Public Law 107–314
107th Congress

An Act

Dec. 2, 2002
[H.R. 4546]

To authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Bob Stump National Defense Authorization Act for Fiscal Year 2003.

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Bob Stump National Defense Authorization Act for Fiscal Year 2003".

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

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

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

(3) Representative Stump was elected to the Committee on Armed Services in 1978 and has served on nearly all of its subcommittees and panels during 25 years of distinguished service on the committee. He has served as chairman of the committee during the 107th Congress and has championed United States national security as the paramount function of the Federal Government.

(4) Also serving on the Committee on Veterans' Affairs of the House of Representatives, chairing that committee from 1995 to 2000, and serving on the Permanent Select Committee on Intelligence of the House of Representatives, including service as the ranking minority member in 1985 and 1986, Representative Stump has dedicated his entire congressional career to steadfastly supporting America's courageous men and women in uniform both on and off the battlefield.

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

(6) During his tenure as chairman of the Committee on Armed Services of the House of Representatives, Representative Stump has—

(A) overseen the largest sustained increase to defense spending since the Reagan administration;

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

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

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

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

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

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

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

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

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

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TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

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Sec. 2805. Availability of energy cost savings realized at military installations.

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Sec. 2823. Land conveyance, Sunflower Army Ammunition Plant, Kansas.
Sec. 2824. Land conveyances, Bluegrass Army Depot, Richmond, Kentucky.
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Sec. 2826. Land conveyance, Army Reserve Training Center, Buffalo, Minnesota.
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Sec. 2828. Land conveyance, Fort Bliss, Texas.
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Sec. 2833. Land conveyance, Westover Air Reserve Base, Massachusetts.
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Sec. 2841. Modification of land conveyance, Los Angeles Air Force Base, California.
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Sec. 2843. Land conveyances, Wendover Air Force Base Auxiliary Field, Nevada.

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Sec. 2851. Master plan for use of Navy Annex, Arlington, Virginia.
Sec. 2852. Sale of excess treated water and wastewater treatment capacity, Marine Corps Base, Camp Lejeune, North Carolina.
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DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

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Sec. 3154. Testing of preparedness for emergencies involving nuclear, radiological, chemical, or biological weapons.
Sec. 3155. Cooperative program on research, development, and demonstration of technology regarding nuclear or radiological terrorism.
Sec. 3156. Matters relating to the International Materials Protection, Control, and Accounting program of the Department of Energy.
Sec. 3157. Accelerated disposition of highly enriched uranium.
Sec. 3158. Strengthened international security for nuclear materials and security of nuclear operations.
Sec. 3159. Export control programs.
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Sec. 3161. Sense of Congress on amendment of Convention on Physical Protection of Nuclear Materials.
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Subtitle D—Other Matters

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

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

Sec. 3181. Findings.
Sec. 3182. Disposition of weapons-usable plutonium at Savannah River Site.
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TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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TITLE XXXIV—NAVAL PETROLEUM RESERVES

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TITLE XXXVI—ATOMIC ENERGY DEFENSE PROVISIONS

Sec. 3601. Short title.

Subtitle A—[Reserved]

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Sec. 3628. Availability of funds.
Sec. 3629. Transfer of defense environmental management funds.
Sec. 3630. Transfer of weapons activities funds.
Sec. 3631. Funds available for all national security programs of the Department of Energy.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

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

Subtitle B—Army Programs

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

Sec. 113. Family of Medium Tactical Vehicles.

Subtitle C—Navy Programs

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

Subtitle D—Air Force Programs

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

Subtitle E—Other Programs

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

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $2,186,296,000.
(2) For missiles, $1,152,299,000.
(3) For weapons and tracked combat vehicles, $2,276,751,000.
(4) For ammunition, $1,229,533,000.
(5) For other procurement, $5,857,814,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Navy as follows:

(1) For aircraft, $8,979,275,000.
(2) For weapons, including missiles and torpedoes, $2,375,349,000.
(3) For shipbuilding and conversion, $9,111,023,000.
(4) For other procurement, $4,494,754,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Marine Corps in the amount of $1,355,491,000.

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

SEC. 103. AIR FORCE.

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

(1) For aircraft, $12,676,505,000.
(2) For missiles, $3,504,139,000.
(3) For ammunition, $1,290,764,000.
(4) For other procurement, $10,846,048,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

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

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

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

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

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

SEC. 107. DEFENSE HEALTH PROGRAMS.

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

Subtitle B—Army Programs

SEC. 111. PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

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

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

(1) by striking subsection (d);

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

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

"(c) TRANSFER OF CERTAIN SUMS.—For each Army industrial facility participating in the pilot program that sells manufactured articles and services in a total amount in excess of $20,000,000 in any fiscal year, the amount equal to one-half of one percent of such total amount shall be transferred from the sums in the Army Working Capital Fund for unutilized plant capacity to appropriations available for the following fiscal year for the demilitarization of conventional ammunition by the Army.".

(c) UPDATE OF INSPECTOR GENERAL'S REVIEW.—The Inspector General of the Department of Defense shall review the experience under the pilot program carried out under such section 141 and, not later than July 1, 2003, submit to Congress a report on the results of the review. The report shall contain the views, information, and recommendations called for under subsection (d) of such

Deadline. Reports. 10 USC 4543 note.

section (as redesignated by subsection (b)(2)). In carrying out the review and preparing the report, the Inspector General shall take into consideration the report submitted to Congress under such subsection (as so redesignated).

SEC. 112. REPORT ON IMPACT OF ARMY AVIATION MODERNIZATION PLAN ON THE ARMY NATIONAL GUARD.

(a) REPORT BY CHIEF OF THE NATIONAL GUARD BUREAU.—The Chief of the National Guard Bureau shall submit to the Chief of Staff of the Army a report on the requirements for Army National Guard aviation. The report shall include the following:

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

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

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

(4) An evaluation of the suitability and cost effectiveness of existing Commercial Off The Shelf light utility helicopters for performance of Army National Guard utility aviation missions.

Deadline.

(b) COMMENTS AND RECOMMENDATIONS BY CHIEF OF STAFF OF THE ARMY.—Not later than February 1, 2003, the Chief of Staff of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the report received under subsection (a), together with any comments and recommendations that the Chief of Staff considers appropriate on the matters covered in the report.

SEC. 113. FAMILY OF MEDIUM TACTICAL VEHICLES.

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

(b) LIMITATION.—The Secretary of the Army may not enter into a multiyear contract for the procurement of vehicles in the Family of Medium Tactical Vehicles authorized by subsection (a) until the Secretary submits to the congressional defense committees a written certification that—

(1) all key performance parameters required in the initial operational test and evaluation for that program have been met; and

(2) the total cost through the use of such multiyear contract of the procurement of the number of vehicles to be procured under such contract is at least 10 percent less than the total cost of the procurement of the same number of such vehicles through the use of successive one-year contracts.

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

(1) determines that using a multiyear contract for the procurement of vehicles under the Family of Medium Tactical Vehicles program is in the national security interests of the United States;

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

(3) submits to the congressional defense committees, in writing, a notification of the waiver together with a report describing the reasons why the use of a multiyear contract for such procurement is in the national security interests of the United States and why the Army cannot achieve a 10 percent savings of the total anticipated costs of carrying out the program through a multiyear contract.

Subtitle C—Navy Programs

SEC. 121. EXTENSION OF MULTIYEAR PROCUREMENT AUTHORITY FOR DDG–51 CLASS DESTROYERS.

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

SEC. 122. SENSE OF CONGRESS ON SCOPE OF CONVERSION PROGRAM FOR TICONDEROGA-CLASS CRUISERS.

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

(1) covers all 27 ships in that class of cruisers; and

(2) provides for modernizing each of those ships to include an appropriate mix of upgrades to ships' capabilities for theater missile defense, naval fire support, and air dominance.

SEC. 123. CONTINUATION OF CONTRACT FOR OPERATION OF CHAMPION-CLASS T–5 FUEL TANKER VESSELS.

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

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR C–130J AIRCRAFT PROGRAM.

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

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

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

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

SEC. 132. PATHFINDER PROGRAMS.

Deadline. Records.

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

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

Deadline.

(c) REPORT ON PATHFINDER PROGRAMS.—(1) Not later than March 15, 2003, the Secretary of the Air Force shall submit to the congressional defense committees a report on pathfinder programs. For each such program, the report shall include a description of the following:

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

(B) The acquisition strategy for that program and how that acquisition strategy responds to approved operational requirements.

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

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

(E) The manner in which any innovative business practices developed as a result of participation in the program could be applied to other acquisition programs, and any impediments to application of such practices to other programs.

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

(A) The manner in which the Under Secretary of Defense for Acquisition, Technology, and Logistics will be involved in the development, oversight, and approval of the program's management approach, acquisition strategy, and acquisition approach.

(B) The manner in which the Director of Operational Test and Evaluation will be involved in the development, oversight, and approval of the program's test and evaluation plan.

(C) The manner in which an independent cost estimate for the program will be developed by the Office of the Secretary of Defense.

(d) APPLICABILITY OF SPIRAL DEVELOPMENT SECTION.—Nothing in this section shall be construed to exempt any pathfinder program from the application of any provision of section 803(c).

SEC. 133. LEASES FOR TANKER AIRCRAFT UNDER MULTIYEAR AIRCRAFT-LEASE PILOT PROGRAM. 10 USC 2401a note.

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

(1) the Secretary submits the report specified in subsection (c)(6) of such section; and

(2) either—

(A) authorization and appropriation of funds necessary to enter into such lease are provided by law; or

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

Subtitle E—Other Programs

SEC. 141. DESTRUCTION OF EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS. 50 USC 1521a.

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

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

SEC. 142. REPORT ON UNMANNED AERIAL VEHICLE SYSTEMS.

(a) REPORT.—Not later than January 1, 2003, the Secretary of Defense shall submit to Congress a report on unmanned aerial vehicle systems of the Department of Defense. Deadline.

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

(1) A description of the infrastructure that the Department of Defense has (or is planning) for the system.

(2) A description of the operational requirements document (ORD) for the system.

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

(4) A description of the manner in which the Department is interfacing with the industrial base.

(5) A description of the acquisition plan for the system.

(6) A description of the process by which the Department will ensure that any unmanned aerial vehicle program proceeding past the science and technology stage does so only

as part of an integrated, overall Office of the Secretary of Defense strategy for acquisition of unmanned aerial vehicles, such as that provided in the approved Office of the Secretary of Defense unmanned aerial vehicle roadmap.

(c) SUGGESTIONS FOR CHANGES IN LAW.—The Secretary shall also include in the report under subsection (a) such suggestions as the Secretary considers appropriate for changes in law that would facilitate the way the Department acquires unmanned aerial vehicle systems.

SEC. 143. GLOBAL INFORMATION GRID SYSTEM.

None of the funds authorized to be appropriated by this Act for the Department of Defense system known as the Global Information Grid may be obligated until the Secretary of Defense submits to the congressional defense committees a plan to provide that, as part of the bandwidth expansion efforts for the system, the system will be designed and configured so as to ensure that information transmitted within the system is secure and protected from unauthorized access.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

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

Subtitle C—Ballistic Missile Defense

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

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

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

Subtitle E—Other Matters

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

Sec. 242. Technology Transition Initiative.
Sec. 243. Defense Acquisition Challenge Program.
Sec. 244. Encouragement of small businesses and nontraditional defense contractors to submit proposals potentially beneficial for combating terrorism.
Sec. 245. Vehicle fuel cell program.
Sec. 246. Defense nanotechnology research and development program.
Sec. 247. Activities of the Defense Experimental Program to Stimulate Competitive Research.
Sec. 248. Four-year extension of authority of DARPA to award prizes for advanced technology achievements and additional authority of military departments and Defense Agencies to award prizes for achievements in promoting education.
Sec. 249. Plan for five-year program for enhancement of measurement and signatures intelligence capabilities of the United States through incorporation of results of basic research on sensors.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $7,158,256,000.
(2) For the Navy, $13,244,164,000.
(3) For the Air Force, $18,337,078,000.
(4) For Defense-wide activities, $17,970,653,000, of which $311,554,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

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

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

SEC. 203. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for research, development, test, and evaluation for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $67,214,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. RAH–66 COMANCHE AIRCRAFT PROGRAM.

(a) REPORTS REQUIRED.—Not later than the end of each fiscal quarter of fiscal year 2003, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report

Deadline.
Reports.

on the progress of the restructured engineering and manufacturing development phase of the RAH–66 Comanche aircraft program.

(b) CONTENT.—The report shall include, at a minimum, the information relating to the program that the program manager provides to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology with respect to—

(1) cost, including funding and contracts;

(2) schedule;

(3) performance;

(4) which goals are being met and which are not being met;

(5) milestones events accomplished; and

(6) significant events accomplished.

SEC. 212. EXTENSION OF REQUIREMENTS RELATING TO MANAGEMENT RESPONSIBILITY FOR NAVAL MINE COUNTERMEASURES PROGRAMS.

(a) IN GENERAL.—Section 216 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1317), as most recently amended by section 211 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1946), is amended—

(1) in subsection (a), by striking "through 2003" and inserting "through 2008";

(2) in subsection (b)—

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

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

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

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

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

"(c) NOTIFICATION OF PROPOSED CHANGES.—Upon certifying under subsection (b) with respect to a fiscal year, the Secretary may not carry out any change to the naval mine countermeasures master plan or the budget resources for mine countermeasures with respect to that fiscal year until after the Under Secretary of Defense for Acquisition, Technology, and Logistics submits to the congressional defense committees a notification of the proposed change. Such notification shall describe the nature of the proposed change, the effect of the proposed change on the naval mine countermeasures program or related programs with respect to that fiscal year, and the effect of the proposed change on the validity of the decision to certify under subsection (b) with respect to that fiscal year.".

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

(1) in subsection (a), by striking "Under Secretary of Defense for Acquisition and Technology" and inserting "Under

Secretary of Defense for Acquisition, Technology, and Logistics"; and

(2) in subsection (b)(2)—

(A) by striking "multiyear" and inserting "future years"; and

(B) by striking "section 114a" and inserting "section 221".

SEC. 213. REVISED REQUIREMENTS FOR PLAN FOR MANUFACTURING TECHNOLOGY PROGRAM.

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

"(2) The plan shall establish the following:

"(A) The overall manufacturing technology objectives, milestones, priorities, and investment strategy for the program.

"(B) The specific objectives of, and funding for the program by, each military department and each Defense Agency participating in the program.".

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

(1) by striking "annually" and inserting "biennially"; and

(2) by striking "for a fiscal year" and inserting "for each even-numbered fiscal year".

SEC. 214. ADVANCED SEAL DELIVERY SYSTEM.

(a) TRANSFER OF FUNDS.—To the extent provided in appropriations Acts, the amount described in subsection (b) shall be transferred to amounts available for fiscal year 2003 for research, development, test, and evaluation, Defense-Wide, and shall be available only for research, development, test, and evaluation relating to the Advanced SEAL Delivery System.

(b) AMOUNT TO BE TRANSFERRED.—The amount referred to in subsection (a) is the amount of $13,700,000 that was authorized and appropriated for fiscal year 2002 for procurement of the Advanced SEAL Delivery System within amounts for Procurement, Defense-Wide.

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

SEC. 215. ARMY EXPERIMENTATION PROGRAM REGARDING DESIGN OF THE OBJECTIVE FORCE.

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

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

SEC. 216. PROGRAM TO PROVIDE ARMY WITH SELF-PROPELLED FUTURE COMBAT SYSTEMS NON-LINE-OF-SIGHT CANNON INDIRECT FIRE CAPABILITY FOR THE OBJECTIVE FORCE.

Deadline.

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

(b) REPORT.—(1) The Secretary shall submit to the congressional defense committees, at the same time that the President submits the budget for a fiscal year referred to in paragraph (2) to Congress under section 1105(a) of title 31, United States Code, a report on the investments proposed to be made with respect to non-line-of-sight indirect fire programs for the Army. The report shall—

(A) identify the amount proposed for expenditures for the Crusader artillery system program for that fiscal year in the future-years defense program that was submitted to Congress in 2002 under section 221 of title 10, United States Code; and

(B) specify—

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

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

Applicability.

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

(c) OBJECTIVE FORCE DEFINED.—In this section, the term "objective force" has the meaning given such term in section 113(f)(2) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–24).

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

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

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

SEC. 218. LITTORAL COMBAT SHIP PROGRAM.

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

(b) LIMITATION ON OBLIGATION OF FUNDS.—The Secretary of the Navy may not obligate any funds for the construction of a littoral combat ship until after the Secretary submits the report required by subsection (c).

(c) REPORT ON MILESTONE A PLAN AND SCHEDULE.—(1) The Secretary of the Navy shall submit to the congressional defense committees, at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code, a report on development of the littoral combat ship.

(2) The report shall address the plan and schedule for fulfilling the requirements of Department of Defense Instruction 5000-series for a major defense acquisition Milestone A decision for initiation of concept and technology development for the littoral combat ship, including the following such requirements:

(A) Consideration of technology issues.
(B) Market research.
(C) Validated mission need statement.
(D) Analysis of multiple concepts.
(E) Test and evaluation master plan (evaluation strategy only).
(F) Exit criteria.
(G) Acquisition decision memorandum.

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

(d) REQUIREMENTS FOR ACQUISITION STRATEGY.—The Secretary shall ensure that the acquisition strategy for development of the littoral combat ship includes the following:

(1) A concept and technology demonstration phase that is robust and, in a manner and on a schedule that will inform the Navy's decisions on the concepts, technologies, and capabilities to be incorporated into the initial design of the littoral combat ship and into follow-on designs, capitalizes upon ongoing and planned experiments, demonstrations, and evaluations of—

(A) existing, prototype, and experimental hull forms and platforms, including the hull forms and platforms relating to—

(i) the Coastal Waters Interdiction Platform;
(ii) the Hybrid Deep Vee Demonstrator;
(iii) the Littoral Support Craft (Experimental);
(iv) the High Speed Vessel;
(v) surface effects ships;
(vi) Research Vessel Triton;
(vii) the SLICE ship;
(viii) other existing, prototype, and experimental craft that the Secretary considers to be appropriate; and
(ix) other existing ships capable of carrying the desired payload packages;

(B) ship and combat systems components;
(C) command, control, and communications systems;
(D) intelligence, surveillance, and reconnaissance systems;
(E) weapons systems; and
(F) support systems.

(2) A description of the experiments, demonstrations, and evaluations that are needed for support of design and development decisionmaking for mission modules to be employed on the littoral combat ship, including the mission modules for—

(A) anti-submarine warfare;
(B) mine countermeasures;

(C) anti-ship defense; and

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

(3) An identification of the experiments, demonstrations, and evaluations that would need to be accomplished during the concept and technology demonstration phase and those that would need to be accomplished during the system development and demonstration phase (after a major defense acquisition Milestone B decision to enter that phase).

(4) A description of the potential trade-offs between program requirements and capabilities, and the methodology (including life cycle cost as an independent variable, speed as an independent variable, and other applicable program attributes), needed to arrive at a design for a littoral combat ship that can be approved (pursuant to a major defense acquisition Milestone B decision) for entry into the system development and demonstration phase.

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

Subtitle C—Ballistic Missile Defense

10 USC 2431 note.

SEC. 221. REPORT REQUIREMENTS RELATING TO BALLISTIC MISSILE DEFENSE PROGRAMS.

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

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

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

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

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

(b) RDT&E BUDGET JUSTIFICATION MATERIALS.—The budget justification materials submitted to Congress for any fiscal year in support of a request for the authorization and appropriation of funds for research, development, test, and evaluation for ballistic missile defense systems shall include a funding profile for each block of each such system that could be fielded that reflects the development baseline submitted pursuant to subsection (a) for that fiscal year.

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

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

SEC. 222. RESPONSIBILITY OF MISSILE DEFENSE AGENCY FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATED TO SYSTEM IMPROVEMENTS OF PROGRAMS TRANSFERRED TO MILITARY DEPARTMENTS.

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

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

(2) by striking "is"; and

(3) by striking "roles and responsibilities" and all that follows through the period at the end and inserting "responsibility for research, development, test, and evaluation related to system improvements for that program remains with the Director.".

SEC. 223. LIMITATION ON OBLIGATION OF FUNDS FOR THEATER HIGH ALTITUDE AREA DEFENSE PROGRAM PENDING SUBMISSION OF REQUIRED LIFE-CYCLE COST INFORMATION.

(a) LIMITATION PENDING SUBMISSION OF CERTIFICATION.—Not more than 85 percent of the amount specified in subsection (b) may be obligated until the Secretary of Defense submits to the congressional defense committees the estimated total life-cycle cost of the Theater High Altitude Area Defense (THAAD) program as required for programs in engineering and manufacturing development by section 232(d) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2431 note).

(b) FUNDS SUBJECT TO LIMITATION.—Subsection (a) applies to the amount authorized to be appropriated for fiscal year 2003 for the Missile Defense Agency for the Theater High Altitude Area Defense (THAAD) program. Applicability.

SEC. 224. PROVISION OF INFORMATION ON FLIGHT TESTING OF GROUND-BASED MIDCOURSE NATIONAL MISSILE DEFENSE SYSTEM. 10 USC 2431 note.

(a) INFORMATION TO BE FURNISHED TO CONGRESSIONAL COMMITTEES.—The Director of the Missile Defense Agency shall provide to the congressional defense committees information on the results of each flight test of the Ground-based Midcourse national missile defense system.

(b) CONTENT.—Information provided under subsection (a) on the results of a flight test shall include the following matters:

(1) A thorough discussion of the content and objectives of the test.

(2) For each such test objective, a statement regarding whether or not the objective was achieved.

(3) For any such test objective not achieved—

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

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

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

10 USC 223 note.

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

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

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

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

"§ 203. Director of Missile Defense Agency".

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

"203. Director of Missile Defense Agency.".

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

(A) Sections 232 (115 Stat. 1037; 10 U.S.C. 2431 note), 233 (115 Stat. 1039), and 235 (115 Stat. 1041) are each amended by striking "Ballistic Missile Defense Organization" each place it appears and inserting "Missile Defense Agency".

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

"SEC. 232. PROGRAM ELEMENTS FOR MISSILE DEFENSE AGENCY.".

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

(A) by striking "Ballistic Missile Defense Organization" each place it appears and inserting "Missile Defense Agency";

(B) in subsection (c), by striking "BMDO" and inserting "MDA"; and

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

"SEC. 3132. ENHANCED COOPERATION BETWEEN NATIONAL NUCLEAR SECURITY ADMINISTRATION AND MISSILE DEFENSE AGENCY.".

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

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

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

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

(a) LIMITATION.—None of the funds described in subsection (b) may be obligated for research, development, test, or evaluation, or for procurement, of a nuclear armed interceptor as a component of a missile defense system.

(b) COVERED FUNDS.—Subsection (a) applies to funds made available to the Department of Defense pursuant to an authorization of appropriations in this title or title I or to the Department of Energy pursuant to an authorization of appropriations in title XXXI. Applicability.

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

SEC. 231. DEPARTMENT OF DEFENSE TEST RESOURCE MANAGEMENT CENTER.

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

"§ 196. Department of Defense Test Resource Management Center

"(a) ESTABLISHMENT AS DEPARTMENT OF DEFENSE FIELD ACTIVITY.—The Secretary of Defense shall establish within the Department of Defense under section 191 of this title a Department of Defense Test Resource Management Center (hereinafter in this section referred to as the 'Center'). The Secretary shall designate the Center as a Department of Defense Field Activity.

"(b) DIRECTOR AND DEPUTY DIRECTOR.—(1) At the head of the Center shall be a Director, selected by the Secretary from among commissioned officers of the armed forces on active duty. The Director, while so serving, holds the grade of lieutenant general or, in the case of an officer of the Navy, vice admiral.

"(2) There shall be a Deputy Director of the Center, selected by the Secretary from among senior civilian officers and employees of the Department of Defense who have substantial experience in the field of test and evaluation. The Deputy Director shall act for, and exercise the powers of, the Director when the Director is disabled or the position of Director is vacant.

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

"(1) To review and provide oversight of proposed Department of Defense budgets and expenditures for—

"(A) the test and evaluation facilities and resources of the Major Range and Test Facility Base of the Department of Defense; and

"(B) all other test and evaluation facilities and resources within and outside of the Department of Defense.

"(2) To complete and maintain the strategic plan required by subsection (d).

"(3) To review proposed budgets under subsection (e) and submit reports and certifications required by such subsection.

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

"(d) STRATEGIC PLAN FOR DEPARTMENT OF DEFENSE TEST AND EVALUATION RESOURCES.—(1) Not less often than once every two fiscal years, the Director, in coordination with the Director of Operational Test and Evaluation, the Secretaries of the military departments, and the heads of Defense Agencies with test and evaluation

responsibilities, shall complete a strategic plan reflecting the needs of the Department of Defense with respect to test and evaluation facilities and resources. Each such strategic plan shall cover the period of ten fiscal years beginning with the fiscal year in which the plan is submitted under paragraph (3). The strategic plan shall be based on a comprehensive review of the test and evaluation requirements of the Department and the adequacy of the test and evaluation facilities and resources of the Department to meet those requirements.

"(2) The strategic plan shall include the following:

"(A) An assessment of the test and evaluation requirements of the Department for the period covered by the plan.

"(B) An identification of performance measures associated with the successful achievement of test and evaluation objectives for the period covered by the plan.

"(C) An assessment of the test and evaluation facilities and resources that will be needed to meet such requirements and satisfy such performance measures.

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

"(E) An itemization of acquisitions, upgrades, and improvements necessary to ensure that the test and evaluation facilities and resources of the Department are adequate to meet such requirements and satisfy such performance measures.

"(F) An assessment of the budgetary resources necessary to implement such acquisitions, upgrades, and improvements.

Reports. "(3) Upon completing a strategic plan under paragraph (1), the Director shall submit to the Secretary of Defense a report on that plan. The report shall include the plan and a description of the review on which the plan is based.

Deadline. Reports. "(4) Not later than 60 days after the date on which the report is submitted under paragraph (3), the Secretary of Defense shall transmit to the Committee on Armed Services and Committee on Appropriations of the Senate and the Committee on Armed Services and Committee on Appropriations of the House of Representatives the report, together with any comments with respect to the report that the Secretary considers appropriate.

"(e) CERTIFICATION OF BUDGETS.—(1) The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall require that the Secretary of each military department, the Director of Operational Test and Evaluation, and the head of each Defense Agency with test and evaluation responsibilities transmit such Secretary's, Director's, or head's proposed budget for test and evaluation activities for a fiscal year to the Director of the Center for review under paragraph (2) before submitting such proposed budget to the Under Secretary of Defense (Comptroller).

Deadline. Reports. "(2)(A) The Director of the Center shall review each proposed budget transmitted under paragraph (1) and shall, not later than January 31 of the year preceding the fiscal year for which such budgets are proposed, submit to the Secretary of Defense a report containing the comments of the Director with respect to all such proposed budgets, together with the certification of the Director as to whether such proposed budgets are adequate.

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

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

"(A) A discussion of the actions that the Secretary proposes to take, together with any recommended legislation that the Secretary considers appropriate, to address the inadequacy of the proposed budgets.

"(B) Any additional comments that the Secretary considers appropriate regarding the inadequacy of the proposed budgets.

"(f) SUPERVISION OF DIRECTOR BY UNDER SECRETARY.—The Director of the Center shall be subject to the supervision of the Under Secretary of Defense for Acquisition, Technology, and Logistics. The Director shall report directly to the Under Secretary, without the interposition of any other supervising official.

"(g) ADMINISTRATIVE SUPPORT OF CENTER.—The Secretary of Defense shall provide the Director with administrative support adequate for carrying out the Director's responsibilities under this section. The Secretary shall provide the support out of the headquarters activities of the Department or any other activities that the Secretary considers appropriate.

"(h) DEFINITION.—In this section, the term 'Major Range and Test Facility Base' means the test and evaluation facilities and resources that are designated by the Director of Operational Test and Evaluation as facilities and resources comprising the Major Range and Test Facility Base.".

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

"196. Department of Defense Test Resource Management Center.".

(b) FIRST STRATEGIC PLAN.—The first strategic plan required to be completed under subsection (d)(1) of section 196 of title 10, United States Code (as added by subsection (a)), shall be completed not later than six months after the date of the enactment of this Act. Deadline. 10 USC 196 note.

(c) ADMINISTRATION OF CTEIP AND DOD T&E S&T PROGRAMS.—The duty of the Director of the Department of Defense Test Resource Management Center to administer the programs specified in subsection (c)(4) of section 196 of title 10, United States Code (as added by subsection (a)), shall take effect, and such programs shall be placed under control of such Director, upon the beginning of the first fiscal year that begins after the report on the first strategic plan referred to subsection (b) is transmitted to the congressional committees required by subsection (d)(4) of such section 196.

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

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

(1) the institutional and overhead costs of a facility or resource of a military department or Defense Agency that is within the Major Range and Test Facility Base are fully funded through the major test and evaluation investment accounts of the military department or Defense Agency, the account of the Central Test and Evaluation Investment Program of

the Department of Defense, and other appropriate accounts of the military department or Defense Agency; and

(2) the charge to an element of the Department of Defense for a use by that element of such a facility or resource for testing under a particular program is not more than the amount equal to the direct costs of such use by that element.

(b) DEFINITIONS.—In this section:

(1) The term "Major Range and Test Facility Base" means the test and evaluation facilities and resources that are designated by the Director of Operational Test and Evaluation as facilities and resources comprising the Major Range and Test Facility Base.

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

(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

(B) does not include any incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.

(3) The term "direct costs", with respect to a facility or resource within the Major Range and Test Facility Base, means those costs that are directly attributable to the use of the facility or resource for testing under a particular program, over and above the institutional and overhead costs with respect to the facility or resource.

10 USC 113 note.

SEC. 233. UNIFORM FINANCIAL MANAGEMENT SYSTEM FOR DEPARTMENT OF DEFENSE TEST AND EVALUATION FACILITIES.

Deadline.

(a) REQUIREMENT FOR SYSTEM.—The Secretary of Defense shall implement a single financial management and accounting system for all test and evaluation facilities of the Department of Defense. The Secretary shall implement such system as soon as practicable, and shall establish the objective that such system be implemented not later than September 30, 2006.

(b) SYSTEM FEATURES.—The system required by subsection (a) shall be designed to achieve, at a minimum, the following functional objectives:

(1) Enable managers within the Department of Defense to compare the costs of carrying out test and evaluation activities in the various facilities of the military departments.

(2) Enable the Secretary of Defense—

(A) to make prudent investment decisions; and

(B) to reduce the extent to which unnecessary costs of owning and operating test and evaluation facilities of the Department of Defense are incurred.

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

(4) Comply with the financial management architecture established by the Secretary.

SEC. 234. TEST AND EVALUATION WORKFORCE IMPROVEMENTS.

Deadline.

(a) REPORT ON CAPABILITIES.—Not later than March 15, 2003, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress a report on the capabilities of the test and evaluation workforce of the Department of Defense. The Under Secretary shall consult with the Under Secretary of

Defense for Personnel and Readiness and the Director of Operational Test and Evaluation in preparing the report.

(b) REQUIREMENT FOR PLAN.—(1) The report shall contain a plan for taking the actions necessary to ensure that the test and evaluation workforce of the Department of Defense is of sufficient size and has the expertise necessary to timely and accurately identify issues of military suitability and effectiveness of Department of Defense systems through testing of the systems.

(2) The plan shall set forth objectives for the size, composition, and qualifications of the workforce, and shall specify the actions (including recruitment, retention, and training) and milestones for achieving the objectives.

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

(1) An assessment of the changing size and demographics of the test and evaluation workforce, including the impact of anticipated retirements among the most experienced personnel over the period of five fiscal years beginning with fiscal year 2003, together with a discussion of the management actions necessary to address the changes.

(2) An assessment of the anticipated workloads and responsibilities of the test and evaluation workforce over the period of ten fiscal years beginning with fiscal year 2003, together with the number and qualifications of military and civilian personnel necessary to carry out such workloads and responsibilities.

(3) The Under Secretary's specific plans for using the demonstration authority provided in section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) and other special personnel management authorities of the Under Secretary to attract and retain qualified personnel in the test and evaluation workforce.

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

(5) Any other matters that are relevant to the capabilities of the test and evaluation workforce.

SEC. 235. COMPLIANCE WITH TESTING REQUIREMENTS.

(a) ANNUAL OT&E REPORT.—Subsection (g) of section 139 of title 10, United States Code, is amended by inserting after the fourth sentence the following: "The report for a fiscal year shall also include an assessment of the waivers of and deviations from requirements in test and evaluation master plans and other testing requirements that occurred during the fiscal year, any concerns raised by the waivers or deviations, and the actions that have been taken or are planned to be taken to address the concerns.".

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

(1) by inserting "(1)" after "(g)";

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

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

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

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

Subtitle E—Other Matters

10 USC 2358 note.

SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPARTMENT OF DEFENSE LABORATORIES.

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

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

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

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

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

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

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

(D) To waive any restrictions not required by law that apply to the demonstration and implementation of methods for achieving the objectives set forth in subparagraphs (A), (B), and (C).

Deadline.

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

(b) RELATIONSHIP TO FISCAL YEARS 1999 AND 2000 REVITALIZATION PILOT PROGRAMS.—The pilot program under this section is in addition to, but may be carried out in conjunction with, the fiscal years 1999 and 2000 revitalization pilot programs.

Deadlines.

(c) REPORTS.—(1) Not later than January 1, 2003, the Secretary shall submit to Congress a report on the experience under the fiscal years 1999 and 2000 revitalization pilot programs in exercising the authorities provided for the administration of those programs. The report shall include a description of—

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

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

(C) the progress made in overcoming the barriers.

(2) Not later than September 1, 2003, the Secretary of Defense shall submit to Congress a report on the implementation of the

pilot program under subsection (a) and the fiscal years 1999 and 2000 revitalization pilot programs. The report shall include, for each such pilot program, the following:

(A) Each laboratory selected for the pilot program.

(B) To the extent practicable, a description of the innovative methods that are to be tested at each laboratory.

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

(3) Not later than 90 days after the expiration of the period for the participation of a laboratory in a pilot program referred to in paragraph (2), the Secretary of Defense shall submit to Congress a final report on the participation of that laboratory in the pilot program. The report shall include the following:

(A) A description of the methods tested.

(B) The results of the testing.

(C) The lessons learned.

(D) Any proposal for legislation that the Secretary recommends on the basis of the experience at that laboratory under the pilot program.

(d) EXTENSION OF AUTHORITY FOR OTHER REVITALIZATION PILOT PROGRAMS.—(1) Section 246(a)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1956; 10 U.S.C. 2358 note) is amended by striking "a period of three years" and inserting "up to six years".

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

(e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1) The Secretary of Defense may authorize one or more laboratories and test centers participating in the pilot program under subsection (a) or in one of the fiscal years 1999 and 2000 revitalization pilot programs to enter into a cooperative arrangement (in this subsection referred to as a "public-private partnership") with entities in the private sector and institutions of higher education for the performance of work.

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

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

(B) An entity participating in a limited liability company as a party to a public-private partnership under the pilot program may contribute funds to the company, accept contributions of funds for the company, and provide materials, services, and use of facilities for research, technology, and infrastructure of the company, if it is determined under regulations prescribed by the Secretary of Defense that doing so will improve the efficiency of the performance of research, test, and evaluation functions of the Department of Defense.

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

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

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

SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.

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

"§ 2359a. Technology Transition Initiative

"(a) INITIATIVE REQUIRED.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall carry out an initiative, to be known as the Technology Transition Initiative (hereinafter in this section referred to as the 'Initiative'), to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs of the Department for the production of such technologies.

"(b) OBJECTIVES.—The objectives of the Initiative are as follows:

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

"(2) To successfully demonstrate new technologies in relevant environments.

"(c) MANAGEMENT OF INITIATIVE.—(1) The Under Secretary shall designate a senior official of the Department of Defense (hereinafter in this section referred to as the 'Manager') to manage the Initiative.

"(2) In managing the Initiative, the Manager shall—

"(A) report directly to the Under Secretary; and

"(B) obtain advice and other assistance from the Technology Transition Council established under subsection (g).

"(3) The Manager shall—

"(A) in consultation with the Technology Transition Council established under subsection (g), identify promising technology transition projects that can contribute to meeting Department of Defense technology goals and requirements;

"(B) identify potential sponsors in the Department of Defense to manage such projects; and

"(C) provide funds under subsection (f) for those projects that are selected under subsection (d)(2).

"(d) SELECTION OF PROJECTS.—(1) The science and technology and acquisition executives of each military department and each appropriate Defense Agency and the commanders of the unified and specified combatant commands may nominate technology transition projects for implementation under subsection (e) and shall submit a list of the projects so nominated to the Manager.

"(2) The Manager, in consultation with the Technology Transition Council established under subsection (g), shall select projects for implementation under subsection (e) from among the projects on the lists submitted under paragraph (1).

"(e) IMPLEMENTATION OF PROJECTS.—For each project selected under subsection (d)(2), the Manager shall designate a military department or Defense Agency to implement the project.

"(f) FUNDING OF PROJECTS.—(1) From funds made available to the Manager for the Initiative, the Manager shall, subject to paragraphs (2) and (3), provide funds for each project selected

under subsection (d)(2) in an amount determined by mutual agreement between the Manager and the acquisition executive of the military department or Defense Agency concerned.

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

"(3) A project shall not be provided funds under this subsection for more than four fiscal years.

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

"(A) The science and technology executive of each military department and each Defense Agency.

"(B) The acquisition executive of each military department.

"(C) The members of the Joint Requirements Oversight Council.

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

"(3) The Council shall meet not less often than semiannually to carry out its duty under paragraph (2).

"(h) REPORT.—Not later than March 31 of each year, the Under Secretary shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives a report on the activities carried out by the Initiative during the preceding fiscal year. Deadline.

"(i) DEFINITION.—In this section, the term 'acquisition executive', with respect to a military department or Defense Agency, means the official designated as the senior procurement executive for that military department or Defense Agency for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).".

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

"2359a. Technology Transition Initiative.".

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

SEC. 243. DEFENSE ACQUISITION CHALLENGE PROGRAM.

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

"§ 2359b. Defense Acquisition Challenge Program

"(a) PROGRAM REQUIRED.—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall carry out a program to provide opportunities

for the increased introduction of innovative and cost-saving technology in acquisition programs of the Department of Defense.

"(2) The program, to be known as the Defense Acquisition Challenge Program (hereinafter in this section referred to as the 'Challenge Program'), shall provide any person or activity within or outside the Department of Defense with the opportunity to propose alternatives, to be known as challenge proposals, at the component, subsystem, or system level of an existing Department of Defense acquisition program that would result in improvements in performance, affordability, manufacturability, or operational capability of that acquisition program.

Establishment.

"(b) PANELS.—The Under Secretary shall establish one or more panels of highly qualified scientists and engineers (hereinafter in this section referred to as 'Panels') to provide preliminary evaluations of challenge proposals under subsection (c).

Procedures.

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

"(2) The Under Secretary shall establish procedures pursuant to which appropriate officials of the Department of Defense may identify proposals submitted through the unsolicited proposal process as challenge proposals. The procedures shall provide for the expeditious referral of such proposals to a Panel for preliminary evaluation under this subsection.

"(3) The Under Secretary shall issue on an annual basis not less than one such broad agency announcement inviting interested parties to submit challenge proposals. Such announcements may also identify particular technology areas and acquisition programs that will be given priority in the evaluation of challenge proposals.

"(4) Under procedures established by the Under Secretary, a Panel shall carry out a preliminary evaluation of each challenge proposal submitted in response to a broad agency announcement, or submitted through the unsolicited proposal process and identified as a challenge proposal in accordance with paragraph (2), to determine each of the following:

"(A) Whether the challenge proposal has merit.

"(B) Whether the challenge proposal is likely to result in improvements in performance, affordability, manufacturability, or operational capability at the component, subsystem, or system level of an acquisition program.

"(C) Whether the challenge proposal could be implemented in the acquisition program rapidly, at an acceptable cost, and without unacceptable disruption to the acquisition program.

"(5) The Under Secretary may establish procedures to ensure that the Challenge Program does not become an avenue for the repetitive submission of proposals that have been previously reviewed and found not to have merit.

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

Procedures.

"(d) FULL REVIEW AND EVALUATION.—(1) Under procedures prescribed by the Under Secretary, for each challenge proposal submitted for a full review and evaluation as provided in subsection

(c)(6), the office carrying out the acquisition program to which the proposal relates shall, in consultation with the prime system contractor carrying out such program, conduct a full review and evaluation of the proposal.

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

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

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

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

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

"(f) ACCESS TO TECHNICAL RESOURCES.—(1) Under procedures Procedures.
established by the Under Secretary, the technical resources of the laboratories, research, development, and engineering centers, test and evaluation activities, and other elements of the Department may be called upon to support the activities of the Challenge Program.

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

"(g) ELIMINATION OF CONFLICTS OF INTEREST.—In carrying out each preliminary evaluation under subsection (c) and full review under subsection (d), the Under Secretary shall ensure the elimination of conflicts of interest.

"(h) LIMITATION ON USE OF FUNDS.—Funds made available for the Challenge Program may be used only for activities authorized by this section, and not for implementation of challenge proposals.

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

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

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

"2359b. Defense Acquisition Challenge Program.".

10 USC 2302 note.

SEC. 244. ENCOURAGEMENT OF SMALL BUSINESSES AND NONTRADITIONAL DEFENSE CONTRACTORS TO SUBMIT PROPOSALS POTENTIALLY BENEFICIAL FOR COMBATING TERRORISM.

