSTRIAL RESOURCE SHORTFALL**
3 **FOR RADIATION-HARDENED ELECTRONICS.**

4 Notwithstanding the limitation in section
5 303(a)(6)(C) of the Defense Production Act of 1950 (50
6 U.S.C. App. 2093(a)(6)(C)), the President is authorized
7 to take action under section 303 of the Defense Produc-
8 tion Act of 1950 to correct the industrial resource shortfall
9 for radiation-hardened electronics, provided that such
10 Presidential actions does not cause the aggregate out-
11 standing amount of all such actions to exceed
12 \$200,000,000.

13 **SEC. 824. CONVERSIONS OF COMMERCIAL ACTIVITIES.**

14 (a) CHANGES TO ELEMENTS OF ANALYSIS.—Para-
15 graph (3)(A) of section 2461(b) of title 10, United States
16 Code, is amended—

17 (1) by striking “of the cost”;

18 (2) by striking “savings” and inserting “the
19 best value”;

20 (3) by redesignating subsection (iii) as sub-
21 section (iv); and

22 (4) by inserting after clause (ii) the following
23 new clause (iii):

24 “(iii) Benefits in addition to price that
25 warrant performance of the function by a
26 source at a cost higher than that of per-

1 formance by Department of Defense civil-
 2 ian employees.”.

3 (b) CONTRACTING IF BEST VALUE.—Section 2462(a)
 4 of such title is amended by striking “such a source can
 5 provide such supply or service to the Department at a cost
 6 that is lower (after including any cost differential required
 7 by law, Executive order, or regulation) than the cost at
 8 which the Department can provide the same supply or
 9 service” and inserting “performance by that source rep-
 10 resents the best value to the Government, determined in
 11 accordance with the competition requirements of OMB
 12 Circular A–76.”.

13 **SEC. 825. MAKE PERMANENT THE AUTHORITY TO ENTER**
 14 **INTO CERTAIN PERSONAL SERVICES CON-**
 15 **TRACTS.**

16 Section 1091(a)(2) of title 10, United States Code,
 17 is amended by striking “The Secretary may not enter into
 18 a contract under this paragraph after December 31,
 19 2003.”.

20 **TITLE IX—DEPARTMENT OF DE-**
 21 **FENSE ORGANIZATION AND**
 22 **MANAGEMENT**

Subtitle A—Duties and Functions of Department of Defense Officers

Sec. 901. Repeal of rotating chairman for the Economic Adjustment Com-
 mittee.

Sec. 902. Alternative authority for acquisition and improvement of military
 housing.

Subtitle B—Space Activities

Sec. 911. Authorize provision of space surveillance network services to non-United States government entities.

Sec. 912. Commercial space competitiveness and contributions of funds and services from non-federal agencies.

Subtitle C—Reports

Sec. 921. Repeal of various reports required of the Department of Defense.

Subtitle D—Other Matters

Sec. 931. Combatant commands initiatives fund.

Sec. 932. Consolidating the financial management of facilities in the national capital region and designated alternate sites.

Sec. 933. Protection of operational files of the National Security Agency.

1 **Subtitle A—Duties and Functions** 2 **of Department of Defense Officers**

3 **SEC. 901. REPEAL OF ROTATING CHAIRMAN FOR THE ECO-** 4 **NOMIC ADJUSTMENT COMMITTEE.**

5 Section 4004(b) of the Defense Economic Adjust-
6 ment, Diversification, Conversion, and Stabilization Act of
7 1990 (Public Law 101–510; 104 Stat. 1848), as amended
8 to read as follows:

9 “(b) CHAIRMAN.—The Secretary of Defense shall be
10 the chairman of the Economic Adjustment Committee.”.

11 **SEC. 902. ALTERNATIVE AUTHORITY FOR ACQUISITION** 12 **AND IMPROVEMENT OF MILITARY HOUSING.**

13 (a) UNIT SIZE AND TYPE.—Section 2880(b)(2) of
14 title 10, United States Code, is amended by striking “un-
15 less the unit is located on a military installation”; and

16 (b) DEPARTMENT OF DEFENSE HOUSING FUND.—
17 (1) Section 2883 of title 10, United States Code is amend-
18 ed—

1 (A) by striking subsections (a), (b), and (c);

2 (B) by inserting the following new subsections

3 (a) and (b):

4 “(a) ESTABLISHMENT.—There is hereby established
5 on the books of the Treasury the Department of Defense
6 Housing Improvement Fund.

7 “(b) CREDITS TO FUNDS.—There shall be credited
8 to the Department of Defense Housing Improvement
9 Fund the following:

10 “(1) Amounts authorized for and appropriated
11 to that Fund.

12 “(2) Subject to subsection (e), any amounts
13 that the Secretary of Defense transfers, in such
14 amounts as provided in appropriation Acts to that
15 Fund from amounts authorized and appropriated to
16 the Department of Defense for the acquisition or
17 construction of military family housing or military
18 unaccompanied housing.

19 “(3) Proceeds from the conveyance or lease of
20 property or facilities under section 2878 of this title
21 for the purpose of carrying out activities under this
22 subchapter with respect to military family housing
23 or military unaccompanied housing.

24 “(4) Income derived from any activities under
25 this subchapter with respect to military family hous-

1 ing or military unaccompanied housing, including in-
2 come and gains realized from investments under sec-
3 tion 2875 of this title and any return of capital in-
4 vested as part of such investments.

5 “(5) Any amounts that the Secretary of the
6 Navy transfers to that Fund pursuant to section
7 2814(i)(3) of this title, subject to the restrictions on
8 the use of the transferred amounts specified in that
9 section.”;

10 (C) by redesignating subsections (d), (e), (f),
11 and (g) as (c), (d), (e), and (f) respectively;

12 (D) in the newly redesignated subsection (c)—

13 (i) by striking “Family” in paragraph (1);

14 (ii) by striking paragraph (2); and

15 (iii) by redesignating paragraph (3) as (2);

16 (E) in the newly redesignated subsection (e) by
17 striking “a Fund under paragraph (1)(B) or (2)(B)
18 of subsection (c)” and inserting “the Fund under
19 paragraph (2) of subsection (b)”;

20 (F) in subsection (f) as relettered by subpara-
21 graph (C) of this paragraph—

22 (i) by striking “\$850,000,000” in para-
23 graph (1) and inserting “\$1,700,000,000”; and

24 (ii) by striking “\$150,000,000” in para-
25 graph (2) and inserting “\$300,000,000”.

1 (2) Section 2871(6) of title 10, United States Code,
 2 is amended by striking “Family Housing Improvement
 3 Fund or the Department of Defense Military Unaccom-
 4 panied Housing Improvement Fund” and inserting
 5 “Housing Improvement Fund”.

6 (3) Section 2875(e) of title 10, United States Code,
 7 is amended by striking “Family Housing Improvement
 8 Fund or the Department of Defense Military Unaccom-
 9 panied Housing Improvement Fund” and inserting
 10 “Housing Improvement Fund”.

11 **Subtitle B—Space Activities**

12 **SEC. 911. AUTHORIZE PROVISION OF SPACE SURVEIL-** 13 **LANCE NETWORK SERVICES TO NON-UNITED** 14 **STATES GOVERNMENTAL ENTITIES.**

15 (a) IN GENERAL.—Chapter 136 of title 10, United
 16 States Code, is amended by adding at the end the fol-
 17 lowing new section:

18 **“§ 2283. Space surveillance network**

19 “(a) SATELLITE TRACKING SERVICES.—To support
 20 the establishment of an experimental pilot program, The
 21 Secretary of Defense is authorized to establish procedures
 22 under which non-United States Federal governmental en-
 23 tities, including but not limited to U.S. and non-U.S. com-
 24 mercial entities, state and local government entities and
 25 foreign governments, may purchase, directly or through

1 a contractor, satellite tracking services from assets owned
2 or controlled by the Department of Defense. The Sec-
3 retary may include in such transactions the provision and
4 analysis of satellite data if he determines it is in the na-
5 tional security interests of the United States. Any pro-
6 posed sale to a foreign government or foreign commercial
7 entity shall be subject to the concurrence of the Secretary
8 of State to ensure its consistency with United States for-
9 eign policy interests. The pilot program shall be conducted
10 during a three-year period beginning not later than 180
11 days after the date of the enactment of this Act.

12 “(b) REIMBURSEMENT OF COSTS.—In the case of
13 any purchase made by a non-United States Federal gov-
14 ernmental entity under the procedures established under
15 subsection (a), the Secretary of Defense may require the
16 non-United States Federal governmental entity to reim-
17 burse the Department of Defense for the costs to the De-
18 partment of such purchase.

19 “(c) DEPOSIT OF FUNDS RECEIVED.—Funds re-
20 ceived pursuant to the sales authorized in subsection (a)
21 shall be credited to accounts of the Department of Defense
22 that are current when the proceeds are received and that
23 are available for the same purposes as the accounts origi-
24 nally charged to perform the services. Funds so credited
25 are to merge with and become available for obligation for

1 the same period as the accounts to which they are cred-
2 ited.

3 “(d) NON-TRANSFERABILITY AGREEMENT.—The
4 Department will require all non-United States Federal
5 governmental entities to execute a binding commitment
6 not to transfer any data or technical information, includ-
7 ing the analysis of the tracking data, to any other entity
8 without the Department’s expressed approval. In the case
9 of foreign governments and foreign commercial entities,
10 the Department’s approval will be subject to the concur-
11 rence of the Department of State.

12 “(e) PROHIBITION CONCERNING INTELLIGENCE AS-
13 SETS OR DATA.—Nothing in this section shall be deemed
14 to authorize the provision of services or information con-
15 cerning, or derived from, United States intelligence assets
16 or data.”.

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

“2283. Space surveillance network.”.

20 **SEC. 912. COMMERCIAL SPACE COMPETITIVENESS AND**
21 **CONTRIBUTIONS OF FUNDS AND SERVICES**
22 **FROM NON-FEDERAL AGENCIES.**

23 (a) NON-FEDERAL INVESTMENTS.—Section 501 of
24 the National Aeronautics and Space Administration Au-
25 thorization Act for Fiscal Year 1993 (Public Law 102–

1 588; 106 Stat. 5122; 15 U.S.C. 5801), is amended by add-
2 ing at the end the following new paragraph:

3 “(11) The provision of non-Federal sources of invest-
4 ment to finance improvements and additions to U.S. space
5 launch infrastructure can strengthen and expand or other-
6 wise enhance the United States commercial space trans-
7 portation industry.”.

8 (b) DEFINITION OF NON-FEDERAL.—Section 502 of
9 such Act (15 U.S.C. 5802), is amended by adding at the
10 end the following new paragraph:

11 “(15) ‘non-Federal’ means private sector entities,
12 state government entities and local government entities.”.

13 (c) NON-FEDERAL INVESTMENT IN RANGE INFRA-
14 STRUCTURE.—Title V of such Act (Public Law 102–588;
15 106 Stat. 5129; 15 U.S.C. 5808), is amended by adding
16 at the end the following new section:

17 **“SEC. 511. NON-FEDERAL INVESTMENT IN RANGE INFRA-
18 STRUCTURE.**

19 “(a) ACCEPTANCE OF FUNDS.—The head of an execu-
20 tive agency providing launch property or launch services
21 pursuant to chapter 701 of title 49 may accept funds or
22 other property or assistance from non-Federal entities for
23 improvements and additions or modernization of space
24 launch infrastructure or services, if the improvements and
25 additions or modernization contribute to the strengthening

1 and expansion of or will otherwise enhance the United
2 States commercial space transportation industry. Notwith-
3 standing section 1342 of title 31, the head of an agency
4 may also accept, subject to regulations issued by the head
5 of an agency, voluntary service for the United States if
6 the service—

7 “(1) is to be performed by a non-Federal entity
8 as part of an agency program established for the
9 purpose of providing improvements and additions or
10 modernization of space launch infrastructure;

11 “(2) is to be uncompensated; and

12 “(3) is not to be used to displace any employee.

13 “(b) USE OF FUNDS.—The head of an executive
14 agency may agree to receive funds or launch or reentry
15 property from non-Federal entities and may agree to use
16 those funds or property to develop, purchase, sustain, im-
17 prove, and/or integrate specified launch or reentry facili-
18 ties or property in a manner that will enhance the use
19 of such facilities for commercial launch or reentry oper-
20 ations.

21 “(c) AGREEMENT TERMS AND CONDITIONS.—The
22 head of the executive agency may include the following
23 terms in the agreements described in subsection (b):

1 “(1) The amount and terms of any payment the
2 non-Federal entity shall provide to the executive
3 agency, and description of any property or services;

4 “(2) An allocation of responsibility for future
5 operation, maintenance, sustainment, integration,
6 and development of any property; and

7 “(3) Such other terms and conditions as may
8 be agreed between the head of the executive agency
9 and the non-Federal entity.

10 “(d) COLLECTION BY THE EXECUTIVE AGENCY.—
11 The head of the executive agency may accept payments
12 under this section pursuant to the terms and conditions
13 of any agreement as described under this section.
14 Amounts received under this subsection shall be credited
15 to appropriations of the agency available for these pur-
16 poses and shall be available for obligation until ex-
17 pended.”.

18 (d) TITLE 49 DEFINITIONS.—Section 70102 of title
19 49, United States Code, is amended by adding at the end
20 the following new subsections:

21 “(18) ‘direct costs’ means the actual costs
22 that—

23 “(A) can be associated unambiguously with
24 a commercial launch or reentry effort; and

1 “(B) the Government would not incur if
2 there were no commercial launch or reentry ef-
3 fort.

4 “(19) ‘non-Federal’ means private sector enti-
5 ties, State governmental entities and local govern-
6 mental entities.”.

7 (e) PROVISION OF LAUNCH AND REENTRY SERV-
8 ICES.—Section 70103 of such title is amended by adding
9 the following sentence at the end of subsection (c): “To
10 assist the Secretary in carrying out this chapter, Federal
11 agencies, including the National Aeronautics and Space
12 Administration and the Department of Defense, shall pro-
13 vide launch and reentry services and launch and reentry
14 property and other support to commercial space launch
15 and reentry activities consistent with public health and
16 safety, national security, international treaty obligations,
17 and the missions of those Federal agencies.”.

18 (f) CHANGE TO GENERAL REQUIREMENTS AND CON-
19 SIDERATIONS.—Section 70111 of such title is amended to
20 read as follows:

21 “(a) GENERAL REQUIREMENTS AND CONSIDER-
22 ATIONS.—(1) The Secretary of Transportation shall facili-
23 tate and encourage the acquisition by the private sector
24 and State governments of United States Government

1 launch and reentry property or launch and reentry serv-
2 ices, including utilities, on a reimbursable basis when—

3 “(A) the property or services will be used to
4 support United States and local commercial space
5 activities;

6 “(B) such use can be supported by existing or
7 planned Federal resources;

8 “(C) such use is not inconsistent with Federal
9 activities;

10 “(D) equivalent commercial property or services
11 are not available on reasonable terms; and

12 “(E) such use is consistent with public health
13 and safety, safety of property, national security, for-
14 eign policy interests, and international treaty obliga-
15 tions. In carrying out this paragraph, the head of
16 the agency providing the property or services shall
17 consult with other appropriate Federal officials.

18 “(2) Federal agencies, including the National Aero-
19 nautics and Space Administration and the Department of
20 Defense, may allow non-Federal entities to acquire or use
21 such launch or reentry property or launch or reentry serv-
22 ices in accordance with paragraph (1).

23 “(b) PRICE.—(1) In consultation with the Secretary,
24 the head of the executive agency providing the property

1 or service under subsection (a) shall establish the price
2 for the property or service. The price for—

3 “(A) acquiring launch property by sale or
4 transaction instead of sale is the fair market value;

5 “(B) acquiring launch property (except by sale
6 or transaction instead of sale) is an amount equal to
7 the direct costs, including specific wear and tear and
8 property damage, that the Government incurred be-
9 cause of acquisition of the property; and

10 “(C) launch services or reentry services is an
11 amount equal to the direct costs, including the basic
12 pay of Government civilian and contractor personnel,
13 that the Government incurred because of acquisition
14 of the services.

15 “(2) The Secretary shall ensure the establishment of
16 uniform guidelines for, and consistent implementation of,
17 this section by all Federal agencies.

18 “(c) NON-FEDERAL ENTITY ACCESS.—Subject to
19 satisfying the requirements in subsection (a) and con-
20 sistent with the needs of national defense, non-Federal en-
21 tities shall be granted access to United States Government
22 launch and reentry property, launch and reentry services,
23 including utilities, and launch and reentry scheduling op-
24 portunities.

1 “(d) COLLECTION BY SECRETARY.—The Secretary
2 may collect a payment under this section with the consent
3 of the head of the executive agency establishing the price.
4 Amounts collected under this subsection shall be credited
5 to the appropriation from which the cost of providing the
6 property or service was paid, and shall be available for
7 obligation for the same period and other purposes as the
8 appropriation in which credited.

9 “(e) COLLECTION BY OTHER GOVERNMENTAL
10 HEADS.—The head of a department, agency, or instru-
11 mentality of the Government may collect a payment for
12 an activity involved in producing a launch vehicle or re-
13 entry vehicle, or the payload of either, for launch or re-
14 entry if the activity was agreed to by the owner or manu-
15 facturer of the launch vehicle, reentry vehicle, or payload.
16 Amounts collected under this subsection shall be credited
17 to the appropriation from which the cost of providing the
18 property or services was paid, and shall be available for
19 obligation for the same period and purposes as the appro-
20 priation in which credited.”.

21 **Subtitle C—Reports**

22 **SEC. 921. REPEAL OF VARIOUS REPORTS REQUIRED OF** 23 **THE DEPARTMENT OF DEFENSE.**

24 (a) PROVISIONS OF TITLE 10.—Title 10, United
25 States Code, is amended—

1 (1) in section 113—

2 (A) by striking subsection (j);

3 (B) by striking subsection (m); and

4 (C) by redesignating subsections (k) and
5 (l) as (j) and (k), respectively;

6 (2) in section 116—

7 (A) by repealing this entire section in
8 chapter 2; and

9 (B) by amending the table of sections at
10 the beginning of such chapter 2 by striking the
11 item relating to section 116;

12 (3) in section 117—

13 (A) by striking subsection (e); and

14 (B) by redesignating subsection (f) as sub-
15 section (e);

16 (4) in section 127, by striking subsection (d);

17 (5) in section 127a—

18 (A) by striking subparagraph (a)(3);

19 (B) by redesignating subparagraph (a)(4)
20 as subparagraph (a)(3);

21 (C) by striking subsection (d); and

22 (D) by redesignating subsections (e)
23 through (i) as subsections (d) through (h), re-
24 spectively;

25 (6) in section 129, by striking subsection (f);

1 (7) in section 153, by striking subsection (d);

2 (8) in section 184—

3 (A) by amending subsection (a) to read as
4 follows:

5 “(a) AUTHORITY TO ESTABLISH REGIONAL CENTER
6 FOR SECURITY STUDIES.—The Secretary of Defense may
7 establish such regional centers for security studies as he
8 deems necessary and appropriate.”;

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

10 (C) by redesignating subsection (c) as sub-
11 section (b);

12 (9) in section 226,

13 (A) by repealing this entire section in
14 chapter 9; and

15 (B) by amending the table of sections for
16 such chapter by striking the item relating to
17 section 226;

18 (10) for section 228—

19 (A) by repealing this entire section in
20 chapter 9; and

21 (B) by amending the table of sections at
22 the beginning of such chapter by striking the
23 item relating to section 228;

24 (11) in section 401—

25 (A) by striking subsection (d); and

1 (B) by redesignating subsection (e) as sub-
2 section (d);

3 (12) in section 437—

4 (A) by striking subsections (b) and (c);
5 and

6 (B) by redesignating subsection (d) as sub-
7 section (b);

8 (13) in section 482—

9 (A) by repealing this entire section in
10 chapter 23; and

11 (B) by amending the table of sections for
12 such chapter by striking the items relating to
13 section 482;

14 (14) in section 483—

15 (A) by repealing this entire section in
16 chapter 23; and

17 (B) by amending the table of sections for
18 such chapter by striking the item relating to
19 section 483;

20 (15) in section 484—

21 (A) by repealing this entire section in
22 chapter 23; and

23 (B) by amending the table of sections for
24 such chapter by striking the item relating to
25 section 484;

1 (16) in section 487—

2 (A) by repealing this entire section in
3 chapter 23; and

4 (B) by amending the table of sections for
5 such chapter by striking the item relating to
6 section 487;

7 (17) in section 520c—

8 (A) by striking subsections (b) and (c);

9 (B) by striking the designator and the
10 catchline in the preceding matter;

11 (C) by amending the section title to read:
12 “§ 520c. Provision of meals and refreshments
13 for recruiting purposes”; and

14 (D) by amending the table of sections at
15 the beginning of chapter 31 by replacing the
16 item relating to section 520c with the following
17 new item:

“520c. Provision of meals and refreshments for recruiting purposes.”;

18 (18) in section 664(i)(4)(F)(ii), by striking
19 “and notifies Congress upon each approval, pro-
20 viding the criteria that led to that approval”;

21 (19) in section 983(e)(1), by striking “and to
22 Congress”;

23 (20) in section 986, by striking subsection (e);

24 (21) in section 1060—

25 (A) by striking subsection (d); and

1 (B) by redesignating subsections (e)
2 through (g) as subsections (d) through (f) re-
3 spectively;

4 (22) in section 1130—

5 (A) by striking subsection (b); and

6 (B) by redesignating subsections (c) and
7 (d) as subsections (b) and (c), respectively;

8 (23) in section 1557—

9 (A) by striking subsection (e); and

10 (B) by redesignating subsection (f) as sub-
11 section (e);

12 (24) in section 1563—

13 (A) by repealing this entire section in
14 chapter 80; and

15 (B) by amending the table of sections for
16 such chapter by striking the item relating to
17 section 1563;

18 (25) in section 1597, by striking subsections (c)
19 through (e);

20 (26) in section 2010—

21 (A) by striking subsection (b); and

22 (B) by redesignating subsections (c) and
23 (d) as subsections (b) and (c), respectively;

24 (27) in section 2011, by striking subsection (e);

25 (28) in section 2166, by striking subsection (h);

1 (29) in section 2208, in subsection (j)(2), by
2 striking “and notifies Congress regarding the rea-
3 sons for the waiver”;

4 (30) in section 2212—

5 (A) by striking subsections (d) and (e);
6 and

7 (B) by redesignating subsection (f) as sub-
8 section (d);

9 (31) in section 2214—

10 (A) by striking subsection (c); and

11 (B) by redesignating subsection (d) as sub-
12 section (e);

13 (32) in section 2216—

14 (A) by striking subsection (i); and

15 (B) by redesignating subsection (j) as sub-
16 section (i);

17 (33) in section 2222—

18 (A) by repealing this entire section in
19 chapter 131; and

20 (B) by amending the table of sections for
21 such chapter by striking the item relating to
22 section 2222;

23 (34) in section 2255(b)—

24 (A) by striking paragraph (2); and

1 (B) by striking the designator “(1)” after
2 the catchline;

3 (35) in section 2281—

4 (A) by striking subsection (d); and

5 (B) by redesignating subsection (e) as sub-
6 section (d);

7 (36) in section 2282—

8 (A) by repealing this entire section in
9 chapter 136; and

10 (B) by amending the table of sections for
11 such chapter by striking the item relating to
12 section 2282;

13 (37) in section 2306b—

14 (A) by striking subsection (i);

15 (B) in subsection (l)—

16 (i) by striking paragraphs (1) and (6);

17 and

18 (ii) by redesignating paragraphs (2)
19 through (10) of subsection (l) as para-
20 graphs (1) through (8), respectively; and

21 (C) by redesignating subsections (j)
22 through (l) as subsections (i) through (k), re-
23 spectively;