(a) ESTABLISHMENT OF OUTREACH PROGRAM.—During fiscal years 2003, 2004, and 2005, the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall carry out a program of outreach to small businesses and nontraditional defense contractors for the purpose set forth in subsection (b).

(b) PURPOSE.—The purpose of the outreach program is to provide a process for reviewing and evaluating research activities of, and new technologies being developed by, small businesses and nontraditional defense contractors that have the potential for meeting a defense requirement or technology development goal of the Department of Defense that relates to the mission of the Department of Defense to combat terrorism.

(c) GOALS.—The goals of the outreach program are as follows:

(1) To increase efforts within the Department of Defense to survey and identify research activities and new technologies described in subsection (b).

(2) To provide the Under Secretary of Defense for Acquisition, Technology, and Logistics with a source of expert advice on new technologies for combating terrorism.

(3) To increase efforts to educate nontraditional defense contractors on Department of Defense acquisition processes, including regulations, procedures, funding opportunities, military needs and requirements, and technology transfer so as to encourage such contractors to submit proposals regarding research activities and new technologies described in subsection (b).

(4) To increase efforts to provide timely response by the Department of Defense to acquisition proposals (including unsolicited proposals) submitted to the Department by small businesses and by nontraditional defense contractors regarding research activities and new technologies described in subsection (b), including through the use of electronic transactions to facilitate the processing of such proposals.

Appointment.

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

(2) The panel shall be composed of qualified personnel from the military departments, relevant Defense Agencies, industry, academia, and other private sector organizations.

Procedures.

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

(4) Under procedures prescribed by the Under Secretary, the panel shall review and evaluate acquisition proposals selected by the panel. An acquisition proposal shall be selected for review and evaluation if the panel determines that the acquisition proposal may present a unique and valuable approach for meeting a defense requirement or technology development goal of the Department of Defense that relates to the mission of the Department of Defense to combat terrorism. In carrying out its duties under this paragraph, the panel may act through representatives designated by the panel. Procedures.

(5) The panel shall— Deadlines.

(A) not later than 60 days after the date on which the panel receives an acquisition proposal described in subsection (c)(4), transmit to the small business or nontraditional defense contractor that submitted the proposal a notification regarding whether the acquisition proposal has been selected under paragraph (4) for review and evaluation;

(B) to the maximum extent practicable, complete the review and evaluation of each selected acquisition proposal not later than 120 days after the date on which such proposal is selected under paragraph (4); and

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

(6) The Secretary shall ensure that the panel, in reviewing and evaluating acquisition proposals under this subsection, has the authority to obtain assistance, to a reasonable extent, from the appropriate technical resources of the laboratories, research, development, and engineering centers, test and evaluation activities, and other elements of the Department of Defense.

(7) If, after completing review and evaluation of an acquisition proposal, the panel determines that such proposal represents a unique and valuable approach for meeting a defense requirement or technology development goal of the Department of Defense that relates to the mission of the Department of Defense to combat terrorism, the panel shall submit that determination to the Under Secretary of Defense for Acquisition, Technology, and Logistics, together with any recommendations that the panel considers appropriate regarding such proposal.

(8) The Under Secretary of Defense for Acquisition, Technology, and Logistics may provide funding for acquisition proposals with respect to which the panel has submitted a determination under paragraph (7) through appropriate accounts of the military departments, Defense Agencies, the Small Business Innovative Research program, or any other acquisition program.

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

(e) NONTRADITIONAL DEFENSE CONTRACTOR DEFINED.—In this section, the term "nontraditional defense contractor" means an entity that has not, for at least one year prior to the date of the enactment of this Act, entered into, or performed with respect to, any contract described in paragraph (1) or (2) of section 845(e) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note).

10 USC 2358 note.

SEC. 245. VEHICLE FUEL CELL PROGRAM.

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

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

(1) To identify and support technological advances that are necessary for the development of fuel cell technology for use in vehicles of types to be used by the Department of Defense.

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

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

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

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

(2) development of technologies necessary to address critical issues with respect to vehicle fuel cells, such as issues relating to hydrogen storage and hydrogen fuel infrastructure.

(d) COOPERATION WITH INDUSTRY.—(1) The Secretary shall carry out the program in cooperation with companies selected by the Secretary. The Secretary shall select such companies from among—

(A) companies in the automobile and truck manufacturing industry;

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

(C) companies in any other industries that the Secretary considers appropriate.

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

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

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

(f) INTIAL FUNDING.—Of the funds authorized to be appropriated by section 201(4), $10,000,000 shall be available for the program required by this section.

10 USC 2358 note.

SEC. 246. DEFENSE NANOTECHNOLOGY RESEARCH AND DEVELOPMENT PROGRAM.

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

(b) PURPOSES.—The purposes of the program are as follows:

(1) To ensure United States global superiority in nanotechnology necessary for meeting national security requirements.

(2) To coordinate all nanoscale research and development within the Department of Defense, and to provide for interagency cooperation and collaboration on nanoscale research

and development between the Department of Defense and other departments and agencies of the United States that are involved in nanoscale research and development.

(3) To develop and manage a portfolio of fundamental and applied nanoscience and engineering research initiatives that is stable, consistent, and balanced across scientific disciplines.

(4) To accelerate the transition and deployment of technologies and concepts derived from nanoscale research and development into the Armed Forces, and to establish policies, procedures, and standards for measuring the success of such efforts.

(5) To collect, synthesize, and disseminate critical information on nanoscale research and development.

(c) ADMINISTRATION.—In carrying out the program, the Secretary shall act through the Director of Defense Research and Engineering, who shall supervise the planning, management, and coordination of the program. The Director, in consultation with the Secretaries of the military departments and the heads of participating Defense Agencies and other departments and agencies of the United States, shall—

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

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

(3) develop memoranda of agreement, joint funding agreements, and other cooperative arrangements necessary for meeting the long-term challenges and achieving the specific technical goals.

(d) ANNUAL REPORT.—Not later than March 1 of each of 2004, 2005, 2006, and 2007, the Director of Defense Research and Engineering shall submit to the congressional defense committees a report on the program. The report shall contain the following matters: Deadline.

(1) A review of—

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

(B) the progress made toward meeting those challenges and achieving those goals.

(2) An assessment of current and proposed funding levels, including the adequacy of such funding levels to support program activities.

(3) A review of the coordination of activities within the Department of Defense, with other departments and agencies, and with the National Nanotechnology Initiative.

(4) An assessment of the extent to which effective technology transition paths have been established as a result of activities under the program.

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

SEC. 247. ACTIVITIES OF THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

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

(1) in paragraph (1), by striking "research grants" and inserting "grants for research and instrumentation to support such research"; and

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

"(3) Any other activities that are determined necessary to further the achievement of the objectives of the program.".

SEC. 248. FOUR-YEAR EXTENSION OF AUTHORITY OF DARPA TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS AND ADDITIONAL AUTHORITY OF MILITARY DEPARTMENTS AND DEFENSE AGENCIES TO AWARD PRIZES FOR ACHIEVEMENTS IN PROMOTING EDUCATION.

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

Deadline.

(b) REPORT ON ADMINISTRATION OF PROGRAM.—(1) Not later than December 31, 2002, the Director of the Defense Advanced Research Projects Agency shall submit to the congressional defense committees a report on the proposal of the Director for the administration of the program to award prizes for advanced technology achievements under section 2374a of title 10, United States Code.

(2) The report shall include the following:

(A) The results of consultations by the Director with officials of the military departments regarding the technology areas for which competitive prizes would be established.

(B) A description of the proposed goals of the competitions that would be established under the program, including the technology areas to be promoted by the competitions and the relationship of such areas to military missions of the Department of Defense.

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

(D) A description of the manner in which the amounts of the cash prizes awarded and claimed under the program would be allocated among the accounts of the Defense Advanced Research Projects Agency for recording as obligations and expenditures.

(E) For each competition that would be established under the program, a statement of the reasons why the competition is a preferable means of promoting basic, advanced, and applied research, advanced technology development, or prototype projects, rather than other means of promoting such activities, including contracts, grants, cooperative agreements, and other transactions.

(c) ADDITIONAL AUTHORITY TO AWARD CASH PRIZES FOR PROMOTING EDUCATION IN SUPPORT OF DOD MISSIONS.—(1) Chapter 139 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2374b. Prizes for achievements in promoting science, mathematics, engineering, or technology education

"(a) AUTHORITY.—The Secretaries of the military departments and the heads of defense agencies may each carry out a program to award cash prizes in recognition of outstanding achievements that are designed to promote science, mathematics, engineering, or technology education in support of the missions of the Department of Defense.

"(b) COMPETITION REQUIREMENTS.—Each program under subsection (a) shall use a competitive process for the selection of recipients of cash prizes.

"(c) LIMITATION.—For any single program under subsection (a), the total amount made available for award of cash prizes in a fiscal year may not exceed $1,000,000.

"(d) RELATIONSHIP TO OTHER AUTHORITY.—The program under subsection (a) may be carried out in conjunction with or in addition to the exercise of any other authority to acquire, support, or stimulate basic and applied research, advanced technology development, or prototype development projects.

"(e) ANNUAL REPORT.—Promptly after the end of each fiscal year, each Secretary of a military department and each head of a defense agency carrying out a program under subsection (a) shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of that program for that fiscal year.

"(f) PERIOD OF AUTHORITY.—The authority to award prizes under subsection (a) shall terminate at the end of September 30, 2006.".

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

"2374b. Prizes for achievements in promoting science, mathematics, engineering, or technology education.".

SEC. 249. PLAN FOR FIVE-YEAR PROGRAM FOR ENHANCEMENT OF MEASUREMENT AND SIGNATURES INTELLIGENCE CAPABILITIES OF THE UNITED STATES THROUGH INCORPORATION OF RESULTS OF BASIC RESEARCH ON SENSORS.

(a) CONGRESSIONAL FINDING.—Congress finds that the national interest will be served by the rapid exploitation of basic research on sensors for purposes of enhancing the measurement and signatures intelligence (MASINT) capabilities of the United States.

(b) PLAN FOR RESEARCH PROGRAM.—(1) Not later than March 31, 2003, the Secretary of Defense shall submit to Congress a plan for a five-year program of research intended to provide for the incorporation of the results of basic research on sensors into the measurement and signatures intelligence systems of the United States, to the extent the results of such research is applicable to such systems. Such program shall include the review and assessment of basic research on sensors for purpose of such incorporation, including both basic research on sensors conducted by the Government and basic research on sensors conducted by non-governmental entities. Deadline.

(2) The plan submitted under paragraph (1) shall provide that the activities to be carried out under the program provided for

in the plan shall be carried out by a consortium consisting of such governmental and non-governmental entities as the Secretary considers appropriate for purposes of incorporating the broadest practicable range of sensor capabilities into the systems referred to in paragraph (1). The consortium may include national laboratories, universities, and private sector entities.

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

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

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

Subtitle B—Environmental Provisions

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

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

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

Subtitle D—Workplace and Depot Issues

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

Subtitle E—Defense Dependents Education

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

Subtitle F—Information Technology

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

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

Subtitle G—Other Matters

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

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

(1) For the Army, $23,922,251,000.
(2) For the Navy, $29,264,939,000.
(3) For the Marine Corps, $3,559,636,000.
(4) For the Air Force, $27,419,488,000.
(5) For Defense-wide activities, $14,145,310,000.
(6) For the Army Reserve, $1,985,110,000.
(7) For the Naval Reserve, $1,233,759,000.
(8) For the Marine Corps Reserve, $189,532,000.
(9) For the Air Force Reserve, $2,160,604,000.
(10) For the Army National Guard, $4,155,067,000.
(11) For the Air National Guard, $4,104,810,000.
(12) For the Defense Inspector General, $155,165,000.
(13) For the United States Court of Appeals for the Armed Forces, $9,614,000.
(14) For Environmental Restoration, Army, $395,900,000.
(15) For Environmental Restoration, Navy, $256,948,000.
(16) For Environmental Restoration, Air Force, $389,773,000.
(17) For Environmental Restoration, Defense-wide, $23,498,000.
(18) For Environmental Restoration, Formerly Used Defense Sites, $252,102,000.
(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $58,400,000.
(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $859,907,000.
(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $25,000,000.
(22) For Defense Health Program, $14,123,038,000.
(23) For Cooperative Threat Reduction programs, $416,700,000.

(24) For Support for International Sporting Competitions, Defense, $19,000,000.

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

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

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

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

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

(4) For the Pentagon Reservation Maintenance Revolving Fund, $328,000,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

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

SEC. 304. GRANT TO NATIONAL GUARD YOUTH FOUNDATION.

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

Subtitle B—Environmental Provisions

SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL PURPOSES.

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

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraph (3)";

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

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

"(2) CROSS-FISCAL YEAR AGREEMENTS.—An agreement with an agency under paragraph (1) may be for a period that begins in one fiscal year and ends in another fiscal year so long as the period of the agreement does not exceed two years.".

SEC. 312. SINGLE POINT OF CONTACT FOR POLICY AND BUDGETING ISSUES REGARDING UNEXPLODED ORDNANCE, DISCARDED MILITARY MUNITIONS, AND MUNITIONS CONSTITUENTS.

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

Establishment.

"(k) UXO PROGRAM MANAGER.—(1) The Secretary of Defense shall establish a program manager who shall serve as the single

point of contact in the Department of Defense for policy and budgeting issues involving the characterization, remediation, and management of explosive and related risks with respect to unexploded ordnance, discarded military munitions, and munitions constituents at defense sites (as such terms are defined in section 2710 of this title) that pose a threat to human health or safety.

"(2) The authority to establish the program manager may be delegated to the Secretary of a military department, who may delegate the authority to the Under Secretary of that military department. The authority may not be further delegated.

"(3) The program manager may establish an independent advisory and review panel that may include representatives of the National Academy of Sciences, nongovernmental organizations with expertise regarding unexploded ordnance, discarded military munitions, or munitions constituents, the Environmental Protection Agency, States (as defined in section 2710 of this title), and tribal governments. If established, the panel shall report annually to Congress on progress made by the Department of Defense to address unexploded ordnance, discarded military munitions, or munitions constituents at defense sites and make such recommendations as the panel considers appropriate.".

SEC. 313. AUTHORITY TO CARRY OUT CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSES.

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

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

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

"§ 2707. Environmental restoration projects for environmental responses

"(a) ENVIRONMENTAL RESTORATION PROJECTS AUTHORIZED.—The Secretary of Defense or the Secretary of a military department may carry out an environmental restoration project if that Secretary determines that the project is necessary to carry out a response under this chapter or CERCLA.

"(b) TREATMENT OF PROJECT.—Any construction, development, conversion, or extension of a structure, and any installation of equipment, that is included in an environmental restoration project under this section may not be considered military construction (as that term is defined in section 2801(a) of this title).

"(c) SOURCE OF FUNDS.—Funds authorized for deposit in an account established by section 2703(a) of this title shall be the only source of funds to conduct an environmental restoration project under this section.

"(d) ENVIRONMENTAL RESTORATION PROJECT DEFINED.—In this section, the term 'environmental restoration project' includes any construction, development, conversion, or extension of a structure, or installation of equipment, in direct support of a response.".

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

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

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

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

(B) by inserting after "In this chapter:" the following new paragraph:

"(1) The term 'CERCLA' means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).".; and

(2) in section 2701(a)(2), by striking "the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this chapter referred to as 'CERCLA') (42 U.S.C. 9601 et seq.)" and inserting "CERCLA".

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

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

"2700. Definitions.";

and

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

"2707. Environmental restoration projects for environmental responses.".

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

10 USC 2302 note.

SEC. 314. PROCUREMENT OF ENVIRONMENTALLY PREFERABLE PROCUREMENT ITEMS.

(a) TRACKING SYSTEM.—The Secretary of Defense shall develop and implement an effective and efficient tracking system to identify the extent to which the Defense Logistics Agency procures environmentally preferable procurement items or procurement items made with recovered material. The system shall provide for the separate tracking, to the maximum extent practicable, of the procurement of each category of procurement items that, as of the date of the enactment of this Act, has been determined to be environmentally preferable or made with recovered material.

(b) ASSESSMENT OF TRAINING AND EDUCATION.—The Secretary of Defense shall assess the need to establish a program, or enhance existing programs, for training and educating Department of Defense procurement officials to ensure that they are aware of any Department requirements, preferences, or goals for the procurement of environmentally preferable procurement items or procurement items made with recovered material.

Deadlines.

(c) REPORTING REQUIREMENT.—Not later than March 1, 2004, and each March 1 thereafter through 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report detailing the results obtained from the tracking system developed under subsection (a).

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

(e) DEFINITIONS.—In this section:

(1) The term "environmentally preferable", in the case of a procurement item, means that the item has a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose.

The comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.

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

SEC. 315. INCIDENTAL TAKING OF MIGRATORY BIRDS DURING MILITARY READINESS ACTIVITIES. 16 USC 703 note.

(a) INTERIM AUTHORITY FOR INCIDENTAL TAKINGS.—During the period described in subsection (c), section 2 of the Migratory Bird Treaty Act (16 U.S.C. 703) shall not apply to the incidental taking of a migratory bird by a member of the Armed Forces during a military readiness activity authorized by the Secretary of Defense or the Secretary of the military department concerned.

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

(1) to minimize and mitigate, to the extent practicable, any adverse impacts of authorized military readiness activities on affected species of migratory birds; and

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

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

(1) regulations authorizing the incidental taking of migratory birds by members of the Armed Forces have been prescribed in accordance with the requirements of subsection (d);

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

(3) the regulations have taken effect.

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

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

(e) LIMITATION ON JUDICIAL REVIEW.—An action seeking judicial review of regulations prescribed pursuant to this section or of the manner of their promulgation must be filed in the appropriate Federal court by not later than the expiration of the 120-day period beginning on the date on which such regulations are published in the Federal Register. Upon the expiration of such period and the exhaustion of any legal challenges to the regulations pursuant to any action filed in such period, there shall be no further judicial review of such regulations or of the manner of their promulgation. Deadline.

(f) MILITARY READINESS ACTIVITY.—(1) In this section the term "military readiness activity" includes—

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

(B) the adequate and realistic testing of military equipment, vehicles, weapons, and sensors for proper operation and suitability for combat use.

(2) The term does not include—

(A) the routine operation of installation operating support functions, such as administrative offices, military exchanges, commissaries, water treatment facilities, storage facilities, schools, housing, motor pools, laundries, morale, welfare, and recreation activities, shops, and mess halls;

(B) the operation of industrial activities; or

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

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 321. AUTHORITY FOR EACH MILITARY DEPARTMENT TO PROVIDE BASE OPERATING SUPPORT TO FISHER HOUSES.

Section 2493(f) of title 10, United States Code, is amended to read as follows:

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

SEC. 322. USE OF COMMISSARY STORES AND MWR RETAIL FACILITIES BY MEMBERS OF NATIONAL GUARD SERVING IN NATIONAL EMERGENCY.

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

(1) in subsection (a), by inserting "or national emergency" after "federally declared disaster"; and

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

"(3) NATIONAL EMERGENCY.—The term 'national emergency' means a national emergency declared by the President or Congress.".

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

"§ 1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency".

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

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

SEC. 323. UNIFORM FUNDING AND MANAGEMENT OF MORALE, WELFARE, AND RECREATION PROGRAMS.

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2494. Uniform funding and management of morale, welfare, and recreation programs

"(a) AUTHORITY FOR UNIFORM FUNDING AND MANAGEMENT.— Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense and available for morale, welfare, and recreation programs may be treated as nonappropriated funds and expended in accordance with laws applicable to the expenditures of nonappropriated funds. When made available for morale, welfare, and recreation programs under such regulations, appropriated funds shall be considered to be nonappropriated funds for all purposes and shall remain available until expended. Regulations.

"(b) CONDITIONS ON AVAILABILITY.—Funds appropriated to the Department of Defense may be made available to support a morale, welfare, or recreation program only if the program is authorized to receive appropriated fund support and only in the amounts the program is authorized to receive.

"(c) CONVERSION OF EMPLOYMENT POSITIONS.—(1) The Secretary of Defense may identify positions of employees in morale, welfare, and recreation programs within the Department of Defense who are paid with appropriated funds whose status may be converted from the status of an employee paid with appropriated funds to the status of an employee of a nonappropriated fund instrumentality.

"(2) The status of an employee in a position identified by the Secretary under paragraph (1) may, with the consent of the employee, be converted to the status of an employee of a nonappropriated fund instrumentality. An employee who does not consent to the conversion may not be removed from the position because of the failure to provide such consent.

"(3) The conversion of an employee from the status of an employee paid by appropriated funds to the status of an employee of a nonappropriated fund instrumentality shall be without a break in service for the concerned employee. The conversion shall not entitle an employee to severance pay, back pay or separation pay under subchapter IX of chapter 55 of title 5, or be considered an involuntary separation or other adverse personnel action entitling an employee to any right or benefit under such title or any other provision of law or regulation.

"(4) In this subsection, the term 'an employee of a nonappropriated fund instrumentality' means an employee described in section 2105(c) of title 5.".

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

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

SEC. 324. REBATE AGREEMENTS UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

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

(b) INCREASED MAXIMUM PERIOD OF AGREEMENT.—Paragraph (3) of such section is amended by striking "subsection may not exceed one year" in the first sentence and inserting "subsection, including any period of extension of the contract by modification

of the contract, exercise of an option, or other cause, may not exceed three years".

Subtitle D—Workplace and Depot Issues

SEC. 331. NOTIFICATION REQUIREMENTS IN CONNECTION WITH REQUIRED STUDIES FOR CONVERSION OF COMMERCIAL OR INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

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

Reports.

"(c) SUBMISSION OF ANALYSIS RESULTS.—(1) Upon the completion of an analysis of a commercial or industrial type function described in subsection (a) for possible change to performance by the private sector, the Secretary of Defense shall submit to Congress a report containing the results of the analysis, including the results of the examinations required by subsection (b)(3).

"(2) The report shall also contain the following:

"(A) The date when the analysis of the function was commenced.

"(B) The Secretary's certification that the Government calculation of the cost of performance of the function by Department of Defense civilian employees is based on an estimate of the most cost effective manner for performance of the function by Department of Defense civilian employees.

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

"(D) The Secretary's certification that the factors considered in the examinations performed under subsection (b)(3), and in the making of the decision regarding changing to performance of the function by the private sector or retaining performance in the most efficient organization of the function, did not include any predetermined personnel constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.

"(E) A statement of the potential economic effect of implementing the decision regarding changing to performance of the function by the private sector or retaining performance in the most efficient organization of the function on each affected local community, as determined in the examination under subsection (b)(3)(B)(ii).

"(F) A schedule for completing the change to performance of the function by the private sector or implementing the most efficient organization of the function.

"(G) In the case of a commercial or industrial type function performed at a Center of Industrial and Technical Excellence designated under section 2474(a) of this title or an Army ammunition plant, a description of the effect that the manner of performance of the function, and administration of the resulting contract if any, will have on the overhead costs of the center or ammunition plant, as the case may be.

"(H) The Secretary's certification that the entire analysis is available for examination.

"(3)(A) If a decision is made to change the commercial or industrial type function that was the subject of the analysis to performance by the private sector, the change of the function to contractor performance may not begin until after the submission of the report required by paragraph (1).

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

SEC. 332. TEMPORARY AUTHORITY FOR CONTRACTOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS TO MEET INCREASED REQUIREMENTS SINCE SEPTEMBER 11, 2001.

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

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

(2) the Secretary concerned determines that—

(A) the recruiting and training standards for the personnel who are to perform the security-guard functions at the installation or facility under the contract are comparable to the recruiting and training standards for the personnel of the Department of Defense who perform security-guard functions at military installations and facilities under the jurisdiction of the Secretary;

(B) the contractor personnel performing such functions under the contract will be effectively supervised, reviewed, and evaluated; and

(C) the performance of such functions by the contractor personnel will not result in a reduction in the security of the installation or facility.

(b) INCREASED PERFORMANCE DEFINED.—In this section, the term "increased performance", with respect to security-guard functions at a military installation or facility, means—

(1) in the case of an installation or facility where no security-guard functions were performed as of September 10, 2001, the entire scope or extent of the performance of security-guard functions at the installation or facility after such date; and

(2) in the case of an installation or facility where security-guard functions were performed within a lesser scope of requirements or to a lesser extent as of September 10, 2001, than after such date, the increment of the performance of security-guard functions at the installation or facility that exceeds such lesser scope of requirements or extent of performance.

(c) EXPIRATION OF AUTHORITY.—The authority for contractor performance of security-guard functions under this section shall

terminate at the end of the three-year period beginning on the date of the enactment of this Act. The term of any contract entered into using the authority provided by this section may not extend beyond the end of such period.

Deadline.

(d) NEEDS ASSESSMENT AND PLAN.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) identify any requirements for the performance of security-guard functions at military installations and facilities under the jurisdiction of the Secretary or the Secretary of a military department that are expected to continue for more than three years after the date of the enactment of this Act and, in the absence of further action by the Secretary or Congress, would otherwise be performed by members of the Armed Forces; and

(2) submit to the congressional defense committees a plan for meeting those requirements on a long-term basis.

SEC. 333. REPEAL OF OBSOLETE PROVISION REGARDING DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS THAT WERE PERFORMED AT CLOSED OR REALIGNED MILITARY INSTALLATIONS.

(a) REPEAL.—Section 2469a of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 146 of such title is amended by striking the item relating to section 2469a.

SEC. 334. EXCLUSION OF CERTAIN EXPENDITURES FROM LIMITATION ON PRIVATE SECTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2474(f) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "Amounts expended out of funds described in paragraph (2) for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence" and inserting "Amounts expended for the performance of a depot-level maintenance and repair workload by non-Federal Government personnel at a Center of Industrial and Technical Excellence under any contract entered into during fiscal years 2003 through 2006";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

Subtitle E—Defense Dependents Education

SEC. 341. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2003.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2003, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2003 of— Deadline.

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

(2) the amount of the assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b). Deadline.

(d) DEFINITIONS.—In this section:

(1) The term "educational agencies assistance" means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 342. HOUSING BENEFITS FOR UNACCOMPANIED TEACHERS REQUIRED TO LIVE AT GUANTANAMO BAY NAVAL STATION, CUBA.

Section 7 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905) is amended by adding at the end the following new subsection:

"(f)(1) A teacher assigned to teach at Guantanamo Bay Naval Station, Cuba, who is not accompanied at such station by any dependent shall be offered for lease any available military family housing at such station that is suitable for occupancy by the teacher and is not needed to house members of the armed forces and dependents accompanying them or other civilian personnel and any dependents accompanying them.

"(2) For any period for which military family housing is leased under paragraph (1) to a teacher described in such paragraph, the teacher shall receive a quarters allowance in the amount determined under subsection (b). The teacher is entitled to such quarters allowance without regard to whether other Government furnished quarters are available for occupancy by the teacher without charge to the teacher.".

SEC. 343. OPTIONS FOR FUNDING DEPENDENT SUMMER SCHOOL PROGRAMS.

Section 1402(d)(2) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(d)(2)) is amended to read as follows:

"(2) The Secretary shall provide any summer school program under this subsection on the same financial basis as programs offered during the regular school year, except that the Secretary may charge reasonable fees for all or portions of such summer school programs to the extent that the Secretary determines appropriate.".

SEC. 344. IMPACT AID ELIGIBILITY FOR LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.

Section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) is amended by adding at the end the following:

"(H) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—

"(i) ELIGIBILITY.—For any fiscal year beginning with fiscal year 2003, a heavily impacted local educational agency that received a basic support payment under subparagraph (A) for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B) or (C), as the case may be, by reason of the conversion of military housing units to private housing described in clause (iii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion.

"(ii) AMOUNT OF PAYMENT.—The amount of a payment to a heavily impacted local educational agency for a fiscal year by reason of the application of clause (i), and calculated in accordance with subparagraph (D) or (E) (as the case may be), shall be based on the number of children in average daily attendance in the schools of such agency for the fiscal year.

"(iii) CONVERSION OF MILITARY HOUSING UNITS TO PRIVATE HOUSING DESCRIBED.—For purposes of clause (i), 'conversion of military housing units to private housing' means the conversion of military housing units to private housing units pursuant to subchapter IV of chapter 169 of title 10, United States Code, or pursuant to any other related provision of law.".

SEC. 345. COMPTROLLER GENERAL STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) ADDITIONAL CONSIDERATION FOR STUDY.—Subsection (b) of section 354 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1064) is amended by inserting after paragraph (2) the following new paragraph:

"(3) Whether the process for setting teacher compensation is efficient and cost effective.".

(b) EXTENSION OF TIME FOR REPORTING.—Subsection (c) of such section is amended by striking "May 1, 2002" and inserting "December 12, 2002".

Subtitle F—Information Technology

10 USC 221 note.

SEC. 351. ANNUAL SUBMISSION OF INFORMATION REGARDING INFORMATION TECHNOLOGY CAPITAL ASSETS.

Deadline.

(a) REQUIREMENT TO SUBMIT INFORMATION.—Not later than 30 days after the date on which the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress information on the following information technology capital assets, including information technology capital assets that are a national security system, of the Department of Defense:

(1) Information technology capital assets not covered by paragraph (2) that have an estimated total cost for the fiscal year for which the budget is submitted in excess of $10,000,000.

(2) Information technology capital assets that have an estimated total cost for the fiscal year for which the budget is submitted in excess of $30,000,000 and an estimated total life cycle cost (as computed in fiscal year 2003 constant dollars) in excess of $120,000,000.

(b) REQUIRED INFORMATION FOR LOW-THRESHOLD ASSETS.—With respect to each information technology capital asset described in subsection (a)(1), the Secretary of Defense shall include the following information:

(1) The name of the information technology capital asset.

(2) The function of the asset.

(3) The total cost of the asset for the fiscal year for which the budget is submitted, the current fiscal year, and the preceding fiscal year.

(c) REQUIRED INFORMATION FOR HIGH-THRESHOLD ASSETS.—With respect to each information technology capital asset described in subsection (a)(2), the Secretary of Defense shall include the following information:

(1) The name and identifying acronym of the information technology capital asset.

(2) The date of initiation of the asset.

(3) A summary of performance measurements and metrics.

(4) The total amount of funds, by appropriation account, appropriated and obligated for prior fiscal years, with a specific breakout of such information for the two preceding fiscal years.

(5) The funds, by appropriation account, requested for the next fiscal year.

(6) The name of each prime contractor and the work to be performed.

(7) Program management and management oversight information.

(8) The original baseline cost and most current baseline information.

(9) Information regarding compliance with the provisions of law enacted or amended by the Government Performance Results Act of 1993 (Public Law 103–62; 107 Stat. 285) and the Clinger–Cohen Act of 1996 (divisions D and E of Public Law 104–106; 110 Stat. 642).

(d) TOTAL COST DETERMINATIONS.—In estimating the total cost for a fiscal year or total life cycle cost of an information technology capital asset, the Secretary of Defense shall consider research and development costs, procurement costs, and operation and maintenance costs related to the information technology capital asset.

(e) DEFINITIONS.—In this section:

(1) The term "information technology" has the meaning given that term in section 11101 of title 40, United States Code.

(2) The term "capital asset" has the meaning given that term in Office of Management and Budget Circular A–11.

(3) The term "national security system" has the meaning given that term in section 11103 of title 40, United States Code.

10 USC 2302 note.

SEC. 352. POLICY REGARDING ACQUISITION OF INFORMATION ASSURANCE AND INFORMATION ASSURANCE-ENABLED INFORMATION TECHNOLOGY PRODUCTS.

(a) ESTABLISHMENT OF POLICY.—The Secretary of Defense shall establish a policy to limit the acquisition of information assurance and information assurance-enabled information technology products to those products that have been evaluated and validated in accordance with appropriate criteria, schemes, or programs.

(b) WAIVER.—As part of the policy, the Secretary of Defense shall authorize specified officials of the Department of Defense to waive the limitations of the policy upon a determination in writing that application of the limitations to the acquisition of a particular information assurance or information assurance-enabled information technology product would not be in the national security interest of the United States.

(c) IMPLEMENTATION.—The Secretary of Defense shall ensure that the policy is uniformly implemented throughout the Department of Defense.

SEC. 353. INSTALLATION AND CONNECTION POLICY AND PROCEDURES REGARDING DEFENSE SWITCH NETWORK.

Deadline.

(a) ESTABLISHMENT OF POLICY AND PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall establish clear and uniform policy and procedures, applicable to the military departments and Defense Agencies, regarding the installation and connection of telecom switches to the Defense Switch Network.

(b) ELEMENTS OF POLICY AND PROCEDURES.—The policy and procedures shall address at a minimum the following:

(1) Clear interoperability and compatibility requirements for procuring, certifying, installing, and connecting telecom switches to the Defense Switch Network.

(2) Current, complete, and enforceable testing, validation, and certification procedures needed to ensure the interoperability and compatibility requirements are satisfied.

(c) EXCEPTIONS.—(1) The Secretary of Defense may specify certain circumstances in which—

(A) the requirements for testing, validation, and certification of telecom switches may be waived; or

(B) interim authority for the installation and connection of telecom switches to the Defense Switch Network may be granted.

(2) Only the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence may approve a waiver or grant of interim authority under paragraph (1). The authority to approve such a waiver or grant of interim authority may not be delegated.

(3) The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence shall consult with the Chairman of the Joint Chiefs of Staff before approving a waiver or grant of interim authority under paragraph (1).

(d) INVENTORY OF DEFENSE SWITCH NETWORK.—The Secretary of Defense shall prepare and maintain an inventory of all telecom switches that, as of the date on which the Secretary issues the policy and procedures—

(1) are installed or connected to the Defense Switch Network; but

(2) have not been tested, validated, and certified by the Defense Information Systems Agency (Joint Interoperability Test Center).

(e) INTEROPERABILITY RISKS.—On an ongoing basis, the Secretary of Defense shall—

(1) identify and assess the interoperability risks that are associated with the installation or connection of uncertified switches to the Defense Switch Network and the maintenance of such switches on the Defense Switch Network; and

(2) develop and implement a plan to eliminate or mitigate such risks as identified.

(f) TELECOM SWITCH DEFINED.—In this section, the term "telecom switch" means hardware or software designed to send and receive voice, data, or video signals across a network that provides customer voice, data, or video equipment access to the Defense Switch Network or public switched telecommunications networks.

Subtitle G—Other Matters

SEC. 361. DISTRIBUTION OF MONTHLY REPORTS ON ALLOCATION OF FUNDS WITHIN OPERATION AND MAINTENANCE BUDGET SUBACTIVITIES.

(a) DESIGNATION OF RECIPIENTS.—Subsection (a) of section 228 of title 10, United States Code, is amended by striking "to Congress" and inserting "to the congressional defense committees".

(b) CONGRESSIONAL DEFENSE COMMITTEES DEFINED.—Subsection (e) of such section is amended—

(1) by striking "(e) O&M BUDGET ACTIVITY DEFINED.—For purposes of this section, the" and inserting the following: "(e) DEFINITIONS.—In this section:

"(1) The"; and

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

"(2) The term 'congressional defense committees' means the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.".

SEC. 362. CONTINUATION OF ARSENAL SUPPORT PROGRAM INITIATIVE.

(a) EXTENSION THROUGH FISCAL YEAR 2004.—Subsection (a) of section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–65) is amended by striking "and 2002" and inserting "through 2004". 10 USC 4551 note.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking "2002" and inserting "2004"; and

(2) in paragraph (2), by striking the first sentence and inserting the following new sentence: "Not later than July 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report on the results of the demonstration program since its implementation, including the Secretary's views regarding the benefits of the program for Army Deadline. Reports.

manufacturing arsenals and the Department of the Army and the success of the program in achieving the purposes specified in subsection (b).".

SEC. 363. EXTENSION OF WORK SAFETY DEMONSTRATION PROGRAM.

(a) EXTENSION.—Section 1112 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–313) is amended— 10 USC 113 note.

(1) in subsection (d), by striking "September 30, 2002" and inserting "September 30, 2003"; and

(2) in subsection (e)(2), by striking "December 1, 2002" and inserting "December 1, 2003".

(b) REVISION OF REPORTING REQUIREMENTS.—Subsection (e)(2) of such section is further amended by striking "fiscal year 2002" both places it appears and inserting "fiscal years 2002 and 2003".

SEC. 364. CONDITION ON AUTHORITY OF DEFENSE SECURITY SERVICE TO IMPOSE FEES ON FEE-FOR-SERVICE BASIS.

The Secretary of Defense may not authorize the Defense Security Service to impose fees on a fee-for-service basis for the investigative services provided by the Defense Security Service unless the Secretary certifies in advance to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate that the Defense Security Service has the financial systems in place to determine accurately the cost of such services.

10 USC 2302 note.

SEC. 365. LOGISTICS SUPPORT AND SERVICES FOR WEAPON SYSTEMS CONTRACTORS.

(a) AUTHORITY.—The Secretary of Defense may make available logistics support and logistics services to a contractor in support of the performance by the contractor of a contract for the construction, modification, or maintenance of a weapon system that is entered into by an official of the Department of Defense.

(b) SUPPORT CONTRACTS.—Any logistics support and logistics services to be provided under this section to a contractor in support of the performance of a contract described in subsection (a) shall be provided under a separate contract that is entered into by the Director of the Defense Logistics Agency with that contractor. The requirements of section 2208(h) of title 10, United States Code, and the regulations prescribed pursuant to such section shall apply to the contract between the Director of the Defense Logistics Agency and the contractor. Applicability.

(c) SCOPE OF SUPPORT AND SERVICES.—The logistics support and logistics services that may be provided under this section in support of the performance of a contract described in subsection (a) are the distribution, disposal, and cataloging of materiel and repair parts necessary for the performance of that contract.

(d) LIMITATIONS.—(1) The number of contracts described in subsection (a) for which the Secretary of Defense makes logistics support and logistics services available under the authority of this section may not exceed five contracts. The total amount of the estimated costs of all such contracts for which logistics support and logistics services are made available under this section may not exceed $100,000,000.

(2) No contract entered into by the Director of the Defense Logistics Agency under subsection (b) may be for a period in excess

of five years, including periods for which the contract is extended under options to extend the contract.

(e) REGULATIONS.—Before exercising the authority under this section, the Secretary of Defense shall prescribe in regulations such requirements, conditions, and restrictions as the Secretary determines appropriate to ensure that logistics support and logistics services are provided under this section only when it is in the best interests of the United States to do so. The regulations shall include, at a minimum, the following:

(1) A requirement for the authority under this section to be used only for providing logistics support and logistics services in support of the performance of a contract that is entered into using competitive procedures (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)).

(2) A requirement for the solicitation of offers for a contract described in subsection (a), for which logistics support and logistics services are to be made available under this section, to include—

(A) a statement that the logistics support and logistics services are to be made available under the authority of this section to any contractor awarded the contract, but only on a basis that does not require acceptance of the support and services; and

(B) a description of the range of the logistics support and logistics services that are to be made available to the contractor.

(3) A requirement for the rates charged a contractor for logistics support and logistics services provided to a contractor under this section to reflect the full cost to the United States of the resources used in providing the support and services, including the costs of resources used, but not paid for, by the Department of Defense.

(4) With respect to a contract described in subsection (a) that is being performed for a department or agency outside the Department of Defense, a prohibition, in accordance with applicable contracting procedures, on the imposition of any charge on that department or agency for any effort of Department of Defense personnel or the contractor to correct deficiencies in the performance of such contract.

(5) A prohibition on the imposition of any charge on a contractor for any effort of the contractor to correct a deficiency in the performance of logistics support and logistics services provided to the contractor under this section.

(f) RELATIONSHIP TO TREATY OBLIGATIONS.—The Secretary shall ensure that the exercise of authority under this section does not conflict with any obligation of the United States under any treaty or other international agreement.

(g) TERMINATION OF AUTHORITY.—(1) The authority provided in this section shall expire on September 30, 2007.

(2) The expiration of the authority under this section does not terminate—

(A) any contract that was entered into by the Director of the Defense Logistics Agency under subsection (b) before the date specified in paragraph (1) or any obligation to provide logistics support and logistics services under that contract; or

(B) any authority to enter into a contract described in subsection (a) for which a solicitation of offers was issued in accordance with the regulations prescribed pursuant to subsection (e)(2) before the date specified in paragraph (1) or to provide logistics support and logistics services to the contractor with respect to that contract in accordance with this section.

10 USC 113 note.

SEC. 366. TRAINING RANGE SUSTAINMENT PLAN, GLOBAL STATUS OF RESOURCES AND TRAINING SYSTEM, AND TRAINING RANGE INVENTORY.

(a) PLAN REQUIRED.—(1) The Secretary of Defense shall develop a comprehensive plan for using existing authorities available to the Secretary of Defense and the Secretaries of the military departments to address training constraints caused by limitations on the use of military lands, marine areas, and airspace that are available in the United States and overseas for training of the Armed Forces.

(2) As part of the preparation of the plan, the Secretary of Defense shall conduct the following:

(A) An assessment of current and future training range requirements of the Armed Forces.

(B) An evaluation of the adequacy of current Department of Defense resources (including virtual and constructive training assets as well as military lands, marine areas, and airspace available in the United States and overseas) to meet those current and future training range requirements.

(3) The plan shall include the following:

(A) Proposals to enhance training range capabilities and address any shortfalls in current Department of Defense resources identified pursuant to the assessment and evaluation conducted under paragraph (2).

(B) Goals and milestones for tracking planned actions and measuring progress.

(C) Projected funding requirements for implementing planned actions.

(D) Designation of an office in the Office of the Secretary of Defense and in each of the military departments that will have lead responsibility for overseeing implementation of the plan.

Reports.

(4) At the same time as the President submits to Congress the budget for fiscal year 2004, the Secretary of Defense shall submit to Congress a report describing the progress made in implementing this subsection, including—

(A) the plan developed under paragraph (1);

(B) the results of the assessment and evaluation conducted under paragraph (2); and

(C) any recommendations that the Secretary may have for legislative or regulatory changes to address training constraints identified pursuant to this section.

Reports.

(5) At the same time as the President submits to Congress the budget for each of fiscal years 2005 through 2008, the Secretary shall submit to Congress a report describing the progress made in implementing the plan and any additional actions taken, or to be taken, to address training constraints caused by limitations on the use of military lands, marine areas, and airspace.

(b) READINESS REPORTING IMPROVEMENT.—Not later than June 30, 2003, the Secretary of Defense, using existing measures within the authority of the Secretary, shall submit to Congress a report on the plans of the Department of Defense to improve the Global Status of Resources and Training System to reflect the readiness impact that training constraints caused by limitations on the use of military lands, marine areas, and airspace have on specific units of the Armed Forces. Deadline.

(c) TRAINING RANGE INVENTORY.—(1) The Secretary of Defense shall develop and maintain a training range inventory for each of the Armed Forces—

(A) to identify all available operational training ranges;

(B) to identify all training capacities and capabilities available at each training range; and

(C) to identify training constraints caused by limitations on the use of military lands, marine areas, and airspace at each training range.

(2) The Secretary of Defense shall submit an initial inventory to Congress at the same time as the President submits the budget for fiscal year 2004 and shall submit an updated inventory to Congress at the same time as the President submits the budget for fiscal years 2005 through 2008.

(d) GAO EVALUATION.—The Secretary of Defense shall transmit copies of each report required by subsections (a) and (b) to the Comptroller General. Within 60 days after receiving a report, the Comptroller General shall submit to Congress an evaluation of the report. Deadline.

(e) ARMED FORCES DEFINED.—In this section, the term "Armed Forces" means the Army, Navy, Air Force, and Marine Corps.

SEC. 367. ENGINEERING STUDY AND ENVIRONMENTAL ANALYSIS OF ROAD MODIFICATIONS IN VICINITY OF FORT BELVOIR, VIRGINIA.

(a) STUDY AND ANALYSIS.—(1) The Secretary of the Army shall conduct a preliminary engineering study and environmental analysis to evaluate the feasibility of establishing a connector road between Richmond Highway (United States Route 1) and Telegraph Road in order to provide an alternative to Beulah Road (State Route 613) and Woodlawn Road (State Route 618) at Fort Belvoir, Virginia, which were closed as a force protection measure.

(2) It is the sense of Congress that the study and analysis should consider as one alternative the extension of Old Mill Road between Richmond Highway and Telegraph Road.

(b) CONSULTATION.—The study required by subsection (a) shall be conducted in consultation with the Department of Transportation of the Commonwealth of Virginia and Fairfax County, Virginia.

(c) REPORT.—The Secretary shall submit to Congress a summary report on the study and analysis required by subsection (a). The summary report shall be submitted together with the budget justification materials in support of the budget of the President for fiscal year 2006 that is submitted to Congress under section 1105(a) of title 31, United States Code.

(d) FUNDING.—Of the amount authorized to be appropriated by section 301(a)(1) for the Army for operation and maintenance, $5,000,000 may be made available for the study and analysis required by subsection (a).

SEC. 368. REAUTHORIZATION OF WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

Section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 2304 note), as amended by section 364 of Public Law 107–107 (115 Stat. 1068), is further amended—

(1) in subsection (f), by striking "September 30, 2003" and inserting "September 30, 2004"; and

(2) by striking subsection (g).

SEC. 369. EXPANDED ELIGIBILITY FOR LOAN, GIFT, OR EXCHANGE OF DOCUMENTS, HISTORICAL ARTIFACTS, AND CONDEMNED OR OBSOLETE COMBAT MATERIEL.

Section 2572(a)(3) of title 10, United States Code, is amended by inserting before the period the following: "or a nonprofit military aviation heritage foundation or association incorporated in a State".

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

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

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2003 limitation on non-dual status technicians.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

Subtitle A—Active Forces

10 USC 115 note.

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2003, as follows:

(1) The Army, 480,000.

(2) The Navy, 375,700.

(3) The Marine Corps, 175,000.

(4) The Air Force, 359,000.

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

(a) REVISED END STRENGTH FLOORS.—Subsection (b) of section 691 of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "376,000" and inserting "375,700";

(2) in paragraph (3), by striking "172,600" and inserting "175,000"; and

(3) in paragraph (4), by striking "358,800" and inserting "359,000".

(b) REPEAL OF SECRETARY OF DEFENSE FLEXIBILITY AUTHORITY.—Subsection (e) of such section is repealed.

SEC. 403. EXPANDED AUTHORITY FOR ADMINISTRATIVE INCREASES IN STATUTORY ACTIVE-DUTY END STRENGTHS.

(a) SECRETARY OF DEFENSE AUTHORITY.—Subsection (c)(1) of section 115 of title 10, United States Code, is amended by striking "2 percent" and inserting "3 percent".

(b) SERVICE SECRETARY AUTHORITY.—Such section is further amended by inserting after subsection (e) the following new subsection:

"(f) Upon determination by the Secretary of a military department that such action would enhance manning and readiness in essential units or in critical specialties or ratings, the Secretary may increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for the armed force under the jurisdiction of that Secretary or, in the case of the Secretary of the Navy, for any of the armed forces under the jurisdiction of that Secretary. Any such increase for a fiscal year—

"(1) shall be by a number equal to not more than 2 percent of such authorized end strength; and

"(2) shall be counted as part of the increase for that armed force for that fiscal year authorized under subsection (c)(1).".

SEC. 404. GENERAL AND FLAG OFFICER MANAGEMENT.

(a) EXCLUSION OF SENIOR MILITARY ASSISTANT TO THE SECRETARY OF DEFENSE FROM LIMITATION ON ACTIVE DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.—Effective on the date specified in subsection (d), section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph: Effective date.

"(8) An officer while serving in a position designated by the Secretary of Defense as Senior Military Assistant to the Secretary of Defense, if serving in the grade of lieutenant general or vice admiral, is in addition to the number that otherwise would be permitted for that officer's armed force for that grade under paragraph (1) or (2). Only one officer may be designated as Senior Military Assistant to the Secretary of Defense for purposes of this paragraph.".

(b) INCREASE IN NUMBER OF LIEUTENANT GENERALS AUTHORIZED FOR THE MARINE CORPS.—Paragraph (2)(B) of such section is amended by striking "16.2 percent" and inserting "17.5 percent".

(c) REVIEW OF ACTIVE DUTY AND RESERVE GENERAL AND FLAG OFFICER AUTHORIZATIONS.—(1) The Secretary of Defense shall submit to Congress a report containing any recommendations of the Secretary (together with the rationale of the Secretary for the recommendations) concerning the following: 10 USC 525 note. Reports.

(A) Revision of the limitations on general and flag officer grade authorizations and distribution in grade prescribed by sections 525, 526, and 12004 of title 10, United States Code.

(B) Statutory designation of the positions and grades of any additional general and flag officers in the commands specified in chapter 1006 of title 10, United States Code, and the reserve component offices specified in sections 3038, 5143, 5144, and 8038 of such title.

(2) The provisions of subsection (b) through (e) of section 1213 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2694) shall apply to the report Applicability.

under paragraph (1) in the same manner as they applied to the report required by subsection (a) of that section.

10 USC 525 note.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the receipt by Congress of the report required by subsection (c).

SEC. 405. EXTENSION OF CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF NUMBERS OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) SENIOR JOINT OFFICER POSITIONS.—Section 604(c) of title 10, United States Code, is amended by striking "September 30, 2003" and inserting "December 31, 2004".

(b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5)(C) of such title is amended by striking "September 30, 2003" and inserting "December 31, 2004".

(c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b)(3) of such title is amended by striking "October 1, 2002" and inserting "December 31, 2004".

SEC. 406. INCREASE IN AUTHORIZED STRENGTHS FOR MARINE CORPS OFFICERS ON ACTIVE DUTY IN THE GRADE OF COLONEL.

The table in section 523(a)(1) of title 10, United States Code, is amended by striking the figures under the heading "Colonel" in the portion of the table relating to the Marine Corps and inserting the following:

"571
632
653
673
694
715
735".

Subtitle B—Reserve Forces

10 USC 12001 note.

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2003, as follows:

(1) The Army National Guard of the United States, 350,000.
(2) The Army Reserve, 205,000.
(3) The Naval Reserve, 87,800.
(4) The Marine Corps Reserve, 39,558.
(5) The Air National Guard of the United States, 106,600.
(6) The Air Force Reserve, 75,600.
(7) The Coast Guard Reserve, 9,000.

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

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

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training

or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

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

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES. 10 USC 12001 note.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2003, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 24,562.
(2) The Army Reserve, 14,070.
(3) The Naval Reserve, 14,572.
(4) The Marine Corps Reserve, 2,261.
(5) The Air National Guard of the United States, 11,727.
(6) The Air Force Reserve, 1,498.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS). 10 USC 115 note.

The minimum number of military technicians (dual status) as of the last day of fiscal year 2003 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army National Guard of the United States, 24,102.
(2) For the Army Reserve, 6,599.
(3) For the Air National Guard of the United States, 22,495.
(4) For the Air Force Reserve, 9,911.

SEC. 414. FISCAL YEAR 2003 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) ARMY.—The number of non-dual status technicians employed by the reserve components of the Army as of September 30, 2003, may not exceed the following:

(1) For the Army Reserve, 995.
(2) For the Army National Guard of the United States, 1,600, to be counted within the limitation specified in section 10217(c)(2) of title 10, United States Code.

(b) AIR FORCE.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2003, may not exceed the following:

(1) For the Air Force Reserve, 90.
(2) For the Air National Guard of the United States, 350, to be counted within the limitation specified in section 10217(c)(2) of title 10, United States Code.

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

(d) TECHNICAL AMENDMENTS.—Section 10217(c)(2) of title 10, United States Code, is amended—

(1) in the first sentence, by striking "Effective October 1, 2002, the" and inserting "The"; and

(2) in the second sentence, by striking "after the preceding sentence takes effect".

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2003 a total of $93,829,525,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2003.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Extension of good-of-the-service waiver authority for officers appointed to a Reserve Chief or Guard Director position.
Sec. 502. Exclusion of certain officers from limitation on authority to grant a waiver of required completion or sequencing for joint professional military education.
Sec. 503. Extension and codification of authority for recall of retired aviators to active duty.
Sec. 504. Grades for certain positions.
Sec. 505. Reinstatement of authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
Sec. 506. Authority to require that an officer take leave pending review of a recommendation for removal by a board of inquiry.

Subtitle B—Reserve Component Management

Sec. 511. Reviews of National Guard strength accounting and management and other issues.
Sec. 512. Courts-martial for the National Guard when not in Federal service.
Sec. 513. Fiscal year 2003 funding for military personnel costs of reserve component Special Operations Forces personnel engaged in humanitarian assistance activities relating to clearing of landmines.
Sec. 514. Use of Reserves to perform duties relating to defense against terrorism.
Sec. 515. Repeal of prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.

Subtitle C—Reserve Component Officer Personnel Policy

Sec. 521. Eligibility for consideration for promotion to grade of major general for certain reserve component brigadier generals who do not otherwise qualify for consideration for promotion under the one-year rule.
Sec. 522. Authority for limited extension of medical deferment of mandatory retirement or separation of reserve component officers.

Subtitle D—Enlistment, Education, and Training Programs

Sec. 531. Enlistment incentives for pursuit of skills to facilitate national service.
Sec. 532. Authority for phased increase to 4,400 in authorized strengths for the service academies.
Sec. 533. Enhancement of reserve component delayed training program.
Sec. 534. Review of Armed Forces programs for preparation for, participation in, and conduct of athletic competitions.
Sec. 535. Repeal of bar to eligibility of Army College First program participants for benefits under student loan repayment program.

Subtitle E—Decorations, Awards, and Commendations

Sec. 541. Waiver of time limitations for award of Army Distinguished-Service Cross to certain persons.
Sec. 542. Option to convert award of Armed Forces Expeditionary Medal awarded for Operation Frequent Wind to Vietnam Service Medal.
Sec. 543 . Korea Defense Service Medal.
Sec. 544 . Commendation of military chaplains.

Subtitle F—Administrative Matters

Sec. 551. Staffing and funding for Defense Prisoner of War/Missing Personnel Office.
Sec. 552. Three-year freeze on reductions of personnel of agencies responsible for review and correction of military records.
Sec. 553. Authority for acceptance of voluntary services of individuals as proctors for administration of Armed Services Vocational Aptitude Battery test.
Sec. 554. Extension of temporary early retirement authority.

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

Sec. 561. Surveys of racial and ethnic issues and of gender issues in the Armed Forces.
Sec. 562. Annual report on status of female members of the Armed Forces.
Sec. 563. Wear of abayas by female members of the Armed Forces in Saudi Arabia.

Subtitle H—Benefits

Sec. 571. Department of Defense support for persons participating in military funeral honors details.
Sec. 572. Emergency leave of absence program.
Sec. 573. Enhanced flexibility in medical loan repayment program.
Sec. 574. Destinations authorized for Government paid transportation of enlisted personnel for rest and recuperation absence upon extending duty at designated locations overseas.
Sec. 575. Vehicle storage in lieu of transportation when member is ordered to a nonforeign duty station outside continental United States.

Subtitle I—Reports

Sec. 581. Quadrennial quality of life review.
Sec. 582. Report on desirability and feasibility of consolidating separate courses of basic instruction for judge advocates.
Sec. 583. Reports on efforts to resolve status of Captain Michael Scott Speicher, United States Navy.
Sec. 584. Report on volunteer services of members of the reserve components in emergency response to the terrorist attacks of September 11, 2001.

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF GOOD-OF-THE-SERVICE WAIVER AUTHORITY FOR OFFICERS APPOINTED TO A RESERVE CHIEF OR GUARD DIRECTOR POSITION.

(a) WAIVER OF REQUIREMENT FOR SIGNIFICANT JOINT DUTY EXPERIENCE.—Sections 3038(b)(4), 5143(b)(4), 5144(b)(4), 8038(b)(4), and 10506(a)(3)(D) of title 10, United States Code, are each amended by striking "October 1, 2003" and inserting "December 31, 2004".

(b) REPORT ON FUTURE IMPLEMENTATION OF REQUIREMENT.—Not later than May 1, 2003, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report— Deadline.

(1) setting forth the steps that have been taken by the Secretary, the Secretaries of the military departments, and the Chairman of the Joint Chiefs of Staff to ensure that Reserve and National Guard officers receive significant joint duty experience; and

(2) specifying the date by which no further extension of the waiver authority under the sections amended by subsection (a) will be required.

SEC. 502. EXCLUSION OF CERTAIN OFFICERS FROM LIMITATION ON AUTHORITY TO GRANT A WAIVER OF REQUIRED COMPLETION OR SEQUENCING FOR JOINT PROFESSIONAL MILITARY EDUCATION.

10 USC 661 note.

(a) EXCLUSION FROM LIMITATION.—There shall be excluded from counting for purposes of the 10-percent limitation set forth in the last sentence of section 661(c)(3)(D) of title 10, United States Code (limiting the authority to grant waivers related to sequencing or completion of program of joint professional military education), any officer selected for the joint specialty who—

(1) on December 28, 2001, met the requirements of section 661(c) of such title for nomination for the joint specialty, but who had not been nominated for that specialty before that date by the Secretary of the military department concerned; and

(2) before the date of the enactment of this Act was automatically nominated for the joint specialty as a result of section 661(b)(2) of such title.

(b) TERMINATION.—The provisions of subsection (a) shall terminate on October 1, 2006.

(c) CROSS-REFERENCE CORRECTION.—Section 661(c)(3)(E) of title 10, United States Code, is amended by striking "subparagraph" and inserting "paragraph".

SEC. 503. EXTENSION AND CODIFICATION OF AUTHORITY FOR RECALL OF RETIRED AVIATORS TO ACTIVE DUTY.

(a) IN GENERAL.—(1) Chapter 39 of title 10, United States Code, is amended by inserting after section 688 the following new section:

"§ 688a. Retired aviators: temporary authority to order to active duty

"(a) AUTHORITY.—The Secretary of a military department may order to active duty a retired officer having expertise as an aviator to fill staff positions normally filled by aviators on active duty. Any such order may be made only with the consent of the officer ordered to active duty and in accordance with an agreement between the Secretary and the officer.

"(b) DURATION.—The period of active duty of an officer under an order to active duty under subsection (a) shall be specified in the agreement entered into under that subsection.

"(c) LIMITATION.—No more than a total of 500 officers may be on active duty at any time under subsection (a).

"(d) RELATIONSHIP TO OTHER AUTHORITY.—The authority to order a retired officer to active duty under this section is in addition to the authority under section 688 of this title or any other provision of law authorizing the Secretary concerned to order a retired member to active duty.

"(e) INAPPLICABILITY OF CERTAIN PROVISIONS.—Officers ordered to active duty under subsection (a) shall not be counted for purposes of section 688 or 690 of this title.

"(f) EXPIRATION OF AUTHORITY.—An officer may not be ordered to active duty under this section after September 30, 2008.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 688 the following new item:

"688a. Retired aviators: temporary authority to order to active duty.".

(b) GRADE IN WHICH ORDERED TO ACTIVE DUTY AND UPON RELEASE FROM ACTIVE DUTY.—(1) Section 689 of such title is amended by inserting "or 688a" after "section 688" each place it appears.

(2) The provisions of section 689(d) of title 10, United States Code, shall apply with respect to an officer ordered to active duty under section 501 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 589) before the date of the enactment of this Act in the same manner as such provisions apply to an officer ordered to active duty under section 688 of such title. Applicability. 10 USC 689 note.

(c) TRANSITION PROVISION.—Any officer ordered to active duty under section 501 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 589) who continues on active duty under such order to active duty after the date of the enactment of this Act shall be counted for purposes of the limitation under subsection (c) of section 688a of title 10, United States Code, as added by subsection (a). 10 USC 688a note.

SEC. 504. GRADES FOR CERTAIN POSITIONS.

(a) HEADS OF NURSE CORPS.—(1) Section 3069(b) of title 10, United States Code, is amended by striking "brigadier general" in the second sentence and inserting "major general".

(2) The first sentence of section 5150(c) of such title is amended—

(A) by inserting "rear admiral, in the case of an officer in the Nurse Corps, or" after "for promotion to the grade of"; and

(B) by inserting ", in the case of an officer in the Medical Service Corps" after "rear admiral (lower half)".

(3) Section 8069(b) of such title is amended by striking "brigadier general" in the second sentence and inserting "major general".

(b) CHIEF OF VETERINARY CORPS OF THE ARMY.—(1) Chapter 307 of such title is amended by adding at the end the following new section:

"§ 3084. Chief of Veterinary Corps; grade

"The Chief of the Veterinary Corps of the Army serves in the grade of brigadier general. An officer appointed to that position who holds a lower grade shall be appointed in the grade of brigadier general.".

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

"3084. Chief of Veterinary Corps: grade.".

(c) CHIEF OF LEGISLATIVE LIAISON OF THE ARMY.—(1)(A) Chapter 303 of such title is amended by adding at the end the following new section:

"§ 3023. Chief of Legislative Liaison

"(a) There is a Chief of Legislative Liaison in the Department of the Army. An officer assigned to that position shall be an officer in the grade of major general.

"(b) The Chief of Legislative Liaison shall perform legislative affairs functions as specified for the Office of the Secretary of the Army by section 3014(c)(1)(F) of this title.".

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

"3023. Chief of Legislative Liaison.".

(2) Section 3014(b) of such title is amended—

(A) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(B) by inserting after paragraph (5) the following new paragraph (6):

"(6) The Chief of Legislative Liaison.".

(d) LEGISLATIVE AFFAIRS POSITIONS OF THE NAVY AND MARINE CORPS.—(1)(A) Chapter 503 of such title is amended by adding at the end the following new section:

"§ 5027. Chief of Legislative Affairs

"(a) There is a Chief of Legislative Affairs in the Department of the Navy. An officer assigned to that position shall be an officer in the grade of rear admiral.

"(b) The Chief of Legislative Affairs shall perform legislative affairs functions as specified for the Office of the Secretary of the Navy by section 5014(c)(1)(F) of this title.".

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

"5027. Chief of Legislative Affairs.".

(2) Section 5014(b) of such title is amended—

(A) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(B) by inserting after paragraph (5) the following new paragraph (6):

"(6) The Chief of Legislative Affairs.".

(3)(A) Chapter 506 of such title is amended by adding at the end the following new section:

"§ 5047. Legislative Assistant to the Commandant

"There is in the Marine Corps a Legislative Assistant to the Commandant. An officer assigned to that position shall be in a grade above colonel.".

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

"5047. Legislative Assistant to the Commandant.".

(e) CHIEF OF LEGISLATIVE LIAISON OF THE AIR FORCE.—(1)(A) Chapter 803 of such title is amended by adding at the end the following new section:

"§ 8023. Chief of Legislative Liaison

"(a) There is a Chief of Legislative Liaison in the Department of the Air Force. An officer assigned to that position shall be an officer in the grade of major general.

"(b) The Chief of Legislative Liaison shall perform legislative affairs functions as specified for the Office of the Secretary of the Air Force by section 8014(c)(1)(F) of this title.".

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

"8023. Chief of Legislative Liaison.".

(2) Section 8014(b) of such title is amended—

(A) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(B) by inserting after paragraph (4) the following new paragraph (5):

"(5) The Chief of Legislative Liaison.".

(f) TECHNICAL AMENDMENT TO PROVIDE CORRECT STATUTORY TITLE OF GRADE.—Section 5022(a)(2) of such title is amended by striking "(upper half)".

SEC. 505. REINSTATEMENT OF AUTHORITY TO REDUCE THREE-YEAR TIME-IN-GRADE REQUIREMENT FOR RETIREMENT IN GRADE FOR OFFICERS IN GRADES ABOVE MAJOR AND LIEUTENANT COMMANDER.

(a) OFFICERS ON ACTIVE DUTY.—Subsection (a)(2) of section 1370 of title 10, United States Code, is amended—

(1) in subparagraph (A), by striking "during the period beginning on October 1, 1990, and ending on December 31, 2001" and inserting "during the period beginning on October 1, 2002, and ending on December 31, 2003";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (D) and (E), respectively; and

(3) by inserting after subparagraph (A) the following new subparagraphs (B) and (C):

"(B) In the case of an officer to be retired in a general or flag officer grade, authority provided by the Secretary of Defense to the Secretary of a military department under subparagraph (A) may be exercised with respect to that officer only if approved by the Secretary of Defense or another civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate.

"(C) Authority provided by the Secretary of Defense to the Secretary of a military department under subparagraph (A) may be delegated within that military department only to a civilian official of that military department appointed by the President, by and with the advice and consent of the Senate.".

(b) RESERVE OFFICERS.—Subsection (d) of such section is amended—

(1) by designating the second sentence of paragraph (5) as paragraph (6) and in that paragraph by striking "this paragraph" and inserting "paragraph (5)"; and

(2) in paragraph (5)—

(A) by inserting "(A)" after "(5)";

(B) by striking "in the case of retirements effective during the period beginning on October 17, 1998, and ending on December 31, 2001" and inserting "in the case of transfers to the Retired Reserve and discharges of retirement-qualified officers effective during the period beginning on October 1, 2002, and ending on December 31, 2003"; and

(C) by adding at the end (before paragraph (6) as designated by paragraph (1) of this subsection) the following new subparagraphs:

"(B) In the case of a person who, upon transfer to the Retired Reserve or discharge, is to be credited with satisfactory service in a general or flag officer grade under paragraph (1), authority provided by the Secretary of Defense to the Secretary of a military

department under subparagraph (A) may be exercised with respect to that person only if approved by the Secretary of Defense or another civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate.

"(C) Authority provided by the Secretary of Defense to the Secretary of a military department under subparagraph (A) may be delegated within that military department only to a civilian official of that military department appointed by the President, by and with the advice and consent of the Senate.".

(c) ADVANCE NOTICE TO CONGRESS.—Such section is further amended by adding at the end the following new subsection:

"(e) ADVANCE NOTICE TO CONGRESSIONAL COMMITTEES.—(1) In the case of an officer to be retired in a grade that is a general or flag officer grade who is eligible to retire in that grade only by reason of an exercise of authority under paragraph (2) of subsection (a) to reduce the three-year service-in-grade requirement otherwise applicable under that paragraph, the Secretary of Defense, before the officer is retired in that grade, shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of the exercise of authority under that paragraph with respect to that officer.

"(2) In the case of a person to be credited under subsection (d) with satisfactory service in a grade that is a general or flag officer grade who is eligible to be credited with such service in that grade only by reason of an exercise of authority under paragraph (5) of that subsection to reduce the three-year service-in-grade requirement otherwise applicable under paragraph (3)(A) of that subsection, the Secretary of Defense, before the person is credited with such satisfactory service in that grade, shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of the exercise of authority under paragraph (5) of that subsection with respect to that officer.

"(3) In the case of an officer to whom subsection (c) applies, the requirement for notification under paragraph (1) is satisfied if the notification is included in the certification submitted with respect to that officer under paragraph (1) of such subsection.".

SEC. 506. AUTHORITY TO REQUIRE THAT AN OFFICER TAKE LEAVE PENDING REVIEW OF A RECOMMENDATION FOR REMOVAL BY A BOARD OF INQUIRY.

(a) REQUIREMENT.—Section 1182(c) of title 10, United States Code, is amended—

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

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

Regulations.

"(2) Under regulations prescribed by the Secretary concerned, an officer as to whom a board of inquiry makes a recommendation under paragraph (1) that the officer not be retained on active duty may be required to take leave pending the completion of the officer's case under this chapter. The officer may be required to begin such leave at any time following the officer's receipt of the report of the board of inquiry, including the board's recommendation for removal from active duty, and the expiration of any period allowed for submission by the officer of a rebuttal to that report. The leave may be continued until the date on

which action by the Secretary concerned on the officer's case is completed or may be terminated at any earlier time.".

(b) PAYMENT FOR MANDATORY EXCESS LEAVE UPON DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARATION RECOMMENDATIONS.—Chapter 40 of such title is amended by inserting after section 707 the following new section:

"§ 707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken

"(a) An officer—

"(1) who is required to take leave under section 1182(c)(2) of this title, any period of which is charged as excess leave under section 706(a) of this title, and

"(2) whose recommendation for removal from active duty in a report of a board of inquiry is not approved by the Secretary concerned under section 1184 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave.

"(b)(1) An officer entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances for each day of leave required to be taken under section 1182(c)(2) of this title that is charged as excess leave (except any day of accrued leave for which the officer has been paid under section 706(b)(1) of this title and which has been charged as excess leave).

"(2) The officer shall be paid the amount of pay and allowances that is deemed to have accrued to the officer under paragraph (1), reduced by the total amount of his income from wages, salaries, tips, other personal service income, unemployment compensation, and public assistance benefits from any Government agency during the period the officer is deemed to have accrued pay and allowances. Except as provided in paragraph (3), such payment shall be made within 60 days after the date on which the Secretary concerned decides not to remove the officer from active duty. Deadline.

"(3) If an officer is entitled to be paid under this section, but fails to provide sufficient information in a timely manner regarding the officer's income when such information is requested under regulations prescribed under subsection (c), the period of time prescribed in paragraph (2) shall be extended until 30 days after the date on which the member provides the information requested.

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. The regulations may provide for the method of determining an officer's income during any period the officer is deemed to have accrued pay and allowances, including a requirement that the officer provide income tax returns and other documentation to verify the amount of the officer's income.". Regulations.

(c) CONFORMING AMENDMENTS.—(1) Section 706 of such title is amended—

(A) by inserting "or 1182(c)(2)" after "section 876a" in subsections (a), (b)(1), (b)(2), and (c); and

(B) by striking "section 707" in subsection (b)(2) and inserting "sections 707 and 707a".

(2) The heading for such section is amended to read as follows:

"§ 706. Administration of leave required to be taken".

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 40 of such title is amended—

(1) by striking the item relating to section 706 and inserting the following:

"706. Administration of leave required to be taken.";

and

(2) by inserting after the item relating to section 707 the following new item:

"707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken.".

Subtitle B—Reserve Component Management

SEC. 511. REVIEWS OF NATIONAL GUARD STRENGTH ACCOUNTING AND MANAGEMENT AND OTHER ISSUES.

Deadline. Reports. 32 USC 104 note.

(a) COMPTROLLER GENERAL ASSESSMENTS.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on management of the National Guard. The report shall include the following:

(1) The Comptroller General's assessment of the effectiveness of the implementation of Department of Defense plans for improving management and accounting for personnel strengths in the National Guard, including an assessment of the process that the Department of Defense, the National Guard Bureau, the Army National Guard and State-level National Guard leadership, and leadership in the other reserve components have for identifying and addressing in a timely manner specific units in which nonparticipation rates are significantly in excess of the established norms.

(2) The Comptroller General's assessment of the effectiveness of the process for Federal recognition of senior National Guard officers and recommendations for improvement to that process.

(3) The Comptroller General's assessment of the process for, and the nature and extent of, the administrative or judicial corrective action taken by the Secretary of Defense, the Secretary of the Army, and the Secretary of the Air Force as a result of Inspector General investigations or other investigations in which allegations against senior National Guard officers are substantiated in whole or in part.

(4) The Comptroller General's determination of the effectiveness of the Federal protections provided for members or employees of the National Guard who report allegations of waste, fraud, abuse, or mismanagement and the nature and extent to which corrective action is taken against those in the National Guard who retaliate against such members or employees.

Deadline.

(b) SECRETARY OF DEFENSE REPORT ON DIFFERENT ARMY AND AIR FORCE PROCEDURES.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the differing Army and Air Force policies for taking adverse administrative actions against National Guard

officers in a State status. The report shall include the Secretary's determination as to whether changes should be made in those policies.

SEC. 512. COURTS-MARTIAL FOR THE NATIONAL GUARD WHEN NOT IN FEDERAL SERVICE.

(a) MANNER OF PRESCRIBING PUNISHMENTS.—Section 326 of title 32, United States Code, is amended by adding at the end the following new sentence: "Punishments shall be as provided by the laws of the respective States and Territories, Puerto Rico, and the District of Columbia.".

(b) CONVENING AUTHORITY.—Section 327 of such title is amended to read as follows:

"§ 327. Courts-martial of National Guard not in Federal service: convening authority

"(a) In the National Guard not in Federal service, general, special, and summary courts-martial may be convened as provided by the laws of the respective States and Territories, Puerto Rico, and the District of Columbia.

"(b) In the National Guard not in Federal service—

"(1) general courts-martial may be convened by the President;

"(2) special courts-martial may be convened—

"(A) by the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where members of the National Guard are on duty; or

"(B) by the commanding officer of a division, brigade, regiment, wing, group, detached battalion, separate squadron, or other detached command; and

"(3) summary courts-martial may be convened—

"(A) by the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where members of the National Guard are on duty; or

"(B) by the commanding officer of a division, brigade, regiment, wing, group, detached battalion, detached squadron, detached company, or other detachment.

"(c) The convening authorities provided under subsection (b) are in addition to the convening authorities provided under subsection (a).".

(c) REPEAL OF SUPERSEDED AND OBSOLETE PROVISIONS.—(1) Sections 328, 329, 330, 331, 332, and 333 of title 32, United States Code, are repealed.

(2) The provisions of law repealed by paragraph (1) shall continue to apply with respect to courts-martial convened in the National Guard not in Federal service before the date of the enactment of this Act. Applicability. 32 USC 328 note.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 3 of such title is amended by striking the items relating to sections 327, 328, 329, 330, 331, 332, and 333 and inserting the following:

"327. Courts-martial of National Guard not in Federal service: convening authority.".

(e) MODELS FOR STATE CODE OF MILITARY JUSTICE AND STATE MANUAL FOR COURTS-MARTIAL.—(1) The Secretary of Defense shall prepare a model State code of military justice and a model State 32 USC 327 note.

manual for courts-martial to recommend to the States for use with respect to the National Guard not in Federal service. Both such models shall be consistent with the recommendations contained in the report that was issued in 1998 by the Department of Defense Panel to Study Military Justice in the National Guard not in Federal Service.

(2) The Secretary shall ensure that adequate support for the preparation of the model State code of military justice and the model State manual for courts-martial (including the detailing of attorneys and other personnel) is provided by the General Counsel of the Department of Defense, the Secretary of the Army, the Secretary of the Air Force, and the Chief of the National Guard Bureau.

(3) If the funds available to the Chief of the National Guard Bureau are insufficient for paying the cost of the National Guard Bureau support required under paragraph (2) (including increased costs of pay of members of the National Guard for additional active duty necessitated by such requirement and increased cost of detailed attorneys and other staff, allowances, and travel expenses related to such support), the Secretary shall, upon request made by the Chief of the Bureau, provide such additional funding as the Secretary determines necessary to satisfy the requirement for such support.

Deadline. Reports.

(4) Not later than one year after the date of the enactment of this Act, the Secretary shall submit a report on the actions taken to carry out this subsection to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives. The report shall include proposals in final form of both the model State code of military justice and the model State manual for courts-martial required by paragraph (1), together with a discussion of the efforts being made to present those proposals to the States for their consideration for enactment or adoption, respectively.

(5) In this subsection, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

SEC. 513. FISCAL YEAR 2003 FUNDING FOR MILITARY PERSONNEL COSTS OF RESERVE COMPONENT SPECIAL OPERATIONS FORCES PERSONNEL ENGAGED IN HUMANITARIAN ASSISTANCE ACTIVITIES RELATING TO CLEARING OF LANDMINES.

(a) USE OF RESERVE COMPONENT MILITARY PERSONNEL FUNDS.—Fiscal year 2003 reserve component military personnel funds may be used for military personnel expenses of reserve component Special Operations forces that are incurred during fiscal year 2003 in connection with landmine clearance assistance, notwithstanding section 401(c)(1) of title 10, United States Code.

(b) REIMBURSEMENT REQUIREMENT.—Fiscal year 2003 reserve component military personnel funds shall be reimbursed from fiscal year 2003 landmine clearance assistance funds for all military personnel expenses of reserve component Special Operations forces that are incurred during fiscal year 2003 in connection with landmine clearance assistance. Such reimbursement shall be made in each instance to the reserve component military personnel account that incurred the expense.

(c) LIMITATION.—The amount of reserve component military personnel expenses incurred during fiscal year 2003 for landmine clearance assistance may not exceed 10 percent of the amount of fiscal year 2003 landmine clearance assistance funds.

(d) DEFINITIONS.—For purposes of this section:

(1) LANDMINE CLEARANCE ASSISTANCE.—The term "landmine clearance assistance" means humanitarian and civic assistance provided under section 401 of title 10, United States Code, that is described in subsection (e)(5) of that section.

(2) FISCAL YEAR 2003 LANDMINE CLEARANCE ASSISTANCE FUNDS.—The term "fiscal year 2003 landmine clearance assistance funds" means the total amount appropriated for fiscal year 2003 in operations and maintenance accounts of the Department of Defense that is provided for landmine clearance assistance.

(3) FISCAL YEAR 2003 RESERVE COMPONENT MILITARY PERSONNEL FUNDS.—The term "fiscal year 2003 reserve component military personnel funds" means amounts appropriated for fiscal year 2003 for military personnel expenses of a reserve component of the Department of Defense.

(4) MILITARY PERSONNEL EXPENSES.—The term "military personnel expenses" means expenses properly chargeable to a military personnel account of the Department of Defense.

(e) LEGISLATIVE PROPOSAL.—The Secretary of Defense shall submit to Congress, as part of the budget request of the Department of Defense for fiscal year 2004, a legislative proposal that would ensure that military personnel expenses for both active and reserve component military personnel providing landmine clearance assistance are specified in detail and are budgeted to be authorized and appropriated from the appropriate military personnel accounts.

SEC. 514. USE OF RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST TERRORISM.

(a) USE OF RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST TERRORISM.—Section 12304(b) of title 10, United States Code, is amended by striking "involving" and all that follows and inserting "involving—

"(1) a use or threatened use of a weapon of mass destruction; or

"(2) a terrorist attack or threatened terrorist attack in the United States that results, or could result, in catastrophic loss of life or property.".

(b) CONFORMING AMENDMENT RELATING TO FULL-TIME SUPPORT OF GUARD AND RESERVE PERSONNEL.—Section 12310(c)(1) of such title is amended by striking "involving" and all that follows and inserting "involving—

"(A) the use of a weapon of mass destruction (as defined in section 12304(i)(2) of this title); or

"(B) a terrorist attack or threatened terrorist attack in the United States that results, or could result, in catastrophic loss of life or property.".

SEC. 515. REPEAL OF PROHIBITION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) REPEAL.—Section 12551 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1215 of such title is amended by striking the item relating to section 12551.

Subtitle C—Reserve Component Officer Personnel Policy

SEC. 521. ELIGIBILITY FOR CONSIDERATION FOR PROMOTION TO GRADE OF MAJOR GENERAL FOR CERTAIN RESERVE COMPONENT BRIGADIER GENERALS WHO DO NOT OTHERWISE QUALIFY FOR CONSIDERATION FOR PROMOTION UNDER THE ONE-YEAR RULE.

Section 14301(g) of title 10, United States Code, is amended to read as follows:

"(g) BRIGADIER GENERALS.—(1) An officer who is a reserve component brigadier general of the Army or the Air Force who is not eligible for consideration for promotion under subsection (a) because the officer is not on the reserve active status list (as required by paragraph (1) of that subsection for such eligibility) is nevertheless eligible for consideration for promotion to the grade of major general by a promotion board convened under section 14101(a) of this title if—

"(A) as of the date of the convening of the promotion board, the officer has been in an inactive status for less than one year; and

"(B) immediately before the date of the officer's most recent transfer to an inactive status, the officer had continuously served on the reserve active status list or the active-duty list (or a combination of the reserve active status list and the active-duty list) for at least one year.

"(2) An officer who is a reserve component brigadier general of the Army or the Air Force who is on the reserve active status list but who is not eligible for consideration for promotion under subsection (a) because the officer's service does not meet the one-year-of-continuous-service requirement under paragraph (2) of that subsection is nevertheless eligible for consideration for promotion to the grade of major general by a promotion board convened under section 14101(a) of this title if—

"(A) the officer was transferred from an inactive status to the reserve active status list during the one-year period preceding the date of the convening of the promotion board;

"(B) immediately before the date of the officer's most recent transfer to an active status, the officer had been in an inactive status for less than one year; and

"(C) immediately before the date of the officer's most recent transfer to an inactive status, the officer had continuously served for at least one year on the reserve active status list or the active-duty list (or a combination of the reserve active status list and the active-duty list).".

SEC. 522. AUTHORITY FOR LIMITED EXTENSION OF MEDICAL DEFERMENT OF MANDATORY RETIREMENT OR SEPARATION OF RESERVE COMPONENT OFFICERS.

(a) AUTHORITY.—Chapter 1407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 14519. Deferment of retirement or separation for medical reasons

"(a) AUTHORITY.—If, in the case of an officer required to be retired or separated under this chapter or chapter 1409 of this title, the Secretary concerned determines that the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization or medical observation and that such hospitalization or medical observation cannot be completed with confidence in a manner consistent with the officer's well being before the date on which the officer would otherwise be required to retire or be separated, the Secretary may defer the retirement or separation of the officer.

"(b) PERIOD OF DEFERMENT.—A deferral of retirement or separation under subsection (a) may not extend for more than 30 days after the completion of the evaluation requiring hospitalization or medical observation.".

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

"14519. Deferment of retirement or separation for medical reasons.".

Subtitle D—Enlistment, Education, and Training Programs

SEC. 531. ENLISTMENT INCENTIVES FOR PURSUIT OF SKILLS TO FACILITATE NATIONAL SERVICE.

(a) AUTHORITY.—(1) Chapter 31 of title 10, United States Code, is amended by inserting after section 509 the following new section:

"§ 510. Enlistment incentives for pursuit of skills to facilitate national service

"(a) ENLISTMENT INCENTIVE PROGRAM.—The Secretary of Defense shall carry out an enlistment incentive program in accordance with this section under which a person who is a National Call to Service participant shall be entitled to one of the incentives specified in subsection (e). The program shall be carried out during the period ending on December 31, 2007, and may be carried out after that date.

"(b) NATIONAL CALL TO SERVICE PARTICIPANT.—In this section, the term 'National Call to Service participant' means a person who has not previously served in the armed forces who enters into an original enlistment pursuant to a written agreement with the Secretary of a military department (in such form and manner as may be prescribed by that Secretary) under which the person agrees to perform a period of national service as specified in subsection (c).

"(c) NATIONAL SERVICE.—The total period of national service to which a National Call to Service participant is obligated under the agreement under this section shall be specified in the agreement. Under the agreement, the participant shall—

"(1) upon completion of initial entry training (as prescribed by the Secretary of Defense), serve on active duty in a military occupational specialty designated by the Secretary of Defense under subsection (d) for a period of 15 months;

"(2) upon completion of the period of active duty specified in paragraph (1) and without a break in service, serve either (A) an additional period of active duty as determined by the Secretary of Defense, or (B) a period of 24 months in an active status in the Selected Reserve; and

"(3) upon completion of the period of service specified in paragraph (2), and without a break in service, serve the remaining period of obligated service specified in the agreement—

"(A) on active duty in the armed forces;

"(B) in the Selected Reserve;

"(C) in the Individual Ready Reserve;

"(D) in the Peace Corps, Americorps, or another national service program jointly designated by the Secretary of Defense and the head of such program for purposes of this section; or

"(E) in any combination of service referred to in subparagraphs (A) through (D) that is approved by the Secretary of the military department concerned pursuant to regulations prescribed by the Secretary of Defense and specified in the agreement.