24 (38) in section 2327(c)(1)—

1 (A) in subparagraph (A), by striking
2 “after the date on which such head of an agen-
3 cy submits to Congress a report on the con-
4 tract” and inserting “if in the best interests of
5 the government”;

6 (B) by striking subparagraph (B); and

7 (C) by redesignating subparagraph (C) as
8 subparagraph (B);

9 (39) in section 2350a—

10 (A) by striking subsection (f); and

11 (B) in subsection (g), by striking para-
12 graph (3);

13 (40) in section 2350b—

14 (A) by striking subsection (d); and

15 (B) by redesignating subsections (e), (f),
16 and (g) as subsections (d), (e), and (f), respec-
17 tively;

18 (41) in section 2350j—

19 (A) by striking subsection (e); and

20 (B) by redesignating subsections (f) and
21 (g) as subsections (e) and (f), respectively;

22 (42) in section 2367, by striking subsection (c)
23 and (d);

24 (43) in section 2374a—

25 (A) by striking subsection (e); and

1 (B) by redesignating subsection (f) as sub-
2 section (e);

3 (44) in section 2401—

4 (A) in subsection (a), by striking “only as
5 provided in subsection (b)” both times such
6 phrase appears in the subsection;

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

8 (C) by redesignating subsections (c)
9 through (f) as subsections (b) through (e), re-
10 spectively;

11 (45) in section 2410i, in subsection (c), by
12 striking the last sentence;

13 (46) in section 2410m, by striking subsection
14 (c);

15 (47) in section 2457—

16 (A) by striking subsection (d); and

17 (B) by redesignating subsections (e) and
18 (f) as subsections (d) and (e), respectively;

19 (48) in section 2461a—

20 (A) by striking subsection (d); and

21 (B) by redesignating subsection (e) as sub-
22 section (d);

23 (49) in section 2464, by striking paragraph (3)
24 in subsection (b);

25 (50) in section 2467, by striking subsection (c);

1 (51) in section 2472, by striking subsection (b);
2 (52) in section 2493, by striking subsection (g);
3 (53) for section 2504—

4 (A) by repealing the entire section in chap-
5 ter 148; and

6 (B) by amending the section of tables for
7 such chapter by striking all references to sec-
8 tion 2504;

9 (54) in section 2515, by striking subsection (d);
10 (55) in section 2521, by striking subsection (e);
11 (56) in section 2536—

12 (A) by striking paragraph (2) in subsection
13 (b), and by striking designator (1) after the
14 catch line;

15 (B) by redesignating subparagraph (A)
16 and (B) as paragraphs (1) and (2), respectively;
17 and

18 (C) by redesignating subparagraph (i) and
19 (ii) as subparagraphs (A) and (B), respectively;
20 (57) in section 2537—

21 (A) by striking subsection (b); and

22 (B) by redesignating subsection (c) as sub-
23 section (b);

24 (58) in section 2541d—

25 (A) by striking subsection (b); and

1 (B) by striking the “(a)” and the catchline
2 in the remaining matter;

3 (59) in section 2561—

4 (A) by striking subsections (c), (d), and
5 (f); and

6 (B) by redesignating subsection (e) as sub-
7 section (c);

8 (60) in section 2563, by striking “and notifies
9 Congress regarding the reasons for the waiver” in
10 subsection (c)(2);

11 (61) in section 2631, by striking the last sen-
12 tence in subsection (b)(3);

13 (62) in section 2645—

14 (A) by striking subsection (d);

15 (B) by striking subsection (g); and

16 (C) by redesignating subsections (e), (f),
17 and (h) as subsections (d), (e), and (f), respec-
18 tively;

19 (63) in section 2662—

20 (A) by striking subsection (e);

21 (B) by redesignating subsections (f) and
22 (g) as subsections (e) and (f), respectively; and

23 (C) in subsection (f), as redesignated by
24 subparagraph (B), by striking “, and the re-
25 porting requirement set forth in subsection (e)

1 must not apply with respect to a real property
2 transaction otherwise covered by that sub-
3 section,”;

4 (64) in section 2667a (c)—

5 (A) by striking paragraph (2); and

6 (B) by striking designator (1) after the
7 catch line;

8 (65) in section 2676, in subsection (d), by strik-
9 ing all after “is approved by the Secretary con-
10 cerned” and inserting a period;

11 (66) in section 2680, by striking subsection (e);

12 (67) in section 2688—

13 (A) by striking subsection (e);

14 (B) by redesignating subsections (f)
15 through (i) as subsections (e) through (h), re-
16 spectively; and

17 (C) in subsection (f), as redesignated by
18 subparagraph (B), by striking the last sentence;

19 (68) in section 2696—

20 (A) by striking subsections (e) and (d);

21 and

22 (B) by redesignating subsection (e) as sub-
23 section (e);

24 (69) in section 2703(b)(2)—

25 (A) by striking subparagraph (B);

1 (B) by striking the designator “(A)” which
2 precedes “determines that permanent reloca-
3 tion—”;

4 (C) by striking the dash that follows “such
5 paragraph unless the Secretary” in paragraph
6 (2);

7 (D) by realigning the previously designated
8 subparagraph (A) to follow at the end of para-
9 graph (2); and

10 (E) by redesignating clauses (i) through
11 (iii) as subparagraphs (A), through (C), respec-
12 tively;

13 (70) in section 2805—

14 (A) in subsection (b), by striking para-
15 graph (2); and

16 (B) by striking the designator “(1)” that
17 precedes the remaining matter;

18 (71) in section 2807—

19 (A) by striking subsections (b) and (c);
20 and

21 (B) by redesignating subsection (d) as sub-
22 section (b);

23 (72) in section 2809, by striking subsection (f);

24 (73) in section 2811—

25 (A) by striking subsection (d); and

1 (B) by redesignating subsection (e) as sub-
2 section (d);

3 (74) in section 2812—

4 (A) in subsection (e), by striking para-
5 graph (1);

6 (B) by striking the designator “(2)” that
7 precedes the remaining matter;

8 (75) in section 2813, by striking subsection (c);

9 (76) in section 2815—

10 (A) by repealing this entire section in
11 chapter 169; and

12 (B) by amending the table of section at the
13 beginning of such chapter by striking the item
14 relating to section 2815;

15 (77) in section 2825—

16 (A) in subparagraph (b)(1)(B)—

17 (i) by striking clause (ii);

18 (ii) by striking “, and” at the end of
19 clause (i); and

20 (iii) by striking the designator “(i)” in
21 the remaining text following “in the pre-
22 ceding sentence if”; and

23 (B) in subsection (c)(1)—

24 (i) by striking subparagraphs (C) and
25 (D);

1 (ii) by inserting “and” at the end of
2 subparagraph (A); and

3 (iii) by striking the semi-colon at the
4 end of subparagraph (B) and inserting a
5 period;

6 (78) in section 2826—

7 (A) by striking subsection (b); and

8 (B) by redesignating subsections (c)
9 through (i) as subsections (b) through(h), re-
10 spectively;

11 (79) in section 2827—

12 (A) by striking subsection (b); and

13 (B) by striking “(a) Subject to subsection
14 (b), the Secretary” and inserting “The Sec-
15 retary”;

16 (80) in section 2828—

17 (A) by striking subsection (f); and

18 (B) by redesignating subsection (g) as sub-
19 section (f);

20 (81) in section 2835—

21 (A) by striking subsections (b) and (g);

22 (B) by redesignating subsections (c)
23 through (h) as subsections (b) through(f), re-
24 spectively; and

1 (C) in subsection (a), by striking “Subject
2 to subsection (b), the Secretary” and inserting
3 “The Secretary”;

4 (82) in section 2836—

5 (A) in subsection (a), by striking “Subject
6 to subsection (b), the Secretary” and inserting
7 “The Secretary”;

8 (B) by striking subsection (b);

9 (C) by striking subsection (f); and

10 (D) by redesignating subsections (c)
11 through (g) as subsections (b) through (e), re-
12 spectively;

13 (83) in section 2837—

14 (A) in subsection (c)—

15 (i) by striking paragraph (2); and

16 (ii) by striking the designator “(1)”
17 after the catchline and preceding the re-
18 maining matter;

19 (B) by striking subsection (f); and

20 (C) by redesignating subsections (g) and
21 (h) as subsections (f) and (g), respectively;

22 (84) in section 2853—

23 (A) in subsection (c), by striking para-
24 graphs (2) and (3);

1 (B) in the remaining matter, by striking
2 the designator “(1)” and the dash and realign-
3 ing the paragraph to read as a subsection; and

4 (C) by striking the semicolon at the end of
5 the remaining matter and inserting a period;
6 (85) in section 2854—

7 (A) by striking subsection (b); and

8 (B) by striking “(a) Subject to subsection
9 (b), the” in the preceding matter and inserting
10 “The”;

11 (86) in section 2854a—

12 (A) by striking subsection (c); and

13 (B) by redesignating subsections (d)
14 through (g) as subsections (c) through (f), re-
15 spectively;

16 (87) in section 2865—

17 (A) in subsection (e), by striking para-
18 graph (2);

19 (B) by striking subsection (f); and

20 (C) by striking designator (1) after the
21 catch line;

22 (88) in section 2866—

23 (A) in subsection (e), by striking para-
24 graph (2); and

1 (B) by striking designator (1) after the
2 catch line;

3 (89) in section 2867, by striking subsection (e);

4 (90) in section 2875, by striking subsection (e);

5 (91) in section 2884—

6 (A) by striking subsection (b);

7 (B) by striking the designator “(1)” that
8 follows the catchline in the remaining matter;

9 (C) by striking the designator before sub-
10 paragraph (2) and inserting “(b) CONTENT OF
11 REPORTS.—” to redesignate that subparagraph
12 as a subsection;

13 (D) by amending the section title to read:
14 “§ 2884. Project reports”; and

15 (E) by amending the table of sections at
16 the beginning of such chapter 169 by replacing
17 the item relating to section 2884 with the fol-
18 lowing new item:

“2884. Project reports.”;

19 (92) in section 2902—

20 (A) in subsection (g), by striking para-
21 graph (2); and

22 (B) by striking designator (1) after the
23 catch line;

24 (93) in section 5143, by striking subsection (e);

25 (94) in section 6954—

- 1 (A) by striking subsection (f); and
2 (B) by redesignating subsection (g) as sub-
3 section (f);
4 (95) in section 7049—
5 (A) by striking subsection (c); and
6 (B) by redesignating subsections (d)
7 through (g) as subsections (c) through (f), re-
8 spectively;
9 (96) in section 9356—
10 (A) by striking subsection (c);
11 (B) by redesignating subsections (d) and
12 (e) as subsections (c) and (d), respectively; and
13 (C) in subsection (a), by striking “Subject
14 to subsection (c), the Secretary” and inserting
15 “The Secretary”;
16 (97) in section 9514—
17 (A) by striking subsection (c);
18 (B) by striking subsection (f); and
19 (C) by redesignating subsection (g) as sub-
20 section (f);
21 (98) in section 12302—
22 (A) in subsection (b), by striking the last
23 sentence; and
24 (B) by striking subsection (d); and
25 (99) in section 16137—

1 (A) by repealing this entire section in
2 chapter 1606; and

3 (B) by amending the table of sections at
4 the beginning of such chapter by striking the
5 item relating to section 16137.

6 (b) FOREIGN ASSISTANCE ACT OF 1961.—Section
7 656 of the Foreign Assistance Act of 1961 (Public Law
8 87–195) is repealed.

9 (c) DEFENSE ACQUISITION IMPROVEMENT ACT OF
10 1986.—Section 908 of the Defense Acquisition Improve-
11 ment Act of 1986 (as contained in section 101(c) of Public
12 Law 99–500 and identically enacted in section 101(c)
13 [title X] of Public Law 99–591 and title IX of division
14 A of Public Law 99–661) (10 U.S.C. 2326 note) is amend-
15 ed by striking subsection (b).

16 (d) NATIONAL DEFENSE AUTHORIZATION ACT FOR
17 FISCAL YEARS 1988 AND 1989.—Section 1121 of the Na-
18 tional Defense Authorization Act for Fiscal Years 1988
19 and 1989 (Public Law 100–180; 101 Stat. 1147) (10
20 U.S.C. 113 note) is amended—

21 (1) by striking subsection (f); and

22 (2) by redesignating subsections (g) and (h) as
23 subsections (f) and (g), respectively.

24 (e) DEFENSE AUTHORIZATION AMENDMENTS AND
25 BASE CLOSURE AND REALIGNMENT ACT OF 1990.—Sec-

1 tion 206 of the Defense Authorization Amendments and
2 Base Closure and Realignment Act of 1990 (Public Law
3 100–526; 102 Stat. 2631) (10 U.S.C. 2687) is repealed.

4 (f) NATIONAL DEFENSE AUTHORIZATION ACT FOR
5 FISCAL YEAR 1991.—The National Defense Authoriza-
6 tion Act for Fiscal Year 1991 (Public Law 101–510; 104
7 Stat. 1607, 1819, and 1822, respectively) is amended—

8 (1) in section 831, by striking subsection (l);

9 (2) in section 2921, by striking subsections (e),

10 (f), (g)(1), and (g)(2); and

11 (3) in section 2926, by striking subsection (g).

12 (g) DEFENSE ECONOMIC ADJUSTMENT, DIVER-
13 SIFICATION, CONVERSION, AND STABILIZATION ACT OF
14 1990.—Section 4004 of the Defense Economic Adjust-
15 ment, Diversification, Conversion, and Stabilization Act of
16 1990 (Public Law 101–510; 104 Stat. 1849) is amended
17 by striking paragraph (c)(3).

18 (h) NATIONAL DEFENSE AUTHORIZATION ACT FOR
19 FISCAL YEARS 1992 AND 1993.—The National Defense
20 Authorization Act for Fiscal Years 1992 and 1993 (Public
21 Law 102–190; 105 Stat. 1411 and 1562, respectively) is
22 amended—

23 (1) in section 734—

24 (A) by striking subsection (c); and

1 (B) by redesignating subsections (d)
2 through (f) as subsections (e) through (e), re-
3 spectively; and

4 (2) by repealing section 2868.

5 (i) NATIONAL DEFENSE AUTHORIZATION ACT FOR
6 FISCAL YEAR 1993.—The National Defense Authoriza-
7 tion Act for Fiscal Year 1993 (Public Law 102–484; 106
8 Stat. 2367, 2439, 2516, and 2609, respectively) is amend-
9 ed—

10 (1) in section 324, by striking subsection (b),
11 and by striking the designator “(a)” prior to “Sense
12 of Congress” in the remaining matter;

13 (2) in section 722, by striking subsection (d);

14 (3) in section 1082(b)—

15 (A) by striking subparagraph (1)(B);

16 (B) by striking the dash in subsection (b)
17 of section 1082; and

18 (C) by striking the designator “(A)” pre-
19 ceding the remaining matter, and realigning it
20 to read as a paragraph; and

21 (4) in section 2827—

22 (A) by striking subsection (b); and

23 (B) by redesignating subsection (c) as sub-
24 section (b).

1 (j) NATIONAL DEFENSE AUTHORIZATION ACT FOR
2 FISCAL YEAR 1994.—The National Defense Authoriza-
3 tion Act for Fiscal Year 1994 (Public Law 103–160; 107
4 Stat. 1659 and 1931, respectively) is amended—

5 (1) by repealing section 542; and

6 (2) in section 2924, by striking subsection (b).

7 (k) NATIONAL DEFENSE AUTHORIZATION ACT FOR
8 FISCAL YEAR 1995.—The National Defense Authoriza-
9 tion Act for Fiscal Year 1995 (Public Law 103–337; 108
10 Stat. 2804 and 2890, respectively) is amended—

11 (1) in section 721—

12 (A) by striking subsection (h); and

13 (B) by redesignating subsection (i) as sub-
14 section (h); and

15 (2) in section 1305, by striking subsection (h).

16 (l) NATIONAL DEFENSE AUTHORIZATION ACT FOR
17 FISCAL YEAR 1996.—Section 2840 of the National De-
18 fense Authorization Act for Fiscal Year 1996 (Public Law
19 104–106; 110 Stat. 564) is amended—

20 (1) in subsection (a)—

21 (A) by striking paragraph (4); and

22 (B) by redesignating paragraph (5) as
23 paragraph (4); and

24 (2) in subsection (b)—

25 (A) by striking paragraph (4); and

1 (B) by redesignating paragraph (5) as
2 paragraph (4).

3 (m) NATIONAL DEFENSE AUTHORIZATION ACT FOR
4 FISCAL YEAR 1997.—The National Defense Authoriza-
5 tion Act for Fiscal Year 1997 (Public Law 104–201; 110
6 Stat. 2480 and 2653, respectively) is amended—

7 (1) in section 324, by striking subsection (c);
8 and

9 (2) in section 1065, by striking subsection (b).

10 (n) OMNIBUS CONSOLIDATED APPROPRIATIONS ACT,
11 1997.—Section 8009 of the Omnibus Consolidated Appro-
12 priations Act, 1997 (Public Law 104–208; 110 Stat.
13 3009–89) is amended—

14 (1) by striking “unless the congressional de-
15 fense committees have been notified at least thirty
16 days in advance of the proposed contract award”;

17 (2) by striking the comma after “year”; and

18 (3) by striking the colon before “Provided”.

19 (o) NATIONAL DEFENSE AUTHORIZATION ACT FOR
20 FISCAL YEAR 1998.—Section 349 of the National De-
21 fense Authorization Act for Fiscal Year 1998 (Public Law
22 105–85; 111 Stat. 1690) is amended by striking sub-
23 section (e).

24 (p) STROM THURMOND NATIONAL DEFENSE AU-
25 THORIZATION ACT FOR FISCAL YEAR 1999.—The Strom

1 Thurmond National Defense Authorization Act for Fiscal
2 Year 1999 (Public Law 105–261; 112 Stat. 2075 and
3 2155, respectively) is amended—

4 (1) in section 745(e)—

5 (A) by striking paragraph (2); and

6 (B) by striking the designator “(1)” fol-
7 lowing the catchline in the preceding matter;
8 and

9 (2) by repealing section 1223.

10 (q) DEPARTMENT OF DEFENSE APPROPRIATIONS
11 ACT, 1999.—Section 8005 of the Department of Defense
12 Appropriations Act, 1999 (Public Law 105–262; 112 Stat.
13 2297) is amended by striking “*Provided further*, That the
14 Secretary of Defense shall notify the Congress promptly
15 of all transfers made pursuant to this authority or any
16 other authority in this Act:”.

17 (r) NATIONAL DEFENSE AUTHORIZATION ACT FOR
18 FISCAL YEAR 2000.—The National Defense Authoriza-
19 tion Act for Fiscal Year 2000 (Public Law 106–65; 113
20 Stat. 542, 697, 706, 748, 756, 779, and 798, respectively)
21 is amended—

22 (1) in section 212, by striking subsection (c);

23 (2) in section 724, by striking subsection (e);

24 (3) by repealing section 811;

25 (4) by repealing section 1025;

1 (5) in section 1039, by striking subsection (b);

2 (6) in section 1201—

3 (A) by striking subsections (d) and (e);

4 and

5 (B) by redesignating subsection (f) as sub-

6 section (d); and

7 (7) in section 1402, by striking subsection

8 (b)(2).

9 (s) MILITARY CONSTRUCTION APPROPRIATIONS ACT,

10 2001.—The Military Construction Appropriations Act,

11 2001 (Public Law 106–246; 114 Stat. 517 and 518, re-

12 spectively) is amended—

13 (1) by repealing section 125; and

14 (2) in section 127, by striking all that follows

15 after “including flag and general officer quarters”

16 and inserting a period.

17 (t) DEPARTMENT OF DEFENSE APPROPRIATIONS

18 ACT, 2001.—Section 8019 of the Department of Defense

19 Appropriations Act, 2001 (Public Law 106–259; 114 Stat.

20 678) is amended by striking the last sentence.

21 (u) FLOYD D. SPENCE NATIONAL DEFENSE AU-

22 THORIZATION ACT FOR FISCAL YEAR 2001.—The Floyd

23 D. Spence National Defense Authorization Act for Fiscal

24 Year 2001 (Public Law 106–398 Appendix; 114 Stat.

25 1654A–28 and 1654A–247, respectively) is amended—

1 (1) by repealing section 131;

2 (2) in section 1006, by striking subsection (c);

3 and

4 (3) by repealing section 1233.

5 (v) NATIONAL DEFENSE AUTHORIZATION ACT FOR
6 FISCAL YEAR 2002.—The National Defense Authoriza-
7 tion Act for Fiscal Year 2002 (Public Law 107–107; 115
8 Stat. 1180 and 1204, respectively) is amended in section
9 804(a), by striking “of each of years 2003 through 2006”
10 and inserting “2003,”.

11 (w) DEPARTMENT OF DEFENSE AND EMERGENCY
12 SUPPLEMENTAL APPROPRIATIONS FOR RECOVERY FROM
13 AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED
14 STATES ACT, 2002.—Section 8009 of the Department of
15 Defense and Emergency Supplemental Appropriations for
16 Recovery From and Response to Terrorist Attacks on the
17 United States Act, 2002 (Public Law 107–117; 115 Stat.
18 2249; 10 U.S.C. 401 note) is amended by striking “, and
19 these obligations shall be reported to the Congress as of
20 September 30 of each year”.

21 (x) SENATE EXECUTIVE RESOLUTION 75 (105TH
22 CONGRESS, 1ST SESSION, AGREED TO BY THE SENATE
23 ON APRIL 24, 1997).—Section 2, Condition 11, paragraph
24 (F), of Senate Executive Resolution 75, a provision of the
25 Senate’s advice and consent to the ratification of the

1 Chemical Weapons Convention (Treaty Doc. 103–21), is
2 repealed.

3 **Subtitle D—Other Matters**

4 **SEC. 931. COMBATANT COMMANDS INITIATIVES FUND.**

5 (a) SUBSTITUTION OF THE TERM “CINC”.—Section
6 166a of title 10, United States Code, is amended by strik-
7 ing “CINC” wherever it appears and inserting “Combat-
8 ant Commander”.

9 (b) FUNDS AUTHORIZED.—Subsection (e)(1) of such
10 title is amended—

11 (1) in subparagraph (A), by striking
12 “\$7,000,000” and inserting “\$15,000,000”;

13 (2) in subparagraph (B), by striking
14 “\$1,000,000” and inserting “\$10,000,000”; and

15 (3) in subparagraph (C), by striking
16 “\$2,000,000” and inserting “\$10,000,000”.

17 **SEC. 932. CONSOLIDATING THE FINANCIAL MANAGEMENT** 18 **OF FACILITIES IN THE NATIONAL CAPITAL** 19 **REGION AND DESIGNATED ALTERNATE** 20 **SITES.**

21 Section 2674 of title 10, United States Code, is
22 amended—

23 (1) in subsection (b)(1), by striking “of the De-
24 partment of Defense, and located” and inserting “of

1 the Department of Defense that is either on the
2 Pentagon Reservation or”;

3 (2) in subsection (d), by inserting before the pe-
4 riod at the end the following: “or at facilities occu-
5 pied by the Department of Defense in the National
6 Capital Region”;

7 (3) in subsection (e)—

8 (A) in paragraph (1), by striking “pursu-
9 ant to subsection (d)” and inserting “or at fa-
10 cilities occupied by the Department of Defense
11 in the National Capital Region pursuant to sub-
12 section (d). Any residual balance in the Build-
13 ings Maintenance Fund shall be transferred to
14 the Pentagon Reservation Maintenance Revolv-
15 ing Fund”; and

16 (B) in paragraph (2), by inserting before
17 the period at the end the following: “and at fa-
18 cilities occupied by the Department of Defense
19 in the National Capital Region.”;

20 (4) in subsection (f)(1)—

21 (A) by inserting “—(A)” after the “The
22 Pentagon Reservation means”;

23 (B) by striking the period at the end and
24 inserting “; and”; and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(B) notwithstanding section 2682 of this
4 title, such other areas of land, locations, or
5 physical facilities of the Department of Defense
6 as the Secretary of Defense may determine are
7 necessary to designate as part of the Pentagon
8 Reservation in order to meet continuity of oper-
9 ations or other related national security needs
10 of the Department.”.