"(d) DESIGNATED MILITARY OCCUPATIONAL SPECIALTIES.—The Secretary of Defense shall designate military occupational specialties for purposes of subsection (c)(1). Such military occupational specialties shall be military occupational specialties that, as determined by the Secretary, will facilitate pursuit of national service by National Call to Service participants.

"(e) INCENTIVES.—The incentives specified in this subsection are as follows:

"(1) Payment of a bonus in the amount of $5,000.

"(2) Payment in an amount not to exceed $18,000 of outstanding principal and interest on qualifying student loans of the National Call to Service participant.

"(3) Entitlement to an allowance for educational assistance at the monthly rate equal to the monthly rate payable for basic educational assistance allowances under section 3015(a)(1) of title 38 for a total of 12 months.

"(4) Entitlement to an allowance for educational assistance at the monthly rate equal to 50 percent of the monthly rate payable for basic educational assistance allowances under section 3015(b)(1) of title 38 for a total of 36 months.

"(f) ELECTION OF INCENTIVE.—A National Call to Service participant shall elect in the agreement under subsection (b) which incentive under subsection (e) to receive. An election under this subsection is irrevocable.

"(g) PAYMENT OF BONUS AMOUNTS.—(1) Payment to a National Call to Service participant of the bonus elected by the National Call to Service participant under subsection (e)(1) shall be made in such time and manner as the Secretary of Defense shall prescribe.

"(2)(A) Payment of outstanding principal and interest on the qualifying student loans of a National Call to Service participant, as elected under subsection (e)(2), shall be made in such time and manner as the Secretary of Defense shall prescribe.

"(B) Payment under this paragraph of the outstanding principal and interest on the qualifying student loans of a National Call to Service participant shall be made to the holder of such student loans, as identified by the National Call to Service participant

to the Secretary of the military department concerned for purposes of such payment.

"(3) Payment of a bonus or incentive in accordance with this subsection shall be made by the Secretary of the military department concerned.

"(h) COORDINATION WITH MONTGOMERY GI BILL BENEFITS.—(1)(A) Subject to subparagraph (B), a National Call to Service participant who elects an incentive under paragraph (3) or (4) of subsection (e) is not entitled to additional educational assistance under chapter 1606 of this title or to basic educational assistance under subchapter II of chapter 30 of title 38.

"(B) If a National Call to Service participant meets all eligibility requirements specified in chapter 1606 of this title or chapter 30 of title 38 for entitlement to allowances for educational assistance under either such chapter, the participant may become eligible for allowances for educational assistance benefits under either such chapter up to the maximum allowance provided less the total amount of allowance paid under paragraph (3) or (4) of subsection (e).

"(2)(A) The Secretary of Defense shall, to the maximum extent practicable, administer the receipt by National Call to Service participants of incentives under paragraph (3) or (4) of subsection (e) as if such National Call to Service participants were, in receiving such incentives, receiving educational assistance for members of the Selected Reserve under chapter 1606 of this title.

"(B) The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, prescribe regulations for purposes of subparagraph (A). Such regulations shall, to the maximum extent practicable, take into account the administrative provisions of chapters 30 and 36 of title 38 that are specified in section 16136 of this title. Regulations.

"(3)(A) Except as provided in paragraph (1), nothing in this section shall prohibit a National Call to Service participant who satisfies through service under subsection (c) the eligibility requirements for educational assistance under chapter 1606 of this title or basic educational assistance under chapter 30 of title 38 from an entitlement to such educational assistance under chapter 1606 of this title or basic educational assistance under chapter 30 of title 38, as the case may be.

"(B)(i) A participant who made an election not to receive educational assistance under either such chapter at the applicable time specified under law or who was denied the opportunity to make an election may revoke that election or make an initial election, as the case may be, at such time and in such manner as the Secretary concerned may specify. A revocation or initial election under the preceding sentence is irrevocable.

"(ii) The participant making a revocation or initial election under clause (i) shall be eligible for educational assistance under either such chapter at such time as the participant satisfies through service the applicable eligibility requirements under either such chapter.

"(i) REPAYMENT.—(1) If a National Call to Service participant who has entered into an agreement under subsection (b) and received or benefited from an incentive under subsection (e)(1) or (e)(2) fails to complete the total period of service specified in such agreement, the National Call to Service participant shall refund to the United States the amount that bears the same ratio

to the amount of the incentive as the uncompleted part of such service bears to the total period of such service.

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

"(3) The Secretary concerned may waive, in whole or in part, a reimbursement required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered into less than five years after the termination of an agreement entered into under subsection (b) does not discharge the person signing the agreement from a debt arising under the agreement or under paragraph (1).

"(j) FUNDING.—Amounts for payment of incentives under subsection (e), including payment of allowances for educational assistance under that subsection, shall be derived from amounts available to the Secretary of the military department concerned for payment of pay, allowances, and other expenses of the members of the armed force concerned.

"(k) REGULATIONS.—The Secretary of Defense and the Secretaries of the military departments shall prescribe regulations for purposes of the program under this section.

"(l) DEFINITIONS.—In this section:

"(1) The term 'Americorps' means the Americorps program carried out under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

"(2) The term 'qualifying student loan' means a loan, the proceeds of which were used to pay any part or all of the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll) at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

"(3) The term 'Secretary of a military department' includes, with respect to matters concerning the Coast Guard when it is not operating as a service in the Navy, the Secretary of the Department in which the Coast Guard is operating.".

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 509 the following new item:

"510. Enlistment incentives for pursuit of skills to facilitate national service.".

10 USC 510 note.

(b) COMMENCEMENT OF PROGRAM.—The Secretary of Defense shall prescribe the date on which the program provided for section 510 of title 10, United States Code, as added by subsection (a), shall commence. Such date shall be not later than October 1, 2003.

Deadline.

(c) CONFORMING REPEAL.—Section 3264 of title 10, United States Code, is repealed. The table of sections at the beginning of chapter 333 of such title is amended by striking the item relating to section 3264.

Deadline.

10 USC 510 note.

(d) IMPLEMENTATION REPORT.—Not later than March 31, 2003, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the Secretary's plans for implementation of section 510 of title 10, United States Code, as added by subsection (a).

(e) EFFECTIVENESS REPORTS.—Not later than March 31, 2005, and March 31, 2007, the Secretary of Defense shall submit to the committees specified in subsection (d) reports on the effectiveness of the program under section 510 of title 10, United States Code, as added by subsection (a), in attracting new recruits to national service.

Deadlines.
10 USC 510 note.

SEC. 532. AUTHORITY FOR PHASED INCREASE TO 4,400 IN AUTHORIZED STRENGTHS FOR THE SERVICE ACADEMIES.

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

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: "or such higher number as may be prescribed by the Secretary of the Army under subsection (j)"; and

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

"(j)(1) Beginning with the 2003–2004 academic year, the Secretary of the Army may prescribe annual increases in the cadet strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 cadets or such lesser number as applies under paragraph (3) for that year. Such annual increases may be prescribed until the cadet strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

"(2) Any increase in the cadet strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under section 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The notice shall state the amount of the increase in the cadet strength limit and the new cadet strength limit, as so increased, and the amount of the increase in Senior Army Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

"(3) The amount of an increase under paragraph (1) in the cadet strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of cadets enrolled in the Army Senior Reserve Officers' Training Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

"(4) In this subsection, the term 'cadet strength limit' means the authorized maximum strength of the Corps of Cadets of the Academy.".

(b) NAVAL ACADEMY.—Section 6954 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: "or such higher number as may be prescribed by the Secretary of the Navy under subsection (h)"; and

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

"(h)(1) Beginning with the 2003–2004 academic year, the Secretary of the Navy may prescribe annual increases in the midshipmen strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 midshipmen or such lesser number as applies under paragraph

(3) for that year. Such annual increases may be prescribed until the midshipmen strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

Deadline. "(2) Any increase in the midshipmen strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under section 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The notice shall state the amount of the increase in the midshipmen strength limit and the new midshipmen strength limit, as so increased, and the amount of the increase in Senior Navy Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

Notice.

"(3) The amount of an increase under paragraph (1) in the midshipmen strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of midshipmen enrolled in the Navy Senior Reserve Officers' Training Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

"(4) In this subsection, the term 'midshipmen strength limit' means the authorized maximum strength of the Brigade of Midshipmen.".

(c) AIR FORCE ACADEMY.—Section 9342 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: "or such higher number as may be prescribed by the Secretary of the Air Force under subsection (j)"; and

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

"(j)(1) Beginning with the 2003–2004 academic year, the Secretary of the Air Force may prescribe annual increases in the cadet strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 cadets or such lesser number as applies under paragraph (3) for that year. Such annual increases may be prescribed until the cadet strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

Deadline. "(2) Any increase in the cadet strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under sections 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The notice shall state the amount of the increase in the cadet strength limit and the new cadet strength limit, as so increased, and the amount of the increase in Senior Air Force Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

Notice.

"(3) The amount of an increase under paragraph (1) in the cadet strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of cadets enrolled in the Air Force Senior Reserve Officers' Training

Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

"(4) In this subsection, the term 'cadet strength limit' means the authorized maximum strength of Air Force Cadets of the Academy.".

(d) TARGET FOR INCREASES IN NUMBER OF ROTC SCHOLARSHIP PARTICIPANTS.—Section 2107 of such title is amended by adding at the end the following new subsection:

"(i) The Secretary of each military department shall seek to achieve an increase in the number of agreements entered into under this section so as to achieve an increase, by the 2006–2007 academic year, of not less than 400 in the number of cadets or midshipmen, as the case may be, enrolled under this section, compared to such number enrolled for the 2002–2003 academic year. In the case of the Secretary of the Navy, the Secretary shall seek to ensure that not less than one-third of such increase in agreements under this section are with students enrolled (or seeking to enroll) in programs of study leading to a baccalaureate degree in nuclear engineering or another appropriate technical, scientific, or engineering field of study.".

(e) REPEAL OF LIMIT ON NUMBER OF ROTC SCHOLARSHIPS.—Section 2107 of such title is further amended by striking the first sentence of subsection (h)(1).

(f) REPEAL OF OBSOLETE LANGUAGE.—Section 4342(i) of such title is amended by striking "(beginning with the 2001–2002 academic year)".

SEC. 533. ENHANCEMENT OF RESERVE COMPONENT DELAYED TRAINING PROGRAM.

(a) INCREASE IN TIME FOLLOWING ENLISTMENT FOR COMMENCEMENT OF INITIAL PERIOD OF ACTIVE DUTY FOR TRAINING.—Section 12103(d) of title 10, United States Code, is amended by striking "270 days" in the last sentence and inserting "one year".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to enlistments under section 12103(d) of title 10, United States Code, after the end of the 90-day period beginning on the date of the enactment of this Act. 10 USC 12103 note.

(c) TRANSITION.—In the case of a person who enlisted under section 12103(d) of title 10, United States Code, before the date of the enactment of this Act and who as of such date has not commenced the required initial period of active duty for training under that section, the amendment made by subsection (a) may be applied to that person, but only with the agreement of that person and the Secretary concerned. 10 USC 12103 note.

SEC. 534. REVIEW OF ARMED FORCES PROGRAMS FOR PREPARATION FOR, PARTICIPATION IN, AND CONDUCT OF ATHLETIC COMPETITIONS.

(a) REQUIREMENT FOR REVIEW.—The Secretary of Defense shall conduct a comprehensive review of the programs of the active and reserve components of the Armed Forces for preparation for, participation in, and conduct of athletic competitions.

(b) CONSIDERATION OF FUNDING.—The matters reviewed under subsection (a) shall include the funding sources that are currently available for the programs referred to in such subsection and any relevant limitations on the use of such funding sources.

(c) REPORT.—Not later than March 3, 2003, the Secretary shall submit to the Committees on Armed Services of the Senate and Deadline.

the House of Representatives a report on the Secretary's findings and conclusions resulting from the review. The report shall include the following matters:

(1) The Secretary's views on the adequacy of the existing funding sources for the programs referred to in subsection (a).

(2) Any recommendations that the Secretary may have regarding limitations on the use of such funding sources or any inadequacies in the funding for such programs.

(3) An assessment of the issues related to, and recommendations of the Secretary for, achieving consistent funding and policy treatment with regard to participation by active and reserve component personnel in athletic competitions.

(4) Any recommended legislation that the Secretary considers appropriate regarding such programs.

SEC. 535. REPEAL OF BAR TO ELIGIBILITY OF ARMY COLLEGE FIRST PROGRAM PARTICIPANTS FOR BENEFITS UNDER STUDENT LOAN REPAYMENT PROGRAM.

Subsection (e) of section 573 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 10 U.S.C. 513 note) is repealed.

Subtitle E—Decorations and Awards

SEC. 541. WAIVER OF TIME LIMITATIONS FOR AWARD OF ARMY DISTINGUISHED-SERVICE CROSS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in subsection (b), the award of each such decoration having been determined by the Secretary of the Army to be warranted in accordance with section 1130 of title 10, United States Code.

Applicability.

(b) DISTINGUISHED-SERVICE CROSS OF THE ARMY.—Subsection (a) applies to the award of the Distinguished-Service Cross of the Army as follows:

(1) To Henry Johnson of Albany, New York, for extraordinary heroism in France during the period of May 13 to 15, 1918, while serving as a member of the Army.

(2) To Hilliard Carter of Jackson, Mississippi, for extraordinary heroism in actions near Troung Loung, Republic of Vietnam, on September 28, 1966, while serving as a member of the Army.

(3) To Albert C. Welch of Florrisant, Colorado, for extraordinary heroism in actions in Ong Thanh, Binh Long Province, Republic of Vietnam, on October 17, 1967, while serving as a member of the Army.

SEC. 542. OPTION TO CONVERT AWARD OF ARMED FORCES EXPEDITIONARY MEDAL AWARDED FOR OPERATION FREQUENT WIND TO VIETNAM SERVICE MEDAL.

(a) IN GENERAL.—The Secretary of the military department concerned shall, upon the application of an individual who is an eligible Vietnam evacuation veteran, award that individual the Vietnam Service Medal, notwithstanding any otherwise applicable requirements for the award of that medal. Any such award shall

be made in lieu of the Armed Forces Expeditionary Medal awarded the individual for participation in Operation Frequent Wind.

(b) ELIGIBLE VIETNAM EVACUATION VETERAN.—For purposes of this section, the term "eligible Vietnam evacuation veteran" means a member or former member of the Armed Forces who was awarded the Armed Forces Expeditionary Medal for participation in military operations designated as Operation Frequent Wind arising from the evacuation of Vietnam on April 29 and 30, 1975.

SEC. 543. KOREA DEFENSE SERVICE MEDAL.

10 USC 3755 note.

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

(1) More than 40,000 members of the United States Armed Forces have served in the Republic of Korea or the waters adjacent thereto each year since the signing of the cease-fire agreement in July 1953 ending the Korean War.

(2) An estimated 1,200 members of the United States Armed Forces have died as a direct result of their service in Korea since the cease-fire agreement in July 1953.

(b) ARMY.—(1) Chapter 357 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3755. Korea Defense Service Medal

"(a) The Secretary of the Army shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Army served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Army shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"3755. Korea Defense Service Medal.".

(c) NAVY AND MARINE CORPS.—(1) Chapter 567 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6257. Korea Defense Service Medal

"(a) The Secretary of the Navy shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Navy or Marine Corps served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined

by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Navy shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"6257. Korea Defense Service Medal.".

(d) AIR FORCE.—(1) Chapter 857 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8755. Korea Defense Service Medal

"(a) The Secretary of the Air Force shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Air Force served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Air Force shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"8755. Korea Defense Service Medal.".

10 USC 3755 note.

(e) AWARD FOR SERVICE BEFORE DATE OF ENACTMENT.—The Secretary of the military department concerned shall take appropriate steps to provide in a timely manner for the issuance of the Korea Defense Service Medal, upon application therefor, to persons whose eligibility for that medal is by reason of service in the Republic of Korea or the waters adjacent thereto before the date of the enactment of this Act.

SEC. 544. COMMENDATION OF MILITARY CHAPLAINS.

(a) FINDINGS.—Congress finds the following:

(1) Military chaplains have served with those who fought for the cause of freedom since the founding of the Nation.

(2) Military chaplains and religious support personnel of the Armed Forces have served with distinction as uniformed members of the Armed Forces in support of the Nation's defense missions during every conflict in the history of the United States.

(3) 400 United States military chaplains have died in combat, some as a result of direct fire while ministering to fallen Americans, while others made the ultimate sacrifice as a prisoner of war.

(4) Military chaplains currently serve in humanitarian operations, rotational deployments, and in the war on terrorism.

(5) Religious organizations make up the very fabric of religious diversity and represent unparalleled levels of freedom of conscience, speech, and worship that set the United States apart from any other nation on Earth.

(6) Religious organizations have richly blessed the uniformed services by sending clergy to comfort and encourage all persons of faith in the Armed Forces.

(7) During the sinking of the USS Dorchester in February 1943 during World War II, four chaplains (Reverend Fox, Reverend Poling, Father Washington, and Rabbi Goode) gave their lives so that others might live.

(8) All military chaplains aid and assist members of the Armed Forces and their family members with the challenging issues of today's world.

(9) The current war against terrorism has brought to the shores of the United States new threats and concerns that strike at the beliefs and emotions of Americans.

(10) Military chaplains must, as never before, deal with the spiritual well-being of the members of the Armed Forces and their families.

(b) COMMENDATION.—Congress, on behalf of the Nation, expresses its appreciation for the outstanding contribution that all military chaplains make to the members of the Armed Forces and their families.

(c) PRESIDENTIAL PROCLAMATION.—The President is authorized and requested to issue a proclamation calling on the people of the United States to recognize the distinguished service of the Nation's military chaplains.

Subtitle F—Administrative Matters

SEC. 551. STAFFING AND FUNDING FOR DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE.

(a) REQUIREMENT FOR STAFFING AND FUNDING AT LEVELS REQUIRED FOR PERFORMANCE OF FULL RANGE OF MISSIONS.—Subsection (a) of section 1501 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5)(A) The Secretary of Defense shall ensure that the office is provided sufficient military and civilian personnel, and sufficient funding, to enable the office to fully perform the complete range of missions of the office. The Secretary shall ensure that Department of Defense programming, planning, and budgeting procedures are structured so as to ensure compliance with the preceding sentence for each fiscal year.

"(B) For any fiscal year, the number of military and civilian personnel assigned or detailed to the office may not be less than the number requested in the President's budget for fiscal year 2003, unless a level below such number is expressly required by law.

"(C) For any fiscal year, the level of funding allocated to the office within the Department of Defense may not be below the level requested for such purposes in the President's budget for fiscal year 2003, unless such a level of funding is expressly required by law.".

(b) NAME OF OFFICE.—Such subsection is further amended by inserting after the first sentence of paragraph (1) the following new sentence: "Such office shall be known as the Defense Prisoner of War/Missing Personnel Office.".

SEC. 552. THREE-YEAR FREEZE ON REDUCTIONS OF PERSONNEL OF AGENCIES RESPONSIBLE FOR REVIEW AND CORRECTION OF MILITARY RECORDS.

(a) IN GENERAL.—Chapter 79 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1559. Personnel limitation

"(a) LIMITATION.—During fiscal years 2003, 2004, and 2005, the Secretary of a military department may not carry out any reduction in the number of military and civilian personnel assigned to duty with the service review agency for that military department below the baseline number for that agency until—

"(1) the Secretary submits to Congress a report that—

"(A) describes the reduction proposed to be made;

"(B) provides the Secretary's rationale for that reduction; and

"(C) specifies the number of such personnel that would be assigned to duty with that agency after the reduction; and

"(2) a period of 90 days has elapsed after the date on which the report is submitted.

"(b) BASELINE NUMBER.—The baseline number for a service review agency under this section is—

"(1) for purposes of the first report with respect to a service review agency under this section, the number of military and civilian personnel assigned to duty with that agency as of January 1, 2002; and

"(2) for purposes of any subsequent report with respect to a service review agency under this section, the number of such personnel specified in the most recent report with respect to that agency under this section.

"(c) SERVICE REVIEW AGENCY DEFINED.—In this section, the term 'service review agency' means—

"(1) with respect to the Department of the Army, the Army Review Boards Agency;

"(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

"(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.".

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

"1559. Personnel limitation.".

SEC. 553. AUTHORITY FOR ACCEPTANCE OF VOLUNTARY SERVICES OF INDIVIDUALS AS PROCTORS FOR ADMINISTRATION OF ARMED SERVICES VOCATIONAL APTITUDE BATTERY TEST.

Section 1588(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) Voluntary services as a proctor for administration to secondary school students of the test known as the 'Armed Services Vocational Aptitude Battery'.".

SEC. 554. EXTENSION OF TEMPORARY EARLY RETIREMENT AUTHORITY.

Effective January 1, 2002, section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1293 note) is amended by striking "December 31, 2001" and inserting "September 1, 2002". Effective date. 10 USC 1293 note.

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

SEC. 561. SURVEYS OF RACIAL AND ETHNIC ISSUES AND OF GENDER ISSUES IN THE ARMED FORCES.

(a) DIVISION OF ANNUAL SURVEY INTO FOUR QUADRENNIAL SURVEYS.—(1) Section 481 of title 10, United States Code, is amended to read as follows:

"§ 481. Racial and ethnic issues; gender issues: surveys

"(a) IN GENERAL.—(1) The Secretary of Defense shall carry out four quadrennial surveys (each in a separate year) in accordance with this section to identify and assess racial and ethnic issues and discrimination, and to identify and assess gender issues and discrimination, among members of the armed forces. Each such survey shall be conducted so as to identify and assess the extent (if any) of activity among such members that may be seen as so-called 'hate group' activity.

"(2) The four surveys shall be as follows:

"(A) To identify and assess racial and ethnic issues and discrimination among members of the armed forces serving on active duty.

"(B) To identify and assess racial and ethnic issues and discrimination among members of the armed forces in the reserve components.

"(C) To identify and assess gender issues and discrimination among members of the armed forces serving on active duty.

"(D) To identify and assess gender issues and discrimination members of the armed forces in the reserve components.

"(3) The surveys under this section relating to racial and ethnic issues and discrimination shall be known as the 'Armed Forces Workplace and Equal Opportunity Surveys'. The surveys under this section relating to gender issues and discrimination shall be known as the 'Armed Forces Workplace and Gender Relations Surveys'.

"(4) Each survey under this section shall be conducted separately from any other survey conducted by the Department of Defense.

"(b) ARMED FORCES WORKPLACE AND EQUAL OPPORTUNITY SURVEYS.—The Armed Forces Workplace and Equal Opportunity Surveys shall be conducted so as to solicit information on racial and ethnic issues, including issues relating to harassment and discrimination, and the climate in the armed forces for forming professional relationships among members of the armed forces of various racial

and ethnic groups. Both such surveys shall be conducted so as to solicit information on the following:

"(1) Indicators of positive and negative trends for professional and personal relationships among members of all racial and ethnic groups.

"(2) The effectiveness of Department of Defense policies designed to improve relationships among all racial and ethnic groups.

"(3) The effectiveness of current processes for complaints on and investigations into racial and ethnic discrimination.

"(c) ARMED FORCES WORKPLACE AND GENDER RELATIONS SURVEYS.—The Armed Forces Workplace and Gender Relations Surveys shall be conducted so as to solicit information on gender issues, including issues relating to gender-based harassment and discrimination, and the climate in the armed forces for forming professional relationships between male and female members of the armed forces. Both such surveys shall be conducted so as to solicit information on the following:

"(1) Indicators of positive and negative trends for professional and personal relationships between male and female members of the armed forces.

"(2) The effectiveness of Department of Defense policies designed to improve professional relationships between male and female members of the armed forces.

"(3) The effectiveness of current processes for complaints on and investigations into gender-based discrimination.

"(d) SURVEYS TO BE CONDUCTED IN DIFFERENT YEARS.—Each of the four quadrennial surveys conducted under this section shall be conducted in a different year from any other survey conducted under this section, so that one such survey is conducted during each year.

"(e) REPORTS TO CONGRESS.—Upon the completion of a survey under this section, the Secretary shall submit to Congress a report containing the results of the survey.

"(f) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard.".

(2) The item relating to such section in the table of sections at the beginning of chapter 23 of such title is amended to read as follows:

"481. Racial and ethnic issues; gender issues: surveys.".

10 USC 481 note. (b) EFFECTIVE DATE.—The first survey under section 481 of title 10, United States Code, as amended by subsection (a)(1), shall be carried out during 2003.

10 USC 481 note. **SEC. 562. ANNUAL REPORT ON STATUS OF FEMALE MEMBERS OF THE ARMED FORCES.**

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress, for each of fiscal years 2002 through 2006, a report on the status of female members of the Armed Forces. Information in the annual report shall be shown for the Department of Defense as a whole and separately for each of the Army, Navy, Air Force, and Marine Corps.

(b) MATTERS TO BE INCLUDED.—The report for a fiscal year under subsection (a) shall include the following information:

(1) The positions, weapon systems, and fields of skills for which, by policy, female members are not eligible for assignment, as follows:

(A) In the report for fiscal year 2002—

(i) an identification of each position, weapon system, and field of skills for which, by policy, female members are not eligible; and

(ii) the rationale for the applicability of the policy to each such position, weapon system, and field.

(B) In the report for each fiscal year after fiscal year 2002, the positions, weapon systems, and fields for which policy on the eligibility of female members for assignment has changed during that fiscal year, including a discussion of how the policy has changed and the rationale for the change.

(2) Information on joint spouse assignments, as follows:

(A) The number of cases in which members of the Armed Forces married to each other are in assignments to which they were jointly assigned during that fiscal year, as defined in the applicable Department of Defense and military department personnel assignment policies.

(B) The number of cases in which members of the Armed Forces married to each other are in assignments to which they were assigned during that fiscal year, but were not jointly assigned (as so defined).

(3) Promotion selection rates for female members, for male members, and for all personnel in the reports submitted by promotion selection boards in that fiscal year for promotion to grades E–7, E–8, and E–9, and, in the case of commissioned officers, promotion to grades O–4, O–5, and O–6.

(4) Retention rates for female members in each grade and for male members in each grade during that fiscal year.

(5) Selection rates for female members and for male members for assignment to grade O–6 and grade O–5 command positions in reports of command selection boards that were submitted during that fiscal year.

(6) Selection rates for female members and for male members for attendance at intermediate service schools (ISS) and, separately, for attendance at senior service schools (SSS) in reports of selection boards that were submitted during that fiscal year.

(7) The extent of assignments of female members during that fiscal year in each field in which at least 80 percent of the Armed Forces personnel assigned in the field are men.

(8) The incidence of sexual harassment complaints made during that fiscal year, stated as the number of cases in which complaints of sexual harassment were filed under procedures of military departments that are applicable to the submission of sexual harassment complaints, together with the number and percent of the complaints that were substantiated.

(9) Satisfaction (based on surveys) of female active-duty members, female dependents of active-duty members, and female dependents of nonactive duty members entitled to health care provided by the Department of Defense with access to, and quality of, women's health care benefits provided by the Department of Defense.

Deadline.

(c) TIME FOR REPORT.—The report for a fiscal year under this section shall be submitted not later than 120 days after the end of that fiscal year.

SEC. 563. WEAR OF ABAYAS BY FEMALE MEMBERS OF THE ARMED FORCES IN SAUDI ARABIA.

(a) PROHIBITION RELATING TO WEAR OF ABAYAS.—No member of the Armed Forces having authority over a member of the Armed Forces and no officer or employee of the United States having authority over a member of the Armed Forces may require or encourage that member to wear the abaya garment or any part of the abaya garment while the member is in the Kingdom of Saudi Arabia pursuant to a permanent change of station or orders for temporary duty.

(b) INSTRUCTION.—(1) The Secretary of Defense shall provide each female member of the Armed Forces ordered to a permanent change of station or temporary duty in the Kingdom of Saudi Arabia with instruction regarding the prohibition in subsection (a). Such instruction shall be provided immediately upon or not more than 48 hours prior to the arrival of the member at a United States military installation within the Kingdom of Saudi Arabia. The instruction shall be presented orally and in writing. The written instruction shall include the full text of this section.

(2) In carrying out paragraph (1), the Secretary shall act through the Commander in Chief, United States Central Command and Joint Task Force Southwest Asia, and the commanders of the Army, Navy, Air Force, and Marine Corps components of the United States Central Command and Joint Task Force Southwest Asia.

(c) PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF ABAYAS.—Funds appropriated or otherwise made available to the Department of Defense may not be used to procure abayas for regular or routine issuance to members of the Armed Forces serving in the Kingdom of Saudi Arabia or for any personnel of contractors accompanying the Armed Forces in the Kingdom of Saudi Arabia in the performance of contracts entered into by the United States with such contractors.

Subtitle H—Benefits

SEC. 571. DEPARTMENT OF DEFENSE SUPPORT FOR PERSONS PARTICIPATING IN MILITARY FUNERAL HONORS DETAILS.

Section 1491(d) of title 10, United States Code, is amended—

(1) by striking "To provide a" after "SUPPORT.—" and inserting "(1) To support a";

(2) by redesignating paragraph (1) as subparagraph (A) and amending such subparagraph, as so redesignated, to read as follows:

"(A) For a person who participates in a funeral honors detail (other than a person who is a member of the armed forces not in a retired status or an employee of the United States), either transportation (or reimbursement for transportation) and expenses or the daily stipend prescribed under paragraph (2).";

(3) by redesignating paragraph (2) as subparagraph (B) and in that subparagraph—

(A) by striking "Materiel, equipment, and training for" and inserting "For"; and

(B) by inserting before the period at the end "and for members of the armed forces in a retired status, materiel, equipment, and training";

(4) by redesignating paragraph (3) as subparagraph (C) and in that subparagraph—

(A) by striking "Articles of clothing for" and inserting "For"; and

(B) by inserting ", articles of clothing" after "subsection (b)(2)"; and

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

"(2) The Secretary of Defense shall prescribe annually a flat rate daily stipend for purposes of paragraph (1)(A). Such stipend shall be set at a rate so as to encompass typical costs for transportation and other miscellaneous expenses for persons participating in funeral honors details who are members of the armed forces in a retired status and other persons who are not members of the armed forces or employees of the United States.

"(3) A stipend paid under this subsection to a member of the armed forces in a retired status is in addition to any compensation to which the member is entitled under section 435(a)(2) of title 37 and any other compensation to which the member may be entitled.".

SEC. 572. EMERGENCY LEAVE OF ABSENCE PROGRAM.

(a) IN GENERAL.—Chapter 40 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 709. Emergency leave of absence

"(a) EMERGENCY LEAVE OF ABSENCE.—The Secretary concerned may grant a member of the armed forces emergency leave of absence for a qualifying emergency.

"(b) LIMITATIONS.—An emergency leave of absence under this section—

"(1) may be granted only once for any member;

"(2) may be granted only to prevent the member from entering unearned leave status or excess leave status; and

"(3) may not extend for a period of more than 14 days.

"(c) QUALIFYING EMERGENCY.—In this section, the term 'qualifying emergency', with respect to a member of the armed forces, means a circumstance that—

"(1) is due to—

"(A) a medical condition of a member of the immediate family of the member; or

"(B) any other hardship that the Secretary concerned determines appropriate for purposes of this section; and

"(2) is verified to the Secretary's satisfaction based upon information or opinion from a source in addition to the member that the Secretary considers to be objective and reliable.

"(d) MILITARY DEPARTMENT REGULATIONS.—Regulations prescribed under this section by the Secretaries of the military department shall be as uniform as practicable and shall be subject to approval by the Secretary of Defense.

"(e) DEFINITIONS.—In this section:

"(1) The term 'unearned leave status' means leave approved to be used by a member of the armed forces that exceeds

the amount of leave credit that has been accrued as a result of the member's active service and that has not been previously used by the member.

"(2) The term 'excess leave status' means leave approved to be used by a member of the armed forces that is unearned leave for which a member is unable to accrue leave credit during the member's current term of service before the member's separation.".

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

"709. Emergency leave of absence.".

SEC. 573. ENHANCED FLEXIBILITY IN MEDICAL LOAN REPAYMENT PROGRAM.

(a) ELIGIBLE PERSONS.—Subsection (d) of section 2173 of title 10, United States Code, is amended by striking "Participants" and all that follows through "and students" and inserting "Students".

(b) LOAN REPAYMENT AMOUNTS.—Subsection (e)(2) of such section is amended by striking the last sentence.

SEC. 574. DESTINATIONS AUTHORIZED FOR GOVERNMENT PAID TRANSPORTATION OF ENLISTED PERSONNEL FOR REST AND RECUPERATION ABSENCE UPON EXTENDING DUTY AT DESIGNATED LOCATIONS OVERSEAS.

(a) EXPANSION OF BENEFITS.—Subsection (b)(2) of section 705 of title 10, United States Code, is amended by inserting before the period at the end the following: ", or to an alternative destination and return at a cost not to exceed the cost of round-trip transportation from the location of the extended tour of duty to such nearest port".

(b) CHANGE IN TERMINOLOGY.—(1) Subsection (b) of such section is further amended by striking "recuperative" in paragraphs (1) and (2) and inserting "recuperation".

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

"§ 705. Rest and recuperation absence: qualified enlisted members extending duty at designated locations overseas".

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

"705. Rest and recuperation absence: qualified enlisted members extending duty at designated locations overseas.".

SEC. 575. VEHICLE STORAGE IN LIEU OF TRANSPORTATION WHEN MEMBER IS ORDERED TO A NONFOREIGN DUTY STATION OUTSIDE CONTINENTAL UNITED STATES.

(a) STORAGE COSTS AUTHORIZED.—Subsection (b) of section 2634 of title 10, United States Code, is amended by striking paragraphs (1) and (2) and inserting the following:

"(b)(1) When a member receives a vehicle storage qualifying order, the member may elect to have a motor vehicle described in subsection (a) stored at the expense of the United States at a location approved by the Secretary concerned. In the case of a vehicle storage qualifying order that is to make a change of

permanent station, such storage is in lieu of transportation authorized by subsection (a).

"(2) In this subsection, the term 'vehicle storage qualifying order' means any of the following:

"(A) An order to make a change of permanent station to a foreign country in a case in which the laws, regulations, or other restrictions imposed by the foreign country or by the United States either—

"(i) preclude entry of a motor vehicle described in subsection (a) into that country; or

"(ii) would require extensive modification of the vehicle as a condition to entry.

"(B) An order to make a change of permanent station to a nonforeign area outside the continental United States in a case in which the laws, regulations, or other restrictions imposed by that area or by the United States either—

"(i) preclude entry of a motor vehicle described in subsection (a) into that area; or

"(ii) would require extensive modification of the vehicle as a condition to entry.

"(C) An order under which a member is transferred or assigned in connection with a contingency operation to duty at a location other than the permanent station of the member for a period of more than 30 consecutive days but which is not considered a change of permanent station.".

(b) NONFOREIGN AREA OUTSIDE THE CONTINENTAL UNITED STATES DEFINED.—Subsection (h) of such section is amended by adding at the end the following new paragraph:

"(3) The term 'nonforeign area outside the continental United States' means any of the following: the States of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, and any possession of the United States.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to orders to make a change of permanent station to a nonforeign area outside the continental United States (as such term is defined in subsection (h)(3) of section 2634 of title 10, United States Code, as added by subsection (b)) that are issued on or after the date of the enactment of this Act. 10 USC 2634 note.

Subtitle I—Reports

SEC. 581. QUADRENNIAL QUALITY OF LIFE REVIEW.

(a) REQUIREMENT FOR REVIEW.—(1) Chapter 2 of title 10, United States Code, is amended by inserting after section 118 the following new section:

"§ 118a. Quadrennial quality of life review

"(a) REVIEW REQUIRED.—(1) The Secretary of Defense shall every four years conduct a comprehensive examination of the quality of life of the members of the armed forces (to be known as the 'quadrennial quality of life review'). The review shall include examination of the programs, projects, and activities of the Department of Defense, including the morale, welfare, and recreation activities.

"(2) The quadrennial quality of life review shall be designed to result in determinations, and to foster policies and actions, that

reflect the priority given the quality of life of members of the armed forces as a primary concern of the Department of Defense leadership.

"(b) CONDUCT OF REVIEW.—Each quadrennial quality of life review shall be conducted so as—

"(1) to assess quality of life priorities and issues consistent with the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(2) to identify actions that are needed in order to provide members of the armed forces with the quality of life reasonably necessary to encourage the successful execution of the full range of missions that the members are called on to perform under the national security strategy; and

"(3) to identify other actions that have the potential for improving the quality of life of the members of the armed forces.

"(c) CONSIDERATIONS.—The Secretary shall consider addressing the following matters as part of the quadrennial quality of life review:

"(1) Infrastructure.

"(2) Military construction.

"(3) Physical conditions at military installations and other Department of Defense facilities.

"(4) Budget plans.

"(5) Adequacy of medical care for members of the armed forces and their dependents.

"(6) Adequacy of housing and the basic allowance for housing and basic allowance for subsistence.

"(7) Housing-related utility costs.

"(8) Educational opportunities and costs.

"(9) Length of deployments.

"(10) Rates of pay and pay differentials between the pay of members and the pay of civilians.

"(11) Retention and recruiting efforts.

"(12) Workplace safety.

"(13) Support services for spouses and children.

"(14) Other elements of Department of Defense programs and Government policies and programs that affect the quality of life of members.

Reports.

"(d) SUBMISSION TO CONGRESSIONAL COMMITTEES.—(1) The Secretary shall submit a report on each quadrennial quality of life review to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives. The report shall include the following:

"(A) The assumptions used in the review.

"(B) The results of the review, including a comprehensive discussion of how the quality of life of members of the armed forces affects the national security strategy of the United States.

Deadline.

"(2) The report shall be submitted in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105(a) of title 31.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 118 the following new item:

"118a. Quadrennial quality of life review.".

(b) FIRST QUADRENNIAL QUALITY OF LIFE REVIEW.—The first quadrennial quality of life review under section 118a of title 10, United States Code, as added by subsection (a), shall be conducted during 2003, and the report on that review required to be submitted to Congress under subsection (d) of such section shall be submitted not later than the date on which the President submits the budget for fiscal year 2005 to Congress. Deadline. 10 USC 118a note.

SEC. 582. REPORT ON DESIRABILITY AND FEASIBILITY OF CONSOLIDATING SEPARATE COURSES OF BASIC INSTRUCTION FOR JUDGE ADVOCATES.

Not later than February 1, 2003, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the desirability and feasibility of consolidating the separate Army, Navy, and Air Force courses of basic instruction for judge advocates into a single course to be conducted at a single location. The report shall include— Deadline.

(1) an assessment of the advantages and disadvantages of such a consolidation;

(2) a recommendation as to whether such a consolidation is desirable and feasible; and

(3) any proposal for legislative action that the Secretary considers appropriate for carrying out such a consolidation.

SEC. 583. REPORTS ON EFFORTS TO RESOLVE STATUS OF CAPTAIN MICHAEL SCOTT SPEICHER, UNITED STATES NAVY.

(a) REPORTS.—Not later than 90 days after the date of the enactment of this Act, and every 120 days thereafter, the Secretary of Defense shall submit to Congress a report on the efforts of the United States Government to determine the status of Captain Michael Scott Speicher, United States Navy, whose aircraft was shot down over Iraq on the night of January 17, 1991. Each such report shall be prepared in consultation with the Secretary of State and the Director of Central Intelligence. Deadline.

(b) PERIOD COVERED BY REPORTS.—The first report under subsection (a) shall cover efforts described in that subsection from the time that Michael Scott Speicher's aircraft was shot down over Iraq until the date of the report, and each subsequent report shall cover efforts described in that subsection since the last such report.

(c) REPORT ELEMENTS.—Each report under subsection (a) shall describe, for the period covered by such report, the following:

(1) All direct and indirect contacts by the United States Government with the Government of Iraq regarding the status of Michael Scott Speicher.

(2) Any request made by the United States Government to the government of another country, including the intelligence service of such country, for assistance in resolving the status of Michael Scott Speicher, including the response to such request.

(3) Each current lead on the status of Michael Scott Speicher, including an assessment of the utility of such lead in resolving the status of Michael Scott Speicher.

(4) Any cooperation with nongovernmental organizations or international organizations in resolving the status of Michael Scott Speicher, including the results of such cooperation.

(d) FORM OF REPORTS.—Each report under subsection (a) shall be submitted in classified or unclassified form. To the extent submitted in classified form, such report shall include an unclassified summary.

(e) DURATION.—The requirement to submit reports under this section shall cease to be effective upon a final determination regarding the status of Michael Scott Speicher by the Secretary of Defense.

SEC. 584. REPORT ON VOLUNTEER SERVICES OF MEMBERS OF THE RESERVE COMPONENTS IN EMERGENCY RESPONSE TO THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

Deadline.

(a) REQUIREMENT FOR REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on volunteer services described in subsection (b) that were provided by members of the reserve components of the Armed Forces, while not in a duty status pursuant to orders, during the period of September 11 through September 14, 2001. The report shall include a discussion of any recognition that the Secretary considers appropriate for those members regarding the provision of such services.

(b) COVERED VOLUNTEER SERVICES.—The volunteer services referred to in subsection (a) are volunteer services of a military-unique nature that were provided—

(1) in the vicinity of the site of the World Trade Center, New York, New York, in support of emergency response to the terrorist attack on the World Trade Center on September 11, 2001;

(2) in the vicinity of the Pentagon, Arlington, Virginia, in support of emergency response to the terrorist attack on the Pentagon on September 11, 2001; or

(3) in the vicinity of Shanksville, Pennsylvania, in support of emergency response to the terrorist-caused crash of United Airlines Flight 93 in Shanksville, Pennsylvania, on September 11, 2001.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2003.
Sec. 602. Basic allowance for housing in cases of low-cost or no-cost moves.
Sec. 603. Rate of basic allowance for subsistence for enlisted personnel occupying single Government quarters without adequate availability of meals.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.

Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Increase in maximum rates for certain special pays, bonuses, and financial assistance for health care professionals.
Sec. 616. Assignment incentive pay.
Sec. 617. Increase in maximum rates for prior service enlistment bonus.
Sec. 618. Retention incentives for health care professionals qualified in a critical military skill.

Subtitle C—Travel and Transportation Allowances

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

Subtitle D—Retired Pay and Survivor Benefits

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

Subtitle E—Montgomery GI Bill

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

Subtitle F—Other Matters

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

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003. 37 USC 1009 note.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2003 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2003, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows: Effective date.

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	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
O–7	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
O–6	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60

COMMISSIONED OFFICERS [1]—Continued

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–5	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
O–4	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
O–3 [3]	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
O–2 [3]	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
O–1 [3]	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
O–7	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
O–6	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
O–5	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
O–4	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
O–3 [3]	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10
O–2 [3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O–1 [3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10 [2]	$0.00	$12,077.70	$12,137.10	$12,389.40	$12,829.20
O–9	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O–8	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O–7	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O–6	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O–5	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O–4	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O–3 [3]	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O–2 [3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O–1 [3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard is $14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

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

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,883.50	$4,069.50
O–2E	0.00	0.00	0.00	3,410.70	3,481.20
O–1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,273.50	$4,405.80	$4,623.30	$4,806.30	$4,911.00
O–2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER—Continued

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,054.40	$5,054.40	$5,054.40	$5,054.40	$5,054.40
O–2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O–1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS [1]

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W–3 ...	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W–2 ...	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W–1 ...	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W–3 ...	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W–2 ...	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W–1 ...	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ...	$0.00	$5,169.30	$5,346.60	$5,524.50	$5,703.30
W–4 ...	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W–3 ...	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W–2 ...	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W–1 ...	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

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

ENLISTED MEMBERS [1]

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2] ..	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E–6	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E–5	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E–4	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E–3	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	[3] 1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

ENLISTED MEMBERS [1]—Continued

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2] ..	$0.00	$3,564.30	$3,645.00	$3,747.00	$3,867.00
E–8	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E–7	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E–6	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E–5	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2] ..	$3,987.30	$4,180.80	$4,344.30	$4,506.30	$4,757.40
E–8	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E–7	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E–6	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E–5	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

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

[2] Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay is $5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,064.70.

SEC. 602. BASIC ALLOWANCE FOR HOUSING IN CASES OF LOW-COST OR NO-COST MOVES.

Section 403 of title 37, United States Code, is amended—

(1) by transferring paragraph (7) of subsection (b) to the end of the section; and

(2) in such paragraph—

(A) by striking "(7)" and all that follows through "circumstances of which make it necessary that the member be" and inserting "(o) TREATMENT OF LOW-COST AND NO-COST MOVES AS NOT BEING REASSIGNMENTS.—In the case of a member who is assigned to duty at a location or under circumstances that make it necessary for the member to be"; and

(B) by inserting "for the purposes of this section" after "may be treated".

SEC. 603. RATE OF BASIC ALLOWANCE FOR SUBSISTENCE FOR ENLISTED PERSONNEL OCCUPYING SINGLE GOVERNMENT QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.

Section 402(d) of title 37, United States Code, is amended to read as follows:

"(d) SPECIAL RATE FOR ENLISTED MEMBERS OCCUPYING SINGLE QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.—The Secretary of Defense, and the Secretary of the department in which the Coast Guard is operating, may pay an enlisted member the basic allowance for subsistence under this section at a monthly rate that is twice the amount in effect under subsection (b)(2) while—

"(1) the member is assigned to single Government quarters which have no adequate food storage or preparation facility in the quarters; and

"(2) there is no Government messing facility serving those quarters that is capable of making meals available to the occupants of the quarters.".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking "January 1, 2003" and inserting "January 1, 2004".

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section

302g(f) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 615. INCREASE IN MAXIMUM RATES FOR CERTAIN SPECIAL PAYS, BONUSES, AND FINANCIAL ASSISTANCE FOR HEALTH CARE PROFESSIONALS.

(a) RETENTION BONUS FOR MEDICAL OFFICERS.—Section 301d(a)(2) of title 37, United States Code, is amended by striking "$14,000" and inserting "$50,000".

(b) RETENTION BONUS FOR DENTAL OFFICERS.—Section 301e(a)(2) of such title is amended by striking "$14,000" and inserting "$50,000".

(c) INCENTIVE SPECIAL PAY FOR MEDICAL OFFICERS.—Section 302(b)(1) of such title is amended by striking the second sentence and inserting the following new sentence: "The amount of incentive special pay paid to an officer under this subsection may not exceed $50,000 for any 12-month period.".

(d) RETENTION SPECIAL PAY OPTOMETRISTS.—Section 302a(b)(1) of such title is amended by striking "$6,000" and inserting "$15,000".

(e) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(2) of such title is amended by striking "$5,000" and inserting "$30,000".

(f) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking "$15,000" and inserting "$50,000".

(g) RETENTION SPECIAL PAY FOR PHARMACY OFFICERS.—Section 302i of such title is amended—

(1) in subsections (a) and (b), by striking "special pay at the rates specified in subsection (d)" both places it appears and inserting "retention special pay under this section";

(2) in subsection (c), by striking "LIMITATION.—" and inserting "LIMITATION ON ELIGIBILITY FOR SPECIAL PAY.—"; and

(3) by striking subsection (d) and inserting the following new subsection:

"(d) LIMITATION ON AMOUNT OF SPECIAL PAY.—The amount of retention special pay paid to an officer under this section may not exceed $15,000 for any 12-month period.".

(h) FINANCIAL ASSISTANCE FOR NURSE OFFICER CANDIDATES.—Section 2130a(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "$5,000" in the first sentence and inserting "$10,000" and by striking "$2,500" in the second sentence and inserting "$5,000"; and

(2) in paragraph (2), by striking "$500" and inserting "$1,000".

(i) APPLICATION OF INCREASE.—In the case of an amendment made by this section to increase the maximum amount of a special pay or bonus that may be paid during any 12-month period, the amended limitation shall apply to 12-month periods beginning after September 30, 2002. 37 USC 301d note.

SEC. 616. ASSIGNMENT INCENTIVE PAY.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 307 the following new section:

"§ 307a. Special pay: assignment incentive pay

"(a) AUTHORITY.—The Secretary concerned may pay monthly incentive pay under this section to a member of a uniformed service who performs service, while entitled to basic pay, in an assignment designated by the Secretary concerned.

"(b) WRITTEN AGREEMENT.—The period for which incentive pay will be provided under this section and the monthly rate of the incentive pay for a member shall be specified in a written agreement between the Secretary concerned and the member. Agreements entered into by the Secretary of a military department shall require the concurrence of the Secretary of Defense.

"(c) MAXIMUM RATE.—The maximum monthly rate of incentive pay payable to a member under this section is $1,500.

"(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Incentive pay paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

"(e) STATUS NOT AFFECTED BY TEMPORARY DUTY OR LEAVE.—The service of a member in an assignment referred to in subsection (a) shall not be considered discontinued during any period that the member is not performing service in the assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

"(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2005.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 307 the following new item:

"307a. Special pay: assignment incentive pay.".

Deadlines. 37 USC 307a note.

(b) ANNUAL REPORT.—Not later than February 28, 2004, and February 28, 2005, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the use of the authority provided under section 307a of title 37, United States Code, as added by subsection (a), including an assessment of the utility of that authority.

SEC. 617. INCREASE IN MAXIMUM RATES FOR PRIOR SERVICE ENLISTMENT BONUS.

Section 308i(b)(1) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking "$5,000" and inserting "$8,000";

(2) in subparagraph (B), by striking "$2,500" and inserting "$4,000"; and

(3) in subparagraph (C), by striking "$2,000" and inserting "$3,500".

SEC. 618. RETENTION INCENTIVES FOR HEALTH CARE PROFESSIONALS QUALIFIED IN A CRITICAL MILITARY SKILL.

(a) EXCEPTION TO LIMITATION ON MAXIMUM BONUS AMOUNT.—Subsection (d) of section 323 of title 37, United States Code, is amended—

(1) by inserting "(1)" before "A member"; and

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

"(2) The limitation in paragraph (1) on the total bonus payments that a member may receive under this section does not apply with respect to an officer who is assigned duties as a health care professional.".

(b) EXCEPTION TO YEARS OF SERVICE LIMITATION.—Subsection (e) of such section is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "A retention"; and

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

"(2) The limitations in paragraph (1) do not apply with respect to an officer who is assigned duties as a health care professional during the period of active duty for which the bonus is being offered.".

Subtitle C—Travel and Transportation Allowances

SEC. 621. EXTENSION OF LEAVE TRAVEL DEFERRAL PERIOD FOR MEMBERS PERFORMING CONSECUTIVE OVERSEAS TOURS OF DUTY.

(a) AUTHORIZED DEFERRAL PERIOD.—Section 411b of title 37, United States Code is amended by inserting after subsection (a) the following new subsection:

"(b) AUTHORITY TO DEFER TRAVEL; LIMITATIONS.—(1) Under the regulations referred to in subsection (a), a member may defer

the travel for which the member is paid travel and transportation allowances under this section until any time before the completion of the consecutive tour at the same duty station or the completion of the tour of duty at the new duty station under the order involved, as the case may be.

"(2) If a member is unable to undertake the travel before expiration of the deferral period under paragraph (1) because of duty in connection with a contingency operation, the member may defer the travel until not more than one year after the date on which the member's duty in connection with the contingency operation ends.".

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

(1) in subsection (a)—

(A) by striking "(a)(1)" and inserting "(a) ALLOWANCES AUTHORIZED.—"; and

(B) by striking paragraph (2); and

(2) by striking "(b) The allowances" and inserting "(c) LIMITATION ON ALLOWANCE RATE.—The allowances".

(c) APPLICATION OF AMENDMENT.—Subsection (b) of section 411b of title 37, United States Code, as added by subsection (a), shall apply with respect to members of the uniformed services in a deferred leave travel status under such section as of the date of the enactment of this Act or becomes entitled to travel and transportation allowances under such section on or after that date. 37 USC 411b note.

SEC. 622. TRANSPORTATION OF MOTOR VEHICLES FOR MEMBERS REPORTED MISSING.

(a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—Subsection (a) of section 554 of title 37, United States Code, is amended by striking "one privately owned motor vehicle" both places it appears and inserting "two privately owned motor vehicles".

(b) PAYMENTS FOR LATE DELIVERY.—Subsection (i) of such section is amended by adding at the end the following new sentence: "In a case in which two motor vehicles of a member (or the dependent or dependents of a member) are transported at the expense of the United States, no reimbursement is payable under this subsection unless both motor vehicles do not arrive at the authorized destination of the vehicles by the designated delivery date.".

(c) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to members whose eligibility for benefits under section 554 of title 37, United States Code, commences on or after the date of the enactment of this Act. 37 USC 554 note.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 631. PERMANENT REDUCTION FROM EIGHT TO SIX IN NUMBER OF YEARS OF RESERVE SERVICE REQUIRED FOR ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE.

(a) REDUCTION IN REQUIREMENT FOR YEARS OF RESERVE COMPONENT SERVICE BEFORE RETIRED PAY ELIGIBILITY.—Subsection (a)(3) of section 12731 of title 10, United States Code, is amended—

(1) by striking "eight years" and inserting "six years"; and

(2) by inserting before the semicolon ", except that in the case of a person who completed the service requirements of paragraph (2) before October 5, 1994, the number of years of such qualifying service under this paragraph shall be eight".

(b) CONFORMING AMENDMENT.—Subsection (f) of such section is repealed.

10 USC 12731 note.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002. No benefit shall accrue to any person for any period before that date by reason of the enactment of those amendments.

SEC. 632. INCREASED RETIRED PAY FOR ENLISTED RESERVES CREDITED WITH EXTRAORDINARY HEROISM.

(a) AUTHORITY.—Section 12739 of title 10, United States Code, is amended—

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

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

"(b) If a person entitled to retired pay under this chapter has been credited by the Secretary concerned with extraordinary heroism in the line of duty and if the highest grade held satisfactorily by that person at any time in the armed forces is an enlisted grade, the person's retired pay shall be increased by 10 percent of the amount determined under subsection (a). The Secretary's determination as to extraordinary heroism is conclusive for all purposes.".

(b) CONFORMING AMENDMENT.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by striking "amount computed under subsection (a)" and inserting "total amount of the monthly retired pay computed under subsections (a) and (b)".

10 USC 12739 note.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2002, and shall apply with respect to retired pay for months beginning on or after that date.

SEC. 633. ELIMINATION OF POSSIBLE INVERSION IN RETIRED PAY COST-OF-LIVING ADJUSTMENT FOR INITIAL COLA COMPUTATION.

(a) ELIMINATION OF POSSIBLE COLA INVERSION.—Section 1401a of title 10, United States Code, is amended—

(1) in subsections (c)(1), (d), and (e), by inserting "but subject to subsection (f)(2)" after "Notwithstanding subsection (b)";

(2) in subsection (c)(2), by inserting "(subject to subsection (f)(2) as applied to other members whose retired pay is computed on the current rates of basic pay in the most recent adjustment under this section)" after "shall be increased"; and

(3) in subsection (f)—

(A) by designating the text after the subsection heading as paragraph (1), indenting that text two ems, and inserting "PREVENTION OF RETIRED PAY INVERSIONS.—" before "Notwithstanding"; and

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

"(2) PREVENTION OF COLA INVERSIONS.—The percentage of the first adjustment under this section in the retired pay of any person, as determined under subsection (c)(1), (c)(2), (d),

or (e), may not exceed the percentage increase in retired pay determined under subsection (b)(2) that is effective on the same date as the effective date of such first adjustment.".

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

(1) in subsection (d), by inserting "or on or after August 1, 1986, if the member or former member did not elect to receive a bonus under section 322 of title 37" after "August 1, 1986,"; and

(2) in subsection (e), by inserting "and elected to receive a bonus under section 322 of title 37" after "August 1, 1986,".

SEC. 634. TECHNICAL REVISIONS TO SO-CALLED "FORGOTTEN WIDOWS" ANNUITY PROGRAM.

10 USC 1448 note.

(a) CLARIFICATION OF ELIGIBILITY.—Subsection (a)(1) of section 644 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 1448 note) is amended—

(1) in subparagraph (A), by inserting after "(A)" the following: "became entitled to retired or retainer pay before September 21, 1972,"; and

(2) in subparagraph (B), by striking "was a member of a reserve component of the Armed Forces" and inserting "died".

(b) CLARIFICATION OF INTERACTION WITH OTHER BENEFITS.—(1) Subsection (a)(2) of such section is amended by striking "and who" and all that follows through "note)".

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

"(2) The amount of an annuity to which a surviving spouse is entitled under this section for any period shall be reduced (but not below zero) by any amount paid to that surviving spouse for the same period under any of the following provisions of law:

"(A) Section 1311(a) of title 38, United States Code (relating to dependency and indemnity compensation payable by the Secretary of Veterans Affairs).

"(B) Chapter 73 of title 10, United States Code.

"(C) Section 4 of Public Law 92–425 (10 U.S.C. 1448 note).".

(c) CLARIFICATION OF DEFINITION OF SURVIVING SPOUSE.—Subsection (d)(2) of such section is amended by striking "the terms" and all that follows through "and (8)" and inserting "such term in paragraph (9)".

(d) SPECIFICATION IN LAW OF CURRENT BENEFIT AMOUNT.—Subsection (b) of such section is amended—

(1) in paragraph (1), by striking "$165" and inserting "$185.58"; and

(2) in paragraph (3)—

(A) by striking "the date of the enactment of this Act" and inserting "May 1, 2002,"; and

(B) by striking the last sentence.

(e) SPECIFICATION OF ENACTMENT MONTH.—Subsection (e) of such section is amended—

(1) in paragraph (1), by striking "the month in which this Act is enacted" and inserting "November 1997"; and

(2) in paragraph (2), by striking "the first month that begins after the month in which this Act is enacted" and inserting "December 1997".

SEC. 635. EXPANSION OF AUTHORITY OF SECRETARY OF DEFENSE TO WAIVE TIME LIMITATIONS ON CLAIMS AGAINST THE GOVERNMENT FOR MILITARY PERSONNEL BENEFITS.

(a) AUTHORITY FOR WAIVER OF TIME LIMITATIONS.—Paragraph (1) of section 3702(e) of title 31, United States Code, is amended by striking "a claim" and all that follows through "title 10" and inserting "a claim referred to in subsection (a)(1)(A)".

(b) TECHNICAL AMENDMENTS.—(1) Such paragraph is further amended—

(A) by striking "Upon the request" and all that follows through "the Secretary of Defense" and inserting "The Secretary of Defense";

(B) by striking "and, subject to paragraph (2), settle the claim"; and

(C) by adding at the end the following new sentence: "In the case of a claim by or with respect to a member of the uniformed services who is not under the jurisdiction of the Secretary of a military department, such a waiver may be made only upon the request of the Secretary concerned (as defined in section 101 of title 37).".

(2) Paragraph (2) of such section is amended—

(A) by striking "under paragraph (1)' and inserting "under subsection (a)(1)(A)"; and

(B) by inserting before the period at the end the following: ", except that in the case of a claim for retired pay or survivor benefits, if the obligation claimed would have been paid from a trust fund if timely paid, the payment of the claim shall be made from that trust fund".

31 USC 3702 note.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to claims against the United States presented to the Secretary of Defense under section 3702 of title 31, United States Code, on or after the date of the enactment of this Act.

SEC. 636. SPECIAL COMPENSATION FOR CERTAIN COMBAT-RELATED DISABLED UNIFORMED SERVICES RETIREES.

(a) AUTHORITY.—(1) Chapter 71 of title 10, United States Code, is amended by inserting after section 1413 the following new section:

"§ 1413a. Special compensation for certain combat-related disabled uniformed services retirees

"(a) AUTHORITY.—The Secretary concerned shall pay to each eligible combat-related disabled uniformed services retiree who elects benefits under this section a monthly amount for the combat-related disability of the retiree determined under subsection (b).

"(b) AMOUNT.—

"(1) DETERMINATION OF MONTHLY AMOUNT.—Subject to paragraphs (2) and (3), the monthly amount to be paid an eligible combat-related disabled uniformed services retiree for a combat-related disability under subsection (a) is the monthly amount of compensation to which the retiree would be entitled solely for the combat-related disability consistent with chapter 11 of title 38.

"(2) MAXIMUM AMOUNT.—The amount paid to an eligible combat-related disabled uniformed services retiree for any month under paragraph (1) may not exceed the amount of

the reduction in retired pay that is applicable to the retiree for that month under sections 5304 and 5305 of title 38.

"(3) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—In the case of an eligible combat-related disabled uniformed services retiree who is retired under chapter 61 of this title, the amount of the payment under paragraph (1) for any month shall be reduced by the amount (if any) by which the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

"(c) ELIGIBLE RETIREES.—For purposes of this section, an eligible combat-related disabled uniformed services retiree referred to in subsection (a) is a member of the uniformed services entitled to retired pay who—

"(1) has completed at least 20 years of service in the uniformed services that are creditable for purposes of computing the amount of retired pay to which the member is entitled; and

"(2) has a qualifying combat-related disability.

"(d) PROCEDURES.—The Secretary of Defense shall prescribe procedures and criteria under which a disabled uniformed services retiree may apply to the Secretary of a military department to be considered to be an eligible combat-related disabled uniformed services retiree. Such procedures shall apply uniformly throughout the Department of Defense.

"(e) QUALIFYING COMBAT-RELATED DISABILITY.—In this section, the term 'qualifying combat-related disability' means either of the following:

"(1) A disability that—

"(A) is attributable to an injury for which the member was awarded the Purple Heart; and

"(B) is rated as not less than 10 percent disabling—

"(i) by the Secretary concerned, as of the date on which the member is retired from the uniformed services, under criteria prescribed by the Secretary of Defense; or

"(ii) by the Secretary of Veterans Affairs.

"(2) A service-connected disability that—

"(A) was incurred (as determined under criteria prescribed by the Secretary of Defense)—

"(i) as a direct result of armed conflict;

"(ii) while engaged in hazardous service;

"(iii) in the performance of duty under conditions simulating war; or

"(iv) through an instrumentality of war; and

"(B) is rated as not less than 60 percent disabling—

"(i) by the Secretary concerned, as of the date on which the member is retired from the uniformed services, under criteria prescribed by the Secretary of Defense; or

"(ii) by the Secretary of Veterans Affairs.

"(f) CONSTRUCTION WITH SPECIAL COMPENSATION FOR SEVERELY DISABLED UNIFORMED SERVICES RETIREES.—

"(1) SINGLE SOURCE OF COMPENSATION.—An individual who is paid special compensation under this section may not receive special compensation under section 1413 of this title.

"(2) ELECTION OF SOURCE.—An individual who is eligible for special compensation under this section and special compensation under section 1413 of this title shall elect which special compensation to receive.

"(3) REGULATIONS.—The Secretary of Defense shall prescribe in regulations the manner and form of an election under this subsection.

"(g) STATUS OF PAYMENTS.—Payments under this section are not retired pay.

"(h) SOURCE OF PAYMENTS.—Payments under this section for any fiscal year shall be paid out of funds appropriated for pay and allowances payable by the Secretary concerned for that fiscal year.

"(i) OTHER DEFINITIONS.—In this section:

"(1) The term 'service-connected' has the meaning given such term in section 101 of title 38.

"(2) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.".

10 USC 1413a note.

(2) Section 1413a of title 10, United States Code, as added by paragraph (1), shall take effect not later than 180 days after the date of the enactment of this Act.

(3) The table of sections at the beginning of chapter 71 of such title is amended by inserting after the item relating to section 1413 the following new item:

"1413a. Special compensation for certain combat-related disabled uniformed services retirees.".

(b) SPECIAL COMPENSATION FOR CERTAIN SEVERELY DISABLED UNIFORMED SERVICES RETIREES.—Section 1413 of title 10, United States Code, is amended—

(1) by redesignating subsections (e), (f) and (g) as subsections (f), (g), and (h), respectively; and

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

"(e) CONSTRUCTION WITH SPECIAL COMPENSATION FOR COMBAT-DISABLED UNIFORMED SERVICES RETIREES.—(1) An individual who is paid special compensation under this section may not receive special compensation under section 1413a of this title.

"(2) An individual who is eligible for special compensation under this section and special compensation under section 1413a of this title shall elect which special compensation to receive.

Regulations.

"(3) The Secretary of Defense shall prescribe in regulations the manner and form of an election under this subsection.".

Subtitle E—Montgomery GI Bill

SEC. 641. TIME LIMITATION FOR USE OF MONTGOMERY GI BILL ENTITLEMENT BY MEMBERS OF THE SELECTED RESERVE.

(a) EXTENSION OF LIMITATION PERIOD.—Section 16133(a)(1) of title 10, United States Code, is amended by striking "10-year" and inserting "14-year".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to periods of entitlement to educational assistance under chapter 1606 of title 10, United States Code, that begin on or after October 1, 1992. 10 USC 16133 note.

SEC. 642. REPAYMENT REQUIREMENTS UNDER RESERVE COMPONENT MONTGOMERY GI BILL ARISING FROM FAILURE TO PARTICIPATE SATISFACTORILY IN MILITARY SERVICE TO BE CONSIDERED DEBTS OWED TO THE UNITED STATES.

Section 16135 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Subject to subsection (a)(2), an obligation to pay a refund to the United States under subsection (a)(1)(B) in an amount determined under subsection (b) is, for all purposes, a debt owed to the United States.

"(2) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such enlistment or other agreement from a debt arising under the enlistment or agreement, respectively, under this subsection.".

SEC. 643. TECHNICAL ADJUSTMENTS TO AUTHORITY FOR CERTAIN MEMBERS TO TRANSFER EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL TO DEPENDENTS.

(a) CLARIFICATION OF RATE OF EDUCATIONAL ASSISTANCE FOR DEPENDENTS TO WHOM ENTITLEMENT IS TRANSFERRED.—Section 3020(h) of title 38, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking "paragraphs (4) and (5)" and inserting "paragraphs (5) and (6)"; and

(B) by striking "and at the same rate";

(2) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

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

"(3)(A) Subject to subparagraph (B), the monthly rate of educational assistance payable to a dependent to whom entitlement is transferred under this section shall be the monthly amount payable under sections 3015 and 3022 of this title to the individual making the transfer.

"(B) The monthly rate of assistance payable to a dependent under subparagraph (A) shall be subject to the provisions of section 3032 of this title, except that the provisions of subsection (a)(1) of that section shall not apply even if the individual making the transfer to the dependent under this section is on active duty during all or any part of enrollment period of the dependent in which such entitlement is used.".

(b) SOURCE OF FUNDS FROM INCREASED USAGE.—Section 3035(b) of such title is amended—

(1) in paragraph (1), by striking "paragraphs (2) and (3) of this subsection" and inserting "paragraphs (2), (3), and (4)"; and

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

"(4) Payments attributable to the increased usage of benefits as a result of transfers of entitlement to basic educational assistance under section 3020 of this title shall be made from the Department

of Defense Education Benefits Fund established under section 2006 of title 10 or from appropriations made to the Department of Transportation, as appropriate.".

38 USC 3020 note.

(c) EFFECTIVE DATE.—(1) The amendments made by subsection (a) shall take effect as if included in the enactment of section 3020 of title 38, United States Code, by section 654(a)(1) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1153).

38 USC 3035 note.

(2) The amendments made by subsection (b) shall take effect as if made by section 654 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1153).

Subtitle F—Other Matters

SEC. 651. PAYMENT OF INTEREST ON STUDENT LOANS.

(a) AUTHORITY.—(1) Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2174. Interest payment program: members on active duty

"(a) AUTHORITY.—(1) The Secretary concerned may pay in accordance with this section the interest and any special allowances that accrue on one or more student loans of an eligible member of the armed forces.

"(2) The Secretary of a military department may exercise the authority under paragraph (1) only if approved by the Secretary of Defense and subject to such requirements, conditions, and restrictions as the Secretary of Defense may prescribe.

"(b) ELIGIBLE MEMBERS.—A member of the armed forces is eligible for the benefit under subsection (a) while the member—

"(1) is serving on active duty in fulfillment of the member's first enlistment in the armed forces or, in the case of an officer, is serving on active duty and has not completed more than three years of service on active duty;

"(2) is the debtor on one or more unpaid loans described in subsection (c); and

"(3) is not in default on any such loan.

"(c) STUDENT LOANS.—The authority to make payments under subsection (a) may be exercised with respect to the following loans:

"(1) A loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.).

"(2) A loan made under part D of such title (20 U.S.C. 1087a et seq.).

"(3) A loan made under part E of such title (20 U.S.C. 1087aa et seq.).

"(d) MAXIMUM BENEFIT.—The months for which interest and any special allowance may be paid on behalf of a member of the armed forces under this section are any 36 consecutive months during which the member is eligible under subsection (b).

"(e) FUNDS FOR PAYMENTS.—Appropriations available for the pay and allowances of military personnel shall be available for payments under this section.

"(f) COORDINATION.—(1) The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of the Department in which the Coast

Guard is operating shall consult with the Secretary of Education regarding the administration of the authority under this section.

"(2) The Secretary concerned shall transfer to the Secretary of Education the funds necessary—

"(A) to pay interest and special allowances on student loans under this section (in accordance with sections 428(o), 455(l), and 464(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(o), 1087e(l), and 1087dd(j)); and

"(B) to reimburse the Secretary of Education for any reasonable administrative costs incurred by the Secretary in coordinating the program under this section with the administration of the student loan programs under parts B, D, and E of title IV of the Higher Education Act of 1965.

"(g) SPECIAL ALLOWANCE DEFINED.—In this section, the term 'special allowance' means a special allowance that is payable under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087–1).".

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

"2174. Interest payment program: members on active duty.".

(b) FEDERAL FAMILY EDUCATION LOANS AND DIRECT LOANS.—(1) Subsection (c)(3) of section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(A) in clause (i) of subparagraph (A)—

(i) by striking "or" at the end of subclause (II);

(ii) by inserting "or" at the end of subclause (III); and

(iii) by adding at the end the following new subclause:

"(IV) is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest is being paid on such loan under subsection (o);";

(B) in clause (ii)(II) of subparagraph (A), by inserting "or (IV)" after "clause (i)(II)"; and

(C) by striking subparagraph (C) and inserting the following:

"(C) shall contain provisions that specify that—

"(i) the form of forbearance granted by the lender pursuant to this paragraph, other than subparagraph (A)(i)(IV), shall be temporary cessation of payments, unless the borrower selects forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled; and

"(ii) the form of forbearance granted by the lender pursuant to subparagraph (A)(i)(IV) shall be the temporary cessation of all payments on the loan other than payments of interest on the loan that are made under subsection (o); and".

(2) Section 428 of such Act is further amended by adding at the end the following new subsection:

"(o) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

"(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest and any special allowance on a

loan to a member of the Armed Forces that is made, insured, or guaranteed under this part, the Secretary shall pay the interest and special allowance on such loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest or any special allowance on such a loan out of any funds other than funds that have been so transferred.

"(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the lender shall grant the borrower forbearance in accordance with the guaranty agreement under subsection (c)(3)(A)(i)(IV).

"(3) SPECIAL ALLOWANCE DEFINED.—For the purposes of this subsection, the term 'special allowance', means a special allowance that is payable with respect to a loan under section 438.".

(c) FEDERAL DIRECT LOANS.—Section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e) is amended by adding at the end the following new subsection:

"(l) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

"(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

"(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the Secretary shall grant the borrower forbearance, in the form of a temporary cessation of all payments on the loan other than the payments of interest on the loan that are made under that paragraph.".

(d) FEDERAL PERKINS LOANS.—Section 464 of the Higher Education Act of 1965 (20 U.S.C. 1087dd) is amended—

(1) in subsection (e)—

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

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

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

"(3) the borrower is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest on such loan is being paid under subsection (j), except that the form of a forbearance under this paragraph shall be a temporary cessation of all payments on the loan other than payments of interest on the loan that are made under subsection (j)."; and

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

"(j) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

"(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest

on such a loan out of any funds other than funds that have been so transferred.

"(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the institution of higher education shall grant the borrower forbearance in accordance with subsection (e)(3).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to interest, and any special allowance under section 438 of the Higher Education Act of 1965, that accrue for months beginning on or after October 1, 2003, on student loans described in subsection (c) of section 2174 of title 10, United States Code (as added by subsection (a)), that were made before, on, or after such date to members of the Armed Forces who are on active duty (as defined in section 101(d) of title 10, United States Code) on or after that date. 10 USC 2174 note.

SEC. 652. ADDITIONAL AUTHORITY TO PROVIDE ASSISTANCE FOR FAMILIES OF MEMBERS OF THE ARMED FORCES.

(a) AUTHORITY.—(1) Subchapter I of chapter 88 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1788. Additional family assistance

"(a) AUTHORITY.—The Secretary of Defense may provide for the families of members of the armed forces serving on active duty, in addition to any other assistance available for such families, any assistance that the Secretary considers appropriate to ensure that the children of such members obtain needed child care, education, and other youth services.

"(b) PRIMARY PURPOSE OF ASSISTANCE.—The assistance authorized by this section should be directed primarily toward providing needed family support, including child care, education, and other youth services, for children of members of the Armed Forces who are deployed, assigned to duty, or ordered to active duty in connection with a contingency operation.".

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

"1788. Additional family assistance.".

(b) EFFECTIVE DATE.—Section 1788 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002. 10 USC 1788 note.

SEC. 653. REPEAL OF AUTHORITY FOR ACCEPTANCE OF HONORARIA BY PERSONNEL AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) REPEAL OF EXEMPTION.—Section 542 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2413; 10 U.S.C. prec. 2161 note) is repealed. 10 USC note prec. 2161.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply with respect to appearances made, speeches presented, and articles published on or after October 1, 2002. 10 USC note prec. 2161.

SEC. 654. ADDITION OF DEFINITION OF CONTINENTAL UNITED STATES IN TITLE 37.

(a) DEFINITION.—Section 101(1) of title 37, United States Code, is amended—

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

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

"(B) The term 'continental United States' means the 48 contiguous States and the District of Columbia.".

(b) CONFORMING AMENDMENTS.—Title 37, United States Code, is amended as follows:

(1) Section 314(a)(3) is amended by striking "the 48 contiguous States and the District of Columbia" and inserting "the continental United States".

(2) Section 403b(i) is amended by striking paragraph (6).

(3) Section 409 is amended by striking subsection (e).

(4) Section 411b(a) is amended by striking "the 48 contiguous States and the District of Columbia" both places it appears and inserting "the continental United States".

(5) Section 411d is amended by striking subsection (d).

(6) Section 430 is amended by striking subsection (f) and inserting the following new subsection (f):

"(f) DEFINITIONS.—In this section:

"(1) The term 'formal education' means the following:

"(A) A secondary education.

"(B) An undergraduate college education.

"(C) A graduate education pursued on a full-time basis at an institution of higher education.

"(D) Vocational education pursued on a full-time basis at a postsecondary vocational institution.

"(2) The term 'institution of higher education' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

"(3) The term 'postsecondary vocational institution' has the meaning given that term in section 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1002(c)).".

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Program Improvements

Sec. 701. Elimination of requirement for TRICARE preauthorization of inpatient mental health care for medicare-eligible beneficiaries.

Sec. 702. Continued TRICARE eligibility of dependents residing at remote locations after departure of sponsors for unaccompanied assignments and eligibility of dependents of reserve component members ordered to active duty.

Sec. 703. Eligibility of surviving dependents for TRICARE dental program benefits after discontinuance of former enrollment.

Sec. 704. Department of Defense Medicare-Eligible Retiree Health Care Fund.

Sec. 705. Approval of medicare providers as TRICARE providers.

Sec. 706. Technical corrections relating to transitional health care for members separated from active duty.

Sec. 707. Extension of temporary authority to enter into personal services contracts for the performance of health care responsibilities at locations other than military medical treatment facilities.

Sec. 708. Access to health care services for beneficiaries eligible for TRICARE and Department of Veterans Affairs health care.

Sec. 709. Disclosure of information on Project 112 to Department of Veterans Affairs.

Subtitle B—Reports

Sec. 711. Claims information.

Sec. 712. Comptroller General report on provision of care under the TRICARE program.

Sec. 713. Repeal of report requirement.

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

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

Subtitle A—Health Care Program Improvements

SEC. 701. ELIMINATION OF REQUIREMENT FOR TRICARE PREAUTHORIZATION OF INPATIENT MENTAL HEALTH CARE FOR MEDICARE-ELIGIBLE BENEFICIARIES.

(a) ELIMINATION OF REQUIREMENT.—Section 1079(i)(3) of title 10, United States Code, is amended—

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

(2) by striking "Except in the case of an emergency," and inserting "Except as provided in subparagraph (B),"; and

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

"(B) Preadmission authorization for inpatient mental health services is not required under subparagraph (A) in the following cases:

"(i) In the case of an emergency.

"(ii) In a case in which any benefits are payable for such services under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), subject to subparagraph (C).

"(C) In a case of inpatient mental health services to which subparagraph (B)(ii) applies, the Secretary shall require advance authorization for a continuation of the provision of such services after benefits cease to be payable for such services under such part A.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect October 1, 2003. 10 USC 1079 note.

SEC. 702. CONTINUED TRICARE ELIGIBILITY OF DEPENDENTS RESIDING AT REMOTE LOCATIONS AFTER DEPARTURE OF SPONSORS FOR UNACCOMPANIED ASSIGNMENTS AND ELIGIBILITY OF DEPENDENTS OF RESERVE COMPONENT MEMBERS ORDERED TO ACTIVE DUTY.

Section 1079(p) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "dependents referred to in subsection (a) of a member of the uniformed services referred to in section 1074(c)(3) of this title who are residing with the member" and inserting "dependents described in paragraph (3)";

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

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

"(3) This subsection applies with respect to a dependent referred to in subsection (a) who—

"(A) is a dependent of a member of the uniformed services referred to in section 1074(c)(3) of this title and is residing with the member;

"(B) is a dependent of a member who, after having served in a duty assignment described in section 1074(c)(3) of this title, has relocated without the dependent pursuant to orders for a permanent change of duty station from a remote location described in subparagraph (B)(ii) of such section where the member and the dependent resided together while the member served in such assignment, if the orders do not authorize dependents to accompany the member to the new duty station at the expense of the United States and the dependent continues to reside at the same remote location, or

"(C) is a dependent of a reserve component member ordered to active duty for a period of more than 30 days and is residing with the member, and the residence is located more than 50 miles, or approximately one hour of driving time, from the nearest military medical treatment facility adequate to provide the needed care.".

SEC. 703. ELIGIBILITY OF SURVIVING DEPENDENTS FOR TRICARE DENTAL PROGRAM BENEFITS AFTER DISCONTINUANCE OF FORMER ENROLLMENT.

Section 1076a(k)(2) of title 10, United States Code, is amended by striking "if the dependent is enrolled on the date of the death of the member in a dental benefits plan established under subsection (a)" and inserting "if, on the date of the death of the member, the dependent is enrolled in a dental benefits plan established under subsection (a) or is not enrolled in such a plan by reason of a discontinuance of a former enrollment under subsection (f)".

SEC. 704. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL PAYMENTS INTO THE FUND.—Section 1116(c) of title 10, United States Code, is amended by striking "health care programs" and inserting "pay of members".

(b) MANDATORY PARTICIPATION OF OTHER UNIFORMED SERVICES.—Section 1111(c) of such title is amended—

(1) in the first sentence, by striking "may enter into an agreement with any other administering Secretary" and inserting "shall enter into an agreement with each other administering Secretary"; and

(2) in the second sentence, by striking "Any such" and inserting "The".

SEC. 705. APPROVAL OF MEDICARE PROVIDERS AS TRICARE PROVIDERS.

(a) IN GENERAL.—Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(q) Subject to subsection (a), a physician or other health care practitioner who is eligible to receive reimbursement for services provided under medicare (as defined in section 1086(d)(3)(C) of this title) shall be considered approved to provide medical care authorized under this section and section 1086 of this title unless the administering Secretaries have information indicating medicare,

TRICARE, or other Federal health care program integrity violations by the physician or other health care practitioner.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to any contract under the TRICARE program entered into on or after the date of the enactment of this Act. 10 USC 1079 note.

SEC. 706. TECHNICAL CORRECTIONS RELATING TO TRANSITIONAL HEALTH CARE FOR MEMBERS SEPARATED FROM ACTIVE DUTY.

(a) CONTINUED APPLICABILITY TO DEPENDENTS.—Subsection (a)(1) of section 736 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1172) is amended to read as follows: 10 USC 1145.

"(1) in paragraph (1), by striking 'paragraph (2), a member' and all that follows through 'of the member),' and inserting 'paragraph (3), a member of the armed forces who is separated from active duty as described in paragraph (2) (and the dependents of the member)';".

(b) CLARIFICATION REGARDING THE COAST GUARD.—Subsection (b)(2) of such section is amended to read as follows:

"(2) in subsection (e)—

"(A) by striking the first sentence; and

"(B) by striking 'the Coast Guard' in the second sentence and inserting 'the members of the Coast Guard and their dependents'.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of December 28, 2001, and as if included in the National Defense Authorization Act for Fiscal Year 2002 as enacted. 10 USC 1145 note.

SEC. 707. EXTENSION OF TEMPORARY AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 708. ACCESS TO HEALTH CARE SERVICES FOR BENEFICIARIES ELIGIBLE FOR TRICARE AND DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE. 10 USC 1071 note.

(a) REQUIREMENT TO ESTABLISH PROCESS.—(1) The Secretary of Defense shall prescribe in regulations a process for resolving issues relating to patient safety and continuity of care for covered beneficiaries who are concurrently entitled to health care under the TRICARE program and eligible for health care services provided by the Department of Veterans Affairs. The Secretary shall— Regulations.

(A) ensure that the process provides for coordination of, and access to, health care from the two sources in a manner that prevents diminution of access to health care from either source; and

(B) in consultation with the Secretary of Veterans Affairs, prescribe a clear definition of an "episode of care" for use in the resolution of patient safety and continuity of care issues under such process.

(2) Not later than May 1, 2003, the Secretary shall submit to the Committees on Armed Services of the Senate and of the Deadline. Reports.

House of Representatives a report describing the process prescribed under paragraph (1).

(3) While prescribing the process under paragraph (1) and upon completion of the report under paragraph (2), the Secretary shall provide to the Comptroller General information that would be relevant in carrying out the study required by subsection (b).

(b) COMPTROLLER GENERAL STUDY AND REPORT.—(1) The Comptroller General shall conduct a study of the health care issues of covered beneficiaries described in subsection (a). The study shall include the following:

(A) An analysis of whether covered beneficiaries who seek services through the Department of Veterans Affairs are receiving needed health care services in a timely manner from the Department of Veterans Affairs, as compared to the timeliness of the care available to covered beneficiaries under TRICARE Prime (as set forth in access to care standards under TRICARE program policy that are applicable to the care being sought).

(B) An evaluation of the quality of care for covered beneficiaries who do not receive needed services from the Department of Veterans Affairs within a time period that is comparable to the time period provided for under such access to care standards and who then must seek alternative care under the TRICARE program.

(C) Recommendations to improve access to, and timeliness and quality of, care for covered beneficiaries described in subsection (a).

(D) An evaluation of the feasibility and advisability of making access to care standards applicable jointly under the TRICARE program and the Department of Veterans Affairs health care system.

(E) A review of the process prescribed by the Secretary of Defense under subsection (a) to determine whether the process ensures the adequacy and quality of the health care services provided to covered beneficiaries under the TRICARE program and through the Department of Veterans Affairs, together with timeliness of access to such services and patient safety.

Deadline. (2) Not later than 60 days after the congressional committees specified in subsection (a)(2) receive the report required under that subsection, the Comptroller General shall submit to those committees a report on the study conducted under this subsection.

(c) DEFINITIONS.—In this section:

(1) The term "covered beneficiary" has the meaning provided by section 1072(5) of title 10, United States Code.

(2) The term "TRICARE program" has the meaning provided by section 1072(7) of such title.

(3) The term "TRICARE Prime" has the meaning provided by section 1097a(f) of such title.

10 USC 1074.

SEC. 709. DISCLOSURE OF INFORMATION ON PROJECT 112 TO DEPARTMENT OF VETERANS AFFAIRS.

Deadline. (a) PLAN FOR DISCLOSURE OF INFORMATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a comprehensive plan for the review, declassification, and submittal to the Department of Veterans Affairs of all records

and information of the Department of Defense on Project 112 that are relevant to the provision of benefits by the Secretary of Veterans Affairs to members of the Armed Forces who participated in that project.

(b) PLAN REQUIREMENTS.—(1) The records and information covered by the plan under subsection (a) shall be the records and information necessary to permit the identification of members of the Armed Forces who were or may have been exposed to chemical or biological agents as a result of Project 112.

(2) The plan shall provide for completion of all activities contemplated by the plan not later than one year after the date of the enactment of this Act.

(c) IDENTIFICATION OF OTHER PROJECTS OR TESTS.—The Secretary of Defense also shall work with veterans and veterans service organizations to identify other projects or tests conducted by the Department of Defense that may have exposed members of the Armed Forces to chemical or biological agents.

(d) GAO REPORTS ON PLAN AND IMPLEMENTATION.—(1) Not later than 30 days after submission of the plan under subsection (a), the Comptroller General shall submit to Congress a report reviewing the plan. The report shall include an examination of whether adequate resources have been committed, the timeliness of the information to be released to the Department of Veterans Affairs, and the adequacy of the procedures to notify affected veterans of potential exposure. Deadline.

(2) Not later than six months after implementation of the plan begins, the Comptroller General shall submit to Congress a report evaluating the progress in the implementation of the plan. Deadline.

(e) DOD REPORTS ON IMPLEMENTATION.—(1) Not later than six months after the date of the enactment of this Act, and upon completion of all activities contemplated by the plan under subsection (a), the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a report on progress in the implementation of the plan. Deadline.

(2) Each report under paragraph (1) shall include, for the period covered by such report—

(A) the number of records reviewed;

(B) each test, if any, under Project 112 identified during such review;

(C) for each test so identified—

(i) the test name;

(ii) the test objective;

(iii) the chemical or biological agent or agents involved; and

(iv) the number of members of the Armed Forces, and civilian personnel, potentially effected by such test; and

(D) the extent of submittal of records and information to the Secretary of Veterans Affairs under this section.

(f) PROJECT 112.—For purposes of this section, Project 112 refers to the chemical and biological weapons vulnerability-testing program of the Department of Defense conducted by the Deseret Test Center from 1963 to 1969. The project included the Shipboard Hazard and Defense (SHAD) project of the Navy.

Subtitle B—Reports

SEC. 711. CLAIMS INFORMATION.

(a) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—Section 1095c of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall limit the information required in support of claims for payment for health care items and services provided under the TRICARE program to that information that is identical to the information that would be required for claims for reimbursement for those items and services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) except for that information, if any, that is uniquely required by the TRICARE program. The Secretary of Defense shall report to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives any information that is excepted under this provision, and the justification for that exception.".

10 USC 1095c note.

(b) APPLICABILITY.—The Secretary of Defense, in consultation with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, shall apply the limitations required under subsection (d) of section 1095c of such title (as added by subsection (a)) with respect to contracts entered into under the TRICARE program on or after October 1, 2002.

Deadline.

(c) COMPTROLLER GENERAL REPORT ON TRICARE CLAIMS PROCESSING.—Not later than March 31, 2003, the Comptroller General shall submit to Congress an evaluation of the continuing impediments to cost effective claims processing under the TRICARE program. The evaluation shall include a discussion of the following:

(1) The extent of progress implementing improvements in claims processing, particularly regarding the application of best industry practices.

(2) The extent of progress in simplifying claims processing procedures, including the elimination of, or reduction in, the complexity of the Health Care Service Record requirements.

(3) The cost effectiveness of the data collection and fraud prevention capabilities of existing claims processing practices.

(4) Recommendations for improving the claims processing system that will reduce processing and administration costs, create greater competition, and improve fraud-prevention activities.

SEC. 712. COMPTROLLER GENERAL REPORT ON PROVISION OF CARE UNDER THE TRICARE PROGRAM.

Deadline.

Not later than March 31, 2003, the Comptroller General shall submit to Congress an evaluation of the nature of, reasons for, extent of, and trends regarding network provider instability under the TRICARE program, and the effectiveness of efforts by the Department of Defense and managed care support contractors to measure and mitigate such instability. The evaluation shall include a discussion of the following:

(1) The adequacy of measurement tools of TRICARE network instability and their use by the Department of Defense

and managed care support contractors to assess network adequacy and stability.

(2) Recommendations for improvements needed in measurement tools or their application.

(3) The relationship of reimbursement rates and administration requirements (including preauthorization requirements) to TRICARE network instability.

(4) The extent of problems under the TRICARE program and likely future trends with and without intervention using existing authority.

(5) Use of existing authority by the Department of Defense and TRICARE managed care support contractors to apply higher reimbursement rates in specific geographic areas.

(6) Recommendations for specific fiscally prudent measures that could mitigate negative trends or improve provider and network stability.

SEC. 713. REPEAL OF REPORT REQUIREMENT. 42 USC 1395ggg.

Notwithstanding subsection (f)(2) of section 712 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A–179), the amendment made by subsection (e) of such section shall not take effect and the paragraph amended by such subsection is repealed.

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

SEC. 721. REVISED COORDINATION AND SHARING GUIDELINES.

(a) IN GENERAL.—(1) Section 8111 of title 38, United States Code, is amended to read as follows:

"§ 8111. Sharing of Department of Veterans Affairs and Department of Defense health care resources

"(a) REQUIRED COORDINATION AND SHARING OF HEALTH CARE RESOURCES.—The Secretary of Veterans Affairs and the Secretary of Defense shall enter into agreements and contracts for the mutually beneficial coordination, use, or exchange of use of the health care resources of the Department of Veterans Affairs and the Department of Defense with the goal of improving the access to, and quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

"(b) JOINT REQUIREMENTS FOR SECRETARIES OF VETERANS AFFAIRS AND DEFENSE.—To facilitate the mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, the two Secretaries shall carry out the following functions:

"(1) Develop and publish a joint strategic vision statement and a joint strategic plan to shape, focus, and prioritize the coordination and sharing efforts among appropriate elements

of the two Departments and incorporate the goals and requirements of the joint sharing plan into the strategic and performance plan of each Department under the Government Performance and Results Act.

"(2) Jointly fund the interagency committee provided for under subsection (c).

"(3) Continue to facilitate and improve sharing between individual Department of Veterans Affairs and Department of Defense health care facilities, but giving priority of effort to initiatives (A) that improve sharing and coordination of health resources at the intraregional and nationwide levels, and (B) that improve the ability of both Departments to provide coordinated health care.

"(4) Establish a joint incentive program under subsection (d).

"(c) DOD–VA HEALTH EXECUTIVE COMMITTEE.—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Health Executive Committee (hereinafter in this section referred to as the 'Committee'). The Committee is composed of—

"(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

"(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

"(2)(A) During odd-numbered fiscal years, the Deputy Secretary of Veterans Affairs shall chair the Committee. During even-numbered fiscal years, the Under Secretary of Defense shall chair the Committee.

"(B) The Deputy Secretary and the Under Secretary shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee. The two Departments shall share equally the Committee's cost of personnel and administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a permanent staff and, as required, other temporary working groups of appropriate departmental staff and outside experts.

"(3) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under this section and shall oversee implementation of those efforts.

Reports.

"(4) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.

"(5) In order to enable the Committee to make recommendations in its annual report under paragraph (4), the Committee shall do the following:

"(A) Review existing policies, procedures, and practices relating to the coordination and sharing of health care resources between the two Departments.

"(B) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, with the goal

of improving the access to, and quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

"(C) Identify and assess further opportunities for the coordination and sharing of health care resources between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for care provided by either Department.

"(D) Review the plans of both Departments for the acquisition of additional health care resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of health care resources.

"(E) Review the implementation of activities designed to promote the coordination and sharing of health care resources between the Departments.

"(6) The Committee chairman, under procedures jointly developed by the two Secretaries, may require the Inspector General of either or both Departments to assist in activities under paragraph (5)(E).

"(d) JOINT INCENTIVES PROGRAM.—(1) Pursuant to subsection (b)(4), the two Secretaries shall carry out a program to identify, provide incentives to, implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intraregional, and nationwide levels. The program shall be administered by the Committee established in subsection (c), under procedures jointly prescribed by the two Secretaries.

"(2) To facilitate the incentive program, effective October 1, 2003, there is established in the Treasury a fund to be known as the 'DOD–VA Health Care Sharing Incentive Fund'. Each Secretary shall annually contribute to the fund a minimum of $15,000,000 from the funds appropriated to that Secretary's Department. Such funds shall remain available until expended. Effective date.

"(3)(A) For each fiscal year during which the program under this subsection is in effect, the Comptroller General shall conduct a review of the implementation and effectiveness of the incentives program under this subsection. Upon completion of each such annual review, the Comptroller General shall submit to the Committees on Armed Services and Veterans' Affairs of the Senate and House of Representatives a report on the results of that review. Each such report shall be submitted not later than February 28 of the year following the fiscal year covered by the report. In addition, the Comptroller General shall conduct such a review during the first five months of fiscal year 2004 and, not later than February 28, 2004, shall submit to those committees a report on the implementation and effectiveness of the incentives program under this subsection to that date. Reports. Deadline. Deadline. Reports.

"(B) Each report under this paragraph shall describe activities carried out under the program under this subsection during the preceding fiscal year (or, in the case of the first such report, to the date of the submission of the report). Each report shall include at least the following:

"(i) An analysis of the initiatives funded by the Committee, and the funds so expended by such initiatives, from the DOD-VA Health Care Sharing Incentive Fund, including the purposes

and effects of those initiatives on improving access to care by beneficiaries, improvements in the quality of care received by those beneficiaries, and efficiencies gained in delivering services to those beneficiaries.

"(ii) Other matters of interest, including recommendations from the Comptroller General for legislative improvements to the program.

Termination date.

"(4) The program under this subsection shall terminate on September 30, 2007.

"(e) GUIDELINES AND POLICIES FOR IMPLEMENTATION OF COORDINATION AND SHARING RECOMMENDATIONS, CONTRACTS, AND AGREEMENTS.—(1) To implement the recommendations made by the Committee under subsection (c)(2), as well as to carry out other health care contracts and agreements for coordination and sharing initiatives as they consider appropriate, the two Secretaries shall jointly issue guidelines and policy directives. Such guidelines and policies shall provide for coordination and sharing that—

"(A) is consistent with the health care responsibilities of the Department of Veterans Affairs under this title and with the health care responsibilities of the Department of Defense under chapter 55 of title 10;

"(B) will not adversely affect the range of services, the quality of care, or the established priorities for care provided by either Department; and

"(C) will not reduce capacities in certain specialized programs of the Department of Veterans Affairs that the Secretary is required to maintain in accordance with section 1706(b) of this title.

"(2) To facilitate the sharing and coordination of health care services between the two Departments, the two Secretaries shall jointly develop and implement guidelines for a standardized, uniform payment and reimbursement schedule for those services. Such schedule shall be implemented no later than October 1, 2003, and shall be revised periodically as necessary. The two Secretaries, following implementation of the schedule, may on a case-by-case basis waive elements of the schedule if they jointly agree that such a waiver is in the best interests of both Departments.

"(3)(A) The guidelines established under paragraph (1) shall authorize the heads of individual Department of Defense and Department of Veterans Affairs medical facilities and service regions to enter into health care resources coordination and sharing agreements.

"(B) Under any such agreement, an individual who is a primary beneficiary of one Department may be provided health care, as provided in the agreement, at a facility or in the service region of the other Department that is a party to the sharing agreement.

"(C) Each such agreement shall identify the health care resources to be shared.

"(D) Each such agreement shall provide, and shall specify procedures designed to ensure, that the availability of direct health care to individuals who are not primary beneficiaries of the providing Department is (i) on a referral basis from the facility or service region of the other Department, and (ii) does not (as determined by the head of the providing facility or region) adversely affect the range of services, the quality of care, or the established priorities for care provided to the primary beneficiaries of the providing Department.

"(E) Each such agreement shall provide that a providing Department or service region shall be reimbursed for the cost of the health care resources provided under the agreement and that the rate of such reimbursement shall be as determined in accordance with paragraph (2).

"(F) Each proposal for an agreement under this paragraph shall be effective (i) on the 46th day after the receipt of such proposal by the Committee, unless earlier disapproved, or (ii) if earlier approved by the Committee, on the date of such approval.

"(G) Any funds received through such a uniform payment and reimbursement schedule shall be credited to funds that have been allotted to the facility of either Department that provided the care or services, or is due the funds from, any such agreement.

"(f) ANNUAL JOINT REPORT.—(1) At the time the President's budget is transmitted to Congress in any year pursuant to section 1105 of title 31, the two Secretaries shall submit to Congress a joint report on health care coordination and sharing activities under this section during the fiscal year that ended during the previous calendar year.

"(2) Each report under this section shall include the following:

"(A) The guidelines prescribed under subsection (e) (and any revision of such guidelines).

"(B) The assessment of further opportunities identified under subparagraph (C) of subsection (c)(5) for the sharing of health-care resources between the two Departments.

"(C) Any recommendation made under subsection (c)(4) during such fiscal year.

"(D) A review of the sharing agreements entered into under subsection (e) and a summary of activities under such agreements during such fiscal year and a description of the results of such agreements in improving access to, and the quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

"(E) A summary of other planning and activities involving either Department in connection with promoting the coordination and sharing of Federal health-care resources during the preceding fiscal year.

"(F) Such recommendations for legislation as the two Secretaries consider appropriate to facilitate the sharing of health-care resources between the two Departments.

"(3) In addition to the matters specified in paragraph (2), the two Secretaries shall include in the annual report under this subsection an overall status report of the progress of health resources sharing between the two Departments as a consequence of subtitle C of title VII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 and of other sharing initiatives taken during the period covered by the report. Such status report shall indicate the status of such sharing and shall include appropriate data as well as analyses of that data. The annual report shall include the following:

"(A) Enumerations and explanations of major policy decisions reached by the two Secretaries during the period covered by the report period with respect to sharing between the two Departments.

"(B) A description of progress made in new ventures or particular areas of sharing and coordination that would be

of policy interest to Congress consistent with the intent of such subtitle.

"(C) A description of enhancements of access to care of beneficiaries of both Departments that came about as a result of new sharing approaches brought about by such subtitle.

"(D) A description of proposals for which funds are provided through the joint incentives program under subsection (d), together with a description of their results or status at the time of the report, including access improvements, savings, and quality-of-care enhancements they brought about, and a description of any additional use of funds made available under subsection (d).

"(4) In addition to the matters specified in paragraphs (2) and (3), the two Secretaries shall include in the annual report under this subsection for each year through 2008 the following:

"(A) A description of the measures taken, or planned to be taken, to implement the health resources sharing project under section 722 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 and any cost savings anticipated, or cost sharing achieved, at facilities participating in the project, including information on improvements in access to care, quality, and timeliness, as well as impediments encountered and legislative recommendations to ameliorate such impediments.

"(B) A description of the use of the waiver authority provided by section 722(d)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, including—

"(i) a statement of the numbers and types of requests for waivers under that section of administrative policies that have been made during the period covered by the report and, for each such request, an explanation of the content of each request, the intended purpose or result of the requested waiver, and the disposition of each request; and

"(ii) descriptions of any new administrative policies that enhance the success of the project.

"(5) In addition to the matters specified in paragraphs (2), (3), and (4), the two Secretaries shall include in the annual report under this subsection for each year through 2009 a report on the pilot program for graduate medical education under section 725 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, including activities under the program during the preceding year and each Secretary's assessment of the efficacy of providing education and training under that program.

"(g) DEFINITIONS.—For the purposes of this section:

"(1) The term 'beneficiary' means a person who is a primary beneficiary of the Department of Veterans Affairs or of the Department of Defense.

"(2) The term 'direct health care' means health care provided to a beneficiary in a medical facility operated by the Department of Veterans Affairs or the Department of Defense.

"(3) The term 'head of a medical facility' (A) with respect to a medical facility of the Department of Veterans Affairs, means the director of the facility, and (B) with respect to a medical facility of the Department of Defense, means the medical or dental officer in charge or the contract surgeon in charge.

"(4) The term 'health-care resource' includes hospital care, medical services, and rehabilitative services, as those terms are defined in paragraphs (5), (6), and (8), respectively, of section 1701 of this title, services under sections 1782 and 1783 of this title, any other health-care service, and any health-care support or administrative resource.

"(5) The term 'primary beneficiary' (A) with respect to the Department means a person who is eligible under this title (other than under section 1782, 1783, or 1784 or subsection (d) of this section) or any other provision of law for care or services in Department medical facilities, and (B) with respect to the Department of Defense, means a member or former member of the Armed Forces who is eligible for care under section 1074 of title 10.

"(6) The term 'providing Department' means the Department of Veterans Affairs, in the case of care or services furnished by a facility of the Department of Veterans Affairs, and the Department of Defense, in the case of care or services furnished by a facility of the Department of Defense.

"(7) The term 'service region' means a geographic service area of the Veterans Health Administration, in the case of the Department of Veterans Affairs, and a service region, in the case of the Department of Defense.".

(2) The item relating to that section in the table of sections at the beginning of chapter 81 of title 38, United States Code, is amended to read as follows:

"8111. Sharing of Department of Veterans Affairs and Department of Defense health care resources.".

(b) CONFORMING AMENDMENT.—Section 1104(a) of title 10, United States Code, is amended by striking "may" and inserting "shall".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003. 38 USC 8111 note.

SEC. 722. HEALTH CARE RESOURCES SHARING AND COORDINATION PROJECT. 38 USC 8111 note.

(a) ESTABLISHMENT.—(1) The Secretary of Veterans Affairs and the Secretary of Defense shall conduct a health care resources sharing project to serve as a test for evaluating the feasibility, and the advantages and disadvantages, of measures and programs designed to improve the sharing and coordination of health care and health care resources between the Department of Veterans Affairs and the Department of Defense. The project shall be carried out, as a minimum, at the sites identified under subsection (b).

(2) Reimbursement between the two Departments with respect to the project under this section shall be made in accordance with the provisions of section 8111(e)(2) of title 38, United States Code, as amended by section 721(a).

(b) SITE IDENTIFICATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretaries shall jointly identify not less than three sites for the conduct of the project under this section. Deadline.

(2) For purposes of this section, a site at which the resource sharing project shall be carried out is an area in the United States in which—

(A) one or more military treatment facilities and one or more VA health care facilities are situated in relative proximity to each other, including facilities engaged in joint ventures as of the date of the enactment of this Act; and

(B) for which an agreement to coordinate care and programs for patients at those facilities could be implemented not later than October 1, 2004.

(c) CONDUCT OF PROJECT.—(1) At sites at which the project is conducted, the Secretaries shall provide a test of a coordinated management system for the military treatment facilities and VA health care facilities participating in the project. Such a coordinated management system for a site shall include at least one of the elements specified in paragraph (2), and each of the elements specified in that paragraph must be included in the coordinated management system for at least one of the participating sites.

(2) Elements of a coordinated management system referred to in paragraph (1) are the following:

(A) A budget and financial management system for those facilities that—

(i) provides managers with information about the costs of providing health care by both Departments at the site; and

(ii) allows managers to assess the advantages and disadvantages (in terms of relative costs, benefits, and opportunities) of using resources of either Department to provide or enhance health care to beneficiaries of either Department.

(B) A coordinated staffing and assignment system for the personnel (including contract personnel) employed at or assigned to those facilities, including clinical practitioners of either Department.

(C) Medical information and information technology systems for those facilities that—

(i) are compatible with the purposes of the project;

(ii) communicate with medical information and information technology systems of corresponding elements of those facilities; and

(iii) incorporate minimum standards of information quality that are at least equivalent to those adopted for the Departments at large in their separate health care systems.

(d) AUTHORITY TO WAIVE CERTAIN ADMINISTRATIVE POLICIES.—(1)(A) In order to carry out subsection (c), the Secretary of Defense may, in the Secretary's discretion, waive any administrative policy of the Department of Defense otherwise applicable to that subsection that specifically conflicts with the purposes of the project, in instances in which the Secretary determines that the waiver is necessary for the purposes of the project.

(B) In order to carry out subsection (c), the Secretary of Veterans Affairs may, in the Secretary's discretion, waive any administrative policy of the Department of Veterans Affairs otherwise applicable to that subsection that specifically conflicts with the purposes of the project, in instances in which the Secretary determines that the waiver is necessary for the purposes of the project.

(C) The two Secretaries shall establish procedures for resolving disputes that may arise from the effects of policy changes that are not covered by other agreements or existing procedures.

(2) No waiver under paragraph (1) may alter any labor-management agreement in effect as of the date of the enactment of this Act or adopted by either Department during the period of the project.

(e) USE BY DOD OF CERTAIN TITLE 38 PERSONNEL AUTHORITIES.—(1) In order to carry out subsection (c), the Secretary of Defense may apply to civilian personnel of the Department of Defense assigned to or employed at a military treatment facility participating in the project any of the provisions of subchapters I, III, and IV of chapter 74 of title 38, United States Code, determined appropriate by the Secretary.

(2) For purposes of paragraph (1), any reference in chapter 74 of title 38, United States Code—

(A) to the "Secretary" or the "Under Secretary for Health" shall be treated as referring to the Secretary of Defense; and

(B) to the "Veterans Health Administration" shall be treated as referring to the Department of Defense.

(f) FUNDING.—From amounts available for health care for a fiscal year, each Secretary shall make available to carry out the project not less than—

(1) $3,000,000 for fiscal year 2003;

(2) $6,000,000 for fiscal year 2004; and

(3) $9,000,000 for each succeeding year during which the project is in effect.

(g) DEFINITIONS.—For purposes of this section:

(1) The term "military treatment facility" means a medical facility under the jurisdiction of the Secretary of a military department.

(2) The term "VA health care facility" means a facility under the jurisdiction of the Veterans Health Administration of the Department of Veterans Affairs.

(h) PERFORMANCE REVIEW.—(1) The Comptroller General shall provide for an annual on-site review at each of the project locations selected by the Secretaries under this section.

(2) Not later than 90 days after completion of the annual review under paragraph (1), the Comptroller General shall submit a report on such review to the Committees on Armed Services and Veterans' Affairs of the Senate and House of Representatives.

(3) Each such report shall include the following:

(A) The strategic mission coordination between shared activities.

(B) The accuracy and validity of performance data used to evaluate sharing performance and changes in standards of care or services at the shared facilities.

(C) A statement that all appropriated funds designated for sharing activities are being used for direct support of sharing initiatives.

(D) Recommendations concerning continuance of the project at each site for the succeeding 12-month period.

(4) Whenever there is a recommendation under paragraph (3)(D) to discontinue a resource sharing project under this section, the two Secretaries shall act upon that recommendation as soon as practicable.

(5) In the initial report under this subsection, the Comptroller General shall validate the baseline information used for comparative analysis.

(i) TERMINATION.—(1) The project, and the authority provided by this section, shall terminate on September 30, 2007.

(2) The two Secretaries jointly may terminate the performance of the project at any site when the performance of the project at that site fails to meet performance expectations of the Secretaries, based on recommendations from the Comptroller General under subsection (h) or on other information available to the Secretaries to warrant such action.

SEC. 723. REPORT ON IMPROVED COORDINATION AND SHARING OF HEALTH CARE AND HEALTH CARE RESOURCES FOLLOWING DOMESTIC ACTS OF TERRORISM OR DOMESTIC USE OF WEAPONS OF MASS DESTRUCTION.

(a) JOINT REVIEW.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly review the adequacy of current processes and existing statutory authorities and policy governing the capability of the Department of Defense and the Department of Veterans Affairs to provide health care to members of the Armed Forces following domestic acts of terrorism or domestic use of weapons of mass destruction, both before and after any declaration of national emergency. Such review shall include a determination of the adequacy of current authorities in providing for the coordination and sharing of health care resources between the two Departments in such cases, particularly before the declaration of a national emergency.

(b) REPORT TO CONGRESS.—The two Secretaries shall include a joint report on the review under subsection (a), including any recommended legislative changes, shall be submitted to Congress as part of the fiscal year 2004 budget submission to Congress.

10 USC 1074g note.

SEC. 724. INTEROPERABILITY OF DEPARTMENT OF VETERANS AFFAIRS AND DEPARTMENT OF DEFENSE PHARMACY DATA SYSTEMS.

(a) INTEROPERABILITY.—The Secretary of Veterans Affairs and the Secretary of Defense shall seek to ensure that on or before October 1, 2004, the Department of Veterans Affairs pharmacy data system and the Department of Defense pharmacy data system (known as the "Pharmacy Data Transaction System") are interoperable for both Department of Defense beneficiaries and Department of Veterans Affairs beneficiaries by achieving real-time interface, data exchange, and checking of prescription drug data of outpatients, and using national standards for the exchange of outpatient medication information.

(b) ALTERNATIVE REQUIREMENT.—If the interoperability specified in subsection (a) is not achieved by October 1, 2004, as determined jointly by the Secretary of Defense and the Secretary of Veterans Affairs, the Secretary of Veterans Affairs shall adopt the Department of Defense Pharmacy Data Transaction System for use by the Department of Veterans Affairs health care system. Such system shall be fully operational not later than October 1, 2005.

Deadline.

(c) IMPLEMENTATION FUNDING FOR ALTERNATIVE REQUIREMENT.—The Secretary of Defense shall transfer to the Secretary of Veterans Affairs, or shall otherwise bear the cost of, an amount sufficient to cover three-fourths of the cost to the Department

of Veterans Affairs for computer programming activities and relevant staff training expenses related to implementation of subsection (b). Such amount shall be determined in such manner as agreed to by the two Secretaries.

SEC. 725. JOINT PILOT PROGRAM FOR PROVIDING GRADUATE MEDICAL EDUCATION AND TRAINING FOR PHYSICIANS.

10 USC 1094a note.

(a) IN GENERAL.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly carry out a pilot program under which graduate medical education and training is provided to military physicians and physician employees of the Department of Defense and the Department of Veterans Affairs through one or more programs carried out in military medical treatment facilities of the Department of Defense and medical centers of the Department of Veterans Affairs. The pilot program shall begin not later than January 1, 2003.

(b) COST-SHARING AGREEMENT.—The Secretaries shall enter into an agreement for carrying out the pilot program. The agreement shall establish means for each Secretary to assist in paying the costs, with respect to individuals under the jurisdiction of that Secretary, incurred by the other Secretary in providing medical education and training under the pilot program.

(c) USE OF EXISTING AUTHORITIES.—To carry out the pilot program, the Secretary of Defense and the Secretary of Veterans Affairs may use authorities provided to them under this subtitle, section 8111 of title 38, United States Code (as amended by section 721(a)), and other laws relating to the furnishing or support of medical education and the cooperative use of facilities.

(d) TERMINATION OF PROGRAM.—The pilot program under this section shall terminate on July 31, 2008.

(e) REPEAL OF SUPERSEDED PROVISION.—Section 738 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 1094 note; 115 Stat.1173) is repealed.

10 USC 1094a note.

SEC. 726. REPEAL OF CERTAIN LIMITS ON DEPARTMENT OF VETERANS AFFAIRS RESOURCES.

(a) REPEAL OF VA BED LIMITS.—Section 8110(a)(1) of title 38, United States Code, is amended—

(1) in the first sentence, by striking "at not more than 125,000 and not less than 100,000";

(2) in the third sentence, by striking "shall operate and maintain a total of not less than 90,000 hospital beds and nursing home beds and"; and

(3) in the fourth sentence, by striking "to enable the Department to operate and maintain a total of not less than 90,000 hospital and nursing home beds in accordance with this paragraph and".

38 USC 8110 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2003.

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

Subtitle A—Acquisition Policy and Management

Sec. 801. Buy-to-budget acquisition of end items.

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

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

Sec. 811. Limitation period for task and delivery order contracts.
Sec. 812. One-year extension of program applying simplified procedures to certain commercial items; report.
Sec. 813. Extension and improvement of personnel demonstration policies and procedures applicable to the civilian acquisition workforce.
Sec. 814. Past performance given significant weight in renewal of procurement technical assistance cooperative agreements.
Sec. 815. Increased maximum amount of assistance for tribal organizations or economic enterprises carrying out procurement technical assistance programs in two or more service areas.
Sec. 816. Extension of contract goal for small disadvantaged businesses and certain institutions of higher education.
Sec. 817. Grants of exceptions to cost or pricing data certification requirements and waivers of cost accounting standards.
Sec. 818. Timing of certification in connection with waiver of survivability and lethality testing requirements.
Sec. 819. Contracting with Federal Prison Industries.
Sec. 820. Revisions to multiyear contracting authority.

Subtitle C—Acquisition-Related Reports and Other Matters

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

Subtitle A—Acquisition Policy and Management

SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.

(a) AUTHORITY.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2307 the following new section:

"§ 2308. Buy-to-budget acquisition: end items

"(a) AUTHORITY TO ACQUIRE ADDITIONAL END ITEMS.—Using funds available to the Department of Defense for the acquisition of an end item, the head of an agency making the acquisition may acquire a higher quantity of the end item than the quantity specified for the end item in a law providing for the funding of that acquisition if that head of an agency makes each of the following findings:

"(1) The agency has an established requirement for the end item that is expected to remain substantially unchanged throughout the period of the acquisition.

"(2) It is possible to acquire the higher quantity of the end item without additional funding because of production efficiencies or other cost reductions.

"(3) The amount of the funds used for the acquisition of the higher quantity of the end item will not exceed the amount provided under that law for the acquisition of the end item.

"(4) The amount so provided is sufficient to ensure that each unit of the end item acquired within the higher quantity is fully funded as a complete end item.

"(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of this section. The regulations shall include, at a minimum, the following:

"(1) The level of approval within the Department of Defense that is required for a decision to acquire a higher quantity of an end item under subsection (a).

"(2) Authority (subject to subsection (a)) to acquire up to 10 percent more than the quantity of an end item approved in a justification and approval of the use of procedures other than competitive procedures for the acquisition of the end item under section 2304 of this title.

"(c) NOTIFICATION OF CONGRESS.—The head of an agency is not required to notify Congress in advance regarding a decision under the authority of this section to acquire a higher quantity of an end item than is specified in a law described in subsection (a), but shall notify the congressional defense committees of the decision not later than 30 days after the date of the decision. Deadline.

"(d) WAIVER BY OTHER LAW.—A provision of law may not be construed as prohibiting the acquisition of a higher quantity of an end item under this section unless that provision of law—

"(1) specifically refers to this section; and

"(2) specifically states that the acquisition of the higher quantity of the end item is prohibited notwithstanding the authority provided in this section.

"(e) DEFINITIONS.—(1) For the purposes of this section, a quantity of an end item shall be considered specified in a law if the quantity is specified either in a provision of that law or in any related representation that is set forth separately in a table, chart, or explanatory text included in a joint explanatory statement or governing committee report accompanying the law.

"(2) In this section:

"(A) The term 'congressional defense committees' means—

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

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

"(B) The term 'end item' means a production product assembled, completed, and ready for issue or deployment.

"(C) The term 'head of an agency' means the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2307 the following new item:

"2308. Buy-to-budget acquisition: end items.".

10 USC 2308 note.

(b) TIME FOR ISSUANCE OF FINAL REGULATIONS.—The Secretary of Defense shall issue the final regulations under section 2308(b) of title 10, United States Code (as added by subsection (a)), not later than 120 days after the date of the enactment of this Act.

SEC. 802. REPORT TO CONGRESS ON EVOLUTIONARY ACQUISITION OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Deadline.

(a) REPORT REQUIRED.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the approach that the Secretary plans to take to apply the requirements listed in paragraph (2) to major defense acquisition programs that follow the evolutionary acquisition process.

(2) The requirements referred to in paragraph (1) are—

(A) the requirements of chapter 144 of title 10, United States Code;

(B) sections 139, 181, 2366, 2399, and 2400 of such title;

(C) Department of Defense Directive 5000.1;

(D) Department of Defense Instruction 5000.2;

(E) Chairman of the Joint Chiefs of Staff Instruction 3170.01B; and

(F) other provisions of law and regulations (including successor documents) that are applicable to such programs.

(b) CONTENT OF REPORT.—The report shall, at a minimum, address the following matters:

(1) The manner in which the Secretary plans to establish and approve, for each increment of an evolutionary acquisition process—

(A) operational requirements; and

(B) cost and schedule goals.

(2) The manner in which the Secretary plans, for each increment of an evolutionary acquisition process—

(A) to meet requirements for operational testing and live fire testing;

(B) to monitor cost and schedule performance; and

(C) to comply with laws requiring reports to Congress on results testing and on cost and schedule performance.

(3) The manner in which the Secretary plans to ensure that each increment of an evolutionary acquisition process is designed—

(A) to achieve interoperability within and among United States forces and United States coalition partners; and

(B) to optimize total system performance and minimize total ownership costs by giving appropriate consideration to—

(i) logistics planning;

(ii) manpower, personnel, and training;

(iii) human, environmental, safety, occupational health, accessibility, survivability, operational continuity, and security factors;

(iv) protection of critical program information; and

(v) spectrum management.

(c) DEFINITIONS.—In this section:

(1) The term "evolutionary acquisition process" means a process by which an acquisition program is conducted through discrete phases or blocks, with each phase or block consisting of the planned definition, development, production or acquisition, and fielding of hardware or software that provides operationally useful capability.

(2) The term "increment", with respect to an evolutionary acquisition program, means one of the discrete phases or blocks of such program.

(3) The term "major defense acquisition program" has the meaning given such term in section 139(a)(2)(B) of title 10, United States Code.

SEC. 803. SPIRAL DEVELOPMENT UNDER MAJOR DEFENSE ACQUISITION PROGRAMS.

10 USC 2430 note.

(a) AUTHORITY.—The Secretary of Defense is authorized to conduct major defense acquisition programs as spiral development programs.

(b) LIMITATION ON SPIRAL DEVELOPMENT PROGRAMS.—A research and development program for a major defense acquisition program of a military department or Defense Agency may not be conducted as a spiral development program unless the Secretary of Defense approves the spiral development plan for that research and development program in accordance with subsection (c). The Secretary of Defense may delegate authority to approve the plan to the Under Secretary of Defense for Acquisition, Technology, and Logistics, or to the senior acquisition executive of the military department or Defense Agency concerned, but such authority may not be further delegated.

(c) SPIRAL DEVELOPMENT PLANS.—A spiral development plan for a research and development program for a major defense acquisition program shall, at a minimum, include the following matters:

(1) A rationale for dividing the research and development program into separate spirals, together with a preliminary identification of the spirals to be included.

(2) A program strategy, including overall cost, schedule, and performance goals for the total research and development program.

(3) Specific cost, schedule, and performance parameters, including measurable exit criteria, for the first spiral to be conducted.

(4) A testing plan to ensure that performance goals, parameters, and exit criteria are met.

(5) An appropriate limitation on the number of prototype units that may be produced under the research and development program.

(6) Specific performance parameters, including measurable exit criteria, that must be met before the major defense acquisition program proceeds into production of units in excess of the limitation on the number of prototype units.

(d) GUIDANCE.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance for the implementation of spiral development programs authorized by this section. The guidance shall include appropriate processes for ensuring the independent validation of exit criteria being met,

Deadline.

the operational assessment of fieldable prototypes, and the management of spiral development programs.

(e) REPORTING REQUIREMENT.—The Secretary shall submit to Congress by September 30 of each of 2003 through 2008 a status report on each research and development program that is a spiral development program. The report shall contain information on unit costs that is similar to the information on unit costs under major defense acquisition programs that is required to be provided to Congress under chapter 144 of title 10, United States Code, except that the information on unit costs shall address projected prototype costs instead of production costs.

(f) APPLICABILITY OF EXISTING LAW.—Nothing in this section shall be construed to exempt any program of the Department of Defense from the application of any provision of chapter 144 of title 10, United States Code, section 139, 181, 2366, 2399, or 2400 of such title, or any requirement under Department of Defense Directive 5000.1, Department of Defense Instruction 5000.2, or Chairman of the Joint Chiefs of Staff Instruction 3170.01B in accordance with the terms of such provision or requirement.

(g) DEFINITIONS.—In this section:

(1) The term "spiral development program", with respect to a research and development program, means a program that—

(A) is conducted in discrete phases or blocks, each of which will result in the development of fieldable prototypes; and

(B) will not proceed into acquisition until specific performance parameters, including measurable exit criteria, have been met.

(2) The term "spiral" means one of the discrete phases or blocks of a spiral development program.

(3) The term "major defense acquisition program" has the meaning given such term in section 139(a)(2)(B) of title 10, United States Code.

10 USC 2302 note.

SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION PROCESSES.

(a) ESTABLISHMENT OF PROGRAMS.—(1) The Secretary of each military department shall establish a program to improve the software acquisition processes of that military department.

(2) The head of each Defense Agency that manages a major defense acquisition program with a substantial software component shall establish a program to improve the software acquisition processes of that Defense Agency.

Deadline.

(3) The programs required by this subsection shall be established not later than 120 days after the date of the enactment of this Act.

(b) PROGRAM REQUIREMENTS.—A program to improve software acquisition processes under this section shall, at a minimum, include the following:

(1) A documented process for software acquisition planning, requirements development and management, project management and oversight, and risk management.

(2) Efforts to develop appropriate metrics for performance measurement and continual process improvement.

(3) A process to ensure that key program personnel have an appropriate level of experience or training in software acquisition.

(4) A process to ensure that each military department and Defense Agency implements and adheres to established processes and requirements relating to the acquisition of software.

(c) DEPARTMENT OF DEFENSE GUIDANCE.—The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, in consultation with the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall—

(1) prescribe uniformly applicable guidance for the administration of all of the programs established under subsection (a) and take such actions as are necessary to ensure that the military departments and Defense Agencies comply with the guidance; and

(2) assist the Secretaries of the military departments and the heads of the Defense Agencies to carry out such programs effectively by—

(A) ensuring that the criteria applicable to the selection of sources provides added emphasis on past performance of potential sources, as well as on the maturity of the software products offered by the potential sources; and

(B) identifying, and serving as a clearinghouse for information regarding, best practices in software development and acquisition in both the public and private sectors.

(d) DEFINITIONS.—In this section:

(1) The term "Defense Agency" has the meaning given the term in section 101(a)(11) of title 10, United States Code.

(2) The term "major defense acquisition program" has the meaning given such term in section 139(a)(2)(B) of title 10, United States Code.

SEC. 805. PERFORMANCE GOALS FOR PROCURING SERVICES PURSUANT TO MULTIPLE AWARD CONTRACTS.

(a) PERFORMANCE GOALS.—Subsection (a) of section 802 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1178; 10 U.S.C. 2330 note) is amended to read as follows:

"(a) GOALS.—(1) It shall be an objective of the Department of Defense to achieve efficiencies in procurements of services pursuant to multiple award contracts through the use of—

"(A) performance-based services contracting;

"(B) appropriate competition for task orders under services contracts;

"(C) program review, spending analyses, and improved management of services contracts.

"(2) In furtherance of such objective, the Department of Defense shall have the following goals:

"(A) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on the basis of dollar value), the volume of the individual purchases of services that are made on a competitive basis and involve receipt of more than one offer from qualified contractors to a percentage as follows:

"(i) For fiscal year 2003, a percentage not less than 40 percent.

"(ii) For fiscal year 2004, a percentage not less than 50 percent.

"(iii) For fiscal year 2011, a percentage not less than 75 percent.

"(B) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on the basis of dollar value), the use of performance-based purchasing specifying firm fixed prices for the specific tasks to be performed to a percentage as follows:

"(i) For fiscal year 2003, a percentage not less than 25 percent.

"(ii) For fiscal year 2004, a percentage not less than 35 percent.

"(iii) For fiscal year 2005, a percentage not less than 50 percent.

"(iv) For fiscal year 2011, a percentage not less than 70 percent.

"(3) The Secretary of Defense may adjust any percentage goal established in paragraph (2) if the Secretary determines in writing that such a goal is too high and cannot reasonably be achieved. In the event that the Secretary chooses to adjust such a goal, the Secretary shall—

"(A) establish a percentage goal that the Secretary determines would create an appropriate incentive for Department of Defense components to use competitive procedures or performance-based services contracting, as the case may be; and

"(B) submit to the congressional defense committees a report containing an explanation of the reasons for the Secretary's determination and a statement of the new goal that the Secretary has established.".