11 **SEC. 933. PROTECTION OF OPERATIONAL FILES OF THE NA-**
12 **TIONAL SECURITY AGENCY.**

13 (a) IN GENERAL.—Title I of the National Security
14 Act of 1947 (50 U.S.C. 401 et seq.) is amended by insert-
15 ing after section 105D (50 U.S.C. 403–5c) the following
16 new section:

17 **“§ 105E. Protection of Operational Files of the Na-**
18 **tional Security Agency**

19 “(a) EXEMPTION OF CERTAIN OPERATIONAL FILES
20 FROM SEARCH, REVIEW, PUBLICATION, OR DISCLO-
21 SURE.—(1) The Director of the National Security Agency,
22 with the coordination of the Director of Central Intel-
23 ligence, may exempt operational files of the National Secu-
24 rity Agency from the provisions of section 552 of title 5,

1 United States Code, which require publication, disclosure,
2 search, or review in connection therewith.

3 “(2)(A) Subject to subparagraph (B), for the pur-
4 poses of this section, the term ‘operational files’ means
5 files of the National Security Agency (hereafter in this sec-
6 tion referred to as “NSA”) that document the means by
7 which foreign intelligence or counterintelligence is col-
8 lected through technical systems.

9 “(B) Files that contain disseminated intelligence are
10 not operational files.

11 “(3) Notwithstanding paragraph (1), exempted oper-
12 ational files shall continue to be subject to search and re-
13 view for information concerning—

14 “(A) United States citizens or aliens lawfully
15 admitted for permanent residence who have re-
16 quested information on themselves pursuant to the
17 provisions of section 552 of title 5 or section 552a
18 of title 5, United States Code;

19 “(B) any special activity the existence of which
20 is not exempt from disclosure under the provisions
21 of section 552 of title 5, United States Code; or

22 “(C) the specific subject matter of an investiga-
23 tion for any impropriety, or violation of law, Execu-
24 tive order, or Presidential directive, in the conduct
25 of an intelligence activity by—

1 “(i) The Permanent Select Committee on
2 Intelligence of the House of Representatives.

3 “(ii) The Select Committee on Intelligence
4 of the Senate.

5 “(iii) The Intelligence Oversight Board.

6 “(iv) The Department of Justice.

7 “(v) The Office of General Counsel of
8 NSA.

9 “(vi) The Office of the Director of NSA.

10 “(4)(A) Files that are not exempted under paragraph
11 (1) which contain information derived or disseminated
12 from exempted operational files shall be subject to search
13 and review.

14 “(B) The inclusion of information from exempted
15 operational files in files that are not exempted under para-
16 graph (1) shall not affect the exemption under paragraph
17 (1) of the originating operational files from search, review,
18 publication, or disclosure.

19 “(C) The declassification of some of the information
20 contained in exempted operational files shall not affect the
21 status of the operational file as being exempt from search,
22 review, publication, or disclosure.

23 “(D) Records from exempted operational files which
24 have been disseminated to and referenced in files that are
25 not exempted under paragraph (1) and which have been

1 returned to exempted operational files for sole retention
2 shall be subject to search and review.

3 “(5) The provisions of paragraph (1) may not be su-
4 perseded except by a provision of law which is enacted
5 after the date of the enactment of this section, and which
6 specifically cites and repeals or modifies its provisions.

7 “(6)(A) Except as provided in subparagraph (B),
8 whenever any person who has requested agency records
9 under section 552 of title 5, United States Code, alleges
10 that NSA has withheld records improperly because of fail-
11 ure to comply with any provision of this section, judicial
12 review shall be available under the terms set forth in sec-
13 tion 552(a)(4)(B) of title 5, United States Code.

14 “(B) Judicial review shall not be available in the
15 manner provided for under subparagraph (A) as follows:

16 “(i) In any case in which information specifi-
17 cally authorized under criteria established by an Ex-
18 ecutive order to be kept secret in the interests of na-
19 tional defense or foreign relations which is filed
20 with, or produced for, the court by NSA, such infor-
21 mation shall be examined ex parte, in camera by the
22 court.

23 “(ii) The court shall, to the fullest extent prac-
24 ticable, determine the issues of fact based on sworn
25 written submissions of the parties.

1 “(iii) When a complainant alleges that re-
2 quested records are improperly withheld because of
3 improper placement solely in exempted operational
4 files, the complainant shall support such allegation
5 with a sworn written submission based upon per-
6 sonal knowledge or otherwise admissible evidence.

7 “(iv)(I) When a complainant alleges that re-
8 quested records were improperly withheld because of
9 improper exemption of operational files, NSA shall
10 meet its burden under section 552(a)(4)(B) of title
11 5, United States Code, by demonstrating to the
12 court by sworn written submission that exempted
13 operational files likely to contain responsive records
14 currently perform the functions set forth in para-
15 graph (2).

16 “(II) The court may not order NSA to review
17 the content of any exempted operational file or files
18 in order to make the demonstration required under
19 subclause (I), unless the complainant disputes
20 NSA’s showing with a sworn written submission
21 based on personal knowledge or otherwise admissible
22 evidence.

23 “(v) In proceedings under clauses (iii) and (iv),
24 the parties may not obtain discovery pursuant to
25 rules 26 through 36 of the Federal Rules of Civil

1 Procedure, except that requests for admission may
2 be made pursuant to rules 26 and 36.

3 “(vi) If the court finds under this paragraph
4 that NSA has improperly withheld requested records
5 because of failure to comply with any provision of
6 this subsection, the court shall order NSA to search
7 and review the appropriate exempted operational file
8 or files for the requested records and make such
9 records, or portions thereof, available in accordance
10 with the provisions of section 552 of title 5, United
11 States Code, and such order shall be the exclusive
12 remedy for failure to comply with this subsection.

13 “(vii) If at any time following the filing of a
14 complaint pursuant to this paragraph NSA agrees to
15 search the appropriate exempted operational file or
16 files for the requested records, the court shall dis-
17 miss the claim based upon such complaint.

18 “(viii) Any information filed with, or produced
19 for the court pursuant to clauses (i) and (iv) shall
20 be coordinated with the Director of Central Intel-
21 ligence prior to submission to the court.

22 “(b) DECENNIAL REVIEW OF EXEMPTED OPER-
23 ATIONAL FILES.—(1) Not less than once every 10 years,
24 the Director of NSA and the Director of Central Intel-
25 ligence shall review the exemptions in force under sub-

1 section (a)(1) to determine whether such exemptions may
2 be removed from the category of exempted files or any
3 portion thereof. The Director of Central Intelligence must
4 approve any determination to remove such exemptions.

5 “(2) The review required by paragraph (1) shall in-
6 clude consideration of the historical value or other public
7 interest in the subject matter of the particular category
8 of files or portions thereof and the potential for declas-
9 sifying a significant part of the information contained
10 therein.

11 “(3) A complainant that alleges that NSA has im-
12 properly withheld records because of failure to comply with
13 this subsection may seek judicial review in the district
14 court of the United States of the district in which any
15 of the parties reside, or in the District of Columbia. In
16 such a proceeding, the court’s review shall be limited to
17 determining—

18 “(A) Whether NSA has conducted the review
19 required by paragraph (1) before the expiration of
20 the 10-year period beginning on the date of the en-
21 actment of this section or before the expiration of
22 the 10-year period beginning on the date of the most
23 recent review.

1 “(B) Whether NSA, in fact, considered the cri-
 2 teria set forth in paragraph (2) in conducting the re-
 3 quired review.”.

4 (b) CLERICAL AMENDMENT.—The table of contents
 5 contained in the first section of such Act is amended by
 6 inserting after the item relating to section 105D the fol-
 7 lowing new item:

“Sec. 105E. Protection of operational files of the National Security Agency.”.

8 **TITLE X—GENERAL PROVISIONS**

Subtitle A—Financial Matters

- Sec. 1001. Repeal of requirement for separate budget request for procurement of Reserve equipment.
- Sec. 1002. Repeal of requirement for two-year budget cycle for the Department of Defense.
- Sec. 1003. Payment of full replacement value for personal property claims.
- Sec. 1004. Treatment of reimbursements for subpoena and litigation costs; recovery to agency funds.
- Sec. 1005. Restoration of authority to enter into 12-month leases at any time during the fiscal year.
- Sec. 1006. Authority to provide reimbursement for cellular telephone use.
- Sec. 1007. Reimbursement for Reserve intelligence support.
- Sec. 1008. Increased use of energy cost savings.
- Sec. 1009. Allow the Department of Defense to capture all expired funds from the Military Personnel and Operation and Maintenance Appropriations Accounts for use in the Foreign Currency Fluctuations Account.
- Sec. 1010. Funding for special operations Reserve component personnel engaged in activities relating to clearance of landmines.

Subtitle B—Naval Vessels and Shipyards

- Sec. 1011. Reimbursement to the Navy for assistance provided in support of certain ship and shipboard equipment transfers.
- Sec. 1012. Vessels stricken from naval vessel register: use for experimental purposes.
- Sec. 1013. Authorize transfer of vessels stricken from the naval vessel register for use as artificial reefs.
- Sec. 1014. Repeal of the Shipbuilding Capability Preservation Agreement.

Subtitle C—Counter-Drug Activities

- Sec. 1021. Extend authority for use of counter drug activities.
- Sec. 1022. Department of Defense support for counter-terrorism activities in the Americas.

Sec. 1023. Expansion and extension of authority to provide additional support for counter-drug activities.

Subtitle D—Other Department of Defense Provisions

Sec. 1031. Provision of living quarters for certain students.

Sec. 1032. Repeal of required grade for defense attaché in France.

Sec. 1033. National Geospatial-Intelligence Agency.

Subtitle E—Other Matters

Sec. 1041. Use of the National Driver Register for personnel security investigations and determinations.

Sec. 1042. National Defense Heritage Foundation.

Sec. 1043. Updating definitions in title 10, United States Code.

Sec. 1044. Improving readiness in providing firefighting services.

Sec. 1045. Exemption for charter operations to provide transportation to the Armed Forces.

Sec. 1046. Documents, historical artifacts, and obsolete or surplus materiel: loan, donation, or exchange.

Sec. 1047. Authority to ensure demilitarization of significant military equipment formerly owned by the Department of Defense.

Sec. 1048. Stopping vessels; immunity for firing at or into vessel.

Sec. 1049. Reauthorization of aviation insurance program.

Sec. 1050. Modification of national security education program.

1 **Subtitle A—Financial Matters**

2 **SEC. 1001. REPEAL OF REQUIREMENT FOR SEPARATE** 3 **BUDGET REQUEST FOR PROCUREMENT OF** 4 **RESERVE EQUIPMENT.**

5 Section 114(e) of title 10, United States Code, is re-
 6 pealed.

7 **SEC. 1002. REPEAL OF REQUIREMENT FOR TWO-YEAR** 8 **BUDGET CYCLE FOR THE DEPARTMENT OF** 9 **DEFENSE.**

10 Section 1405 of the Department of Defense Author-
 11 ization Act, 1986 (Public Law 99–145; 99 Stat. 744; 31
 12 U.S.C. 1105 note) is repealed.

1 **SEC. 1003. PAYMENT OF FULL REPLACEMENT VALUE FOR**
2 **PERSONAL PROPERTY CLAIMS.**

3 Section 2636 of title 10, United States Code, is
4 amended by adding at the end the following new sub-
5 section:

6 “(c) The Secretary of Defense or the Secretary of a
7 military department may procure from commercial trans-
8 portation service providers full replacement value coverage
9 for household goods shipments provided at government ex-
10 pense without regard to the dollar limitations contained
11 in title 37, United States Code, Section 3721, relative to
12 claims for loss or damages. Under such contracts,
13 servicemembers will be reimbursed full replacement value,
14 if warranted, and such amounts may be deducted from
15 the amounts due the carriers if settlement is not reached
16 between the servicemember and the carrier.”

17 **SEC. 1004. TREATMENT OF REIMBURSEMENTS FOR SUB-**
18 **POENA AND LITIGATION COSTS; RECOVERY**
19 **TO AGENCY FUNDS.**

20 Section 3730(b) of title 31, United States Code, is
21 amended by adding at the end the following new para-
22 graph:

23 “(6) An agency responding to a subpoena or request
24 for information relating to a matter in litigation to which
25 neither the United States or any agency thereof is a party
26 (including any suit brought under this section of this title

1 in which the United States has not intervened) may assess
2 reasonable fees for responding to the subpoena or request.
3 Payments received for such assessments shall be deposited
4 into the agency's current year appropriation from which
5 the expenditure was originally made, to merge with and
6 become available for the same purposes and period as the
7 accounts to which they are credited.”.

8 **SEC. 1005. RESTORATION OF AUTHORITY TO ENTER INTO**
9 **12-MONTH LEASES AT ANY TIME DURING THE**
10 **FISCAL YEAR.**

11 Section 2410a(a) of title 10, United States Code, is
12 amended by inserting after “severable services” the fol-
13 lowing: “and the lease of real or personal property, includ-
14 ing the maintenance of such property when contracted for
15 as part of the lease agreement,”.

16 **SEC. 1006. AUTHORITY TO PROVIDE REIMBURSEMENT FOR**
17 **CELLULAR TELEPHONE USE.**

18 (a) GENERAL AUTHORITY.—The Secretary of De-
19 fense is authorized to reimburse employees on a flat-rate
20 basis for cellular telephone used on privately-owned cel-
21 lular phones when on official Government business.

22 (b) REIMBURSEMENT RATE.—The Secretary of De-
23 fense may prescribe the cellular phone flat reimbursement
24 rate. This reimbursement rate shall not exceed the equiva-

1 lent Government costs of providing a cellular telephone to
2 employees on official Government business.

3 **SEC. 1007. REIMBURSEMENT FOR RESERVE INTELLIGENCE**

4 **SUPPORT.**

5 (a) IN GENERAL.—Chapter 1003 of title 10, United
6 States Code, is amended by adding at the end the fol-
7 lowing new section:

8 **“§ 10115. Reimbursement for reserve intelligence sup-
9 port**

10 “The Secretary of Defense or the Secretary con-
11 cerned shall reimburse a Reserve or National Guard unit
12 or organization for the pay, allowances, or other expenses
13 incurred by the Reserve or National Guard unit or organi-
14 zation when a member of the Reserve or National Guard
15 unit or organization provides intelligence support, counter-
16 intelligence support, or intelligence and counterintelligence
17 support to Combatant Commands, Defense Agencies, and
18 Joint Intelligence Activities, including but not limited to
19 the activities and programs within the National Foreign
20 Intelligence Program, the Joint Military Intelligence Pro-
21 gram, and the Tactical Intelligence and Related Activities.
22 Reimbursement shall be paid out of funds available for
23 operations and maintenance of the military departments,
24 combatant commands, or Defense Agencies.”.

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

“10115. Reimbursement for reserve intelligence support.”.

4 **SEC. 1008. INCREASED USE OF ENERGY COST SAVINGS.**

5 Section 2865(b)(1) of title 10, United States Code,
 6 is amended by striking “Two-thirds of the portion of the
 7 funds appropriated to Department of Defense for a fiscal
 8 year that is” and inserting “Funds appropriated to the
 9 Department of Defense for a fiscal year that are”.

10 **SEC. 1009. ALLOW THE DEPARTMENT OF DEFENSE TO CAP-**
 11 **TURE ALL EXPIRED FUNDS FROM THE MILI-**
 12 **TARY PERSONNEL AND OPERATION AND**
 13 **MAINTENANCE APPROPRIATIONS ACCOUNTS**
 14 **FOR USE IN THE FOREIGN CURRENCY FLUC-**
 15 **TUATIONS ACCOUNT.**

16 Section 2779 of title 10, United States Code, is
 17 amended—

18 (1) in subsection (a)(2), by striking “second fis-
 19 cal year” and inserting “fifth fiscal year”; and

20 (2) in subsection (d)(2), by striking “second fis-
 21 cal year” and inserting “fifth fiscal year”.

1 **SEC. 1010. FUNDING FOR SPECIAL OPERATIONS RESERVE**
 2 **COMPONENT PERSONNEL ENGAGED IN AC-**
 3 **TIVITIES RELATING TO CLEARANCE OF**
 4 **LANDMINES.**

5 Funds authorized in this Act for the Overseas Hu-
 6 manitarian, Disaster and Civic Aid programs of the De-
 7 partment of Defense shall be available, in a total amount
 8 not to exceed \$5,000,000 in any fiscal year, for reimburse-
 9 ment of pay and allowances of Special Operations Reserve
 10 Component personnel performing duty in connection with
 11 training and activities related to the clearing of landmines
 12 for humanitarian purposes.

13 **Subtitle B—Naval Vessels and**
 14 **Shipyards**

15 **SEC. 1011. REIMBURSEMENT TO THE NAVY FOR ASSIST-**
 16 **ANCE PROVIDED IN SUPPORT OF CERTAIN**
 17 **SHIP AND SHIPBOARD EQUIPMENT TRANS-**
 18 **FERS.**

19 (a) IN GENERAL.—Chapter 633 of title 10, United
 20 States Code, is amended by adding at the end the fol-
 21 lowing new section:

22 **“§ 7316. Reimbursement for assistance provided in**
 23 **support of certain ship and shipboard**
 24 **equipment transfers**

25 “(a) AUTHORITY TO PERFORM WORK.—The Sec-
 26 retary of the Navy may provide assistance in support of

1 any ship or shipboard equipment transfer under sections
 2 2572, 7306, 7307, and 7545 of this title, or under any
 3 other authority, in connection with inactive decommis-
 4 sioned Navy-owned vessels maintained and located at
 5 Navy facilities.

6 “(b) REIMBURSEMENT.—The Secretary may require
 7 the entities receiving assistance under subsection (a) to
 8 reimburse the Navy for amounts expended in providing
 9 such assistance.

10 “(c) DEPOSIT OF FUNDS RECEIVED.—Funds re-
 11 ceived under subsection (b) shall be credited to the appro-
 12 priations supporting the maintenance and operation of the
 13 Navy Inactive Ships Management Office for the fiscal year
 14 in which the funds are received, to merge with and become
 15 available for the same purposes and period as the accounts
 16 to which they are credited.”.

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

“7316. Reimbursement for assistance provided in support of certain ship and
 shipboard equipment transfers.”.

20 **SEC. 1012. VESSELS STRICKEN FROM NAVAL VESSEL REG-**
 21 **ISTER: USE FOR EXPERIMENTAL PURPOSES.**

22 Section 7306a of title 10, United States Code, is
 23 amended—

24 (1) in subsection (b)—

1 (A) in paragraph (1), by adding at the end
2 the following new sentence: “Material and
3 equipment stripped from the vessel may be sold
4 by a contractor or a designated sales agent on
5 behalf of the Navy.”; and

6 (B) in paragraph (2), by striking “scrap-
7 ping services” and all that follows through the
8 end of the paragraph and inserting “services
9 needed for such stripping and for environmental
10 remediation required for the use of a vessel for
11 experimental purposes. Amounts received which
12 are in excess of amounts needed for reimburse-
13 ment of those costs shall be deposited into the
14 account from which the stripping and environ-
15 mental remediation expenses were incurred and
16 shall be available for stripping and environ-
17 mental remediation of other vessels used for ex-
18 perimental purposes.”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(c) EXPERIMENTAL PURPOSES DEFINED.—For
22 purposes of this section, the term ‘experimental purposes’
23 includes vessels used in Navy sink exercises and for target
24 use.”.

1 **SEC. 1013. AUTHORIZE TRANSFER OF VESSELS STRICKEN**
2 **FROM THE NAVAL VESSEL REGISTER FOR**
3 **USE AS ARTIFICIAL REEFS.**

4 Chapter 633 of title 10, United States Code, is
5 amended by inserting after section 7306a the following
6 new section:

7 **“§ 7306b. Vessels stricken from Naval Vessel Register;**
8 **transfer by gift or otherwise for use as**
9 **artificial reefs**

10 “(a) **AUTHORITY TO MAKE TRANSFER.**—Subject to
11 subsections (c) and (d) of section 602 of the Federal Prop-
12 erty and Administrative Services Act of 1949 (40 U.S.C.
13 474), the Secretary of the Navy may transfer, by gift or
14 otherwise, any vessel stricken from the Naval Vessel Reg-
15 ister to any State, Commonwealth, or possession of the
16 United States or any municipal corporation or political
17 subdivision thereof.

18 “(b) **VESSEL TO BE USED AS ARTIFICIAL REEF.**—
19 An agreement for the transfer of a vessel under subsection
20 (a) shall require that—

21 “(1) the transferee use, site, construct, monitor
22 and manage the vessel only as an artificial reef in
23 accordance with the requirements of chapter 35 of
24 title 33, except that the transferee also may use the
25 artificial reef to enhance diving opportunities if that
26 use does not have an adverse effect on fishery re-

1 sources, as defined in section 1802(14) of the Mag-
2 nuson-Stevens Fishery Conservation and Manage-
3 ment Act of 1976, as amended (Public Law 100-
4 627; 16 U.S.C. 1802); and

5 “(2) the transferee shall obtain and bear all of
6 the responsibility for complying with all of the appli-
7 cable federal, state, interstate, and local permits for
8 siting, constructing, monitoring and managing a ves-
9 sel as an artificial reef.

10 “(c) ADDITIONAL TERMS.—The Secretary may re-
11 quire such additional terms in connection with the convey-
12 ance authorized by this section as the Secretary considers
13 appropriate.

14 “(d) COST SHARING ON TRANSFERS.—The Depart-
15 ment of the Navy may share with the recipient any of the
16 costs associated with transferring the vessel under this
17 section.

18 “(e) APPLICATION FOR MORE THAN ONE VESSEL.—
19 A State, Commonwealth, or possession of the United
20 States, or any municipal corporation or political subdivi-
21 sion thereof, may apply for more than one vessel under
22 this section.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 at the beginning of such chapter is amended by inserting

1 after the item relating to section 7306a the following new
2 item:

“7306b. Vessels stricken from Naval Vessel Register; transfer by gift or otherwise for use as artificial reefs.”.

3 **SEC. 1014. REPEAL OF THE SHIPBUILDING CAPABILITY**
4 **PRESERVATION AGREEMENT.**

5 (a) IN GENERAL.—Section 7315 of title 10, United
6 States Code, is repealed.

7 (b) SAVINGS PROVISION.—Agreements entered into
8 under the authority of section 7315 prior to the date of
9 enactment of this Act shall continue to remain in full force
10 and effect.

11 (c) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of chapter 633 of such title is amended
13 by striking the item relating to section 7315.

14 **Subtitle C—Counter-Drug**
15 **Activities**

16 **SEC. 1021. EXTEND AUTHORITY FOR USE OF COUNTER-**
17 **DRUG ACTIVITIES.**

18 (a) AUTHORITY.—(1) In fiscal years 2004 and 2005,
19 the Secretary of Defense may use funds available for drug
20 interdiction and counter-drug activities to provide assist-
21 ance to the Government of Colombia to support a unified
22 campaign against narcotics trafficking, to support a uni-
23 fied campaign against activities by organizations des-
24 ignated as terrorist organizations such as the Revolu-

1 tionary Armed Forces of Colombia, the National Libera-
2 tion Army, and the United Self-Defense Forces of Colom-
3 bia, and to take actions to protect human health and wel-
4 fare in emergency circumstances, including undertaking
5 rescue operations.

6 (2) The authority in this section is in addition to au-
7 thorities currently available to provide assistance to Co-
8 lombia.