(b) EXTENSION AND REVISION OF REPORTING REQUIREMENT.—Subsection (b) of such section is amended—

(1) by striking "March 1, 2006" and inserting "March 1, 2011"; and

(2) by amending paragraph (5) to read as follows:

"(5) Regarding the individual purchases of services that were made by or for the Department of Defense under multiple award contracts in the fiscal year preceding the fiscal year in which the report is required to be submitted, information (determined using the data collection system established under section 2330a of title 10, United States Code) as follows:

"(A) The percentage (calculated on the basis of dollar value) of such purchases that are purchases that were made on a competitive basis and involved receipt of more than one offer from qualified contractors.

"(B) The percentage (calculated on the basis of dollar value) of such purchases that are performance-based purchases specifying firm fixed prices for the specific tasks to be performed.".

(c) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

"(c) DEFINITIONS.—(1) In this section, the terms 'individual purchase' and 'multiple award contract' have the meanings given such terms in section 803(c) of this Act.

"(2) For the purposes of this section, an individual purchase of services is made on a competitive basis only if it is made pursuant

to procedures described in paragraphs (2), (3), and (4) of section 803(b) of this Act.".

(d) CONFORMING AMENDMENT.—The heading for such section is amended by striking "**SAVINGS GOALS**" and inserting "**PERFORMANCE GOALS**".

SEC. 806. RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

10 USC 2302 note. Deadline.

(a) REQUIREMENT TO ESTABLISH PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe procedures for the rapid acquisition and deployment of items that are—

(1) currently under development by the Department of Defense or available from the commercial sector; and

(2) urgently needed to react to an enemy threat or to respond to significant and urgent safety situations.

(b) ISSUES TO BE ADDRESSED.—The procedures prescribed under subsection (a) shall include the following:

(1) A process for streamlined communications between the Chairman of the Joint Chiefs of Staff, the acquisition community, and the research and development community, including—

(A) a process for the commanders of the combatant commands and the Joint Chiefs of Staff to communicate their needs to the acquisition community and the research and development community; and

(B) a process for the acquisition community and the research and development community to propose items that meet the needs communicated by the combatant commands and the Joint Chiefs of Staff.

(2) Procedures for demonstrating, rapidly acquiring, and deploying items proposed pursuant to paragraph (1)(B), including—

(A) a process for demonstrating performance and evaluating for current operational purposes the existing capability of an item;

(B) a process for developing an acquisition and funding strategy for the deployment of an item; and

(C) a process for making deployment determinations based on information obtained pursuant to subparagraphs (A) and (B).

(c) TESTING REQUIREMENT.—(1) The process for demonstrating performance and evaluating for current operational purposes the existing capability of an item prescribed under subsection (b)(2)(A) shall include—

(A) an operational assessment in accordance with procedures prescribed by the Director of Operational Test and Evaluation; and

(B) a requirement to provide information about any deficiency of the item in meeting the original requirements for the item (as stated in an operational requirements document or similar document) to the deployment decisionmaking authority.

(2) The process may not include a requirement for any deficiency of an item to be the determining factor in deciding whether to deploy the item.

(d) LIMITATION.—The quantity of items of a system procured using the procedures prescribed pursuant to this section may not exceed the number established for low-rate initial production for

the system. Any such items shall be counted for purposes of the number of items of the system that may be procured through low-rate initial production.

10 USC 1702 note.

SEC. 807. QUICK-REACTION SPECIAL PROJECTS ACQUISITION TEAM.

(a) ESTABLISHMENT.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall establish a team of highly qualified acquisition professionals who shall be available to advise the Under Secretary on actions that can be taken to expedite the acquisition of urgently needed systems.

(b) DUTIES.—The issues on which the team may provide advice shall include the following:

(1) Industrial base issues, including the limited availability of suppliers.

(2) Technology development and technology transition issues.

(3) Issues of acquisition policy, including the length of the acquisition cycle.

(4) Issues of testing policy and ensuring that weapon systems perform properly in combat situations.

(5) Issues of procurement policy, including the impact of socio-economic requirements.

(6) Issues relating to compliance with environmental requirements.

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

SEC. 811. LIMITATION PERIOD FOR TASK AND DELIVERY ORDER CONTRACTS.

(a) LIMITATION PERIOD.—Section 2306c of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) LIMITATION PERIOD FOR TASK AND DELIVERY ORDER CONTRACTS.—(1) The authority and restrictions of this section, including the authority to enter into contracts for periods of not more than five years, shall apply with respect to task order and delivery order contracts entered into under the authority of section 2304a, 2304b, or 2304c of this title.

"(2) The regulations implementing this subsection shall establish a preference that, to the maximum extent practicable, multiyear requirements for task order and delivery order contracts be met with separate awards to two or more sources under the authority of section 2304a(d)(1)(B) of this title.".

10 USC 2306c note.

(b) EFFECTIVE DATE.—Subsection (g) of section 2306c of title 10, United States Code, as added by subsection (a), shall apply to all task order and delivery order contracts entered into on or after the date of the enactment of this Act.

(c) COMPTROLLER GENERAL REPORT.—Not later than March 15, 2003, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the contract periods (including any options or extensions) for all single and multiple contract awards entered into under section 2304a(d) of

title 10, United States Code, before the effective date in subsection (b).

SEC. 812. ONE-YEAR EXTENSION OF PROGRAM APPLYING SIMPLIFIED PROCEDURES TO CERTAIN COMMERCIAL ITEMS; REPORT.

(a) EXTENSION OF PILOT PROGRAM.—Section 4202 of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 10 U.S.C. 2304 note) is amended in subsection (e) by striking "January 1, 2003" and inserting "January 1, 2004".

(b) REPORT REQUIRED.—(1) Not later than March 15, 2003, the Comptroller General shall submit to Congress a report on the authority to issue solicitations for purchases of commercial items in excess of the simplified acquisition threshold pursuant to the special simplified procedures authorized by section 2304(g)(1) of title 10, United States Code, and section 31(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 427(a)).

(2) The report required by paragraph (1) shall address, at a minimum—

(A) the extent to which such authority has been used by the Secretary of Defense;

(B) the benefits realized by the Department of Defense through the use of such authority;

(C) the impact of the use of such authority on competition for contracts with the Department of Defense; and

(D) any recommendations of the Comptroller General for the continuation or modification of such authority.

SEC. 813. EXTENSION AND IMPROVEMENT OF PERSONNEL DEMONSTRATION POLICIES AND PROCEDURES APPLICABLE TO THE CIVILIAN ACQUISITION WORKFORCE.

(a) PLAN REQUIRED.—(1) The Secretary of Defense shall develop a plan for improving the personnel management policies and procedures applicable to the Department of Defense civilian acquisition workforce based on the results of the demonstration project described in section 4308 of the Clinger–Cohen Act of 1996 (divisions D and E of Public Law 104–106; 10 U.S.C. 1701 note).

(2) Not later than February 15, 2003, the Secretary shall submit to Congress the plan required under paragraph (1) and a report on the plan, including any recommendations for legislative action necessary to implement the plan.

(b) EXTENSION OF DEMONSTRATION PROJECT AUTHORITY.—Section 4308 of the Clinger–Cohen Act of 1996 (divisions D and E of Public Law 104–106; 10 U.S.C. 1701 note) is amended—

(1) in subsection (b)(2)(C), by striking "subsection (d)(1)(A)" and inserting "subsection (d)(1)";

(2) by amending subparagraph (B) of subsection (b)(3) to read as follows:

"(B) commences before October 1, 2007."; and

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

"(e) TERMINATION OF AUTHORITY.—The authority to conduct a demonstration program under this section shall terminate on September 30, 2012.".

SEC. 814. PAST PERFORMANCE GIVEN SIGNIFICANT WEIGHT IN RENEWAL OF PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENTS.

Section 2413 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) In conducting a competition for the award of a cooperative agreement under subsection (a), and in determining the level of funding to provide under an agreement under subsection (b), the Secretary shall give significant weight to successful past performance of eligible entities under a cooperative agreement under this section.".

SEC. 815. INCREASED MAXIMUM AMOUNT OF ASSISTANCE FOR TRIBAL ORGANIZATIONS OR ECONOMIC ENTERPRISES CARRYING OUT PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS IN TWO OR MORE SERVICE AREAS.

Section 2414(a)(4) of title 10, United States Code, is amended by striking "$300,000" and inserting "$600,000".

SEC. 816. EXTENSION OF CONTRACT GOAL FOR SMALL DISADVANTAGED BUSINESSES AND CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

Section 2323(k) of title 10, United States Code, is amended by striking "2003" both places it appears and inserting "2006".

10 USC 2306a note.

SEC. 817. GRANTS OF EXCEPTIONS TO COST OR PRICING DATA CERTIFICATION REQUIREMENTS AND WAIVERS OF COST ACCOUNTING STANDARDS.

Deadline.

(a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL CIRCUMSTANCES.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance on the circumstances under which it is appropriate to grant an exceptional case exception or waiver with respect to certified cost and pricing data and cost accounting standards.

(b) DETERMINATION REQUIRED FOR EXCEPTIONAL CASE EXCEPTION OR WAIVER.—The guidance shall, at a minimum, include a limitation that a grant of an exceptional case exception or waiver is appropriate with respect to a contract, subcontract, or (in the case of submission of certified cost and pricing data) modification only upon a determination that—

(1) the property or services cannot reasonably be obtained under the contract, subcontract, or modification, as the case may be, without the grant of the exception or waiver;

(2) the price can be determined to be fair and reasonable without the submission of certified cost and pricing data or the application of cost accounting standards, as the case may be; and

(3) there are demonstrated benefits to granting the exception or waiver.

(c) APPLICABILITY OF NEW GUIDANCE.—The guidance issued under subsection (a) shall apply to each exceptional case exception or waiver that is granted on or after the date on which the guidance is issued.

(d) ANNUAL REPORT ON BOTH COMMERCIAL ITEM AND EXCEPTIONAL CASE EXCEPTIONS AND WAIVERS WITH PRICE OR VALUE GREATER THAN $15,000,000.—(1) The Secretary of Defense shall transmit to the congressional defense committees promptly after the end of each fiscal year a report on commercial item exceptions,

and exceptional case exceptions and waivers, described in paragraph (2) that were granted during that fiscal year.

(2) The report for a fiscal year shall include—

(A) with respect to any commercial item exception granted in the case of a contract, subcontract, or contract or subcontract modification that is expected to have a price of $15,000,000 or more, an explanation of the basis for the determination that the products or services to be purchased are commercial items, including an identification of the specific steps taken to ensure price reasonableness; and

(B) with respect to any exceptional case exception or waiver granted in the case of a contract or subcontract that is expected to have a value of $15,000,000 or more, an explanation of the basis for the determination described in subsection (b), including an identification of the specific steps taken to ensure that the price was fair and reasonable.

(e) DEFINITIONS.—In this section:

(1) The term "exceptional case exception or waiver" means either of the following:

(A) An exception pursuant to section 2306a(b)(1)(C) of title 10, United States Code, relating to submission of certified cost and pricing data.

(B) A waiver pursuant to section 26(f)(5)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(5)(B)), relating to the applicability of cost accounting standards to contracts and subcontracts.

(2) The term "commercial item exception" means an exception pursuant to section 2306a(b)(1)(B) of title 10, United States Code, relating to submission of certified cost and pricing data.

SEC. 818. TIMING OF CERTIFICATION IN CONNECTION WITH WAIVER OF SURVIVABILITY AND LETHALITY TESTING REQUIREMENTS.

(a) CERTIFICATION FOR EXPEDITED PROGRAMS.—Paragraph (1) of subsection (c) of section 2366 of title 10, United States Code, is amended to read as follows:

"(1) The Secretary of Defense may waive the application of the survivability and lethality tests of this section to a covered system, munitions program, missile program, or covered product improvement program if the Secretary determines that live-fire testing of such system or program would be unreasonably expensive and impractical and submits a certification of that determination to Congress—

"(A) before Milestone B approval for the system or program; or

"(B) in the case of a system or program initiated at—

"(i) Milestone B, as soon as is practicable after the Milestone B approval; or

"(ii) Milestone C, as soon as is practicable after the Milestone C approval.".

(b) DEFINITIONS.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

"(8) The term 'Milestone B approval' means a decision to enter into system development and demonstration pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

"(9) The term 'Milestone C approval' means a decision to enter into production and deployment pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.".

SEC. 819. CONTRACTING WITH FEDERAL PRISON INDUSTRIES.

(a) ASSURANCE OF BEST VALUE FOR NATIONAL DEFENSE.—(1) Section 2410n of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by amending the heading to read as follows: "MARKET RESEARCH.—"; and

(ii) by striking "comparable in price, quality, and time of delivery to products available from the private sector" and inserting "comparable to products available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery";

(B) by striking subsection (b) and inserting the following:

"(b) COMPETITION REQUIREMENT.—If the Secretary determines that a Federal Prison Industries product is not comparable in price, quality, or time of delivery to products available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery, the Secretary shall use competitive procedures for the procurement of the product or shall make an individual purchase under a multiple award contract. In conducting such a compeititon or making such a purchase, the Secretary shall consider a timely offer from Federal Prison Industries."; and

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

"(c) IMPLEMENTATION BY SECRETARY OF DEFENSE.—The Secretary of Defense shall ensure that—

"(1) the Department of Defense does not purchase a Federal Prison Industries product or service unless a contracting officer of the Department determines that the product or service is comparable to products or services available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery; and

"(2) Federal Prison Industries performs its contractual obligations to the same extent as any other contractor for the Department of Defense.

"(d) MARKET RESEARCH DETERMINATION NOT SUBJECT TO REVIEW.—A determination by a contracting officer regarding whether a product or service offered by Federal Prison Industries is comparable to products or services available from the private sector that best meet the Department's needs in terms of price, quality, and time of delivery shall not be subject to review pursuant to section 4124(b) of title 18.

"(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A contractor or potential contractor of the Department of Defense may not be required to use Federal Prison Industries as a subcontractor or supplier of products or provider of services for the performance of a Department of Defense contract by any means, including means such as—

"(A) a contract solicitation provision requiring a contractor to offer to make use of products or services of Federal Prison Industries in the performance of the contract;

"(B) a contract specification requiring the contractor to use specific products or services (or classes of products or services) offered by Federal Prison Industries in the performance of the contract; or

"(C) any contract modification directing the use of products or services of Federal Prison Industries in the performance of the contract.

"(2) In this subsection, the term 'contractor', with respect to a contract, includes a subcontractor at any tier under the contract.

"(f) PROTECTION OF CLASSIFIED AND SENSITIVE INFORMATION.—The Secretary of Defense may not enter into any contract with Federal Prison Industries under which an inmate worker would have access to—

"(1) any data that is classified;

"(2) any geographic data regarding the location of—

"(A) surface and subsurface infrastructure providing communications or water or electrical power distribution;

"(B) pipelines for the distribution of natural gas, bulk petroleum products, or other commodities; or

"(C) other utilities; or

"(3) any personal or financial information about any individual private citizen, including information relating to such person's real property however described, without the prior consent of the individual.

"(g) DEFINITIONS.—In this section:

"(1) The term 'competitive procedures' has the meaning given such term in section 2302(2) of this title.

"(2) The term 'market research' means obtaining specific information about the price, quality, and time of delivery of products available in the private sector through a variety of means, which may include—

"(A) contacting knowledgeable individuals in government and industry;

"(B) interactive communication among industry, acquisition personnel, and customers; and

"(C) interchange meetings or pre-solicitation conferences with potential offerors.".

(2) Paragraph (1) and the amendments made by such paragraph shall take effect as of October 1, 2001. Effective date. 10 USC 2410n note.

(b) REGULATORY IMPLEMENTATION.—(1) Proposed revisions to the Department of Defense Supplement to the Federal Acquisition Regulation to implement this section shall be published not later than 90 days after the date of the enactment of this Act, and not less than 60 days shall be provided for public comment on the proposed revisions. Publication. Deadlines. 10 USC 2410n note.

(2) Final regulations shall be published not later than 180 days after the date of the enactment of this Act and shall be effective on the date that is 30 days after the date of the publication.

SEC. 820. REVISIONS TO MULTIYEAR CONTRACTING AUTHORITY.

(a) USE OF PROCUREMENT AND ADVANCE PROCUREMENT FUNDS.—Section 2306b(i) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) The Secretary of Defense may obligate funds for procurement of an end item under a multiyear contract for the purchase of property only for procurement of a complete and usable end item.

"(B) The Secretary of Defense may obligate funds appropriated for any fiscal year for advance procurement under a contract for the purchase of property only for the procurement of those long-lead items necessary in order to meet a planned delivery schedule for complete major end items that are programmed under the contract to be acquired with funds appropriated for a subsequent fiscal year (including an economic order quantity of such long-lead items when authorized by law).".

10 USC 2306b note.

(b) EFFECTIVE DATE.—(1) Paragraph (4) of section 2306b(i) of title 10, United States Code, as added by subsection (a), shall not apply with respect to any contract awarded before the date of the enactment of this Act.

(2) Nothing in this section shall be construed to authorize the expenditure of funds under any contract awarded before the date of the enactment of this Act for any purpose other than the purpose for which such funds have been authorized and appropriated.

Subtitle C—Acquisition-Related Reports and Other Matters

SEC. 821. EVALUATION OF TRAINING, KNOWLEDGE, AND RESOURCES REGARDING NEGOTIATION OF INTELLECTUAL PROPERTY ARRANGEMENTS.

(a) AVAILABILITY OF TRAINING, KNOWLEDGE, AND RESOURCES.—The Secretary of Defense shall evaluate the training, knowledge, and resources needed by the Department of Defense in order to effectively negotiate intellectual property rights using the principles of the Defense Federal Acquisition Regulation Supplement and determine whether the Department of Defense currently has in place the training, knowledge, and resources available to meet those Departmental needs.

Deadline.

(b) REPORT.—Not later than February 1, 2003, the Secretary of Defense shall submit to Congress a report describing—

(1) the results of the evaluation performed under subsection (a);

(2) to the extent the Department does not have adequate training, knowledge, and resources available, actions to be taken to improve training and knowledge and to make resources available to meet the Department's needs; and

(3) the number of Department of Defense legal personnel trained in negotiating intellectual property arrangements.

SEC. 822. INDEPENDENT TECHNOLOGY READINESS ASSESSMENTS.

Section 804(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended—

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

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

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

"(3) identify each case in which an authoritative decision has been made within the Department of Defense not to conduct an independent technology readiness assessment for a critical technology on a major defense acquisition program and explain the reasons for the decision.".

SEC. 823. EXTENSION AND AMENDMENT OF REQUIREMENT FOR ANNUAL REPORT ON DEFENSE COMMERCIAL PRICING MANAGEMENT IMPROVEMENT.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is amended—

(1) by striking "2000, 2001, and 2002," and inserting "2000 through 2006,";

(2) by inserting after "were conducted" the following: "by the Secretary of each military department and the Director of the Defense Logistics Agency"; and

(3) by inserting after "actions taken" the following: "by each Secretary and the Director".

SEC. 824. ASSESSMENT OF PURCHASES OF PRODUCTS AND SERVICES THROUGH CONTRACTS WITH OTHER FEDERAL DEPARTMENTS AND AGENCIES.

(a) REQUIREMENT FOR ASSESSMENT.—The Secretary of Defense shall carry out an assessment of purchases by the Department of Defense of products and services through contracts entered into with other Federal departments and agencies.

(b) PERIOD COVERED BY ASSESSMENT.—The assessment required by subsection (a) shall cover purchases made during fiscal years 2000 through 2002.

(c) REPORT.—Not later than February 1, 2003, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the assessment conducted under subsection (a). The report shall include the following: Deadline.

(1) The total amount paid by the Department of Defense as fees for the acquisition of such products and services.

(2) A determination of whether such total amount paid is excessive and should be reduced.

(3) A description of the benefits received by the Department as a result of purchasing such products and services through such contracts.

SEC. 825. REPEAL OF CERTAIN REQUIREMENTS AND COMPTROLLER GENERAL REVIEWS OF THE REQUIREMENTS.

(a) TERMINATION OF AUTHORITY TO TRANSFER FUNDS INTO DEFENSE MODERNIZATION ACCOUNT.—(1) Paragraph (1) of section 912(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410; 10 U.S.C. 2216 note) is amended by striking "September 30, 2003" and inserting "September 30, 2002".

(2) Section 912(d) of such Act (110 Stat. 410; 10 U.S.C. 2216 note), relating to Comptroller General reviews of the administration of the Defense Modernization Account, is repealed.

(b) REPEAL OF SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.—(1) Section 11522 of title 40, United States Code, is repealed.

(2)(A) Section 11501 of title 40, United States Code, is amended—

(i) in the section heading, by striking "**PROGRAMS**" and inserting "**PROGRAM**";

(ii) in subsection (a)(1), by striking "conduct pilot programs" and inserting "conduct a pilot program pursuant to the requirements of section 11521 of this title";

(iii) in subsection (a)(2), by striking "each pilot program" and inserting "the pilot program";

(iv) in subsection (b)—

(I) by striking "LIMITATIONS.—" and all that follows through "pilot programs conducted" and inserting the following: "LIMITATION ON AMOUNT.—The total amount obligated for contracts entered into under the pilot program conducted"; and

(II) by striking "paragraph." and inserting "subsection."; and

(v) in subsection (c)(1), by striking "a pilot" and inserting "the pilot".

(B) The following provisions of chapter 115 of such title are each amended by striking "a pilot" each place it appears and inserting "the pilot":

(i) Section 11502(a).

(ii) Section 11502(b).

(iii) Section 11503(a).

(iv) Section 11504.

(C) Section 11505 of such chapter is amended by striking "programs" and inserting "program".

(3)(A) The chapter heading for chapter 115 of such title is amended by striking "**PROGRAMS**" and inserting "**PROGRAM**".

(B) The subchapter heading for subchapter I and for subchapter II of such chapter are each amended by striking "PROGRAMS" and inserting "PROGRAM".

(C) The item relating to subchapter I in the table of sections at the beginning of such chapter is amended to read as follows:

"SUBCHAPTER I—CONDUCT OF PILOT PROGRAM".

(D) The item relating to subchapter II in the table of sections at the beginning of such chapter is amended to read as follows:

"SUBCHAPTER II—SPECIFIC PILOT PROGRAM".

(E) The item relating to section 11501 in the table of sections at the beginning of such is amended by striking "programs" and inserting "program".

(F) The table of sections at the beginning of such chapter is amended by striking the item relating to section 11522.

(G) The item relating to chapter 115 in the table of chapters for subtitle III of title 40, United States Code, is amended to read as follows:

"115. INFORMATION TECHNOLOGY ACQUISITION PILOT PROGRAM ....11501".

(c) REPEAL OF ON-LINE MULTIPLE AWARD SCHEDULE CONTRACTING REQUIREMENTS.—(1) Section 11701 of title 40, United States Code, is repealed.

(2) Sections 11702, 11703, and 11704 of such title are redesignated as sections 11701, 11702, and 11703, respectively.

(3) The table of sections for chapter 117 of such title is amended—

(A) by striking the item relating to section 11701; and

(B) by redesignating the items relating to sections 11702, 11703, and 11704 as sections 11701, 11702, and 11703, respectively.

SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR PURCHASE OF DINITROGEN TETROXIDE, HYDRAZINE, AND HYDRAZINE-RELATED PRODUCTS.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2410n the following new section:

"§ 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products

"(a) TEN-YEAR CONTRACT PERIOD.—The Secretary of Defense may enter into a contract for a period of up to 10 years for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products for the support of a United States national security program or a United States space program.

"(b) EXTENSIONS.—A contract entered into for more than one year under the authority of subsection (a) may be extended for a total of not more than 10 years pursuant to any option or options set forth in the contract.".

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

"2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.".

SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR ENVIRONMENTAL SERVICES FOR MILITARY INSTALLATIONS.

(a) AUTHORITY.—Subsection (b) of section 2306c of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) Environmental remediation services for—

"(A) an active military installation;

"(B) a military installation being closed or realigned under a base closure law; or

"(C) a site formerly used by the Department of Defense.".

(b) DEFINITIONS.—Such section, as amended by section 311, is further amended by adding at the end the following new subsection:

"(h) ADDITIONAL DEFINITIONS.—In this section:

"(1) The term 'base closure law' has the meaning given such term in section 2667(h)(2) of this title.

"(2) The term 'military installation' has the meaning given such term in section 2801(c)(2) of this title.".

SEC. 828. REPORT ON EFFECTS OF ARMY CONTRACTING AGENCY.

(a) IN GENERAL.—The Secretary of the Army shall submit a report on the effects of the establishment of an Army Contracting Agency on small business participation in Army procurements during the first year of operation of such an agency to—

(1) the Committee on Armed Services of the House of Representatives;

(2) the Committee on Armed Services of the Senate;

(3) the Committee on Small Business of the House of Representatives; and

(4) the Committee on Small Business and Entrepreneurship of the Senate.

(b) CONTENT.—The report required under subsection (a) shall include, in detail—

(1) the justification for the establishment of an Army Contracting Agency;

(2) the impact of the creation of an Army Contracting Agency on—

(A) Army compliance with—

(i) Department of Defense Directive 4205.1;

(ii) section 15(g) of the Small Business Act (15 U.S.C. 644(g)); and

(iii) section 15(k) of the Small Business Act (15 U.S.C. 644(k)); and

(B) small business participation in Army procurement of products and services for affected Army installations, including—

(i) the impact on small businesses located near Army installations, including—

(I) the increase or decrease in the total value of Army prime contracting with local small businesses; and

(II) the opportunities for small business owners to meet and interact with Army procurement personnel; and

(ii) any change or projected change in the use of consolidated contracts and bundled contracts; and

(3) a description of the Army's plan to address any negative impact on small business participation in Army procurement, to the extent such impact is identified in the report.

(c) TIME FOR SUBMISSION.—The report under this section shall be submitted 15 months after the date of the establishment of the Army Contracting Agency.

50 USC app. 2093 note.

SEC. 829. AUTHORIZATION TO TAKE ACTIONS TO CORRECT THE INDUSTRIAL RESOURCE SHORTFALL FOR RADIATION-HARDENED ELECTRONICS.

Notwithstanding the limitation in section 303(a)(6)(C) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)(6)(C)), action or actions may be taken under section 303 of that Act to correct the industrial resource shortfall for radiation-hardened electronics, if such actions do not cause the aggregate outstanding amount of all such actions to exceed $106,000,000.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers

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

Subtitle B—Space Activities

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

Subtitle C—Reports

Sec. 921. Report on establishment of United States Northern Command.
Sec. 922. Time for submittal of report on Quadrennial Defense Review.
Sec. 923. National defense mission of Coast Guard to be included in future Quadrennial Defense Reviews.

Sec. 924. Report on establishment of a Joint National Training Complex and joint opposing forces.

Subtitle D—Other Matters

Sec. 931. Authority to accept gifts for National Defense University.
Sec. 932. Western Hemisphere Institute for Security Cooperation.
Sec. 933. Conforming amendment to reflect disestablishment of Department of Defense Consequence Management Program Integration Office.
Sec. 934. Increase in number of Deputy Commandants of the Marine Corps.

Subtitle A—Duties and Functions of Department of Defense Officers

SEC. 901. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE.

(a) ESTABLISHMENT OF POSITION.—Chapter 4 of title 10, United States Code, is amended—

(1) by transferring section 137 within such chapter to appear after section 139 and redesignating that section as section 139a; and

(2) by inserting after section 136a the following new section 137:

"§ 137. Under Secretary of Defense for Intelligence

"(a) There is an Under Secretary of Defense for Intelligence, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Intelligence shall perform such duties and exercise such powers as the Secretary of Defense may prescribe in the area of intelligence.

"(c) The Under Secretary of Defense for Intelligence takes precedence in the Department of Defense after the Under Secretary of Defense for Personnel and Readiness.".

(b) CONFORMING AMENDMENTS.—(1) Section 131(b) of such title is amended—

(A) by striking paragraphs (2) through (5) and inserting the following:

"(2) The Under Secretaries of Defense, as follows:

"(A) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(B) The Under Secretary of Defense for Policy.

"(C) The Under Secretary of Defense (Comptroller).

"(D) The Under Secretary of Defense for Personnel and Readiness.

"(E) The Under Secretary of Defense for Intelligence."; and

(B) by redesignating paragraphs (6), (7), (8), (9), (10), and (11) as paragraphs (3), (4), (5), (6), (7), and (8), respectively.

(2) The table of sections at the beginning of chapter 4 of such title is amended—

(A) by striking the item relating to section 137 and inserting the following:

"137. Under Secretary of Defense for Intelligence.";

and

(B) by inserting after the item relating to section 139 the following new item:

"139a. Director of Defense Research and Engineering.".

(c) EXECUTIVE LEVEL III.—Section 5314 of title 5, United States Code, is amended by inserting after "Under Secretary of Defense for Personnel and Readiness." the following:

"Under Secretary of Defense for Intelligence.".

10 USC 137 note.

(d) RELATIONSHIP TO AUTHORITIES UNDER NATIONAL SECURITY ACT OF 1947.—Nothing in section 137 of title 10, United States Code, as added by subsection (a), shall supersede or modify the authorities of the Secretary of Defense and the Director of Central Intelligence as established by the National Security Act of 1947 (50 U.S.C. 401 et seq.).

Deadline.

(e) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the establishment of the position of Under Secretary of Defense for Intelligence. The report shall set forth the following:

(1) The mission prescribed for that Under Secretary.

(2) The organizational structure established for the office of that Under Secretary.

(3) The relationship of that Under Secretary with the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Under Secretary of Defense for Policy.

(4) The relationship of that Under Secretary with each of the following intelligence components of the Department of Defense: the National Security Agency, the Defense Intelligence Agency, the National Imagery and Mapping Agency, and the National Reconnaissance Office.

(5) The mission of the position designated, as of the date of the enactment of this Act, as Assistant Secretary of Defense for Command, Control, Communications, and Intelligence and the relationship of that position to the Under Secretary of Defense for Intelligence.

SEC. 902. REORGANIZATION OF OFFICE OF SECRETARY OF DEFENSE FOR ADMINISTRATION OF DUTIES RELATING TO HOMELAND DEFENSE AND COMBATING TERRORISM.

(a) ASSISTANT SECRETARY OF DEFENSE FOR HOMELAND DEFENSE.—Section 138(b) of title 10, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Homeland Defense. He shall have as his principal duty the overall supervision of the homeland defense activities of the Department of Defense.".

(b) TRANSFER TO UNDER SECRETARY OF DEFENSE FOR POLICY OF RESPONSIBILITY FOR COMBATING TERRORISM.—Section 134(b) of such title is amended by adding at the end the following new paragraph:

"(4) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Policy shall have overall direction and supervision for policy, program planning and execution, and allocation and use of resources for the activities of the Department of Defense for combating terrorism.".

(c) CONFORMING AMENDMENT.—Section 138(b) of such title is amended by striking paragraph (6).

(d) REPEAL OF PREVIOUS CONTINGENT REDUCTION IN NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—Subsections (c) and (d) of section 901 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1194) are repealed. 5 USC 5315; 10 USC 138.

Subtitle B—Space Activities

SEC. 911. OVERSIGHT OF ACQUISITION FOR DEFENSE SPACE PROGRAMS.

(a) IN GENERAL.—The Secretary of Defense shall provide for oversight of acquisition for defense space programs through appropriate organizations of the Office of the Secretary of Defense.

(b) REPORT ON OVERSIGHT.—(1) Not later than March 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a detailed plan on how the Office of the Secretary of Defense shall provide oversight of acquisition for defense space programs. Deadline.

(2) The plan shall set forth the following:

(A) The organizations in the Office of the Secretary of Defense, and the Joint Staff organizations, to be involved in oversight of acquisition for defense space programs.

(B) The process for the review of acquisition for defense space programs by the organizations specified under subparagraph (A).

(C) The process for the provision by such organizations of technical, programmatic, scheduling, and budgetary oversight of acquisition for defense space programs.

(D) The process for the development of independent cost estimates for acquisition for defense space programs, including the organization responsible for developing such cost estimates and when such cost estimates shall be required.

(E) The process by which the military departments, Defense Agencies, and organizations in the Office of the Secretary of Defense develop and coordinate the budgets for acquisition for defense space programs.

(F) The process for the resolution of conflicts among the Department of Defense elements referred to in subparagraphs (A) and (E) regarding acquisition for defense space programs.

(c) DEFENSE SPACE PROGRAM DEFINED.—In this section, the term "defense space program" means a program of the Department of Defense that—

(1) is included in the "virtual major force program" for space activities that was established by the Secretary of Defense and was to have been submitted with the 2003 fiscal year budget for the Department of Defense; or

(2) after the date of the enactment of this Act, is included in a virtual major force program for space categories or in a major force program for space activities established after such date.

SEC. 912. REPORT REGARDING ASSURED ACCESS TO SPACE FOR THE UNITED STATES.

(a) PLAN.—The Secretary of Defense shall—

(1) evaluate all options for sustaining the space launch industrial base of the United States; and

(2) develop an integrated, long-range, and adequately funded plan for assuring access to space by the United States.

Deadline. (b) REPORT.—Not later than March 1, 2003, the Secretary of Defense shall submit to Congress a report on the plan developed under subsection (a)(2).

Subtitle C—Reports

Deadline. **SEC. 921. REPORT ON ESTABLISHMENT OF UNITED STATES NORTHERN COMMAND.**

Not later than March 1, 2003, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report providing an implementation plan for the establishment of the United States Northern Command, which is established effective October 1, 2002. The report shall address the following:

(1) The required budget for standing-up and maintaining that command over the period of the future-years defense program.

(2) The rationale for the selection of Peterson Air Force Base, Colorado, as the headquarters of that command, the criteria used in the selection of Peterson Air Force Base, and the alternative locations considered for that headquarters.

(3) The required military and civilian personnel levels for the headquarters of that command and a specification of the combatant commands and other Department of Defense sources from which such headquarters personnel will be transferred, shown by the number of military and civilian personnel from each such command or other Department of Defense source.

(4) The organization of the command, a justification of any components of the command, and a review of organizations and units permanently assigned or tasked to the command.

(5) The relationship of that command (A) to the Office of Homeland Security, the Department of Homeland Security, the Homeland Security Council, and any other Federal coordinating entity, (B) to other Federal departments and agencies, and (C) to State and local law enforcement agencies.

(6) The relationship of that command with the National Guard Bureau, individual State National Guard Headquarters, and State and local officials the command may be called upon to provide support.

(7) The legal implications of members of the Armed Forces, including the National Guard in both Federal and State status, operating on United States territory pursuant to missions, operations, or activities of that command.

(8) The status of Department of Defense consultations—

(A) with Canada regarding Canada's role in, or relationship with, and any expansion of mission for, the North American Air Defense Command; and

(B) with Mexico regarding Mexico's role in, or relationship with, the United States Northern Command.

(9) The status of United States consultations with the North Atlantic Treaty Organization relating to the position

of Supreme Allied Commander, Atlantic, and the new chain of command for that position.

(10) The effect of the creation of the United States Northern Command on the mission, budget, and resource levels of other combatant commands, particularly the United States Joint Forces Command.

SEC. 922. TIME FOR SUBMITTAL OF REPORT ON QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended by striking "not later than September 30 of the year in which the review is conducted" in the second sentence and inserting "in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105(a) of title 31".

SEC. 923. NATIONAL DEFENSE MISSION OF COAST GUARD TO BE INCLUDED IN FUTURE QUADRENNIAL DEFENSE REVIEWS.

Section 118(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (14) as paragraph (15); and

(2) by inserting after paragraph (13) the following new paragraph:

"(14) The national defense mission of the Coast Guard.".

SEC. 924. REPORT ON ESTABLISHMENT OF A JOINT NATIONAL TRAINING COMPLEX AND JOINT OPPOSING FORCES.

(a) REPORT REQUIRED.—The commander of the United States Joint Forces Command shall submit to the Secretary of Defense a report that outlines a plan that would provide for the development and implementation of a joint national training concept together with the establishment of a joint training complex for supporting the implementation of that concept. Such a concept and complex—

(1) may include various training sites, mobile training ranges, public and private modeling and simulation centers, and appropriate joint opposing forces; and

(2) shall be capable of supporting field exercises and experimentation at the operational level of war across a broad spectrum of adversary capabilities.

(b) SUBMISSION OF REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary shall submit the report under subsection (a), together with any comments that the Secretary considers appropriate and any comments that the Chairman of the Joint Chiefs of Staff considers appropriate, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives. The report may be included in the next annual report submitted under section 485 of title 10, United States Code, after the date of the enactment of this Act or it may be submitted separately. Deadline.

(c) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include the following:

(1) An identification and description of the types of joint training and experimentation that would be conducted at such a joint national training complex, together with a description of how such training and experimentation would enhance accomplishment of the six critical operational goals for the

Department of Defense specified at page 30 of the Quadrennial Defense Review Report of the Secretary of Defense issued on September 30, 2001.

(2) A discussion of how establishment of such a complex (including joint opposing forces) would promote innovation and transformation throughout the Department of Defense.

(3) A discussion of how results from training and experiments conducted at such a complex would be taken into consideration in the Department of Defense plans, programs, and budgeting process and by appropriate decision making bodies within the Department of Defense.

(4) A methodology, framework, and options for selecting sites for such a complex, including consideration of current training facilities that would accommodate requirements among all the Armed Forces.

(5) Options for development as part of such a complex of a joint urban warfare training center that could also be used for homeland defense and consequence management training for Federal, State, and local training.

(6) Cost estimates and resource requirements to establish and maintain such a complex, including estimates of costs and resource requirements for the use of contract personnel for the performance of management, operational, and logistics activities for such a complex.

(7) An explanation of the relationship between and among such a complex and the Department of Defense Office of Transformation, the Joint Staff, the United States Joint Forces Command, the United States Northern Command, and each element of the major commands within the separate Armed Forces with responsibility for experimentation and training.

(8) A discussion of how implementation of a joint opposing force would be established, including the feasibility of using qualified contractors for the function of establishing and maintaining joint opposing forces and the role of foreign forces.

(9) A timeline for the establishment of such a complex and for such a complex to achieve (A) initial operational capability, and (B) full operational capability.

Subtitle D—Other Matters

SEC. 931. AUTHORITY TO ACCEPT GIFTS FOR NATIONAL DEFENSE UNIVERSITY.

(a) IN GENERAL.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2612. National Defense University: acceptance of gifts

"(a) The Secretary of Defense may accept, hold, administer, and spend any gift, including a gift from an international organization and a foreign gift or donation (as defined in section 2611(f) of this title), that is made on the condition that it be used in connection with the operation or administration of the National Defense University. The Secretary may pay all necessary expenses in connection with the acceptance of a gift under this subsection.

"(b) There is established in the Treasury a fund to be known as the 'National Defense University Gift Fund'. Gifts of money, and the proceeds of the sale of property, received under subsection

(a) shall be deposited in the fund. The Secretary may disburse funds deposited under this subsection for the benefit or use of the National Defense University.

"(c) Subsection (c) of section 2601 of this title applies to property that is accepted under subsection (a) in the same manner that such subsection applies to property that is accepted under subsection (a) of that section.

"(d)(1) Upon request of the Secretary of Defense, the Secretary of the Treasury may—

"(A) retain money, securities, and the proceeds of the sale of securities, in the National Defense University Gift Fund; and

"(B) invest money and reinvest the proceeds of the sale of securities in that fund in securities of the United States or in securities guaranteed as to principal and interest by the United States.

"(2) The interest and profits accruing from those securities shall be deposited to the credit of the fund and may be disbursed as provided in subsection (b).

"(e) In this section:

"(1) the term 'gift' includes a devise of real property or a bequest of personal property and any gift of an interest in real property.

"(2) The term 'National Defense University' includes any school or other component of the National Defense University specified under section 2165(b) of this title.

"(f) The Secretary of Defense shall prescribe regulations to carry out this section.".

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

"2612. National Defense University: acceptance of gifts.".

SEC. 932. WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

(a) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—Section 2166 of title 10, United States Code, is amended—

(1) by redesignating subsections (f), (g), and (h), as subsections (g), (h), and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—(1) The Secretary of Defense may, on behalf of the Institute, accept foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Institute.

"(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the Institute. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Institute for the same purposes and same period as the appropriations with which merged.

"(3) The Secretary of Defense shall notify Congress if the total amount of money accepted under paragraph (1) exceeds $1,000,000 in any fiscal year. Any such notice shall list each of the contributors of such money and the amount of each contribution in such fiscal year. Notification.

"(4) For the purposes of this subsection, a foreign gift or donation is a gift or donation of funds, materials (including research materials), property, or services (including lecture services and faculty services) from a foreign government, a foundation or other charitable organization in a foreign country, or an individual in a foreign country.".

(b) CONTENT OF ANNUAL REPORT TO CONGRESS.—Subsection (i) of such section, as redesignated by subsection (a)(1), is amended by inserting after the first sentence the following: "The report shall include a copy of the latest report of the Board of Visitors received by the Secretary under subsection (e)(5), together with any comments of the Secretary on the Board's report.".

SEC. 933. CONFORMING AMENDMENT TO REFLECT DISESTABLISHMENT OF DEPARTMENT OF DEFENSE CONSEQUENCE MANAGEMENT PROGRAM INTEGRATION OFFICE.

Section 12310(c)(3) of title 10, United States Code, is amended by striking "only—" and all that follows through "(B) while assigned" and inserting "only while assigned".

SEC. 934. INCREASE IN NUMBER OF DEPUTY COMMANDANTS OF THE MARINE CORPS.

Section 5045 of title 10, United States Code, is amended by striking "five" and inserting "six".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

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

Subtitle B—Naval Vessels and Shipyards

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

Subtitle C—Strategic Matters

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

Subtitle D—Reports

Sec. 1041. Repeal and modification of various reporting requirements applicable to the Department of Defense.