9 (b) APPLICATION TO FUNDS.—Sections 556, 567,
10 and 568 of the Foreign Operations, Export Financing,
11 and Related Programs Appropriations Act, 2002 (Public
12 Law 107–115; 115 Stat. 2160, 2165 and 2166, respec-
13 tively), section 8093 of the Department of Defense Appro-
14 priations Act, 2002 (Public Law 107–248; 116 Stat.
15 1558), and the numerical limitations on the number of
16 United States military personnel and United States indi-
17 vidual civilian contractors in section 3204(b)(1) of the
18 Military Construction Appropriations Act, 2001 (Public
19 Law 106–246; 114 Stat. 575), as amended, shall be appli-
20 cable to funds made available pursuant to the authority
21 contained in subsection (a).

22 (c) PROHIBITION.—No United States Armed Forces
23 personnel or United States civilian contractor employed by
24 the United States will participate in any combat operation
25 in connection with assistance made available under this

1 chapter, except for the purpose of acting in self defense
2 or rescuing any United States citizen to include United
3 States Armed Forces personnel, United States civilian em-
4 ployees, and civilian contractors employed by the United
5 States.

6 **SEC. 1022. DEPARTMENT OF DEFENSE SUPPORT FOR**
7 **COUNTER-TERRORISM ACTIVITIES IN THE**
8 **AMERICAS.**

9 In fiscal year 2004, funds made available to the De-
10 partment of Defense to support counter-drug activities are
11 hereby authorized to support a unified campaign against
12 illicit narcotics-trafficking and related activities by identi-
13 fied organizations engaged in such narcotics-trafficking, to
14 support a unified campaign against activities by organiza-
15 tions in the Americas hemisphere actively engaged in, or
16 designated as, terrorist organizations, and to take suffi-
17 cient action to protect human health and welfare in exi-
18 gent circumstances, including the undertaking of rescue
19 operations throughout Central and South America and the
20 waters South of the Continental United States, such as
21 the Pacific Ocean east of 120 degrees West, the Gulf of
22 Mexico, and the Caribbean Sea. The exercise of this au-
23 thority by the Secretary of Defense is subject to the con-
24 currence of the Secretary of State.

1 **SEC. 1023. EXPANSION AND EXTENSION OF AUTHORITY TO**
2 **PROVIDE ADDITIONAL SUPPORT FOR**
3 **COUNTER-DRUG ACTIVITIES.**

4 Section 1033 of the National Defense Authorization
5 Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
6 1881), as amended by the National Defense Authorization
7 Act for Fiscal Year 2001 (Public Law 106–398; 114 Stat.
8 1654A–255), is amended—

9 (1) in the section title by striking “Peru and
10 Colombia” and inserting “other countries”;

11 (2) in subsection (a)—

12 (A) by striking “2002” and inserting
13 “2006”; and

14 (B) by striking “either or both” and in-
15 serting “any”;

16 (3) by amending subsection (b) to read as fol-
17 lows:

18 “(b) GOVERNMENTS ELIGIBLE TO RECEIVE SUP-
19 PORT.—The foreign governments eligible to receive
20 counter-drug support under this section are as follows:

21 “(1) Afghanistan,

22 “(2) Ecuador,

23 “(3) Pakistan,

24 “(4) Tajikistan,

25 “(5) Turkmenistan,

26 “(6) Uzbekistan,

1 “(7) Peru, and

2 “(8) Colombia.”;

3 (4) in subsection (c)—

4 (A) in paragraph (2) by striking
5 “riverine”;

6 (B) by amending paragraph (3) to read as
7 follows:

8 “(3) The maintenance, repair, or upgrade of
9 equipment of the government that is used for
10 counter-drug activities.”; and

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

13 “(4) The sustainment, including ammunition, of
14 counterdrug security forces.”;

15 (5) in subsection (e)(2)—

16 (A) by striking “\$20,000,000” and insert-
17 ing “\$40,000,000”; and

18 (B) by striking “1999” and inserting
19 “2004”; and

20 (6) in subsection (h)—

21 (A) by amending subsection (h) to read as
22 follows:

23 “(h) COUNTER-DRUG PLAN.—The Secretary of De-
24 fense, in consultation with the Secretary of State, shall
25 prepare for fiscal year 2004 (and revise as necessary for

1 subsequent fiscal years) a counter-drug plan involving the
2 governments named in subsection (b) to which support will
3 be provided under this section.”;

4 (B) in paragraph (2), by striking
5 “riverine”;

6 (C) in paragraph (7), by striking
7 “riverine”;

8 (D) in paragraph (8), by striking
9 “riverine”; and

10 (E) by amending paragraph (9) to read as
11 follows:

12 “(9) A detailed discussion of how the counter-
13 drug program supports the national drug control
14 strategy and the national security cooperation goals
15 of the United States.”.

16 **Subtitle D—Other Department of** 17 **Defense Provisions**

18 **SEC. 1031. PROVISION OF LIVING QUARTERS FOR CERTAIN** 19 **STUDENTS.**

20 Section 2195 of title 10, United States Code, is
21 amended by adding at the end the following new sub-
22 section:

23 “(d) Notwithstanding the provisions of section
24 5911(e), title 5, United States Code, the Director of the
25 National Security Agency may provide living quarters

1 without charge, or at rates or charges fixed by regulation,
2 to a student in the Student Educational Employment Pro-
3 gram or similar program, as prescribed by the Office of
4 Personnel Management, while the student is employed at
5 the Agency's laboratory.”.

6 **SEC. 1032. REPEAL OF REQUIRED GRADE FOR DEFENSE AT-**
7 **TACHE IN FRANCE.**

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

10 (b) CONFORMING AMENDMENT.—The table of sec-
11 tions at the beginning of chapter 41 of that title is amend-
12 ed by striking the item relating to section 714.

13 **SEC. 1033. NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.**

14 (a) DEFINITION OF GEOSPATIAL INTELLIGENCE.—
15 Section 467 of title 10, United States Code, is amended
16 by adding at the end the following new paragraph:

17 “(5) The term ‘geospatial intelligence’ means the ex-
18 ploitation and analysis of imagery and geospatial informa-
19 tion to describe, assess, and visually depict physical fea-
20 tures and geographically referenced activities on the
21 Earth. This term consists of imagery, imagery intelligence,
22 and geospatial information.”.

23 (b) MISSIONS.—Section 442(a) of such title is
24 amended to read as follows:

1 “(a) NATIONAL SECURITY MISSIONS.—(1) The Na-
2 tional Geospatial-Intelligence Agency shall, in support of
3 the national security objectives of the United States, pro-
4 vide geospatial intelligence consisting of the following:

5 “(A) Imagery.

6 “(B) Imagery intelligence.

7 “(C) Geospatial information.

8 “(2) Geospatial intelligence provided in carrying out
9 paragraph (1) shall be timely, relevant, and accurate.”.

10 (c) NATIONAL SECURITY ACT CHANGE.—Section 110
11 of the National Security Act of 1947 (50 U.S.C. 404(e))
12 is amended by striking “imagery” and inserting
13 “geospatial intelligence”.

14 (d) TECHNICAL CHANGES TO TITLE 10.—

15 (1) The title of chapter 22 of such title is
16 amended by striking “National Imagery and Map-
17 ping Agency” and inserting “National Geospatial-In-
18 telligence Agency”.

19 (2) Paragraphs (a) and (b) of section 441 of
20 such title are amended by striking “National Im-
21 agery and Mapping Agency” and inserting “National
22 Geospatial-Intelligence Agency”.

23 (3) Section 442 of such title is amended by
24 striking “National Imagery and Mapping Agency”

1 wherever it appears and inserting “National
2 Geospatial-Intelligence Agency”.

3 (4) Paragraphs (a) and (b) of section 443 of
4 such title are amended by striking “National Im-
5 agery and Mapping Agency” and inserting “National
6 Geospatial-Intelligence Agency”.

7 (5) Paragraphs (a), (b), (c), and (e) of section
8 444 of such title are amended by striking “National
9 Imagery and Mapping Agency” and inserting “Na-
10 tional Geospatial-Intelligence Agency”.

11 (6) Section 451 of such title is amended by
12 striking “National Imagery and Mapping Agency”
13 and inserting “National Geospatial-Intelligence
14 Agency”.

15 (7) Paragraphs (a) and (b) of section 452 of
16 such title are amended by striking “National Im-
17 agery and Mapping Agency” and inserting “National
18 Geospatial-Intelligence Agency”.

19 (8) Paragraphs (a) and (b) of section 453 of
20 such title are amended—

21 (A) by striking “National Imagery and
22 Mapping Agency” and inserting “National
23 Geospatial-Intelligence Agency”; and

24 (B) by striking “NIMA” and inserting
25 “NGA”.

1 (9) Section 454 of such title is amended by
2 striking “National Imagery and Mapping Agency”
3 and inserting “National Geospatial-Intelligence
4 Agency”.

5 (10) Paragraphs (a) and (b) of section 455 of
6 such title are amended by striking “National Im-
7 agery and Mapping Agency” and inserting “National
8 Geospatial-Intelligence Agency”.

9 (11) Paragraphs (a) and (b) of section 456 of
10 such title are amended by striking “National Im-
11 agery and Mapping Agency” and inserting “National
12 Geospatial-Intelligence Agency”.

13 (12) Paragraph (b) of section 457 of such title
14 is amended by striking “National Imagery and Map-
15 ping Agency” and inserting “National Geospatial-In-
16 telligence Agency”.

17 (13) Paragraphs (a), (b), (c), and (d) of section
18 461 of such title are amended by striking “National
19 Imagery and Mapping Agency” and inserting “Na-
20 tional Geospatial-Intelligence Agency”.

21 (14) Section 1614 of such title is amended by
22 striking “National Imagery and Mapping Agency”
23 and inserting “National Geospatial-Intelligence
24 Agency”.

1 (e) TECHNICAL CHANGES TO THE NATIONAL SECUR-
2 RITY ACT OF 1947.—

3 (1) Section 3 of the National Security Act of
4 1947 (50 U.S.C. 401a) is amended by striking “Na-
5 tional Imagery and Mapping Agency” and inserting
6 “National Geospatial- Intelligence Agency”.

7 (2) Paragraphs (b) and (d) of section 105 of
8 such Act (50 U.S.C. 403–5) are amended by strik-
9 ing “National Imagery and Mapping Agency” and
10 inserting “National Geospatial-Intelligence Agency”.

11 (3) Paragraph (b) of section 105A of such Act
12 (50 U.S.C. 403–5a) is amended by striking “Na-
13 tional Imagery and Mapping Agency” and inserting
14 “National Geospatial-Intelligence Agency”.

15 (4) Section 105C of such Act (50 U.S.C. 403–
16 5c) is amended—

17 (A) by striking “National Imagery and
18 Mapping Agency” wherever it appears and in-
19 serting “National Geospatial-Intelligence Agen-
20 cy”; and

21 (B) and by striking “NIMA” wherever it
22 appears and inserting “NGA”.

23 (5) Paragraph (a) of section 106 of such Act
24 (50 U.S.C. 403–6) is amended by striking “National

1 Imagery and Mapping Agency” and inserting “Na-
2 tional Geospatial-Intelligence Agency”.

3 (6) Paragraphs (a), (b), and (c) of section 110
4 of such Act (50 U.S.C. 404e) are amended by strik-
5 ing “National Imagery and Mapping Agency” and
6 inserting “National Geospatial-Intelligence Agency”.

7 (f) SEAL.—Section 425 (a) of title 10, United States
8 Code, is amended by adding at the end the following new
9 paragraph:

10 “(5) The words ‘National Geospatial-Intel-
11 ligence Agency’, the initials ‘NGA’, or the seal of the
12 National Geospatial-Intelligence Agency.’”.

13 **Subtitle E—Other Matters**

14 **SEC. 1041. USE OF THE NATIONAL DRIVER REGISTER FOR** 15 **PERSONNEL SECURITY INVESTIGATIONS AND** 16 **DETERMINATIONS.**

17 (a) IN GENERAL.—Chapter 303 of title 49, United
18 States Code, is amended by inserting after section 30305
19 the following new section:

1 **“§ 30305a. National driver register information for**
2 **use in personnel security investigations**
3 **and determinations and personnel inves-**
4 **tigations with regard to Federal employ-**
5 **ment security checks for Federal employ-**
6 **ment**

7 “An individual who has or who seeks access to na-
8 tional security information for purposes of Executive
9 Order 12968, or successor Executive orders, or an indi-
10 vidual who is being investigated for Federal employment
11 under authority of Executive Order 10450, or successor
12 Executive orders, may request that the chief driver licens-
13 ing official of a State provide information about the indi-
14 vidual pursuant to section 30305(a) of this title to a Fed-
15 eral department or agency that is authorized to investigate
16 the individual for the purpose of assisting in the deter-
17 mination of the eligibility of the individual for access to
18 national security information or for Federal employment.
19 The Federal Department or agency that receives such in-
20 formation may use it in accordance with applicable law.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for such chapter 303 of title 49 is amended by inserting
23 after the item relating to section 30305 the following new
24 item:

“30305a. National driver register information for use in personnel security investigations and determinations and personnel investigations with regard to Federal employment security checks for Federal employment.”.

1 **SEC. 1042. NATIONAL DEFENSE HERITAGE FOUNDATION.**

2 (a) IN GENERAL.—Part IV of Subtitle A of title 10,
3 United States Code is amended by adding at the end the
4 following new chapter:

5 **“CHAPTER 173—NATIONAL DEFENSE**
6 **HERITAGE FOUNDATION**

“Sec.

“2905. Establishment and Purpose.

“2906. Composition and Operation.

“2907. Corporate Powers and Obligations.

“2908. Tax exemptions; contributions toward costs of local government; contributions, gifts, or transfers to or for use of United States.

“2909. Liability of United States.

“2910. Promotion of local fundraising support.

“2911. Authorization of appropriations.

7 **“§ 2905. Establishment and purpose**

8 “(a) ESTABLISHMENT.—A National Defense Herit-
9 age Foundation is hereby established as a charitable and
10 nonprofit corporation for the purposes specified in sub-
11 section (b), and shall be organized and operated as a 26
12 U.S.C. 501(c)(3) charitable foundation.

13 “(b) PURPOSES.—The Foundation shall encourage,
14 accept, and administer private gifts of money and real and
15 personal property or any income therefrom for the benefit
16 of, or in connection with, the preservation, protection, and
17 continued beneficial use of historic properties owned or
18 controlled by the Department of Defense.

1 **“§ 2906. Composition and operation**

2 “(a) BOARD OF DIRECTORS.—The National Defense
3 Heritage Foundation shall be governed by a Board of Di-
4 rectors that shall consist of—

5 “(1) the Secretary of Defense, ex officio;

6 “(2) the Secretaries of the Military Depart-
7 ments, ex officio;

8 “(3) the Director of the National Park Service,
9 ex officio;

10 “(4) five experts in the field of historic preser-
11 vation appointed by the Secretary of Defense from
12 the disciplines of architecture, history, archeology, or
13 other appropriate disciplines;

14 “(5) three at-large members from the general
15 public appointed by the Secretary of Defense; and

16 “(6) the Chairman of the Advisory Council on
17 Historic Preservation.

18 “(b) TERM OF APPOINTMENT.—The initial terms of
19 the five historic preservation experts and the three at-large
20 members shall be staggered to assure continuity of admin-
21 istration. Thereafter, the term shall be six years, unless
22 a successor is chosen to fill a vacancy occurring prior to
23 the expiration of the term for which his predecessor was
24 chosen, in which event the successor shall be chosen only
25 for the remainder of that term.

1 “(c) CHAIRPERSON AND SECRETARY.—The Secretary
2 of Defense shall be the Chairman of the Board and the
3 Director of the National Park Service shall be the Sec-
4 retary of the Board.

5 “(d) MEMBERSHIP AND OPERATION.—Except as to
6 those Board members serving in their official capacities,
7 service as a member of the Board shall not constitute em-
8 ployment by, or the holding of, an office of the United
9 States for the purposes of any Federal law. A majority
10 of the members of the Board serving at any one time shall
11 constitute a quorum for the transaction of business, and
12 the Foundation shall have an official seal, which shall be
13 judicially noticed. The Board shall meet at the call of the
14 Chairman and there shall be at least one meeting each
15 year.

16 “(e) COMPENSATION AND TRAVEL EXPENSES.—No
17 compensation shall be paid to the members of the Board
18 for their services as members, but they shall be reimbursed
19 for actual and necessary traveling and subsistence ex-
20 penses incurred by them in the performance of their duties
21 as such members out of National Defense Heritage Foun-
22 dation funds available to the Board for such purposes.

23 “(f) VOLUNTEER STATUS.—The Secretary of De-
24 fense may accept, without regard to civil service classifica-
25 tion laws, rules, or regulations, the services of the Founda-

1 tion, the Board, and the officers and employees of the
2 Board, without compensation from the Department of De-
3 fense, as volunteers in the performance of the functions
4 authorized herein.

5 “(g) EMPLOYEES.—An officer or employee of the
6 Foundation—

7 “(1) shall not by virtue of the appointment or
8 employment of the office or employee, be considered
9 a Federal employee for any purpose; and

10 “(2) may not be paid by the Foundation a sal-
11 ary in excess of \$134,000 per year.

12 **“§ 2907. Corporate powers and obligations**

13 “(a) GIFTS.—(1) The Foundation is authorized to ac-
14 cept, receive, solicit, hold, administer, and use any gifts,
15 devises, or bequests, either absolutely or in trust, of real
16 or personal property or any income therefrom or other in-
17 terest therein for the benefit of or in connection with, the
18 preservation, protection, and continued beneficial use of
19 historic properties owned or controlled by the Department
20 of Defense; provided, that the Foundation may not accept
21 any such gift, devise, or bequest that entails any expendi-
22 ture other than from the resources of the Foundation.

23 “(2) An interest in real property includes, among
24 other things, easements or other rights for preservation,

1 conservation, protection, or enhancement of historic prop-
2 erties.

3 “(3) A gift, device, or bequest may be accepted by
4 the Foundation even though it is encumbered, restricted,
5 or subject to beneficial interests of private persons if any
6 current or future interest therein supports the purposes
7 for which the Foundation has been established.

8 “(b) PROPERTY AND INCOME DEALINGS AND TRANS-
9 ACTIONS.—(1) Except as otherwise required by the instru-
10 ment of transfer, the Foundation may sell, lease, invest,
11 reinvest, retain, or otherwise dispose of or deal with any
12 property or income thereof as the Board may from time
13 to time determine.

14 “(2) The Foundation shall not engage in any busi-
15 ness, nor shall the Foundation make any investment that
16 may not lawfully be made by a trust company in the Dis-
17 trict of Columbia, except that the Foundation may make
18 any investment authorized by the instrument of transfer,
19 and may retain any property accepted by the Foundation.

20 “(3) The Foundation may utilize the services and fa-
21 cilities of the Department of Defense, the Department of
22 the Interior, and the Department of Justice, and such
23 services and facilities may be made available on request
24 to the extent practicable with or without reimbursement
25 therefore. Monies reimbursed to any Department shall be

1 returned by the Department to the account from which
2 the funds for which the reimbursement is made were
3 drawn and may, without further appropriation, be ex-
4 pended for any purpose for which such account is author-
5 ized.

6 “(c) CORPORATE SUCCESSION; POWERS AND DUTIES
7 OF TRUSTEE; SUITS; PERSONAL LIABILITY FOR MALFEA-
8 SANCE.—The Foundation shall have perpetual succession,
9 with all the usual powers and obligations of a corporation
10 acting as a trustee, including the power to sue and to be
11 sued in its own name, but the members of the Board shall
12 not be personally liable, except for malfeasance.

13 “(d) AUTHORITY FOR EXECUTION OF CONTRACTS,
14 INSTRUMENTS, AND NECESSARY OR APPROPRIATE
15 ACTS.—The Foundation shall have the power to enter into
16 contracts, to execute instruments, and generally to do any
17 and all lawful acts necessary or appropriate to its pur-
18 poses.

19 “(e) BYLAWS, RULES, AND REGULATIONS; CON-
20 TRACTS FOR SERVICES.—In carrying out the provisions
21 of this subchapter, the Board may adopt bylaws, rules,
22 and regulations necessary for the administration of its
23 functions and contract for any necessary services.

1 **“§ 2908. Tax exemptions; contributions toward costs**
2 **of local government; contributions, gifts,**
3 **or transfers to or for use of United States**

4 “(a) TAX EXEMPTIONS.—The Foundation and any
5 income or property received or owned by it, and all trans-
6 actions relating to such income or property, shall be ex-
7 empt from all Federal, State, and local taxation with re-
8 spect thereto.

9 “(b) CONTRIBUTION TO COSTS OF LOCAL GOVERN-
10 MENT.—The Foundation may, however, in the discretion
11 of its directors, contribute toward the costs of local gov-
12 ernment in amounts not in excess of those which it would
13 be obligated to pay such government if it were not exempt
14 from taxation by virtue of the foregoing or by virtue of
15 its being a charitable and nonprofit corporation and may
16 agree so to contribute with respect to property transferred
17 to it and the income derived therefrom if such agreement
18 is a condition of the transfer.

19 “(c) TRANSFERS TO OR FOR USE OF UNITED
20 STATES.—Contributions, gifts, and other transfers made
21 to or for the use of the Foundation shall be regarded as
22 contributions, gifts, or transfers to or for the use of the
23 United States.

24 **“§ 2909. Liability of United States**

25 “The United States shall not be liable for any debts,
26 defaults, acts, or omissions of the Foundation.

1 **“§ 2910. Promotion of local fundraising support**

2 “(a) ESTABLISHMENT.—The Foundation shall design
3 and implement a comprehensive program to assist and
4 promote philanthropic programs of support at the indi-
5 vidual military installation level.

6 “(b) IMPLEMENTATION.—The program under sub-
7 section (a) shall be implemented to—

8 “(1) assist in the creation of local nonprofit
9 support organizations; and

10 “(2) provide support, national consistency, and
11 management-improving suggestions for local non-
12 profit support organizations.

13 “(c) PROGRAM.—The program under subsection (a)
14 shall include the greatest number of military installations
15 as is practicable.

16 “(d) REQUIREMENTS.—The program under sub-
17 section (a) shall include, at a minimum—

18 “(1) a standard adaptable organizational design
19 format to establish and sustain responsible manage-
20 ment of a local nonprofit support organization for
21 support of a military installation;

22 “(2) standard and legally tenable bylaws and
23 recommended money-handling procedures that can
24 easily be adapted as applied to individual military in-
25 stallations; and

1 “(3) a standard training curriculum to orient
2 and expand the operating expertise of personnel em-
3 ployed by local nonprofit support organizations.

4 “(e) ANNUAL REPORT.—The Foundation shall report
5 the progress of the program under subsection (a) in the
6 annual report of the Foundation.

7 “(f) AFFILIATIONS.—(1) Nothing in this section re-
8 quires:

9 “(A) a nonprofit support organization or
10 friends group to modify current practices or to affil-
11 iate with the Foundation; or

12 “(B) a local nonprofit support organization, es-
13 tablished as a result of this section, to be bound
14 through its charter or corporate bylaws to be perma-
15 nently affiliated with the Foundation.

16 “(2) An affiliation with the Foundation shall be es-
17 tablished only at the discretion of the governing board of
18 a nonprofit organization.

19 **“§ 2911. Authorization of appropriations**

20 “(a) AUTHORIZATION.—There are authorized to be
21 appropriated to the Department of Defense such sums as
22 may be necessary to achieve the purposes of the Founda-
23 tion.

24 “(b) USE OF AMOUNTS APPROPRIATED.—(1) Subject
25 to paragraph (2), amounts appropriated under this section

1 shall be made available to the Foundation for use for
 2 matching, in whole or in part, contributions (whether in
 3 currency, services, or property) made to the Foundation
 4 by private persons and State and local government agen-
 5 cies.

6 “(2) No Federal funds authorized under this section
 7 shall be used by the foundation for administrative ex-
 8 penses of the Foundation, including salaries, travel and
 9 transportation expenses, and other overhead expenses.

10 “(c) ADDITIONAL AUTHORIZATION.—The amounts
 11 authorized to be appropriated under this section are in
 12 addition to any amounts provided or available to the
 13 Foundation under any other Federal law.”.

14 (b) CLERICAL AMENDMENT.—The table of chapters
 15 of Part IV of Subtitle A of such title is amended by adding
 16 at the end the following new item:

“173. National Defense Heritage Foundation 2905”.

17 **SEC. 1043. UPDATING DEFINITIONS IN TITLE 10, UNITED**
 18 **STATES CODE.**

19 (a) GENERAL DEFINITIONS.—Subsection (a) of sec-
 20 tion 101 of title 10, United States Code, is amended by
 21 adding at the end the following new paragraphs:

22 “(16) The term ‘appropriate committees of Congress’
 23 means the Committee on Armed Services and the Com-
 24 mittee on Appropriations of the Senate and the Committee
 25 on Armed Services and the Committee on Appropriations

1 of the House of Representatives and, with respect to any
2 project to be carried out by, or for the use of, an intel-
3 ligence component of the Department of Defense, the Per-
4 manent Select Committee on Intelligence of the House of
5 Representatives and the Select Committee on Intelligence
6 of the Senate.

7 “(17) The term ‘base closure law’ means—

8 “(A) section 2687 of this title;

9 “(B) title II of the Defense Authorization
10 Amendments and Base Closure and Realignment
11 Act of 1988 (Public Law 100–526; 10 U.S.C. 2687
12 note);

13 “(C) the Defense Base Closure and Realign-
14 ment Act of 1990 (part A of title XXIX of Public
15 Law 101–510; 10 U.S.C. 2687 note); and

16 “(D) any other similar authority for the closure
17 or realignment of military installations that is en-
18 acted after the date of the enactment of the Bob
19 Stump National Defense Authorization Act for Fis-
20 cal Year 2003.

21 “(18) The term ‘Indian tribe’ has the meaning given
22 such term in section 102(2) of the Federally Recognized
23 Indian Tribe List Act of 1994 (25 U.S.C. 479a(2)).”.

24 (b) FACILITIES DEFINITIONS.—Section 101 is fur-
25 ther amended—

1 (1) by redesignating subsections (e) and (f) as
2 subsections (f) and (g), respectively; and

3 (2) by inserting after subsection (d) the fol-
4 lowing new subsection (e):

5 “(e) FACILITIES AND OPERATIONS.—Unless the con-
6 text indicates otherwise, the following definitions relating
7 to facilities and operations apply to this title:

8 “(1) The term ‘military munitions’—

9 “(A) means all ammunition products and
10 components produced for or used by the armed
11 forces for national defense and security, includ-
12 ing ammunition products or components under
13 the control of the Department of Defense, the
14 Coast Guard, the Department of Energy, and
15 the National Guard. The term includes confined
16 gaseous, liquid, and solid propellants, explo-
17 sives, pyrotechnics, chemical and riot control
18 agents, smokes, incendiaries, bulk explosives
19 and chemical warfare agents, chemical muni-
20 tions, rockets, guided and ballistic missiles,
21 bombs, warheads, mortar rounds, artillery am-
22 munition, small arms ammunition, grenades,
23 mines, torpedoes, depth charges, cluster muni-
24 tions and dispensers, demolition charges, and
25 devices and components thereof, and

1 “(B) does not include wholly inert items,
2 improvised explosive devices, and nuclear weap-
3 ons, nuclear devices, and nuclear components,
4 except that the term does include non-nuclear
5 components of nuclear devices that are man-
6 aged under the nuclear weapons program of the
7 Department of Energy after all required saniti-
8 zation operations under the Atomic Energy Act
9 of 1954 (42 U.S.C. 2011, et seq.) have been
10 completed.

11 “(2) The term ‘operational range’ means—

12 “(A) a range that is used for range activi-
13 ties, or

14 “(B) a range that is not currently being
15 used for range activities, but that is still consid-
16 ered by the Secretary concerned to be a range,
17 is under the jurisdiction, custody, or control of
18 the Secretary concerned, and has not been put
19 to a new use that is incompatible with range ac-
20 tivities.

21 “(3) The term ‘range’ means a designated land
22 or water area set aside, managed, and used to con-
23 duct research, development, testing, and evaluation
24 of military munitions, other ordnance, or weapon
25 systems, or to train military personnel in their use

1 and handling. Ranges include firing lines and posi-
2 tions, maneuver areas, firing lanes, test pads, deto-
3 nation pads, impact areas, electronic scoring sites,
4 buffer zones with restricted access and exclusionary
5 areas, and airspace areas designated for military use
6 according to regulations and procedures established
7 by the Federal Aviation Administration such as spe-
8 cial use airspace areas, military training routes, or
9 other associated airspace.

10 “(4) The term ‘unexploded ordnance’ means
11 military munitions that—

12 “(A) have been primed, fused, armed, or
13 otherwise prepared for action;

14 “(B) have been fired, dropped, launched,
15 projected, or placed in such a manner as to con-
16 stitute a hazard to operations, installations,
17 personnel, or material; and

18 “(C) remain unexploded either by malfunc-
19 tion, design, or any other cause.”.

20 (e) CONFORMING AMENDMENTS.—(1) Subsection (e)
21 of section 2710 of title 10, United States Code, is amend-
22 ed—

23 (A) by striking paragraphs (3), (5), and (9);

24 and

1 (B) by redesignating paragraphs (4), (6), (7),
2 (8), and (10) as paragraphs (3), (4), (5), (6), and
3 (7), respectively.

4 (2) Subsection (d) of section 313 of the National De-
5 fense Authorization Act for Fiscal Year 2002 (Public Law
6 107–107; 115 Stat. 1053), is amended by inserting after
7 “311” the following: “, or in section 101 of title 10,
8 United States Code”.

9 (3) Title 10, United States Code, is further amended
10 as follows:

11 (A) Subsection (c) of section 2801 is amended
12 by striking paragraph (4).

13 (B) Sections 181, 229, 1107, 2216, 2218,
14 2306b, 2366, 2399, 2534, 2667, and 10216 are
15 amended by striking “congressional defense commit-
16 tees” each place it appears and inserting “appro-
17 priate committees of Congress”.

18 (C) Subsection (d)(2) of section 181 is amend-
19 ed—

20 (i) by striking “subsection: (A) The” and
21 inserting “subsection, the”; and

22 (ii) by striking paragraph (B).

23 (D) Subsection (f) of section 229 is repealed.

24 (E) Subsection (f)(4) of section 1107 is amend-
25 ed by striking subparagraph (C).

1 (F) Subsection (j) of section 2216 is amended
2 by striking paragraph (3).

3 (G) Subsection (l) of section 2218 is amend-
4 ed—

5 (i) by striking paragraph (4); and

6 (ii) by redesignating paragraph (5) as
7 paragraph (4).

8 (H) Subsection (l) of section 2306b is amend-
9 ed—

10 (i) by striking paragraph (9); and

11 (ii) by redesignating paragraph (10) as
12 paragraph (9).

13 (I) Subsection (e) of section 2366 is amended
14 by striking paragraph (7).

15 (J) Subsection (h) of section 2399 is amend-
16 ed—

17 (i) in paragraph (1), by striking “section:

18 (1) The” and inserting “section, the”; and

19 (ii) by striking paragraph (2).

20 (K) Subsection (h) of section 2667 is amended—

21 (i) by striking paragraphs (1) and (2); and

22 (ii) by striking “section: (3) The” and in-
23 sserting “section, the”.

24 (4) Title 10, United States Code, is further amended
25 as follows:

1 (A) Subsection (f) of section 2490a is amend-
2 ed—

3 (i) by striking “section: (1) The” and in-
4 serting “section, the”; and

5 (ii) by striking paragraph (2).

6 (B) Section 2705 is amended by striking sub-
7 section (h).

8 (C) Section 2871 is amended—

9 (i) by striking paragraph (2); and

10 (ii) by redesignating paragraphs (3), (4),
11 (5), (6), (7), and (8) as paragraphs (2), (3),
12 (4), (5), (6), and (7), respectively.

13 **SEC. 1044. IMPROVING READINESS IN PROVIDING FIRE-**
14 **FIGHTING SERVICES.**

15 Section 2465(b) of title 10, United States Code, is
16 amended by adding at the end the following new para-
17 graph:

18 “(4) to a contract for the performance of a fire-
19 fighting function for a period of one year or less to
20 fill vacant positions created by deployed military fire
21 fighters.”.

1 **SEC. 1045. EXEMPTION FOR AIRCRAFT CHARTER OPER-**
2 **ATIONS TO PROVIDE TRANSPORTATION TO**
3 **THE ARMED FORCES.**

4 Section 132 of the Aviation and Transportation Secu-
5 rity Act (Public Law 107–71; 115 Stat. 635) is amended
6 by adding at the end the following new subsection:

7 “(c) EXEMPTION FOR CHARTER OPERATIONS TO
8 PROVIDE TRANSPORTATION TO THE ARMED FORCES.—
9 The provisions of this Act shall not apply to the operation
10 of, or to the passengers and property carried by, aircraft
11 when employed to provide charter transportation to the
12 armed forces, except for an operation to or from an airport
13 described in section 44903(c) of title 49, United States
14 Code. For an operation to or from an airport described
15 in section 44903(c), the screening, and passenger manifest
16 provisions of this Act shall not apply to passengers and
17 property loaded onto such aircraft. The Secretary of De-
18 fense, in consultation with the Secretary of Homeland Se-
19 curity and the Secretary of Transportation, shall establish
20 security procedures relating to the operation of such air-
21 craft to or from an airport described in section 44903(c)
22 of title 49.”.

1 **SEC. 1046. DOCUMENTS, HISTORICAL ARTIFACTS, AND OB-**
2 **SOLETE OR SURPLUS MATERIEL: LOAN, DO-**
3 **NATION, OR EXCHANGE.**

4 (a) IN GENERAL.—Section 2572 of title 10, United
5 States Code, is amended—

6 (1) in the heading, by striking “condemned or
7 obsolete combat” and inserting “obsolete or sur-
8 plus”;

9 (2) in subsection (a), by striking “subsection
10 (c)” and inserting “subsection (c)(1)”;

11 (3) in subsection (b), by striking “subsection
12 (c)” and inserting “subsection (c)(2)”;

13 (4) in subsection (c)—

14 (A) by striking “(c) This section” and
15 “(c)(1) Subsection (a)”;

16 (B) by adding at the end the following new
17 paragraph:

18 “(2) Subsection (b) applies to the following
19 types of property held by a military department or
20 the Coast Guard: books, manuscripts, works of art,
21 historical artifacts, drawings, plans, models, and ob-
22 solete or surplus materiel.”.

23 (b) CONFORMING AMENDMENT.—The table of sec-
24 tions at the beginning of chapter 153 of such title is
25 amended by amending the item relating to section 2572
26 to read as follows:

“2572. Documents, historical artifacts, and obsolete or surplus combat materiel: loan, gift, or exchange.”.

1 **SEC. 1047. AUTHORITY TO ENSURE DEMILITARIZATION OF**
2 **SIGNIFICANT MILITARY EQUIPMENT FOR-**
3 **MERLY OWNED BY THE DEPARTMENT OF DE-**
4 **FENSE.**

5 (a) IN GENERAL.—Chapter 153 of title 10, United
6 States Code, is amended by inserting after section 2582
7 the following new section:

8 **“§ 2583. Continued authority to require demilitariza-**
9 **tion of significant military equipment**
10 **after disposal**

11 “(a) AUTHORITY TO REQUIRE DEMILITARIZATION.—
12 The Secretary of Defense may require any person in pos-
13 session of significant military equipment formerly owned
14 by the Department of Defense—

15 “(1) to demilitarize the equipment;

16 “(2) to have the equipment demilitarized by a
17 third party; or

18 “(3) to return the equipment to the U.S. Gov-
19 ernment for demilitarization.

20 “(b) COST AND VALIDATION OF DEMILITARIZA-
21 TION.—When the demilitarization of significant military
22 equipment is carried out by the person in possession of
23 the equipment pursuant to paragraph (1) or (2) of sub-
24 section (a), the person shall be solely responsible for all

1 demilitarization costs, and the United States shall have
2 the right to validate that the equipment has been demili-
3 tarized.

4 “(c) RETURN OF EQUIPMENT TO THE UNITED
5 STATES GOVERNMENT.—When the Secretary of Defense
6 requires the return of significant military equipment for
7 demilitarization by the United States Government, the
8 Secretary shall bear all costs to transport and demilitarize
9 the equipment. If the person in possession of the signifi-
10 cant military equipment obtained the property in the man-
11 ner authorized by law or regulation and the Secretary de-
12 termines that the cost to demilitarize and return the prop-
13 erty to the person is prohibitive, the Secretary shall reim-
14 burse the person for the fair market value of the property
15 or, if the fair market value is not readily ascertainable,
16 the purchase cost of the property and for the reasonable
17 transportation costs incurred by the person to purchase
18 the equipment.

19 “(d) ESTABLISHMENT OF DEMILITARIZATION STAND-
20 ARDS.—The Secretary of Defense may prescribe by regu-
21 lation what constitutes demilitarization for each type of
22 significant military equipment.

23 “(e) EXCEPTIONS.—This section does not apply—

24 “(1) when a person is in possession of signifi-
25 cant equipment formerly owned by the Department

1 of Defense for the purpose of demilitarizing the
2 equipment pursuant to a United States Government
3 contract;

4 “(2) to small arms weapons issued under the
5 Defense Civilian Marksmanship Program established
6 in title 36, United States Code;

7 “(3) to issues by the Department of Defense to
8 museums where demilitarization has been performed
9 in accordance with departmental regulations; and

10 “(4) to other issues and undemilitarized signifi-
11 cant military equipment under the provisions of de-
12 partmental regulations.

13 “(f) DEFINITION OF SIGNIFICANT MILITARY EQUIP-
14 MENT.—In this section, the term ‘significant military
15 equipment’ means—

16 “(1) an article for which special export controls
17 are warranted under the Arms Export Control Act
18 (22 U.S.C. 2751 et seq.) because of its capacity for
19 substantial military utility or capability, as identified
20 on the United States Munitions List maintained
21 under sect 121.1 of title 22, Code of Federal Regu-
22 lations; and

23 “(2) any other article designated by the Depart-
24 ment of Defense as requiring demilitarization before
25 its disposal.”.

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

“2583. Continued authority to require demilitarization of significant military
equipment after disposal.”.

4 **SEC. 1048. STOPPING VESSELS; IMMUNITY FOR FIRING AT**
5 **OR INTO VESSEL.**

6 Section 637 of title 14, United States Code, is
7 amended—

8 (1) in subsection (a), by inserting before the pe-
9 riod at the end the following: “, except that the prior
10 use of the warning signal is not required if its use
11 would unreasonably endanger persons or property in
12 the vicinity of the vessel.”.

13 (2) in subsection (c)—

14 (A) by amending paragraph (2) to read as
15 follows:

16 “(2) it is a surface naval vessel or military air-
17 craft on which one or more members of the Coast
18 Guard are assigned pursuant to section 379 of title
19 10.”; and

20 (B) by striking paragraph (3); and

21 (3) by striking subsection (d).

1 **SEC. 1049. REAUTHORIZATION OF AVIATION INSURANCE**
2 **PROGRAM.**

3 (a) REPEAL OF INSURANCE AUTHORITY SUNSET.—
4 Section 44310 of title 49, United States Code, is repealed.

5 (b) CONFORMING AMENDMENT.—The table of sec-
6 tions at the beginning of chapter 443 of such title is
7 amended by striking the item relating to section 44310.

8 **SEC. 1050. MODIFICATION OF NATIONAL SECURITY EDU-**
9 **CATION PROGRAM.**

10 (a) REQUIREMENT TO CARRY OUT PROGRAM.—Sec-
11 tion 802(a)(1) of the David L. Boren National Security
12 Education Act of 1991 (50 U.S.C. 1902) is amended by
13 striking “Secretary of Defense” and inserting “Sec-
14 retary”.

15 (b) SERVICE AGREEMENTS.—Section 802(b) of such
16 Act (50 U.S.C. 1902) is amended by adding the following
17 new paragraphs:

18 “(4) A service agreement shall not be affected
19 by the transfer of any management function to the
20 Department of Education, but shall continue in full
21 force and effect according to the original terms until
22 amended, modified, superseded, terminated, set
23 aside, or revoked in accordance with law by the Sec-
24 retary. Upon any such transfer, all existing and fu-
25 ture service agreements will be subject to the au-
26 thority of the Secretary under this Act.

1 “(5) Notwithstanding the provisions of Section
2 437 of the General Education Provisions Act (20
3 U.S.C. 1232), the Secretary may adopt regulations
4 promulgated by the Secretary of Defense as required
5 in the management of such program and implemen-
6 tation of such service agreements.”.

7 (c) FOREIGN LANGUAGE CENTER OF THE DEFENSE
8 LANGUAGE INSTITUTE.—Section 802(h) of such Act (50
9 U.S.C. 1902) is amended—

10 (1) in paragraph (1) by adding “of Defense”
11 after “Secretary”; and

12 (2) in paragraph (2), by adding “of Defense”
13 after “Secretary”.

14 (d) ORGANIZATION OF THE NATIONAL SECURITY
15 EDUCATION BOARD.—Section 803 of such Act (50 U.S.C.
16 1903) is amended—

17 (1) in subsection (a), by striking “of Defense”
18 after “Secretary”; and

19 (2) in subsection (b)—

20 (A) in paragraph (1), by striking “of De-
21 fense” after “Secretary”; and

22 (B) in paragraph (2), by striking “of Edu-
23 cation” after “Secretary” and inserting “of De-
24 fense”.

1 (e) REVISION OF REQUIREMENT TO PROVIDE INFOR-
 2 MATION IN CONNECTION WITH GENERAL ACCOUNTING
 3 OFFICE AUDITS.—Section 807 of such Act (50 U.S.C.
 4 1907) is amended by striking “of Defense” after “Depart-
 5 ment” and inserting “of Education”.

6 (f) DEFINITIONS.—Section 808 of such Act (50
 7 U.S.C. 1908) is amended—

8 (1) by inserting the following new item (1):

9 “(1) Unless provided otherwise, the term ‘Sec-
 10 retary’ means the Secretary of Education.”; and

11 (2) by redesignating items (1) through (4) as
 12 (2) through (5).

13 **TITLE XI—DEPARTMENT OF**
 14 **DEFENSE CIVILIAN PERSONNEL**

Sec. 1101. Extension of voluntary separation incentive pay authority.

Sec. 1102. Modify the overtime pay cap.

Sec. 1103. Application of grievance procedures.

Sec. 1104. Civil service retirement system computation for part-time service.

Sec. 1105. Position vacancy promotion consideration in time of war or national
 emergency.

Sec. 1106. Military leave for mobilized federal civilian employees.

15 **SEC. 1101. EXTENSION OF VOLUNTARY SEPARATION INCEN-**
 16 **TIVE PAY AUTHORITY.**

17 Section 5597(e) of title 5, United States Code, is
 18 amended by striking “September 30, 2003” and inserting
 19 “September 30, 2006”.

1 **SEC. 1102. MODIFY THE OVERTIME PAY CAP.**

2 Section 5542(a)(2) of title 5, United States Code, is
3 amended by striking “the overtime hourly rate of pay is
4 an amount equal to one and one-half times the hourly rate
5 of the minimum rate of basic pay for GS–10 (including
6 any applicable locality-based comparability payment under
7 section 5304 or similar provision of law and any applicable
8 special rate of pay under section 5305 or similar provision
9 of law)” and inserting “the overtime hourly rate of pay
10 is an amount equal to the greater of one and one-half
11 times the minimum hourly rate of basic pay for GS–10
12 (including any applicable locality-based comparability pay-
13 ment under section 5304 or similar provision of law and
14 any applicable special rate of pay under section 5305 or
15 similar provision of law) or the employee’s hourly rate of
16 basic pay”.

17 **SEC. 1103. APPLICATION OF GRIEVANCE PROCEDURES.**

18 (a) Section 7103(a)(9)(A) of title 5, United States
19 Code, is amended by adding before the semicolon the fol-
20 lowing: “raised pursuant to a negotiated grievance proce-
21 dure established pursuant to section 7121 of this chap-
22 ter”.

23 (b) Subparagraph (A) of section 7114(a)(2) of such
24 title is amended by adding before the semicolon the fol-
25 lowing: “, except that discussions related to Equal Em-

1 ployment Opportunity complaints are not formal discus-
2 sion”.

3 **SEC. 1104. CIVIL SERVICE RETIREMENT SYSTEM COMPUTA-**
4 **TION FOR PART-TIME SERVICE.**

5 Section 8339(p) of title 5, United States Code, is
6 amended by adding at the end the following new para-
7 graphs:

8 “(3) In the administration of paragraph (1)—

9 “(A) subparagraph (A) of such paragraph shall
10 apply to any service performed before, on, or after
11 April 7, 1986;

12 “(B) subparagraph (B) of such paragraph shall
13 apply to all service performed on a part-time or full-
14 time basis on or after April 7, 1986; and

15 “(C) any service performed on a part-time basis
16 before April 7, 1986, shall be credited as service per-
17 formed on a full-time basis; and

18 “(4) Paragraph (3) applies to individuals who retire
19 on or after the date of enactment, and the administration
20 of this provision is effective 90 days after the date of en-
21 actment.”.

1 **SEC. 1105. POSITION VACANCY PROMOTION CONSIDER-**
2 **ATION IN TIME OF WAR OR NATIONAL EMER-**
3 **GENCY.**

4 (a) VACANCY PROMOTION CONSIDERATION.—Section
5 14317 of title 10, United States Code, is amended—

6 (1) in subsection (d), by striking “If a reserve
7 officer” and inserting “Except as provided in sub-
8 section (e), if a reserve officer”; and

9 (2) in subsection (e), by inserting “or, in the
10 case of an officer who has been ordered to or is serv-
11 ing on active duty in support of a contingency oper-
12 ation as defined in section 101(a)(13) of this title,
13 a vacancy promotion board” after “mandatory pro-
14 motion board”.

15 (b) CONFORMING AMENDMENT.—Paragraph (1) of
16 section 14315(a) of such title is amended by striking “or,
17 as determined by the Secretary concerned, is available to
18 occupy a position” and inserting “or, under regulations
19 prescribed by the Secretary concerned, is recommended to
20 occupy a position”.

21 **SEC. 1106. MILITARY LEAVE FOR MOBILIZED FEDERAL CI-**
22 **VILIAN EMPLOYEES.**

23 (a) IN GENERAL.—Subsection (b) of section 6323 of
24 title 5, United States Code, is amended—

25 (1) by redesignating paragraph (2) as para-
26 graph (3); and

1 (2) by inserting after paragraph (1) the fol-
 2 lowing new paragraph (2):

3 “(2) performs active duty in support of a con-
 4 tingency operation as defined in section 101(a)(13)
 5 of title 10; or”.

6 (b) CONFORMING AMENDMENT.—Such subsection is
 7 further amended by inserting “or (3)” after “paragraph
 8 (2)”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 subsection (a) shall apply prospectively upon enactment.

11 **TITLE XII—MATTERS RELATING** 12 **TO OTHER NATIONS**

Subtitle A—Matters Related to Arms Control and Monitoring

Sec. 1201. Clarification and extension of authority to provide assistance to
 United Nations-sponsored efforts to inspect and monitor Iraqi
 weapons activities.

Subtitle B—Matters Related to Allies and Friendly Foreign Nations

Sec. 1211. Expansion of authority to conduct the Arctic military environmental
 cooperation program.

Sec. 1212. Provision of cataloging data and services.

Sec. 1213. Authority to waive domestic source or content requirements.

Sec. 1214. Authority to expend funds to recognize superior noncombat achieve-
 ments or performance by members of friendly foreign forces
 and other foreign nationals.

Sec. 1215. Administrative support and services for foreign liaison officers.

Sec. 1216. George C. Marshall European Center for Security Studies.

Sec. 1217. Restrictions on permanent transfer of significant military equip-
 ment.

Sec. 1218. Amendment to authority for acceptance by Asia-Pacific Center for
 Security Studies of foreign gifts and donations.

Sec. 1219. Addition of individuals authorized to receive check cashing and ex-
 changes of foreign currency.

Sec. 1220. Continuation of the regional counterterrorism fellowship program.

Sec. 1221. Logistics support for friendly nations.

Subtitle C—Other Matters

Sec. 1231. Repeal of the authorization for the establishment of the Center for
 the Study of Chinese Military Affairs.

1 **Subtitle A—Matters Related to**
2 **Arms Control and Monitoring**

3 **SEC. 1201. CLARIFICATION AND EXTENSION OF AUTHORITY**
4 **TO PROVIDE ASSISTANCE TO UNITED NA-**
5 **TIONS-SPONSORED EFFORTS TO INSPECT**
6 **AND MONITOR IRAQI WEAPONS ACTIVITIES.**

7 (a) LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-
8 CAL YEAR 2004.—The total amount of the assistance for
9 fiscal year 2004 that is provided by the Secretary of De-
10 fense under section 1505 of the Weapons of Mass Destruc-
11 tion Control Act of 1992 (22 U.S.C. 5859a) as activities
12 of the Department of Defense in support of activities
13 under that Act may not exceed \$15,000,000.

14 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
15 ANCE.—Section 1505(f) of the Weapons of Mass Destruc-
16 tion Act of 1992 (22 U.S.C. 5859a) is amended by strik-
17 ing “2003” and inserting “2004”.

18 (c) REFERENCES TO UNITED NATIONS SPECIAL
19 COMMISSION ON IRAQ.—Section 1505 of The Weapons of
20 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
21 is amended—

22 (1) in subsection (b)(2), by striking “the United
23 Nations Special Commission on Iraq (or any suc-
24 cessor organization)” and inserting “United Nations

1 Monitoring, Verification and Inspection Commis-
2 sion”; and

3 (2) in subsection (d)(4)(A), by striking “United
4 Nations Special Commission on Iraq (or any suc-
5 cessor organization)” and inserting “United Nations
6 Monitoring, Verification and Inspection Commis-
7 sion”.

8 **Subtitle B—Matters Related to Al-**
9 **lies and Friendly Foreign Na-**
10 **tions**

11 **SEC. 1211. EXPANSION OF AUTHORITY TO CONDUCT THE**
12 **ARCTIC MILITARY ENVIRONMENTAL CO-**
13 **OPERATION PROGRAM.**

14 Section 327 of the Strom Thurmond National De-
15 fense Authorization Act for Fiscal Year 1999 (Public Law
16 No. 105–261; 112 Stat. 1965), is amended—

17 (1) in the title, by inserting “AND WESTERN
18 PACIFIC” after “ARCTIC”;

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

20 (3) by redesignating subsection (a) as sub-
21 section (b);

22 (4) by inserting after the title the following new
23 subsection (a):

24 “(a) **AUTHORITY TO CONDUCT PROGRAM.**—Subject
25 to subsection (b), the Secretary of Defense, with the con-

1 currence of the Secretary of State, may conduct the Arctic
2 and Western Pacific Military Environmental Cooperation
3 Program.”; and

4 (5) in subsection (b), as redesignated by para-
5 graph (3)—

6 (A) in paragraph (1)—

7 (i) by inserting “and Western Pacific”
8 after “Subject to paragraph (2), activities
9 under the Arctic”;

10 (ii) by inserting “and assistance”
11 after “shall include cooperative”; and

12 (iii) by striking “in the Arctic Re-
13 gion”; and

14 (B) in paragraph (2)—

15 (i) by inserting “Western Pacific”
16 after “Activities under the Arctic”; and

17 (ii) by striking “for purposes for
18 which funds for Cooperative Threat Reduc-
19 tion programs have been denied or are pro-
20 hibited, including the purposes”.

21 **SEC. 1212. PROVISION OF CATALOGING DATA AND SERV-**
22 **ICES.**

23 Section 21(h)(2) of the Arms Export Control Act
24 (Public Law 90–629; 22 U.S.C. 2761(h)(2)) is amended
25 by striking “or to any member government of that Organi-

1 zation if that Organization or member government” and
2 inserting “, to any member of that Organization, or to
3 the government of any other country if that Organization,
4 member government, or other government”.

5 **SEC. 1213. AUTHORITY TO WAIVE DOMESTIC SOURCE OR**
6 **CONTENT REQUIREMENTS.**

7 (a) IN GENERAL.—Subchapter V of chapter 148 of
8 title 10, United States Code, is amended by adding at the
9 end the following new section:

10 **§2539c. Waiver of domestic source or content re-**
11 **quirements**

12 “(a) AUTHORITY.—Except as provided in subsection
13 (f), the Secretary of Defense may waive the application
14 of any domestic source requirement or domestic content
15 requirement referred to in subsection (b) and thereby au-
16 thorize the procurement of items that are grown, repro-
17 cessed, reused, produced, or manufactured—

18 “(1) in a foreign country that has a reciprocal
19 defense procurement memorandum of understanding
20 or agreement with the United States;

21 “(2) in a foreign country that has a reciprocal
22 defense procurement memorandum of understanding
23 or agreement with the United States substantially
24 from components and materials grown, reprocessed,
25 reused, produced, or manufactured in the United

1 States or any foreign country that has a reciprocal
2 defense procurement memorandum of understanding
3 or agreement with the United States; or

4 “(3) in the United States substantially from
5 components and materials grown, reprocessed, re-
6 used, produced, or manufactured in the United
7 States or any foreign country that has a reciprocal
8 defense procurement memorandum of understanding
9 or agreement with the United States.

10 “(b) COVERED REQUIREMENTS.—For purposes of
11 this section:

12 “(1) A domestic source requirement is any re-
13 quirement under law that the Department of De-
14 fense satisfy its requirements for an item by pro-
15 curing an item that is grown, reprocessed, reused,
16 produced, or manufactured in the United States or
17 by a manufacturer that is a part of the national
18 technology and industrial base (as defined in section
19 2500(1) of this title).

20 “(2) A domestic content requirement is any re-
21 quirement under law that the Department of De-
22 fense satisfy its requirements for an item by pro-
23 curing an item produced or manufactured partly or
24 wholly from components and materials grown, re-

1 processed, reused, produced, or manufactured in the
2 United States.

3 “(c) APPLICABILITY.—The authority of the Secretary
4 to waive the application of a domestic source or content
5 requirements under subsection (a) applies to the procure-
6 ment of items for which the Secretary of Defense deter-
7 mines that—

8 “(1) application of the requirement would im-
9 pede the reciprocal procurement of defense items
10 under a memorandum of understanding providing
11 for reciprocal procurement of defense items between
12 a foreign country and the United States in accord-
13 ance with section 2531 of this title; and

14 “(2) such country does not discriminate against
15 defense items produced in the United States to a
16 greater degree than the United States discriminates
17 against defense items produced in that country.

18 “(d) LAWS NOT WAIVABLE.—The Secretary of De-
19 fense may not exercise the authority under subsection (a)
20 to waive any domestic source or content requirement con-
21 tained in any of the following laws:

22 “(1) The Small Business Act (15 U.S.C. 631 et
23 seq.).

24 “(2) The Javits-Wagner-O’Day Act (41 U.S.C.
25 et seq.).

1 “(3) Sections 2533a, 7309, and 7310 of this
2 title.

3 “(e) RELATIONSHIP TO OTHER WAIVER AUTHOR-
4 ITY.—The authority under subsection (a) to waive a do-
5 mestic source requirement or domestic content require-
6 ment is in addition to any other authority to waive such
7 requirement.

8 “(f) CONSTRUCTION WITH RESPECT TO LATER EN-
9 ACTED LAWS.—This section may not be construed as
10 being inapplicable to a domestic source requirement or do-
11 mestic content requirement that is set forth in a law en-
12 acted after the enactment of this section solely on the
13 basis of the later enactment.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 at the beginning of such subchapter is amended by insert-
16 ing after the item relating to section 2539b the following
17 new item:

 “2539c. Waiver of domestic source or content requirements.”.

18 **SEC. 1214. AUTHORITY TO EXPEND FUNDS TO RECOGNIZE**
19 **SUPERIOR NONCOMBAT ACHIEVEMENTS OR**
20 **PERFORMANCE BY MEMBERS OF FRIENDLY**
21 **FOREIGN FORCES AND OTHER FOREIGN NA-**
22 **TIONALS.**

23 (a) IN GENERAL.—Chapter 53 of title 10, United
24 States Code, is amended by inserting after section 1051
25 the following new section:

1 **“§ 1051a. Bilateral or regional cooperation programs:**
2 **expenditure of funds to recognize supe-**
3 **rior noncombat achievements or perform-**
4 **ance**

5 “(a) GENERAL AUTHORITY.—The Secretary of De-
6 fense may expend operations and maintenance funds to
7 recognize superior noncombat achievements or perform-
8 ance, by members of friendly foreign forces and other for-
9 eign nationals, that significantly enhance or support the
10 National Security Strategy of the United States. Activities
11 that may be recognized include superior achievement or
12 performance that—

13 “(1) plays a crucial role in shaping the inter-
14 national security environment in ways that protect
15 and promote United States interests;

16 “(2) supports or enhances United States over-
17 seas presence and peacetime engagement activities
18 such as defense cooperation initiatives, security as-
19 sistance training and programs, and training and ex-
20 ercises with United States Armed Forces;

21 “(3) helps to deter aggression and coercion,
22 build coalitions, promote regional stability; and

23 “(4) serves as role models for appropriate con-
24 duct by militaries in emerging democracies.

25 “(b) LIMITATIONS.—Expenditures for the purchase
26 or production of suitable mementos under this section

1 shall not exceed the “minimal value” established in ac-
2 cordance with section 7342(a)(5) of title 5.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of such chapter is amended by inserting
5 after the item relating to section 1051 the following new
6 item:

“1051a. Bilateral or regional cooperation programs: expenditure of funds to recognize superior noncombat achievements or performance.”.

7 **SEC. 1215. ADMINISTRATIVE SUPPORT AND SERVICES FOR**
8 **FOREIGN LIAISON OFFICERS.**

9 (a) AUTHORITY.—Section 1051a of title 10, United
10 States Code, is amended to read as follows:

11 **“§ 1051a. Administrative support and services for for-**
12 **ign liaison officers**

13 “(a) AUTHORITY.—The Secretary of Defense may
14 provide administrative services and support for the per-
15 formance of duties by any liaison officer of another nation
16 while the liaison officer is assigned to the headquarters
17 of combatant command, component command, or subordi-
18 nate operational command of the United States.

19 “(b) TRAVEL, SUBSISTENCE, AND OTHER EX-
20 PENSES.—The Secretary may pay the travel, subsistence,
21 and similar personal expenses of a liaison officer of a de-
22 veloping nation involved in a coalition while the liaison of-
23 ficer is assigned temporarily to the headquarters of a com-
24 batant command, component command, or subordinate

1 operational command of the United States, in connection
2 with the planning for, or conduct of, a coalition operation,
3 if the assignment is requested by the commander of the
4 combatant command.

5 “(c) REIMBURSEMENT.—To the extent that the Sec-
6 retary determines appropriate, the Secretary may provide
7 the services and support authorized under subsection (a)
8 and the expenses authorized by subsection (b) with or
9 without reimbursement from (or on behalf of) the recipi-
10 ents.

11 “(d) DEFINITIONS.—In this section:

12 “(1) The term ‘administrative services and sup-
13 port’ includes base or installation support services,
14 office space, utilities, copying services, fire and po-
15 lice protection, and computer support.

16 “(2) The term ‘coalition’ means an ad hoc ar-
17 rangement between or among the United States and
18 one or more other nations for common action.”.

19 **SEC. 1216. GEORGE C. MARSHALL EUROPEAN CENTER FOR**
20 **SECURITY STUDIES.**

21 Section 1306(b)(1) of the National Defense Author-
22 ization Act for Fiscal Year 1995 (Public Law 103–337;
23 108 Stat. 2892), is amended by striking “military officers
24 and civilian officials of cooperation partner states of the

1 North Atlantic Council or the Partnership for Peace” and
 2 inserting “foreign participants”.

3 **SEC. 1217. RESTRICTIONS ON PERMANENT TRANSFER OF**
 4 **SIGNIFICANT MILITARY EQUIPMENT.**

5 (a) IN GENERAL.—Chapter 138 of title 10, United
 6 States Code, is amended by adding at the end the fol-
 7 lowing new section:

8 **“§ 2350l. Restrictions on permanent transfer of sig-**
 9 **nificant military equipment**

10 “(a) TRANSFER OF SIGNIFICANT MILITARY EQUIP-
 11 MENT.—Lethal and non-lethal military equipment des-
 12 ignated as significant military equipment (SME), may be
 13 permanently transferred, with the concurrence of the Sec-
 14 retary of State, only when the transaction is conducted
 15 as replacement in kind, where the equipment is identical,
 16 and in situations where the recipient country has an exist-
 17 ing inventory for the SME in question.

18 “(b) EXPORT AND TRANSFER LAWS.—The authority
 19 to transfer SME in accordance with subsection (a) is sub-
 20 ject to all other applicable laws and regulations pertaining
 21 to export and transfers.”.

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

“2350l. Restrictions on permanent transfer of significant military equipment.”.

1 **SEC. 1218. AMENDMENT TO AUTHORITY FOR ACCEPTANCE**
2 **BY ASIA-PACIFIC CENTER FOR SECURITY**
3 **STUDIES OF FOREIGN GIFTS AND DONA-**
4 **TIONS.**

5 Section 2611 of title 10, United States Code, is
6 amended—

7 (1) by striking “foreign” from—

8 (A) the title;

9 (B) subsection (a) in both places it ap-
10 pears;

11 (C) subsection (c);

12 (D) subsection (f)—

13 (i) in the heading; and

14 (ii) the first place it appears; and

15 (E) from the section title in the table of
16 sections in the beginning of the chapter;

17 (2) in subsection (a)(1), by adding at the end
18 the following sentence: “Such donations may be ac-
19 cepted from any agency of the Federal Government,
20 any State or local government, any foreign govern-
21 ment, any foundation or other charitable organiza-
22 tion (including any that is organized or operates
23 under the laws of a foreign country), or any other
24 private source in the United States or a foreign
25 country.”; and

1 (3) in subsection (f), by striking all after “serv-
2 ices” and inserting a period.

3 **SEC. 1219. ADDITION OF INDIVIDUALS AUTHORIZED TO RE-**
4 **CEIVE CHECK CASHING AND EXCHANGES OF**
5 **FOREIGN CURRENCY.**

6 Section 3342(b) of title 31, United States Code, is
7 amended—

8 (1) by striking “or” at the end of paragraph
9 (6);

10 (2) by striking the period at the end of para-
11 graph (7) and inserting “; or”; and

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

14 “(8) a military member of an allied or coalition
15 nation who is part of a joint operation, joint exer-
16 cise, humanitarian or peacekeeping mission with the
17 military forces of the United States, provided that
18 such accommodation has been approved by the sen-
19 ior United States military commander assigned to
20 the joint operation or mission, that the allied or coa-
21 lition nation has guaranteed payment for any defi-
22 ciency resulting from such accommodation, and that
23 accommodations of negotiable instruments are lim-
24 ited to negotiable instruments drawn on financial in-

1 stitutions located in the United States or on foreign
2 branches of such institutions.”.

3 **SEC. 1220. CONTINUATION OF THE REGIONAL DEFENSE**
4 **COUNTERTERRORISM FELLOWSHIP PRO-**
5 **GRAM.**

6 The Secretary of Defense may pay for all costs asso-
7 ciated with the attendance of foreign military officers,
8 ministry of defense officials, and security officials at
9 United States military educational institutions, regional
10 centers, conferences, seminars, or other training programs
11 conducted under the Regional Defense Counterterrorism
12 Fellowship Program, including transportation, travel, and
13 subsistence costs.

14 **SEC. 1221. LOGISTICS SUPPORT FOR FRIENDLY NATIONS.**

15 Section 2342 of title 10, United States Code, is
16 amended by adding at the end the following new sub-
17 section:

18 “(e) Notwithstanding any other provision of law or
19 regulation, the Secretary of Defense, when in the best in-
20 terests of the United States and subject to the availability
21 of appropriations, may provide logistics support, supplies
22 and services, on a reimbursable or non-reimbursable basis,
23 without a completed cross-servicing or foreign military
24 sales agreement, to the following countries participating,
25 with or on behalf of the United States, in an exercise, a

1 contingency operation, as defined by section 101 of this
2 title, or war—

3 “(1) North Atlantic Treaty Organization bodies
4 and member countries;

5 “(2) Countries permitting stationing of United
6 States Armed Forces, importation of United States
7 military equipment and materials and porting of
8 ships;

9 “(3) Countries holding a defense alliance with
10 the United States; and

11 “(4) Countries hosting military exercises involv-
12 ing the United States.”.

13 **Subtitle C—Other Matters**

14 **SEC. 1231. REPEAL OF THE AUTHORIZATION FOR THE ES-** 15 **TABLISHMENT OF THE CENTER FOR THE** 16 **STUDY OF CHINESE MILITARY AFFAIRS.**

17 Section 914 of the National Defense Authorization
18 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
19 721), is repealed.

20 **TITLE XIII—COOPERATIVE** 21 **THREAT REDUCTION WITH** 22 **STATES OF THE FORMER SO-** 23 **VIET UNION**

Sec. 1301. Expanded use of cooperative threat reduction funds.

1 **SEC. 1301. EXPANDED USE OF COOPERATIVE THREAT RE-**
2 **DUCTION FUNDS.**

3 (a) IN GENERAL.—(1) Notwithstanding any other
4 provision of law and subject to the succeeding provisions
5 of this section, the President may obligate and expend Co-
6 operative Threat Reduction funds, including Cooperative
7 Threat Reduction funds for a prior fiscal year that remain
8 available for obligation as of the date of the enactment
9 of this Act, for proliferation threat reduction projects and
10 activities outside the states of the former Soviet Union if
11 the President determines that such projects and activities
12 will—

13 (A) assist the United States in the resolution of
14 critical emerging proliferation threats; or

15 (B) permit the United States to take advantage
16 of opportunities to achieve long-standing non-
17 proliferation goals.

18 (2) The amount that may be obligated under para-
19 graph (1) in any fiscal year for projects and activities de-
20 scribed in that paragraph may not exceed \$50,000,000.

21 (b) AUTHORIZED USES OF FUNDS.—The authority
22 under subsection (a) to obligate and expend Cooperative
23 Threat Reduction funds for a project or activity includes
24 authority to provide equipment, goods, and services for the
25 project or activity, but does not include authority to pro-
26 vide cash directly to the project or activity.

1 **TITLE XIV—HOMELAND**
 2 **SECURITY**

Sec. 1401. Sales of chemical and biological defense articles and services to state and local governments.

Sec. 1402. Clarification of intelligence exceptions from limitations on interception and disclosure of wire, oral, and electronic communications.

3 **SEC. 1401. SALES OF CHEMICAL AND BIOLOGICAL DEFENSE**
 4 **ARTICLES AND SERVICES TO STATE AND**
 5 **LOCAL GOVERNMENTS.**

6 (a) **AUTHORITY FOR PROCUREMENT AND SALES.**—
 7 Chapter 18 of title 10, United States Code, is amended
 8 by adding at the end the following new section:

9 **“§ 383. Sales of chemical and biological defense arti-**
 10 **cles and services to State and local gov-**
 11 **ernments**

12 “(a) **PROCUREMENT THROUGH THE DEPARTMENT**
 13 **OF DEFENSE.**—The Secretary of Defense shall establish
 14 procedures in accordance with this subsection under which
 15 States and units of local government may purchase arti-
 16 cles suitable for chemical and biological defense and oper-
 17 ator training, repair and maintenance, and similar services
 18 in connection with such articles, through the Department
 19 of Defense.

20 “(b) **SALES FROM INVENTORIES.**—The Secretary of
 21 Defense may sell articles suitable for chemical and biologi-
 22 cal defense in Department of Defense inventories to States

1 and units of local government at a price based upon the
2 estimated or actual costs incurred by the Department in
3 providing the articles.

4 “(c) PROVISION OF SERVICES.—The Secretary may
5 provide, within any State or unit of local government, op-
6 erator training, repair and maintenance, and similar serv-
7 ices in connection with articles suitable for chemical and
8 biological defense at a price based upon the estimated or
9 actual costs incurred by the Department in providing the
10 services.

11 “(d) PAYMENT FOR ARTICLES AND SERVICES.—Pay-
12 ment for articles and services under this section may be
13 in advance or on providing the articles or services.

14 “(e) REIMBURSEMENT OF ADMINISTRATIVE
15 COSTS.—In the case of any purchase made by a State or
16 unit of local government under this section, the Secretary
17 may require the State or unit of local government to reim-
18 burse the Department of Defense for administrative costs
19 to the Department of such purchase.

20 “(f) CREDIT OF FUNDS FROM SALES.—Funds re-
21 ceived by the Department of Defense from sales of articles
22 under subsection (b) shall be credited to the military de-
23 partment, Defense Agency, or Department of Defense
24 Field Activity that sold the articles so as to merge with
25 and become available for the same purposes and period

1 as the accounts to which they are credited, and shall be
2 available until expended only for the acquisition of articles
3 suitable for chemical and biological defense.

4 “(g) CREDIT OF FUNDS FOR SERVICES.—Funds re-
5 ceived for the provision of services under subsection (c)
6 shall be credited to the military department, Defense
7 Agency, or Department of Defense Field Activity that pro-
8 vided the services and shall be available until expended
9 only for the provision of such services.

10 “(h) DEFINITIONS.—In this section:

11 “(1) The terms ‘articles suitable for chemical
12 and biological defense’ and ‘services’ have the mean-
13 ing given those terms in regulations as prescribed by
14 the Secretary of Defense.

15 “(2) The term ‘State’ has the meaning given
16 the term in section 381(d)(1) of this title.

17 “(3) The term ‘unit of local government’ has
18 the meaning given the term in section 381(d)(2) of
19 this title.”.

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

“383. Sales of chemical and biological defense articles and services to State and
local governments.”.

1 **SEC. 1402. CLARIFICATION OF INTELLIGENCE EXCEPTIONS**
 2 **FROM LIMITATIONS ON INTERCEPTION AND**
 3 **DISCLOSURE OF WIRE, ORAL, AND ELEC-**
 4 **TRONIC COMMUNICATIONS.**

5 Section 224(a) of the Providing Appropriate Tools
 6 Required to Intercept and Obstruct Terrorism Act (USA
 7 PATRIOT ACT) (Public Law 107–56; 115 Stat. 295) is
 8 amended to read as follows:

9 “(a) IN GENERAL.—Except as provided in subsection
 10 (b), this title and the amendments made by this title
 11 (other than sections 203(a), 203(c), 204, 205, 208, 210,
 12 211, 213, 216, 219, 221, and 222, and the amendments
 13 made by those sections) shall cease to have effect on De-
 14 cember 31, 2005.”.

15 **DIVISION B—MILITARY CON-**
 16 **STRUCTION AUTHORIZA-**
 17 **TIONS**

18 **SEC. 2001. SHORT TITLE.**

19 This division may be cited as the “Military Construc-
 20 tion Authorization Act for Fiscal Year 2004”.

21 **TITLE XXI—ARMY**

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

Sec. 2102. Family housing.

Sec. 2103. Improvements to military family housing units.

Sec. 2104. Authorization of appropriations, Army.

Sec. 2105. Modification to carry out certain fiscal year 2002 projects.

1 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**
 2 **ACQUISITION PROJECTS.**

3 (a) INSIDE THE UNITED STATES.—Using amounts
 4 appropriated pursuant to the authorization of appropria-
 5 tions in section 2104(a)(1), the Secretary of the Army
 6 may acquire real property and carry out military construc-
 7 tion projects for the installations or locations inside the
 8 United States, and in the amounts, set forth in the fol-
 9 lowing table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	\$5,500,000
Alaska	Fort Wainwright	\$138,800,000
Georgia	Fort Benning	\$30,000,000
	Fort Stewart/Hunter Army Air Field	\$64,500,000
Hawaii	Helemano Military Reservation ...	\$1,400,000
	Schofield Barracks	\$119,400,000
Kansas	Fort Riley	\$40,000,000
Kentucky	Fort Knox	\$3,500,000
Louisiana	Fort Polk	\$72,000,000
Maryland	Fort Meade	\$9,600,000
New York	Fort Drum	\$114,500,000
North Carolina	Fort Bragg	\$152,000,000
Oklahoma	Fort Sill	\$3,500,000
Texas	Fort Hood	\$47,000,000
Virginia	Fort Myer	\$9,000,000
Washington	Fort Lewis	\$3,900,000
	Total	\$814,600,000

10 (b) OUTSIDE THE UNITED STATES.—Using amounts
 11 appropriated pursuant to the authorization of appropria-
 12 tions in section 2104(a)(2), the Secretary of the Army
 13 may acquire real property and carry out military construc-
 14 tion projects for the installations and locations outside the
 15 United States, and in the amounts, set forth in the fol-
 16 lowing table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Area Support Group, Bamberg	\$17,900,000
	Darmstadt	\$7,700,000
	Grafenwoehr	\$76,000,000
	Heidelberg	\$17,000,000
	Hohenfels	\$13,200,000
	Mannheim	\$4,300,000
	Schweinfurt	\$7,500,000
	Wuerzburg	\$18,500,000
Italy	Aviano Air Base	\$15,500,000
	Livorno	\$22,000,000
Korea	Camp Casey	\$86,000,000
	Camp Hovey	\$29,000,000
Kwajalein Atoll	Kwajalein Atoll	9,400,000
	Total	\$324,000,000

1 (c) UNSPECIFIED WORLDWIDE.—(1) Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2104(a)(3) and amounts, not to exceed
 4 \$150,000,000 provided under Public Law 107–38, the
 5 Secretary of the Army may acquire personal services and
 6 real property, and may provide for the operation and con-
 7 struction of critical infrastructure and allied systems to
 8 ensure essential governmental functions for the installa-
 9 tion or location, and in the amount, set forth in the fol-
 10 lowing table:

Army: Unspecified Worldwide

Location	Installation	Amount
Worldwide Unspecified	Unspecified Worldwide	\$663,900,000
	Total	\$663,900,000

11 (2) Military construction projects, and those funded
 12 in whole or in part under Public Law 107–38, containing
 13 national security classified information and for the pur-
 14 poses of preventing, responding to, or countering the ef-

1 facts of terrorist attacks shall comply, to the extent prac-
2 tical, with applicable Federal, State, and local laws and
3 other orders regarding regulatory compliance, consulta-
4 tion, coordination and inspection, provided that in car-
5 rying out such a project—

6 (A) no such compliance, consultation, coordina-
7 tion, or inspection may expose, endanger, or other-
8 wise compromise the national security; and

9 (B) any anticipated exception to such compli-
10 ance, consultation, coordination or inspection shall
11 be addressed in project documentation submitted to
12 Congress pursuant to paragraph (3).

13 (3) Where applicable, project documentation sub-
14 mitted to the congressional defense committees shall sat-
15 isfy general provisions of section 1001 of Public Law 107-
16 117 and address any exception to compliance, consulta-
17 tion, coordination, or inspection anticipated by paragraph
18 (2).

19 **SEC. 2102. FAMILY HOUSING.**

20 (a) CONSTRUCTION AND ACQUISITION.—Using
21 amounts appropriated pursuant to the authorization of ap-
22 propriations in section 2104(a)(6)(A), the Secretary of the
23 Army may construct or acquire family housing units (in-
24 cluding land acquisition and supporting facilities) at the

1 installations or locations, for the purposes and in the
 2 amounts, set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	100 Units ...	\$44,000,000
Arizona	Fort Huachuca	160 Units ...	\$27,000,000
Kentucky	Fort Knox	178 Units ...	\$41,000,000
New Mexico	White Sands Missile Range	58 Units	\$14,600,000
		Total: ...	\$126,600,000

3 (b) PLANNING AND DESIGN.—Using amounts appro-
 4 priated pursuant to the authorization of appropriations in
 5 section 2104(a)(6)(A), the Secretary of the Army may
 6 carry out architectural and engineering services and con-
 7 struction design activities with respect to the construction
 8 or improvement of family housing units in an amount not
 9 to exceed \$34,488,000.

10 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 11 **UNITS.**

12 Subject to section 2825 of title 10, United States
 13 Code, and using amounts appropriated pursuant to the
 14 authorization of appropriations in section 2104(a)(6)(A),
 15 the Secretary of the Army may improve existing military
 16 family housing units in an amount not to exceed
 17 \$197,803,000.

18 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

19 (a) IN GENERAL.—Funds are hereby authorized to
 20 be appropriated for fiscal years beginning after September
 21 30, 2003, for military construction, land acquisition, and

1 military family housing functions of the Department of the
2 Army in the total amount of \$2,935,927,000, as follows:

3 (1) For military construction projects inside the
4 United States authorized by section 2101(a),
5 \$721,600,000.

6 (2) For military construction projects outside
7 the United States authorized by section 2101(b),
8 \$314,000,000.

9 (3) For military construction projects at un-
10 specified worldwide locations authorized by section
11 2101(c), \$178,700,000.

12 (4) For unspecified minor construction projects
13 authorized by section 2805 of title 10, United States
14 Code, \$20,000,000.

15 (5) For architectural and engineering services
16 and construction design under section 2807 of title
17 10, United States Code, \$122,710,000.

18 (6) For military family housing functions:

19 (A) For construction and acquisition, plan-
20 ning and design, and improvement of military
21 family housing and facilities, \$356,891,000.

22 (B) For support of military family housing
23 (including the functions described in section
24 2833 of title 10, United States Code),
25 \$1,043,026,000.

1 (7) For the construction of phase 3 of a bar-
2 racks complex, D Street, at Fort Richardson, Alas-
3 ka, authorized by section 2101(a) of the Military
4 Construction Authorization Act for Fiscal Year 2002
5 (division B of Public Law 107–107; 115 Stat.
6 1281), as amended by section 2105 of this Act,
7 \$33,000,000.

8 (8) For the construction of phase 2 of a bar-
9 racks complex, Capron Road, at Schofield Barracks,
10 Hawaii, authorized by section 2101(a) of the Mili-
11 tary Construction Authorization Act for Fiscal Year
12 2002 (division B of Public Law 107–107; 115 Stat.
13 1283), as amended by section 2105 of this Act,
14 \$49,000,000.

15 (9) For the construction of phase 2 of a bar-
16 racks complex, Range Road, at Fort Campbell, Ken-
17 tucky, authorized by section 2101(a) of the Bob
18 Stump National Defense Authorization Act for Fis-
19 cal Year 2003 (division B of Public Law 107–314;
20 116 Stat. 2681), \$49,000,000.

21 (10) For the construction of phase 3 of a bar-
22 racks complex, 17th and B Streets, at Fort Lewis,
23 Washington, authorized by section 2101(a) of the
24 Military Construction Authorization Act for Fiscal

1 Year 2002 (division B of Public Law 107–107; 115
2 Stat. 1280), \$48,000,000.

3 **SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT**
4 **CERTAIN FISCAL YEAR 2002 PROJECTS.**

5 (a) **MODIFICATION.**—The table in section 2101(a) of
6 the Military Construction Authorization Act for Fiscal
7 Year 2002 (division B of Public Law 107–107; 115 Stat.
8 1281), is amended in the item relating to Fort Richard-
9 son, Alaska, by striking “\$115,000,000” in the amount
10 column and inserting “\$117,000,000”.

11 (b) **CONFORMING AMENDMENT.**—Paragraph (2) of
12 section 2104(b)(2) of such Act (115 Stat. 1284) is amend-
13 ed by striking “\$52,000,000” and inserting
14 “\$54,000,000”.

15 **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.

16 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND**
17 **ACQUISITION PROJECTS.**

18 (a) **INSIDE THE UNITED STATES.**—Using amounts
19 appropriated pursuant to the authorization of appropria-
20 tions in section 2204(a)(1), the Secretary of the Navy may
21 acquire real property and carry out military construction
22 projects for the installations or locations inside the United

1 States, and in the amounts, set forth in the following
2 table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	\$22,230,000
California	Marine Corps Base, Camp Pendleton	\$73,580,000
	Naval Air Station, Lemoore	\$34,510,000
	Marine Corps Air Station, Miramar	\$4,740,000
	Naval Air Station, North Island	\$49,240,000
	Naval Air Warfare Center, China Lake	\$12,890,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	\$6,150,000
	Naval Air Facility, San Clemente Island	\$18,940,000
	Naval Postgraduate School, Monterey ...	\$35,550,000
	Naval Station, San Diego	\$49,710,000
	Marine Air Ground Task Force Train- ing Center, Twentynine Palms	\$28,390,000
District of Columbia	Marine Corps Barracks	\$1,550,000
Florida	Naval Air Station, Jacksonville	\$3,190,000
	Naval Air Station, Whiting Field, Milton	\$4,830,000
	Naval Surface Warfare Center, Coastal Systems Station, Panama City	\$9,550,000
	Blount Island (Jacksonville)	\$115,711,000
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
Maryland	Naval Air Warfare Center, Patuxent River	\$24,370,000
	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	\$16,140,000
	Naval Undersea Warfare Center, New- port	\$10,890,000
Virginia	Henderson Hall, Arlington	\$1,970,000
	Marine Corps Combat Development Command, Quantico	\$3,700,000
	Naval Amphibious Base, Little Creek	\$3,810,000
	Naval Station, Norfolk	\$182,240,000
	Naval Space Command Center, Dahl- gren	\$20,520,000
	Norfolk Naval Shipyard, Portsmouth	\$17,770,000
Washington	Naval Magazine, Indian Island	\$2,240,000
	Naval Submarine Base, Bangor	\$33,820,000
	Strategic Weapons Facility Pacific, Ban- gor	\$6,530,000
Various Locations	Various Locations, CONUS	\$56,360,000
	Total	\$1,244,772,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2204(a)(2), the Secretary of the Navy may
 4 acquire real property and carry out military construction
 5 projects for the installations or locations outside the
 6 United States, and in the amounts, set forth in the fol-
 7 lowing table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	\$18,030,000
Italy	Naval Support Activity, La Maddalena ..	\$39,020,000
	Naval Air Station, Sigonella	\$34,070,000
United Kingdom	Joint Maritime Facility, St. Mawgan	\$7,070,000
	Total	\$98,190,000

8 **SEC. 2202. FAMILY HOUSING.**

9 (a) CONSTRUCTION AND ACQUISITION.—Using
 10 amounts appropriated pursuant to the authorization of ap-
 11 propriations in section 2204(a)(6)(A), the Secretary of the
 12 Navy may construct or acquire family housing units (in-
 13 cluding land acquisition and supporting facilities) at the
 14 installations, for the purposes, and in the amounts set
 15 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, Pensa- cola	25 Units	\$4,447,000
North Carolina	Marine Corps Base, Camp Lejeune	519 Units ...	\$68,531,000
	Marine Corps Air Station, Cherry Point	339 Units ...	42,803,000
		Total ...	\$157,366,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriation in
3 section 2204(a)(5)(A), the Secretary of the Navy may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of military family housing units in an
7 amount not to exceed \$8,381,000.

8 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
9 **UNITS.**

10 Subject to section 2825 of title 10, United States
11 Code, and using amounts appropriated pursuant to the
12 authorization of appropriations in section 2204(a)(5)(A),
13 the Secretary of the Navy may improve existing military
14 family housing units in an amount not to exceed
15 \$20,446,000.

16 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

17 Funds are hereby authorized to be appropriated for
18 fiscal years beginning after September 30, 2003, for mili-
19 tary construction, land acquisition, and military family
20 housing functions of the Department of the Navy in the
21 total amount of \$2,169,829,000, as follows:

22 (1) For military construction projects inside the
23 United States authorized by section 2201(a),
24 \$909,992,000.

1 (2) For military construction projects outside
2 the United States authorized by section 2201(b),
3 \$98,190,000.

4 (3) For unspecified minor construction projects
5 authorized by section 2805 of title 10, United States
6 Code, \$12,334,000.

7 (4) For architectural and engineering services
8 and construction design under section 2807 of title
9 10, United States Code, \$65,612,000.

10 (5) For military family housing functions:

11 (A) For construction and acquisition, plan-
12 ning and design and improvement of military
13 family housing and facilities, \$184,193,000.

14 (B) For support of military family housing
15 (including functions described in section 2833
16 of title 10, United States Code), \$852,778,000.

17 (6) For construction of a shipboard ashore
18 BEQ at Naval Shipyard Norfolk, Virginia, author-
19 ized in section 2201(a) of the Military Construction
20 Authorization Act for Fiscal Year 2003 (division B
21 of Public Law 107-314; 116 Stat. 2687),
22 \$46,730,000.

23 **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.

1 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND**
 2 **LAND ACQUISITION PROJECTS.**

3 (a) INSIDE THE UNITED STATES.—Using amounts
 4 appropriated pursuant to the authorization of appropria-
 5 tions in section 2304(a)(1), the Secretary of the Air Force
 6 may acquire real property and carry out military construc-
 7 tion projects for the installations or locations inside the
 8 United States, and in the amounts, set forth in the fol-
 9 lowing table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	\$13,400,000
Alaska	Eielson Air Force Base	\$33,261,000
	Elmendorf Air Force Base	\$2,000,000
Arizona	Davis-Monthan Air Force Base	\$10,062,000
Arkansas	Little Rock Air Force Base	\$3,695,000
California	Beale Air Force Base	\$22,750,000
	Edwards Air Force Base	\$19,444,000
Colorado	Buckley Air Force Base	\$7,019,000
District of Columbia	Bolling Air Force Base	\$9,300,000
Florida	Hurlburt Field	\$7,800,000
	Tyndall Air Force Base	\$6,320,000
Georgia	Robins Air Force Base	\$29,264,000
Hawaii	Hickam Air Force Base	\$73,296,000
Idaho	Mountain Home Air Force Base	\$5,445,000
Illinois	Scott Air Force Base	\$1,900,000
New Jersey	McGuire Air Force Base	\$11,861,000
New Mexico	Tularosa	\$3,600,000
	Kirtland Air Force Base	\$7,097,000
North Carolina	Pope Air Force Base	\$24,499,000
	Seymour Johnson Air Force Base	\$11,222,000
North Dakota	Minot Air Force Base	\$3,190,000
Ohio	Wright-Patterson Air Force Base	\$10,500,000
Oklahoma	Altus Air Force Base	\$1,167,000
	Tinker Air Force Base	\$19,444,000
South Carolina	Charleston Air Force Base	\$9,042,000
Texas	Goodfellow Air Force Base	\$20,335,000
	Lackland Air Force Base	\$57,360,000
	Sheppard Air Force Base	\$29,167,000
Utah	Hill Air Force Base	\$15,848,000
Virginia	Langley Air Force Base	\$25,474,000
	Total	\$494,762,000

10 (b) OUTSIDE THE UNITED STATES.—Using amounts
 11 appropriated pursuant to the authorization of appropria-

1 tions in section 2304(a)(2), the Secretary of the Air Force
 2 may acquire real property and carry out military construc-
 3 tion projects for the installations and locations outside the
 4 United States, and in the amounts, set forth in the fol-
 5 lowing table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	\$35,616,000
	Spangdahlem Air Base	\$25,328,000
Italy	Aviano Air Base	\$14,025,000
Korea	Kunsan Air Base	\$7,059,000
	Osan Air Base	\$16,638,000
Portugal	Lajes Field, Azores	\$4,086,000
Turkey	Incirlik Air Base	\$3,262,000
United Kingdom	Royal Air Force, Lakenheath	\$30,587,000
	Royal Air Force, Mildenhall	\$10,558,000
Wake Island	Wake Island	\$24,000,000
	Total	\$171,159,000

6 (c) UNSPECIFIED WORLDWIDE.—Using amounts ap-
 7 propriated pursuant to the authorization of appropriations
 8 in section 2304(a)(3), the Secretary of the Air Force may
 9 acquire real property and carry out military construction
 10 projects for the installation or location, and in the amount,
 11 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

12 **SEC. 2302. FAMILY HOUSING.**

13 (a) CONSTRUCTION AND ACQUISITION.—Using
 14 amounts appropriated pursuant to the authorization of ap-
 15 propriations in section 2304(a)(6)(A), the Secretary of the
 16 Air Force may construct or acquire family housing units

1 (including land acquisition and supporting facilities) at the
 2 installations or locations, for the purposes, and in the
 3 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
Turkey	Incirlik Air Base	100 Units ...	\$17,538,000
United Kingdom	Royal Air Force, Lakenheath	89 Units	\$23,640,000
		Total ...	\$417,136,000

4 (b) PLANNING AND DESIGN.—Using amounts appro-
 5 priated pursuant to the authorization of appropriations in
 6 section 2304(a)(6)(A), the Secretary of the Air Force may
 7 carry out architectural and engineering services and con-
 8 struction design activities with respect to the construction
 9 or improvement of military family housing units in an
 10 amount not to exceed \$33,488,000.

11 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 12 **UNITS.**

13 Subject to section 2825 of title 10, United States
 14 Code, and using amounts appropriated pursuant to the

1 authorization of appropriations in section 2304(a)(6)(A),
2 the Secretary of the Air Force may improve existing mili-
3 tary family housing units in an amount not to exceed
4 \$248,998,000.

5 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
6 **FORCE.**

7 (a) IN GENERAL.—Funds are hereby authorized to
8 be appropriated for fiscal years beginning after September
9 30, 2003, for military construction, land acquisition, and
10 military family housing functions of the Department of the
11 Air Force in the total amount of \$2,302,857,000, as fol-
12 lows:

13 (1) For military construction projects inside the
14 United States authorized by section 2301(a),
15 \$486,282,000.

16 (2) For military construction projects outside
17 the United States authorized by section 2301(b),
18 \$171,159,000.

19 (3) For military construction projects at un-
20 specified worldwide locations authorized by section
21 2301(c), \$28,981,000.

22 (4) For unspecified minor construction projects
23 authorized by section 2805 of title 10, United States
24 Code, \$12,000,000.

1 (5) For architectural and engineering services
2 and construction design under section 2807 of title
3 10, United States Code, \$74,345,000.

4 (6) For military housing functions:

5 (A) For construction and acquisition, plan-
6 ning and design and improvement of military
7 family housing and facilities, \$695,622,000.

8 (B) For support of military family housing
9 (including functions described in section 2833
10 of title 10, United States Code), \$834,468,000.

11 **TITLE XXIV—DEFENSE**
12 **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.

13 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUC-**
14 **TION AND LAND ACQUISITION PROJECTS.**

15 (a) **INSIDE THE UNITED STATES.**—Using amounts
16 appropriated pursuant to the authorization of appropria-
17 tions in section 2405(a)(1), the Secretary of Defense may
18 acquire real property and carry out military construction
19 projects for the installations or locations inside the United
20 States, and in the amounts, set forth in the following
21 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
	Langley Air Force Base, Virginia	\$13,000,000
	Laughlin Air Force Base, Texas	\$4,688,000
	McChord Air Force Base, Wash- ington	\$8,100,000
	Nellis Air Force Base, Nevada	\$12,800,000
	Offutt Air Force Base, Nebraska	\$13,400,000
National Security Agency	Fort Meade, Maryland	\$1,842,000
Special Operations Command	Dam Neck, Virginia	\$15,281,000
	Fort Benning, Georgia	\$2,100,000
	Fort Bragg, North Carolina	\$36,300,000
	Fort Campbell, Kentucky	\$7,800,000
	Harrisburg International Airport, Pennsylvania	\$3,000,000
	Hurlburt Field, Florida	\$6,000,000
Tri-Care Management Activ- ity	Naval Station, Anacostia, District of Columbia	\$15,714,000
	Naval Submarine Base, New Lon- don, Connecticut	\$6,700,000
	United States Air Force Academy, Colorado	\$22,100,000
	Walter Reed Medical Center, Dis- trict of Columbia	\$9,000,000
Washington Headquarters Services	Arlington, Virginia	\$38,086,000
	Total	\$298,870,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2405(a)(2), the Secretary of Defense may
4 acquire real property and carry out military construction
5 projects for the installations or locations outside the
6 United States, and in the amounts, set forth in the fol-
7 lowing table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Agency ...	Grafenwoehr, Germany	\$36,247,000
.....	Heidelberg, Germany	\$3,086,000
.....	Sigonella, Italy	\$30,234,000
.....	Vicenza, Italy	\$16,374,000
.....	Vilseck, Germany	\$1,773,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
Special Operations Command Tri-Care Management Activ- ity	Stuttgart, Germany	\$11,400,000
.....	Andersen Air Force Base, Guam	\$26,000,000
.....	Grafenwoehr, Germany	\$12,585,000
	Total	\$137,699,000

1 **SEC. 2402. FAMILY HOUSING.**

2 (a) PLANNING AND DESIGN.—Using amounts appro-
3 priated pursuant to the authorization of appropriations in
4 section 2404(a)(5)(A), the Secretary of Defense may carry
5 out architectural and engineering services and construc-
6 tion design activities with respect to the construction or
7 improvement of military family housing units in an
8 amount not to exceed \$300,000.

9 **SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
10 **UNITS.**

11 Subject to section 2825 of title 10, United States
12 Code, and using amounts appropriated pursuant to the
13 authorization of appropriations in section 2404(a)(5)(A),
14 the Secretary of Defense may improve existing military
15 family housing units in an amount not to exceed \$50,000.

16 **SEC. 2404. ENERGY CONSERVATION PROJECTS.**

17 Using amounts appropriated pursuant to the author-
18 ization of appropriations in section 2405(a)(6), the Sec-
19 retary of Defense may carry out energy conservation
20 projects under section 2865 of title 10, United States
21 Code, in the amount of \$69,500,000.

1 **SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DE-**
2 **FENSE AGENCIES.**

3 Funds are hereby authorized to be appropriated for
4 fiscal years beginning after September 30, 2003, for mili-
5 tary construction, land acquisition, and military family
6 housing functions of the Department of Defense (other
7 than the military departments) in the total amount of
8 \$1,017,718,000 as follows:

9 (1) For military construction projects inside the
10 United States authorized by section 2401(a),
11 \$296,670,000.

12 (2) For military construction projects outside
13 the United States authorized by section 2401(b),
14 \$120,334,000.

15 (3) For unspecified minor construction projects
16 under section 2805 of title 10, United States Code,
17 \$16,153,000.

18 (4) For contingency construction projects of the
19 Secretary of Defense under section 2804 of title 10,
20 United States Code, \$8,960,000.

21 (5) For architectural and engineering services
22 and construction design under section 2807 of title
23 10, United States Code, \$59,884,000.

24 (6) For Energy Conservation projects author-
25 ized by section 2404 of this Act, \$69,500,000.

1 (7) For base closure and realignment activities
2 as authorized by the Defense Base Closure and Re-
3 alignment Act of 1990 (part A of title XXIX of
4 Public Law 101–510; 10 U.S.C. 2687 note),
5 \$370,427,000.

6 (8) For military family housing functions:

7 (A) For planning, design, and improve-
8 ment of military family housing and facilities,
9 \$350,000.

10 (B) For support of military family housing
11 (including functions described in section 2833
12 of title 10, United States Code), \$49,440,000.

13 (C) For credit to the Department of De-
14 fense Family Housing Improvement Fund es-
15 tablished by section 2883(a)(1) of title 10,
16 United States Code, \$300,000.

17 (9) For construction of the Defense Threat Re-
18 duction Center at Fort Belvoir, Virginia, authorized
19 by section 2401(a) of the Military Construction Au-
20 thorization Act for Fiscal Year 2003 (division B of
21 Public Law 107–314; 116 Stat. 2695), \$25,700,000.

1 **TITLE XXV—NORTH ATLANTIC**
2 **TREATY ORGANIZATION SE-**
3 **CURITY INVESTMENT PRO-**
4 **GRAM**

Sec. 2501. Authorized NATO construction and land acquisition projects.

Sec. 2502. Authorization of appropriations, NATO.

5 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**
6 **ACQUISITION PROJECTS.**

7 The Secretary of Defense may make contributions for
8 the North Atlantic Treaty Organization Security Invest-
9 ment Program as provided in section 2806 of title 10,
10 United States Code, in an amount not to exceed the sum
11 of the amount authorized to be appropriated for this pur-
12 pose in section 2502 and the amount collected from the
13 North Atlantic Treaty Organization as a result of con-
14 struction previously financed by the United States.

15 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

16 Funds are hereby authorized to be appropriated for
17 fiscal years beginning after September 30, 2003, for con-
18 tributions by the Secretary of Defense under section 2806
19 of title 10, United States Code, for the share of the United
20 States of the cost of projects for the North Atlantic Treaty
21 Organization Security Investment Program authorized by
22 section 2501, in the amount of \$169,300,000.

1 **TITLE XXVI—GUARD AND**
2 **RESERVE FORCES FACILITIES**

Sec. 2601. Authorized guard and reserve construction and land acquisition projects.

3 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**
4 **TION AND LAND ACQUISITION PROJECTS.**

5 Funds are hereby authorized to be appropriated for
6 fiscal years beginning after September 30, 2003, for the
7 costs of acquisition, architectural and engineering services,
8 and construction of facilities for the Guard and Reserve
9 Forces, and for contributions therefore, under chapter
10 1803 of title 10, United States Code (including the cost
11 of acquisition of land for those facilities), the following
12 amounts:

- 13 (1) For the Department of the Army—
14 (A) for the Army National Guard of the
15 United States, \$168,298,000; and
16 (B) for the Army Reserve, \$68,478,000.
17 (2) For the Department of the Navy, for the
18 Naval and Marine Corps Reserve, \$28,032,000.
19 (3) For the Department of the Air Force—
20 (A) for the Air National Guard of the
21 United States, \$60,430,000; and
22 (B) for the Air Force Reserve,
23 \$44,312,000.

1 **TITLE XXVII—EXPIRATION AND**
 2 **EXTENSION OF AUTHORIZA-**
 3 **TIONS**

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. 2704. Effective date.

4 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**
 5 **AMOUNTS REQUIRED TO BE SPECIFIED BY**
 6 **LAW.**

7 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE
 8 YEARS.—Except as provided in subsection (b), all author-
 9 izations contained in titles XXI through XXVI for military
 10 construction projects, land acquisition, family housing
 11 projects and facilities, and contributions to the North At-
 12 lantic Treaty Organization Security Investment Program
 13 (and authorizations of appropriations therefor) shall ex-
 14 pire on the later of—

15 (1) October 1, 2006; or

16 (2) the date of the enactment of an Act author-
 17 izing funds for military construction for fiscal year
 18 2007.

19 (b) EXCEPTION.—Subsection (a) shall not apply to
 20 authorizations for military construction projects, land ac-
 21 quisition, family housing projects, and facilities, and con-
 22 tributions to the North Atlantic Treaty Organization Se-

1 curity Investment program (and authorizations of appro-
2 priations therefor), for which appropriated funds have
3 been obligated before the later of—

4 (1) October 1, 2006; or

5 (2) the date of the enactment of an Act author-
6 izing funds for fiscal year 2007 for military con-
7 struction projects, land acquisition, family housing
8 projects and facilities, or contributions to the North
9 Atlantic Treaty Organization Security Investment
10 program.

11 **SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
12 **FISCAL YEAR 2001 PROJECTS.**

13 (a) EXTENSION.—Notwithstanding section 2701 of
14 the Military Construction Authorization Act for Fiscal
15 Year 2001 (division B of Public Law 106–398; 114 Stat.
16 1654A–389), authorizations set forth in the tables in sub-
17 section (b), as provided in sections 2102, 2201, and 2404
18 of that Act, shall remain in effect until October 1, 2004,
19 or the date of the enactment of an Act authorizing funds
20 for military construction for fiscal year 2005, whichever
21 is later.

22 (b) TABLES.—The tables referred to in subsection (a)
23 are as follows:

Army: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—GFOQ	\$250,000

Navy: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
Pennsylvania	Naval Surface Warfare Center Shipyard Systems Engineering Station, Philadelphia	Gas Turbine Test Facility	\$10,680,000

Defense Agencies: Extension of 2001 Project Authorizations

State	Installation or location	Project	Amount
Defense Education Activity	Seoul, Korea	Elementary School Full Day Kindergarten Classroom Addition	\$2,317,000
	Taegu, Korea	Elementary/High School Full Day Kindergarten Classroom Addition	\$762,000

1 **SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
2 **FISCAL YEAR 2000 PROJECTS.**

3 (a) EXTENSION.—Notwithstanding section 2701 of
4 the Military Construction Authorization Act for Fiscal
5 Year 2000 (division B of Public Law 106–65; 113 Stat.
6 841), authorizations set forth in the tables in subsection
7 (b), as provided in section 2601 of that Act, shall remain
8 in effect until October 1, 2004, or the date of the enact-
9 ment of an Act authorizing funds for military construction
10 for fiscal year 2005, whichever is later.

1 (b) TABLES.—The tables referred to in subsection (a)
 2 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: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	National Guard Ft. Pickett	Multi-purpose Range-Heavy	\$13,500,000

3 **SEC. 2704. EFFECTIVE DATE.**

4 Titles XXI, XXII, XXIII, XXIV, XXV, XXVI, and
 5 XXVII shall take effect on the later of—

- 6 (1) October 1, 2003; or
 7 (2) the date of the enactment of this Act.

8 **TITLE XXVIII—GENERAL**
 9 **PROVISIONS**

Subtitle A—Military Construction and Military Family Housing

- Sec. 2801. Streamlining military construction to reduce facility acquisition and construction cycle time.
 Sec. 2802. Increased terms for leases of family housing and other facilities in foreign countries.

Subtitle B—Real Property and Facilities Administration

- Sec. 2811. Expanded authority to transfer property at military installations to be closed to persons who construct or provide military housing.
 Sec. 2812. Acceptance of in-kind consideration for easements.
 Sec. 2813. Modification of authority to accept funds to cover administrative expenses relating to certain real property transactions.
 Sec. 2814. Authority to convey property at military installations to persons who construct or provide military housing.
 Sec. 2815. Increase in threshold for reports to congressional committees on real property transactions.
 Sec. 2816. Contracting with local governments for municipal services.

Subtitle C—Other Matters

Sec. 2821. Increase authority to lease military family housing in Italy.

Sec. 2822. Conveyance of Army and Air Force Exchange Service property, Dallas, Texas.

Sec. 2823. Relief from McKinney-Vento (Homeless) Act screening requirements.

1 **Subtitle A—Military Construction** 2 **and Military Family Housing**

3 **SEC. 2801. STREAMLINING MILITARY CONSTRUCTION TO** 4 **REDUCE FACILITY ACQUISITION AND CON-** 5 **STRUCTION CYCLE TIME.**

6 (a) THRESHOLDS.—(1) Section 2803(c)(1) of title
7 10, United States Code, is amended by striking
8 “\$30,000,000” and inserting “\$60,000,000”.

9 (2) Section 2805 of such title is amended—

10 (A) in subsection (a)(1)—

11 (i) by striking “\$1,500,000” and inserting
12 “\$3,000,000”; and

13 (ii) by striking “\$3,000,000” and inserting
14 “\$6,000,000”.

15 (B) in subsection (b)(1) by striking “\$750,000”
16 and inserting “\$1,500,000”; and

17 (C) in subsection (c)(1)—

18 (i) by striking “\$1,500,000” in subpara-
19 graph (A) and inserting “\$3,000,000”; and

20 (ii) by striking “\$750,000” in subpara-
21 graph (B) and inserting “\$1,500,000”.

22 (3) Section 2811(b) of such title is amended by strik-
23 ing “\$5,000,000” and inserting “\$10,000,000”.

1 (4) Section 18233a of such title is amended by strik-
2 ing “\$1,500,000” in subsection (a)(1) and inserting
3 “\$3,000,000”.

4 (b) PROJECT APPLICABILITY.—Section 2805(b)(1) of
5 such title is amended by inserting at the end “This para-
6 graph shall not apply to unspecified minor military con-
7 struction projects using funds made available for oper-
8 ation and maintenance in accordance with subsection
9 (c).”.

10 (c) DESIGN-BUILD CONTRACTING.—(1) Section
11 2305a(c)(5) of such title is amended—

12 (A) by inserting “(A)” after “(5)”; and

13 (B) by adding at the end the following new sub-
14 paragraph:

15 “(B) Notwithstanding any other provision
16 of law, a military department may accelerate
17 design effort for design-build contracts (fast-
18 track design funding) to accomplish the design
19 effort for any military construction or family
20 housing construction project, prior to the
21 project being authorized and appropriated, if
22 (1) the contractor to whom the contract will be
23 awarded has been selected using design-build
24 selection procedures established under this sec-
25 tion, (2) a request for the authorization and ap-

1 appropriation of construction funds has been sub-
2 mitted to Congress as part of the Department’s
3 annual budget, and (3) the Government’s liabil-
4 ity in a Termination for Convenience would not
5 exceed costs above that attributable to the final
6 design of the project.”.

7 (2) Section 2807(a) of such title is amended by strik-
8 ing “in connection with military construction projects not
9 otherwise authorized by law” at the end of the first sen-
10 tence and inserting “regardless of the intended acquisition
11 approach, in connection with a military construction
12 project otherwise, or not otherwise, authorized by law”.

13 (d) COST VARIATIONS.—Section 2853(a) of such title
14 is amended by striking “or 200 percent of the minor con-
15 struction project ceiling specified in section 2805(a)(1),
16 whichever is less”.

17 (e) REAL PROPERTY TRANSACTIONS.—(1) Section
18 2662 is repealed.

19 (2) Section 2672 of such title is amended—

20 (A) in the title, by striking “\$500,000” and in-
21 serting “the unspecified minor military construction
22 project ceiling in section 2805(a)(1) of this title”;

23 (B) in subsection (a)(1)(B), by striking
24 “\$500,000” and inserting “the unspecified minor

1 military construction project ceiling in section
2 2805(a)(1) of this title”; and

3 (C) in subsection (a)(2), by striking
4 “\$500,000” and inserting “the unspecified minor
5 military construction project ceiling in section
6 2805(a)(1) of this title”.

7 (3) Section 2672a(b) of such title is amended by
8 striking the last sentence.

9 **SEC. 2802. INCREASED TERMS FOR LEASES OF FAMILY**
10 **HOUSING AND OTHER FACILITIES IN FOR-**
11 **EIGN COUNTRIES.**

12 (a) LEASES OF FAMILY HOUSING IN FOREIGN COUN-
13 TRIES.—Section 2828(d)(1) of title 10, United States
14 Code, is amended by striking “ten years” and inserting
15 “fifteen years”.

16 (b) LEASES OF OTHER FACILITIES IN FOREIGN
17 COUNTRIES.—Section 2675 of such title is amended by
18 striking “five years” and inserting “fifteen years”.

1 **Subtitle B—Real Property and**
2 **Facilities Administration**

3 **SEC. 2811. EXPANDED AUTHORITY TO TRANSFER PROP-**
4 **ERTY AT MILITARY INSTALLATIONS TO BE**
5 **CLOSED TO PERSONS WHO CONSTRUCT OR**
6 **PROVIDE MILITARY HOUSING.**

7 (a) 1988 LAW.—Section 204(e) of the Defense Au-
8 thorization Amendments and Base Closure and Realign-
9 ment Act (Public Law 100–526; 10 U.S.C. 2687 note) is
10 amended by striking “FAMILY” in the subsection heading.

11 (b) 1990 LAW.—Section 2905(f) of the Defense Base
12 Closure and Realignment Act of 1990 (part A of title
13 XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is
14 amended by striking “FAMILY” in the subsection heading.

15 **SEC. 2812. ACCEPTANCE OF IN-KIND CONSIDERATION FOR**
16 **EASEMENTS**

17 (a) EASEMENTS FOR RIGHTS-OF-WAY.—Section
18 2668 of title 10, United States Code, is amended by add-
19 ing at the end the following new subsections:

20 “(f) In addition to any cash consideration accepted
21 under subsection (e), the Secretary concerned may accept
22 in-kind consideration with respect to easements granted
23 under this section, including the following:

24 “(1) Maintenance, protection, alteration, repair,
25 improvement, or restoration (including environ-

1 mental restoration) of property or facilities under
2 the control of the Secretary concerned.

3 “(2) Construction of new facilities.

4 “(3) Provision of facilities for use by the mili-
5 tary departments.

6 “(4) Facilities operation support.

7 “(5) Provision of such other services relating to
8 activities that will occur on the property subject to
9 the easement, as the Secretary concerned considers
10 appropriate.

11 “(g) The Secretary concerned may accept in-kind
12 consideration under subsection (f) at any property or fa-
13 cilities under his or her control that he or she selects for
14 that purpose.

15 “(h) Sections 2662 and 2802 of this title shall not
16 apply to construction of any new facilities accepted as in-
17 kind consideration under this subsection.”.

18 (b) EASEMENTS FOR RIGHTS-OF-WAY: GAS, WATER,
19 AND SEWER PIPELINES.—Section 2669 of such title is
20 amended by adding at the end the following new sub-
21 sections:

22 “(f) In addition to any cash consideration accepted
23 under subsection (e), the Secretary concerned may accept
24 in-kind consideration with respect to easements granted
25 under this section, including the following:

1 “(1) Maintenance, protection, alteration, repair,
2 improvement, or restoration (including environ-
3 mental restoration) of property or facilities under
4 the control of the Secretary concerned.

5 “(2) Construction of new facilities.

6 “(3) Provision of facilities for use by the mili-
7 tary departments.

8 “(4) Facilities operation support.

9 “(5) Provision of such other services relating to
10 activities that will occur on the property subject to
11 the easement, as the Secretary concerned considers
12 appropriate.

13 “(g) The Secretary concerned may accept in-kind
14 consideration under subsection (f) any property or facili-
15 ties under his or her control that he or she selects for
16 that purpose.

17 “(h) Sections 2662 and 2802 of this title shall not
18 apply to construction of any new facilities accepted as in-
19 kind consideration under this subsection.”.

20 **SEC. 2813. MODIFICATION OF AUTHORITY TO ACCEPT**
21 **FUNDS TO COVER ADMINISTRATIVE EX-**
22 **PENSES RELATING TO CERTAIN REAL PROP-**
23 **ERTY TRANSACTIONS.**

24 Section 2695 of title 10, United States Code, is
25 amended—

1 (1) by amending subsection (a) to read as fol-
2 lows:

3 “(a) **AUTHORITY TO ACCEPT.**—In connection with a
4 real property transaction referred to in subsection (b) with
5 a non-Federal person or entity, the Secretary of a military
6 department may charge the person or entity, either in ad-
7 vance or arrears, amounts to cover administrative ex-
8 penses incurred by the Secretary in reviewing and imple-
9 menting the covered transaction.”;

10 (2) in subsection (b), by inserting “whether or
11 not the transaction is completed” before the colon;
12 and

13 (3) in subsection (c)—

14 (A) by inserting “or are to be” after “ex-
15 penses were”; and

16 (B) by adding at the end the following new
17 sentence: “After liquidation of all subsection (a)
18 administrative expenses, the amount of any
19 overpayment shall be refunded to the non-Fed-
20 eral person or entity from the appropriation,
21 fund, or account into which the funds were
22 originally deposited in such a way as to merge
23 with and become available for the same pur-
24 poses and period as the accounts to which they
25 are credited.”.

1 **SEC. 2814. AUTHORITY TO CONVEY PROPERTY AT MILITARY**
2 **INSTALLATIONS TO PERSONS WHO CON-**
3 **STRUCT OR PROVIDE MILITARY HOUSING.**

4 (a) AUTHORITY TO CONVEY PROPERTY.—Sub-
5 chapter III of chapter 169 of title 10, United States Code,
6 is amended by adding at the end the following new section:

7 **“§ 2869. Conveyance of property to persons who con-**
8 **struct or provide military housing**

9 “(a) AUTHORITY TO CONVEY PROPERTY.—Subject
10 to subsection (b), the Secretary concerned may enter into
11 an agreement to convey real property, including any im-
12 provements, structures or fixtures located thereon, on a
13 military installation to any person who agrees, in exchange
14 for the real property, to transfer to the Secretary housing
15 that is constructed or provided by the person and located
16 at or near a military installation at which there is a short-
17 age of suitable housing to meet the requirements of mem-
18 bers of the Armed Forces and their dependents.

19 “(b) REQUIREMENTS FOR CONVEYANCE.—A convey-
20 ance of real property may be made under subsection (a)
21 only if—

22 “(1) the Secretary determines that the real
23 property to be conveyed is in excess of the needs of
24 the military installation;

25 “(2) the fair market value of the housing to be
26 received by the Secretary in exchange for the real

1 property to be conveyed is equal to or greater than
2 the fair market value of such property, including any
3 improvements, structures or fixtures located thereon,
4 as determined by the Secretary; and

5 “(3) in the event the fair market value of the
6 housing is less than the fair market value of the real
7 property to be conveyed, including any improve-
8 ments, structures or fixtures located thereon, the re-
9 cipient of the real property agrees to pay to the Sec-
10 retary the amount equal to the excess of the fair
11 market value of such real property over the fair
12 market value of the housing.

13 “(c) DEPOSIT OF FUNDS.—Notwithstanding any
14 other provision of law, the Secretary may deposit funds
15 received under subsection (b)(3) in the Department of De-
16 fense Housing Improvement Fund established under sec-
17 tion 2883(a) of this title to be merged with and used for
18 the same purpose as funds already in the account.

19 “(d) EXEMPTIONS.—The conveyance of real property
20 under this section shall not be subject to the following:

21 “(1) Section 501 of the Stewart B. McKinney
22 Homeless Assistance Act (42 U.S.C. 11411).

23 “(2) Section 2693 of this title.

24 “(e) ADDITIONAL TERMS.—The Secretary may re-
25 quire any additional terms and conditions in connection

1 with an agreement authorized by this section as the Sec-
 2 retary considers appropriate to protect the interests of the
 3 United States.

4 “(f) DEFINITION.—In this section, the term ‘housing’
 5 means both military family housing and military unaccom-
 6 panied housing.”.

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

“2869. Conveyance of property to persons who construct or provide military
 housing.”.

10 (c) CONFORMING AMENDMENT.—Section 2883(c)(1)
 11 of such title is amended by adding at the end the following
 12 new subparagraph:

13 “(F) Any amounts that the Secretary concerned
 14 transfers to that Fund pursuant to section 2869 of
 15 this title.”.

16 **SEC. 2815. INCREASE IN THRESHOLD FOR REPORTS TO**
 17 **CONGRESSIONAL COMMITTEES ON REAL**
 18 **PROPERTY TRANSACTIONS.**

19 Section 2662 of title 10, United States Code, is
 20 amended by striking “\$500,000” each place it appears
 21 and inserting “the unspecified minor military construction
 22 project limit under section 2805(c)(1)(B) of this title”.

1 **SEC. 2816. CONTRACTING WITH LOCAL GOVERNMENTS FOR**
2 **MUNICIPAL SERVICES.**

3 (a) **AUTHORITY.**—Chapter 146 of title 10, United
4 States Code, is amended by adding at the end the fol-
5 lowing new section:

6 **“§ 2476. Contracting with local governments for mu-**
7 **nicipal services**

8 “Subject to the provisions of this chapter, but not-
9 withstanding any other provision of law related to the
10 award of public contracts, the Secretary of Defense or the
11 Secretary of a military department may enter directly into
12 a contract or other agreement for public works, utility and
13 other municipal services at an installation or facility of
14 the Department of Defense, with the municipality or local
15 government responsible for serving the area that includes
16 that installation or facility. The Secretary concerned may
17 enter into such a contract or agreement, even if the mu-
18 nicipality or local government to which the Secretary
19 makes award is required by law to provide those services
20 to the public without direct charge.”.

21 (b) **CONFORMING AMENDMENT.**—Section 816 of the
22 National Defense Authorization Act for Fiscal Year 1995
23 (Public Law 103–337; 108 Stat. 2820) is repealed.

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

“2476. Contracting with local governments for municipal services.”.

4 **Subtitle C—Other Matters**

5 **SEC. 2821. INCREASE AUTHORITY TO LEASE MILITARY FAM-**
 6 **ILY HOUSING IN ITALY.**

7 Section 2828(e)(2) of title 10, United States Code,
 8 is amended by striking “2,000” and inserting “2,800”.

9 **SEC. 2822. CONVEYANCE OF ARMY AND AIR FORCE EX-**
 10 **CHANGE SERVICE PROPERTY, DALLAS,**
 11 **TEXAS.**

12 (a) CONVEYANCE AUTHORIZED.—The Secretary of
 13 Defense may authorize the Army and Air Force Exchange
 14 Service, which is a nonappropriated fund instrumentality
 15 of the United States, to sell all right, title, and interest
 16 of the United States in and to a parcel of real property,
 17 including improvements thereon, that is located at 1515
 18 Roundtable Drive in Dallas, Texas.

19 (b) CONSIDERATION.—As consideration for convey-
 20 ance under subsection (a), the purchaser shall pay, in a
 21 single lump sum payment, an amount equal to the fair
 22 market value of the real property conveyed, as determined
 23 by the Secretary. The payment shall be handled in the
 24 manner provided in section 204(c) of the Federal Property
 25 and Administrative Services Act of 1949 (40 U.S.C.

1 485(c)). Such funds and credit receipts shall not go to
2 the general treasury but to the Department of Defense
3 to merge with and become available for the same purposes
4 and period as the accounts to which they are credited.

5 (c) DESCRIPTION OF PROPERTY.—The exact acreage
6 and legal description of the real property to be conveyed
7 under subsection (a) shall be determined by a survey satis-
8 factory to the Secretary. The cost of the survey shall be
9 borne by the purchaser.

10 (d) ADDITIONAL TERMS AND CONDITIONS.—The
11 Secretary may require such additional terms and condi-
12 tions in connection with the conveyance under subsection
13 (a) as the Secretary considers appropriate to protect the
14 interests of the United States.

15 **SEC. 2823. RELIEF FROM MCKINNEY-VENTO (HOMELESS)**

16 **ACT SCREENING REQUIREMENTS.**

17 Section 501 of the McKinney-Vento Homeless Assist-
18 ance Act (101 Public Law 101–645; 42 U.S.C. 11411)
19 is amended—

20 (1) by redesignating subsection (i) as subsection
21 (j); and

22 (2) by inserting after subsection (h) the fol-
23 lowing new subsection (i):

24 “(i) APPLICABILITY TO PROPERTY DURING EMER-
25 GENCIES.—The provisions of this section shall not apply

1 to buildings and property that have been requested for
2 support or are being used for direct support of—

3 “(1) a war or national emergency declared in
4 accordance with the National Emergencies Act (50
5 U.S.C. 1601 et seq.); or

6 “(2) an emergency or major disaster declared in
7 accordance with the Robert T. Stafford Disaster Re-
8 lief and Emergency Assistance Act (42 U.S.C. 5121
9 et seq.).”.

○