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

Subtitle E—Extension of Expiring Authorities

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

Subtitle F—Other Matters

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

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2003 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of paragraph (1) may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by subsection (a) to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of subsection (a) shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

(e) INCREASE IN AMOUNT OF TRANSFER AUTHORITY AUTHORIZED FOR FY02.—Section 1001 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1201) is amended by striking "$2,000,000,000" and inserting "$2,500,000,000".

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2002.

(a) DOD AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to chapter 3 or chapter 10 of title I of Public Law 107–206 (116 Stat. 835, 878).

(b) NNSA AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Energy for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to chapter 5 of title I of Public Law 107–206 (116 Stat. 848).

Deadline.

(c) REPORT ON FISCAL YEAR 2002 TRANSFERS.—Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report stating, for each transfer during fiscal year 2002 of an amount provided for the Department of Defense for that fiscal year through a so-called "transfer account", including the Defense Emergency Response Fund or any other similar account, the amount of the transfer, the appropriation account to which the transfer was made, and the specific purpose for which the transferred funds were used.

SEC. 1003. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2003.

(a) FISCAL YEAR 2003 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2003 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2002, of funds appropriated for fiscal years before fiscal year 2003 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $750,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $205,623,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1004. DEVELOPMENT AND IMPLEMENTATION OF FINANCIAL MANAGEMENT ENTERPRISE ARCHITECTURE. 10 USC 113 note.

(a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE AND FOR TRANSITION PLAN.—Not later than May 1, 2003, the Secretary of Defense shall develop— Deadline.

(1) a financial management enterprise architecture for all budgetary, accounting, finance, enterprise resource planning, and mixed information systems of the Department of Defense; and

(2) a transition plan for implementing that financial management enterprise architecture.

(b) COMPOSITION OF ENTERPRISE ARCHITECTURE.—(1) The financial management enterprise architecture developed under subsection (a)(1) shall describe an information infrastructure that, at a minimum, would enable the Department of Defense to—

(A) comply with all Federal accounting, financial management, and reporting requirements;

(B) routinely produce timely, accurate, and reliable financial information for management purposes;

(C) integrate budget, accounting, and program information and systems; and

(D) provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.

(2) That enterprise architecture shall also include policies, procedures, data standards, and system interface requirements that are to apply uniformly throughout the Department of Defense.

(c) COMPOSITION OF TRANSITION PLAN.—The transition plan developed under subsection (a)(2) shall include the following:

(1) The acquisition strategy for the enterprise architecture, including specific time-phased milestones, performance metrics, and financial and nonfinancial resource needs.

(2) A listing of the mission critical or mission essential operational and developmental financial and nonfinancial management systems of the Department of Defense, as defined by the Under Secretary of Defense (Comptroller), consistent with budget justification documentation, together with—

(A) the costs to operate and maintain each of those systems during fiscal year 2002; and

(B) the estimated cost to operate and maintain each of those systems during fiscal year 2003.

(3) A listing of the operational and developmental financial management systems of the Department of Defense as of the date of the enactment of this Act (known as "legacy systems") that will not be part of the objective financial and nonfinancial management system, together with the schedule for terminating those legacy systems that provides for reducing the use of those legacy systems in phases.

(d) CONDITIONS FOR OBLIGATION OF SIGNIFICANT AMOUNTS FOR FINANCIAL SYSTEM IMPROVEMENTS.—An amount in excess of $1,000,000 may be obligated for a defense financial system improvement only if the Under Secretary of Defense (Comptroller) makes a determination regarding that improvement as follows:

(1) Before the date of an approval specified in paragraph (2), a determination that the defense financial system improvement is necessary for either of the following reasons:

(A) To achieve a critical national security capability or address a critical requirement in an area such as safety or security.

(B) To prevent a significant adverse effect (in terms of a technical matter, cost, or schedule) on a project that is needed to achieve an essential capability, taking into consideration in the determination the alternative solutions for preventing the adverse effect.

(2) On and after the date of any approval by the Secretary of Defense of a financial management enterprise architecture and a transition plan that satisfy the requirements of this section, a determination that the defense financial system improvement is consistent with both the enterprise architecture and the transition plan.

Deadline.

(e) CONGRESSIONAL REPORTS.—Not later than March 15 of each year from 2004 through 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the progress of the Department of Defense in implementing the enterprise architecture and transition plan required by this section. Each report shall include, at a minimum—

(1) a description of the actions taken during the preceding fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions);

(2) an explanation of any action planned in the enterprise architecture and transition plan to be taken during the preceding fiscal year that was not taken during that fiscal year;

(3) a description of the actions taken and planned to be taken during the current fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions); and

(4) a description of the actions taken and planned to be taken during the next fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions).

Deadlines.

(f) COMPTROLLER GENERAL REVIEW.—Not later than 60 days after the approval of an enterprise architecture and transition plan in accordance with the requirements of subsection (a), and not later than 60 days after the submission of an annual report required

by subsection (e), the Comptroller General shall submit to the congressional defense committees an assessment of the extent to which the actions taken by the Department comply with the requirements of this section.

(g) DEFINITIONS.—In this section:

(1) The term "defense financial system improvement" means the acquisition of a new budgetary, accounting, finance, enterprise resource planning, or mixed information system for the Department of Defense or a modification of an existing budgetary, accounting, finance, enterprise resource planning, or mixed information system of the Department of Defense. Such term does not include routine maintenance and operation of any such system.

(2) The term "mixed information system" means an information system that supports financial and non-financial functions of the Federal Government as defined in Office of Management and Budget Circular A–127 (Financial management Systems).

(h) REPEAL.—(1) Section 2222 of title 10, United States Code, is repealed. The table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to such section.

(2) Section 185(d) of such title is amended by striking "has the meaning given that term in section 2222(c)(2) of this title" and inserting "means an automated or manual system from which information is derived for a financial management system or an accounting system".

SEC. 1005. ACCOUNTABLE OFFICIALS IN THE DEPARTMENT OF DEFENSE.

(a) ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT OF DEFENSE.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773 the following new section:

"§ 2773a. Departmental accountable officials

"(a) DESIGNATION BY SECRETARY OF DEFENSE.—The Secretary of Defense may designate any civilian employee of the Department of Defense or member of the armed forces under the Secretary's jurisdiction who is described in subsection (b) as an employee or member who, in addition to any other potential accountability, may be held accountable through personal monetary liability for an illegal, improper, or incorrect payment made the Department of Defense described in subsection (c). Any such designation shall be in writing. Any employee or member who is so designated may be referred to as a 'departmental accountable official'.

"(b) COVERED EMPLOYEES AND MEMBERS.—An employee or member of the armed forces described in this subsection is an employee or member who—

"(1) is responsible in the performance of the employee's or member's duties for providing to a certifying official of the Department of Defense information, data, or services that are directly relied upon by the certifying official in the certification of vouchers for payment; and

"(2) is not otherwise accountable under subtitle III of title 31 or any other provision of law for payments made on the basis of such vouchers.

"(c) PECUNIARY LIABILITY.—(1) The Secretary of Defense may subject a departmental accountable official to pecuniary liability for an illegal, improper, or incorrect payment made by the Department of Defense if the Secretary determines that such payment—

"(A) resulted from information, data, or services that that official provided to a certifying official and upon which that certifying official directly relies in certifying the voucher supporting that payment; and

"(B) was the result of fault or negligence on the part of that departmental accountable official.

"(2) Pecuniary liability under this subsection shall apply in the same manner and to the same extent as applies to an official accountable under subtitle III of title 31.

"(3) Any pecuniary liability of a departmental accountable official under this subsection for a loss to the United States resulting from an illegal, improper, or incorrect payment is joint and several with that of any other officer or employee of the United States or member of the uniformed services who is pecuniarily liable for such loss.

"(d) CERTIFYING OFFICIAL DEFINED.—In this section, the term 'certifying official' means an employee who has the responsibilities specified in section 3528(a) of title 31.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2773 the following new item:

"2773a. Departmental accountable officials.".

SEC. 1006. UNIFORM STANDARDS THROUGHOUT DEPARTMENT OF DEFENSE FOR EXPOSURE OF PERSONNEL TO PECUNIARY LIABILITY FOR LOSS OF GOVERNMENT PROPERTY.

(a) EXTENSION OF ARMY AND AIR FORCE REPORT-OF-SURVEY PROCEDURES TO NAVY AND MARINE CORPS AND ALL DOD CIVILIAN EMPLOYEES.—(1) Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2787. Reports of survey

"(a) ACTION ON REPORTS OF SURVEY.—Under regulations prescribed pursuant to subsection (c), any officer of the Army, Navy, Air Force, or Marine Corps or any civilian employee of the Department of Defense designated in accordance with those regulations may act upon reports of surveys and vouchers pertaining to the loss, spoilage, unserviceability, unsuitability, or destruction of, or damage to, property of the United States under the control of the Department of Defense.

"(b) FINALITY OF ACTION.—(1) Action taken under subsection (a) is final except as provided in paragraph (2).

"(2) An action holding a person pecuniarily liable for loss, spoilage, destruction, or damage is not final until approved by a person designated to do so by the Secretary of a military department, commander of a combatant command, or Director of a Defense Agency, as the case may be, who has jurisdiction of the person held pecuniarily liable. The person designated to provide final approval shall be an officer of an armed force, or a civilian employee, under the jurisdiction of the official making the designation.

"(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.".

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

"2787. Reports of survey.".

(b) EXTENSION TO MEMBERS OF NAVY AND MARINE CORPS OF PAY DEDUCTION AUTHORITY PERTAINING TO DAMAGE OR REPAIR OF ARMS AND EQUIPMENT.—Section 1007(e) of title 37, United States Code, is amended by striking "Army or the Air Force" and inserting "Army, Navy, Air Force, or Marine Corps".

(c) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sections 4835 and 9835 of title 10, United States Code, are repealed.

(2) The tables of sections at the beginning of chapters 453 and 953 of such title are amended by striking the items relating to sections 4835 and 9835, respectively.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the loss, spoilage, unserviceability, unsuitability, or destruction of, or damage to, property of the United States under the control of the Department of Defense occurring on or after the effective date of regulations prescribed pursuant to section 2787 of title 10, United States Code, as added by subsection (a). 10 USC 2787 note.

SEC. 1007. IMPROVEMENTS IN PURCHASE CARD MANAGEMENT.

(a) PURCHASE CARD MANAGEMENT IMPROVEMENTS.—Section 2784 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ", acting through the Under Secretary of Defense (Comptroller),"; and

(2) by adding at the end of subsection (b) the following:

"(7) That periodic reviews are performed to determine whether each purchase card holder has a need for the purchase card.

"(8) That the Inspector General of the Department of Defense, the Inspector General of the Army, the Naval Inspector General, and the Inspector General of the Air Force perform periodic audits to identify—

"(A) potentially fraudulent, improper, and abusive uses of purchase cards;

"(B) any patterns of improper card holder transactions, such as purchases of prohibited items; and

"(C) categories of purchases that should be made by means other than purchase cards in order to better aggregate purchases and obtain lower prices.

"(9) That appropriate training is provided to each purchase card holder and each official with responsibility for overseeing the use of purchase cards issued by the Department of Defense.

"(10) That the Department of Defense has specific policies regarding the number of purchase cards issued by various organizations and categories of organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued purchase cards, and that those policies are designed to minimize the financial risk to the Federal Government of the issuance of the purchase cards and to ensure the integrity of purchase card holders.

"(c) PENALTIES FOR VIOLATIONS.—The regulations prescribed under subsection (a) shall—

"(1) provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees

of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a purchase card, including removal in appropriate cases; and

"(2) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).".

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) Section 2784 of such title is further amended—

(A) in the section heading, by striking "**credit**" and inserting "**purchase**";

(B) in the heading of subsection (a), by striking "CREDIT" and inserting "PURCHASE"; and

(C) in subsection (a) and paragraphs (1) through (6) of subsection (b), by striking "credit" and inserting "purchase" each place it appears.

(2) The table of sections at the beginning of chapter 165 of such title is amended by striking the item relating to section 2784 and inserting the following:

"2784. Management of purchase cards.".

SEC. 1008. IMPROVEMENTS IN TRAVEL CARD MANAGEMENT.

(a) TRAVEL CARD MANAGEMENT IMPROVEMENTS.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2784 the following new section:

"§ 2784a. Management of travel cards

"(a) DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY TO CREDITORS.—(1) The Secretary of Defense may require that any part of a travel or transportation allowance of an employee of the Department of Defense or a member of the armed forces be disbursed directly to the issuer of a Defense travel card if the amount is disbursed to the issuer in payment of amounts of expenses of official travel that are charged by the employee or member on the Defense travel card.

"(2) For the purposes of this subsection, the travel and transportation allowances referred to in paragraph (1) are amounts to which an employee of the Department of Defense is entitled under section 5702 of title 5 or a member of the armed forces is entitled under section 404 of title 37.

"(b) OFFSETS FOR DELINQUENT TRAVEL CARD CHARGES.—(1) The Secretary of Defense may require that there be deducted and withheld from any basic pay payable to an employee of the Department of Defense or a member of the armed forces any amount that is owed by the employee or member to a creditor by reason of one or more charges of expenses of official travel of the employee or member on a Defense travel card issued by the creditor if the employee or member—

"(A) is delinquent in the payment of such amount under the terms of the contract under which the card is issued; and

"(B) does not dispute the amount of the delinquency.

"(2) The amount deducted and withheld from pay under paragraph (1) with respect to a debt owed a creditor as described in that paragraph shall be disbursed to the creditor to reduce the amount of the debt.

"(3) The amount of pay deducted and withheld from the pay owed to an employee or member with respect to a pay period under paragraph (1) may not exceed 15 percent of the disposable pay of the employee or member for that pay period, except that a higher amount may be deducted and withheld with the written consent of the employee or member.

"(4) The Secretary of Defense shall prescribe procedures for deducting and withholding amounts from pay under this subsection. The procedures shall be substantially equivalent to the procedures under section 3716 of title 31.

"(c) OFFSETS OF RETIRED PAY.—In the case of a former employee of the Department of Defense or a retired member of the armed forces who is receiving retired pay and who owes an amount to a creditor by reason of one or more charges on a Defense travel card that were made before the retirement of the employee or member, the Secretary may require amounts to be deducted and withheld from any retired pay of the former employee or retired member in the same manner and subject to the same conditions as the Secretary deducts and withholds amounts from basic pay payable to an employee or member under subsection (b).

"(d) DEFINITIONS.—In this section:

"(1) The term 'Defense travel card' means a charge or credit card that—

"(A) is issued to an employee of the Department of Defense or a member of the armed forces under a contract entered into by the Department of Defense with the issuer of the card; and

"(B) is to be used for charging expenses incurred by the employee or member in connection with official travel.

"(2) The term 'disposable pay', with respect to a pay period, means the amount equal to the excess of the amount of basic pay or retired pay, as the case may be, payable for the pay period over the total of the amounts deducted and withheld from such pay.

"(3) The term 'retired pay' means—

"(A) in the case of a former employee of the Department of Defense, any retirement benefit payable to that individual, out of the Civil Service Retirement and Disability Fund, based (in whole or in part) on service performed by such individual as a civilian employee of the Department of Defense; and

"(B) in the case of a retired member of the armed forces or member of the Fleet Reserve or Fleet Marine Corps Reserve, retired or retainer pay to which the member is entitled.

"(e) EXCLUSION OF COAST GUARD.—This section does not apply to the Coast Guard.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2784 the following new item:

"2784a. Management of travel cards.".

SEC. 1009. CLEARANCE OF CERTAIN TRANSACTIONS RECORDED IN TREASURY SUSPENSE ACCOUNTS AND RESOLUTION OF CERTAIN CHECK ISSUANCE DISCREPANCIES.

(a) CLEARANCE OF CERTAIN SUSPENSE ACCOUNTS.—(1) In the case of any transaction that was entered into by or on behalf

of the Department of Defense before March 1, 2001, that is recorded in the Department of Treasury Budget Clearing Account (Suspense) designated as account F3875, the Unavailable Check Cancellations and Overpayments Account (Suspense) designated as account F3880, or an Undistributed Intergovernmental Payments account designated as account F3885, and for which no appropriation for the Department of Defense has been identified—

(A) any undistributed collection credited to such account in such case shall be deposited to the miscellaneous receipts of the Treasury; and

(B) subject to paragraph (2), any undistributed disbursement recorded in such account in such case shall be canceled.

(2) An undistributed disbursement may not be canceled under paragraph (1)(B) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to identify which appropriation should be charged with such disbursement and that further efforts to do so are not in the best interests of the United States.

(b) RESOLUTION OF CHECK ISSUANCE DISCREPANCIES.—(1) In the case of any check drawn on the Treasury that was issued by or on behalf of the Department of Defense before October 31, 1998, for which the Secretary of the Treasury has reported to the Department of Defense a discrepancy between the amount paid and the amount of the check as transmitted to the Department of Treasury, and for which no specific appropriation for the Department of Defense can be identified as being associated with the check, the discrepancy shall be canceled, subject to paragraph (2).

(2) A discrepancy may not be canceled under paragraph (1) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to identify which appropriation should be charged with the amount of the check and that further efforts to do so are not in the best interests of the United States.

(c) CONSULTATION.—The Secretary of Defense shall consult the Secretary of the Treasury in the exercise of the authority granted by subsections (a) and (b).

(d) DURATION OF CANCELLATION AUTHORITY FOLLOWING DETERMINATION.—(1) A particular undistributed disbursement may not be canceled under paragraph (1)(B) of subsection (a) more than 30 days after the date of the written determination made by the Secretary of Defense under paragraph (2) of such subsection regarding that undistributed disbursement.

(2) A particular discrepancy may not be canceled under paragraph (1) of subsection (b) more than 30 days after the date of the written determination made by the Secretary of Defense under paragraph (2) of such subsection regarding that discrepancy.

(e) PROGRAM TERMINATION.—No authority may be exercised under this section after the date that is two years after the date of the enactment of this Act.

SEC. 1010. AUTHORIZATION OF FUNDS FOR BALLISTIC MISSILE DEFENSE PROGRAMS OR COMBATING TERRORISM PROGRAMS OF THE DEPARTMENT OF DEFENSE.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated for fiscal year 2003 for the military functions of the Department of Defense, in addition to amounts authorized to be appropriated in titles I, II, and III, the amount of $814,300,000, to be available, in accordance with subsection (b), for the following purposes:

(1) Research, development, test, and evaluation for ballistic missile defense programs of the Missile Defense Agency of the Department of Defense.

(2) Activities of the Department of Defense for combating terrorism at home and abroad.

(b) ALLOCATION BY PRESIDENT.—(1) The amount authorized to be appropriated by subsection (a) shall be allocated between the purposes stated in paragraphs (1) and (2) of that subsection in such manner as may be determined by the President based upon the national security interests of the United States. The amount authorized in subsection (a) shall not be available for any other purpose.

(2) Upon an allocation of such amount by the President, the amount so allocated shall be transferred to the appropriate regular authorization account under this division in the same manner as provided in section 1001. Transfers under this paragraph shall not be counted for the purposes of section 1001(a)(2).

(3) Not later than 15 days after an allocation is made under this subsection, the Secretary of Defense shall submit to the congressional defense committees a report describing the President's allocation, the basis for the President's determination in making such allocation, and the Secretary's plan for the use by the Department of Defense of the funds made available pursuant to such allocation. Deadline. Reports.

SEC. 1011. REDUCTION IN OVERALL AUTHORIZATION DUE TO INFLATION SAVINGS.

(a) REDUCTION.—The total amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of the individual authorizations in those titles reduced by $1,000,000,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation as a result of the midsession review of the budget conducted by the Office of Management and Budget.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the accounts in titles I, II, and III to reflect the extent to which net inflation savings are available in those accounts.

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. NUMBER OF NAVY COMBATANT SURFACE VESSELS IN ACTIVE AND RESERVE SERVICE.

(a) CONTINGENT REQUIREMENT FOR REPORT.—(1) If, on the date of the enactment of this Act, the number of combatant surface Deadline.

vessels of the Navy is less than 116, the Secretary of the Navy shall, not later than 90 days after such date, submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the size of the force of combatant surface vessels of the Navy. The report shall include a risk assessment for a force of combatant surface vessels in the number as of the date of the enactment of this Act that is based on the same assumptions as were applied in the QDR 2001 combatant surface force risk assessment.

(2) The definitions in subsection (c) of section 7296 of title 10, United States Code, as added by subsection (b), apply to this subsection.

(b) NUMBER OF COMBATANT SURFACE VESSELS.—(1) Chapter 633 of title 10, United States Code, is amended by inserting after section 7295 the following new section:

"§ 7296. Combatant surface vessels: notice before reduction in number; preservation of surge capability

"(a) NOTICE-AND-WAIT BEFORE REDUCTIONS.—(1) A reduction described in paragraph (2) in the number of combatant surface vessels may only be carried out after—

"(A) the Secretary of the Navy submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written notification of the proposed reduction; and

"(B) a period of 90 days has expired after the date on which such notification is received.

"(2) A reduction described in this paragraph in the number of combatant surface vessels is a reduction—

"(A) from 116, or a number greater than 116, to a number less than 116; or

"(B) from a number less than 116 to a lesser number.

"(3) Any notification under paragraph (1)(A) shall include the following:

"(A) The schedule for the proposed reduction.

"(B) The number of vessels that are to comprise the force of combatant surface vessels after the reduction.

"(C) A risk assessment for a force of combatant surface vessels of the number specified under subparagraph (B) that is based on the same assumptions as were applied in the QDR 2001 combatant surface force risk assessment.

"(b) PRESERVATION OF SURGE CAPABILITY.—Whenever the number of combatant surface vessels is less than 116, the Secretary of the Navy shall maintain on the Naval Vessel Register a sufficient number of combatant surface vessels to enable the Navy to regain a force of combatant surface vessels numbering not less than 116 within 120 days after the date of any decision by the President to increase the number of combatant surface vessels.

"(c) DEFINITIONS.—In this section:

"(1) The term 'combatant surface vessels' means cruisers, destroyers, and frigates that are in active service in the Navy or in active reserve service in the Navy.

"(2) The term 'QDR 2001 combatant surface force risk assessment' means the risk assessment associated with a force of combatant surface vessels numbering 116 that is set forth in the report on the quadrennial defense review submitted

to Congress on September 30, 2001, under section 118 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7295 the following new item:

"7296. Combatant surface vessels: notice before reduction in number; preservation of surge capability.".

(c) EFFECTIVE DATE FOR 90–DAY WAITING PERIOD.—The provisions of subparagraph (B) of subsection (a)(1) of section 7296 of title 10, United States Code, as added by subsection (b)(1) of this section, shall apply only with respect to notifications submitted under subparagraph (A) of that subsection on or after January 15, 2003. 10 USC 7296 note.

SEC. 1022. ANNUAL LONG-RANGE PLAN FOR THE CONSTRUCTION OF NAVAL VESSELS.

(a) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 231. Budgeting for construction of naval vessels: annual plan and certification

"(a) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN AND CERTIFICATION.—The Secretary of Defense shall include with the defense budget materials for a fiscal year—

"(1) a plan for the construction of combatant and support vessels for the Navy developed in accordance with this section; and

"(2) a certification by the Secretary that both the budget for that fiscal year and the future-years defense program submitted to Congress in relation to such budget under section 221 of this title provide for funding of the construction of naval vessels at a level that is sufficient for the procurement of the vessels provided for in the plan under paragraph (1) on the schedule provided in that plan.

"(b) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN.—(1) The annual naval vessel construction plan developed for a fiscal year for purposes of subsection (a)(1) should be designed so that the naval vessel force provided for under that plan is capable of supporting the national security strategy of the United States as set forth in the most recent national security strategy report of the President under section 108 of the National Security Act of 1947 (50 U.S.C. 404a), except that, if at the time such plan is submitted with the defense budget materials for that fiscal year, a national security strategy report required under such section 108 has not been submitted to Congress as required by paragraph (2) or paragraph (3), if applicable, of subsection (a) of such section, then such annual plan should be designed so that the naval vessel force provided for under that plan is capable of supporting the ship force structure recommended in the report of the most recent Quadrennial Defense Review.

"(2) Each such naval vessel construction plan shall include the following:

"(A) A detailed program for the construction of combatant and support vessels for the Navy over the next 30 fiscal years.

"(B) A description of the necessary naval vessel force structure to meet the requirements of the national security strategy of the United States or the most recent Quadrennial Defense Review, whichever is applicable under paragraph (1).

"(C) The estimated levels of annual funding necessary to carry out the program, together with a discussion of the procurement strategies on which such estimated levels of annual funding are based.

"(c) ASSESSMENT WHEN VESSEL CONSTRUCTION BUDGET IS INSUFFICIENT TO MEET APPLICABLE REQUIREMENTS.—If the budget for a fiscal year provides for funding of the construction of naval vessels at a level that is not sufficient to sustain the naval vessel force structure specified in the naval vessel construction plan for that fiscal year under subsection (a), the Secretary shall include with the defense budget materials for that fiscal year an assessment that describes and discusses the risks associated with the reduced force structure of naval vessels that will result from funding naval vessel construction at such level. Such assessment shall be coordinated in advance with the commanders of the combatant commands.

"(d) DEFINITIONS.—In this section:

"(1) The term 'budget', with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

"(2) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.

"(3) The term 'Quadrennial Defense Review' means the review of the defense programs and policies of the United States that is carried out every four years under section 118 of this title.".

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

"231. Budgeting for construction of naval vessels: annual plan and certification.".

SEC. 1023. ASSESSMENT OF THE FEASIBILITY OF THE EXPEDITED EQUIPPING OF A NAVY SHIP WITH A VERSION OF THE 155-MILLIMETER ADVANCED GUN SYSTEM.

(a) FEASIBILITY ASSESSMENT REQUIRED.—(1) The Secretary of the Navy shall conduct an assessment of the feasibility of the expedited equipping of a Navy ship in active or inactive service with a version of the 155-millimeter Advanced Gun System that is being developed for the DD(X) next generation, multi-mission, land attack surface combatant vessel.

(2) The assessment shall include an analysis of—

(A) the actions required to achieve such equipping and the technical and programmatic risks associated with those actions;

(B) the plan, schedule, and funding required to achieve such equipping; and

(C) the effect (if any) that such equipping might have on the development program and schedule for the DD(X) vessel.

(b) EQUIPPING ON EXPEDITED SCHEDULE.—The schedule to be considered in the assessment under subsection (a) shall provide for equipping of a ship with a version of the 155-millimeter Advanced Gun System on an expedited schedule that is consistent

with the achievement of safety of operation, but not later than October 1, 2006.

(c) REPORT REQUIRED.—The Secretary shall submit to the congressional defense committees a report on the results of the assessment under subsection (a). The report shall be submitted at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

SEC. 1024. REPORT ON INITIATIVES TO INCREASE OPERATIONAL DAYS OF NAVY SHIPS.

(a) REQUIREMENT FOR REPORT ON INITIATIVES.—(1) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on Department of Defense initiatives to increase the number of operational days of Navy ships as described in subsection (b).

(2) The report shall cover the ongoing Department of Defense initiatives as well as any potential initiatives that are under consideration within the Department of Defense.

(b) INITIATIVES WITHIN LIMITS OF EXISTING FLEET AND DEPLOYMENT POLICY.—In the report, the Under Secretary shall assess the feasibility and identify the projected effects of conducting initiatives that have the potential to increase the number of operational days of Navy ships available to the commanders-in-chief of the regional unified combatant commands without increasing the number of Navy ships and without increasing the routine lengths of deployments of Navy ships above six months.

(c) REQUIRED FOCUS AREAS.—The report shall address, at a minimum, the following focus areas:

(1) Assignment of additional ships, including submarines, to home ports closer to the areas of operation for the ships (known as "forward homeporting").

(2) Assignment of ships to remain in a forward area of operations, together with rotation of crews for each ship so assigned.

(3) Retention of ships for use until the end of the full service life, together with investment of the funds necessary to support retention to that extent.

(4) Prepositioning of additional ships with, under normal circumstances, small crews in a forward area of operations.

(d) SHIP MAINTENANCE.—The report shall include an assessment of how routine programmed ship maintenance would be accomplished for Navy ships that would remain in a forward area of operations.

(e) TIME FOR SUBMITTAL.—The report shall be submitted at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

SEC. 1025. SHIP COMBAT SYSTEM INDUSTRIAL BASE.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the effect of the contract award announced on April 29, 2002, for the lead design agent for the DD(X) ship program on the industrial base for ship combat system development, including the industrial base for each of the following: ship systems integration, radar, electronic warfare, and launch systems.

Deadline.

(b) REPORT REQUIRED.—Not later than March 31, 2003, the Secretary shall submit to the congressional defense committees a report based on the review under subsection (a). The report shall include the following:

(1) The Secretary's assessment of the effect of the contract award referred to in that subsection on ship combat system development and on the associated industrial base.

(2) A description of any actions that the Secretary proposes to ensure future competition in the ship combat system development and industrial base.

SEC. 1026. SENSE OF CONGRESS CONCERNING AIRCRAFT CARRIER FORCE STRUCTURE.

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

(1) The aircraft carrier has been an integral component in Operation Enduring Freedom and in the homeland defense mission of Operation Noble Eagle beginning on September 11, 2001. The aircraft carriers that have participated in Operation Enduring Freedom, as of May 1, 2002, are the USS Enterprise (CVN–65), the USS Carl Vinson (CVN–70), the USS Kitty Hawk (CV–63), the USS Theodore Roosevelt (CVN–71), the USS John C. Stennis (CVN–74), and the USS John F. Kennedy (CV–67). The aircraft carriers that have participated in Operation Noble Eagle, as of May 1, 2002, are the USS George Washington (CVN–73), the USS John F. Kennedy (CV–67), and the USS John C. Stennis (CVN–74).

(2) Since 1945, the United States has built 172 bases overseas, of which only 24 are currently in use.

(3) The aircraft carrier provides an independent base of operations should no land base be available for aircraft, with carrier air wings providing the United States sea-based forward-deployed offensive strike capability.

(4) The aircraft carrier is an essential component of the Navy.

(5) The naval tactical aircraft modernization programs are proceeding on schedule.

(6) As established by the Navy, the United States requires the service of 15 aircraft carriers to completely fulfill all the naval commitments assigned to the Navy without gapping carrier presence.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the number of aircraft carriers of the Navy in active service should not be less than 12.

(c) OPERATION ENDURING FREEDOM AND OPERATION NOBLE EAGLE COMMENDATION.—Congress hereby commends the military and civilian personnel who have participated in Operation Enduring Freedom and Operation Noble Eagle.

SEC. 1027. CONVEYANCE, NAVY DRYDOCK, PORTLAND, OREGON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may sell Navy Drydock No. YFD-69, located in Portland, Oregon, to Portland Shipyard, LLC, which is the current user of the drydock.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the purchaser agree to retain the drydock on Swan Island in Portland, Oregon, until at least September 30, 2007.

(c) CONSIDERATION.—As consideration for the conveyance of the drydock under subsection (a), the purchaser shall pay to the

Secretary an amount equal to the fair market value of the drydock at the time of the conveyance, as determined by the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle C—Strategic Matters

SEC. 1031. STRATEGIC FORCE STRUCTURE PLAN FOR NUCLEAR WEAPONS AND DELIVERY SYSTEMS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Energy shall jointly prepare a plan for the United States strategic force structure for nuclear weapons and nuclear weapons delivery systems for the period of fiscal years from 2003 through 2012. The plan shall—

(1) define the range of missions assigned to strategic nuclear forces in the national defense strategy consistent with—

(A) the Quadrennial Defense Review dated September 30, 2001, under section 118 of title 10, United States Code;

(B) the Nuclear Posture Review dated December 2001 under section 1041 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–262); and

(C) other relevant planning documents;

(2) delineate a baseline strategic force structure for such weapons and systems over such period consistent with such Nuclear Posture Review;

(3) define sufficient force structure, force modernization and life extension plans, infrastructure, and other elements of the defense program of the United States associated with such weapons and systems that would be required to execute successfully the full range of missions defined under paragraph (1);

(4) identify the budget plan that would be required to provide sufficient resources to execute successfully the full range of missions using such force structure called for in that national defense strategy; and

(5)(A) evaluate options for achieving, prior to fiscal year 2012, a posture under which the United States maintains a number of operationally deployed nuclear warheads at a level of from 1,700 to 2,200 such warheads, as outlined in the Nuclear Posture Review referred to in paragraph (1)(B); and

(B) contain an assessment of the advantages and disadvantages of options for achieving such posture as early as 2007, including effects on cost, the dismantlement workforce, and any other affected matter.

(b) REPORT.—Not later than March 1, 2003, the Secretary of Defense and the Secretary of Energy shall submit a report on the plan to the congressional defense committees. Deadline.

SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT HARDENED AND DEEPLY BURIED TARGETS.

(a) ANNUAL REPORT.—Not later than April 1 of each year, the Secretary of Defense, the Secretary of Energy, and the Director of Central Intelligence shall jointly submit to the congressional Deadline. 10 USC 2358 note.

defense committees, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a report on the research and development, procurement, and other activities undertaken during the preceding fiscal year by the Department of Defense, the Department of Energy, and the intelligence community to develop weapons to defeat hardened and deeply buried targets.

(b) REPORT ELEMENTS.—The report for a fiscal year under subsection (a) shall—

(1) include a discussion of the integration and interoperability of the activities referred to in that subsection that were undertaken during that fiscal year, including a discussion of the relevance of such activities to applicable recommendations by the Chairman of the Joint Chiefs of Staff, assisted under section 181(b) of title 10, United States Code, by the Joint Requirements Oversight Council; and

(2) set forth separately a description of the activities referred to in that subsection, if any, that were undertaken during such fiscal year by each element of—

(A) the Department of Defense;

(B) the Department of Energy; and

(C) the intelligence community.

(c) DEFINITION.—In this section, the term "intelligence community" has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(d) TERMINATION.—No report is required under this section after the submission of the report that is due on April 1, 2007.

SEC. 1033. REPORT ON EFFECTS OF NUCLEAR EARTH-PENETRATOR WEAPON AND OTHER WEAPONS.

(a) NATIONAL ACADEMY OF SCIENCES STUDY.—The Secretary of Defense shall request the National Academy of Sciences to conduct a study and prepare a report on the following:

(1) The anticipated short-term effects and long-term effects of the use by the United States of a nuclear earth-penetrator weapon on the target area, including the effects on civilian populations in proximity to the target area at the time of or after such use and the effects on United States military personnel who after such use carry out operations or battle damage assessments in the target area.

(2) The anticipated short-term and long-term effects on civilian population in proximity to a target area—

(A) if a non-penetrating nuclear weapon is used to attack a hard or deeply-buried target; and

(B) if a conventional high-explosive weapon is used to attack an adversary's facilities for storage or production of weapons of mass destruction and, as a result of such attack, radioactive, nuclear, biological, or chemical weapons materials, agents, or other contaminants are released or spread into populated areas.

Deadline.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress the report under subsection (a), together with any comments the Secretary may consider appropriate on the report. The report shall be submitted in unclassified form to the maximum extent possible, with a classified annex if needed.

Subtitle D—Reports

SEC. 1041. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) PROVISIONS OF TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1)(A) Section 183 is repealed.

(B) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 183.

(2)(A) Section 230 is repealed.

(B) The table of sections at the beginning of chapter 9 is amended by striking the items relating to section 230.

(3) Section 526 is amended by striking subsection (c).

(4) Section 721(d) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" before "If an officer".

(5) Section 1095(g) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(g)".

(6) Section 1798 is amended by striking subsection (d).

(7) Section 1799 is amended by striking subsection (d).

(8) Section 2220 is amended—

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

(B) by striking "(1)" after "ESTABLISHMENT OF GOALS.—"; and

(C) by striking "(2) The" and inserting "(b) EVALUATION OF COST GOALS.—The".

(9) Section 2350a(g) is amended by striking paragraph (4).

(10) Section 2350f is amended by striking subsection (c).

(11) Section 2350k is amended by striking subsection (d).

(12) Section 2367(d) is amended by striking "EFFORT.—(1) In the" and all that follows through "(2) After the close of" and inserting "EFFORT.—After the close of".

(13) Section 2391 is amended by striking subsection (c).

(14) Section 2486(b)(12) is amended by striking ", except that" and all that follows and inserting the following: ", except that the Secretary shall notify Congress of any addition of, or change in, a merchandise category under this paragraph.".

(15) Section 2492 is amended by striking subsection (c) and inserting the following:

"(c) NOTIFICATION OF CONDITIONS NECESSITATING RESTRICTIONS.—The Secretary of Defense shall notify Congress of any change proposed or made to any of the host nation laws or any of the treaty obligations of the United States, and any changed conditions within host nations, if the change would necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.".

(16) Section 2537(a) is amended by striking "$100,000" and inserting "$10,000,000".

(17) Section 2611 is amended by striking subsection (e).

(18) Section 2667(d) is amended by striking paragraph (3).

(19) Section 4416 is amended by striking subsection (f).

(20) Section 5721(f) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after the subsection heading.

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the last sentence.

(c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—Section 234 of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 10 U.S.C. 2431 note) is amended by striking subsection (f).

SEC. 1042. REQUIREMENT THAT DEPARTMENT OF DEFENSE REPORTS TO CONGRESS BE ACCOMPANIED BY ELECTRONIC VERSION.

Section 480(a) of title 10, United States Code, is amended by striking "shall, upon request" and all that follows through "(or each" and inserting "shall provide to Congress (or".

10 USC 113 note.

SEC. 1043. ANNUAL REPORT ON THE CONDUCT OF MILITARY OPERATIONS CONDUCTED AS PART OF OPERATION ENDURING FREEDOM.

(a) REPORTS REQUIRED.—(1) The Secretary of Defense shall submit to the congressional committees specified in subsection (d) an annual report on the conduct of military operations conducted as part of Operation Enduring Freedom. The first report, which shall include a definition of the military operations carried out as part of Operation Enduring Freedom, shall be submitted not later than June 15, 2003. Subsequent reports shall be submitted not later than June 15 each year, and the final report shall be submitted not later than 180 days after the date (as determined by the Secretary of Defense) of the cessation of hostilities undertaken as part of Operation Enduring Freedom.

Deadlines.

(2) Each report under this section shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the commander of the United States Central Command, the Director of Central Intelligence, and such other officials as the Secretary considers appropriate.

(3) Each such report shall be submitted in both a classified form and an unclassified form, as necessary.

(b) SPECIAL MATTERS TO BE INCLUDED.—Each report under this section shall include the following:

(1) A discussion of the command, control, coordination, and support relationship between United States special operations forces and Central Intelligence Agency elements participating in Operation Enduring Freedom and any lessons learned from the joint conduct of operations by those forces and elements.

(2) Recommendations to improve operational readiness and effectiveness of these forces and elements.

(c) OTHER MATTERS TO BE INCLUDED.—Each report under this section shall include a discussion, with a particular emphasis on accomplishments and shortcomings, of the following matters with respect to Operation Enduring Freedom:

(1) The political and military objectives of the United States.

(2) The military strategy of the United States to achieve those political and military objectives.

(3) The concept of operations, including any new operational concepts, for the operation.

(4) The benefits and disadvantages of operating with local opposition forces.

(5) The benefits and disadvantages of operating in a coalition with the military forces of allied and friendly nations.

(6) The cooperation of nations in the region for overflight, basing, command and control, and logistic and other support.

(7) The conduct of relief operations both during and after the period of hostilities.

(8) The conduct of close air support (CAS), particularly with respect to the timeliness, efficiency, and effectiveness of such support.

(9) The use of unmanned aerial vehicles for intelligence, surveillance, reconnaissance, and combat support to operational forces.

(10) The use and performance of United States and coalition military equipment, weapon systems, and munitions.

(11) The effectiveness of reserve component forces, including their use and performance in the theater of operations.

(12) The importance and effectiveness of the International Security Assistance Force.

(13) The importance and effectiveness of United States civil affairs forces.

(14) The anticipated duration of the United States military presence in Afghanistan.

(15) The most critical lessons learned that could lead to long-term doctrinal, organizational, and technological changes.

(d) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a)(1) are the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1044. REPORT ON EFFORTS TO ENSURE ADEQUACY OF FIRE FIGHTING STAFFS AT MILITARY INSTALLATIONS.

Not later than May 31, 2003, the Secretary of Defense shall submit to Congress a report on the actions being undertaken to ensure that the fire fighting staffs at military installations are adequate under applicable Department of Defense regulations. Deadline.

SEC. 1045. REPORT ON DESIGNATION OF CERTAIN LOUISIANA HIGHWAY AS DEFENSE ACCESS ROAD.

Not later than March 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report containing the results of a study on the advisability of designating Louisiana Highway 28 between Alexandria, Louisiana, and Leesville, Louisiana, a road providing access to the Joint Readiness Training Center, Louisiana, and to Fort Polk, Louisiana, as a defense access road for purposes of section 210 of title 23, United States Code. Deadline.

Subtitle E—Extension of Expiring Authorities

SEC. 1051. EXTENSION OF AUTHORITY FOR SECRETARY OF DEFENSE TO SELL AIRCRAFT AND AIRCRAFT PARTS FOR USE IN RESPONDING TO OIL SPILLS.

(a) FOUR-YEAR EXTENSION.—Section 740 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Public Law 106–181; 114 Stat. 173; 10 U.S.C. 2576 note) is amended—

(1) in subsection (a)(1), by striking ", during the period beginning on the date of the enactment of this Act and ending September 30, 2002,"; and

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

"(i) EXPIRATION OF AUTHORITY.—The authority to sell aircraft and aircraft parts under this section expires on September 30, 2006.".

(b) ADDITIONAL REPORT.—Subsection (f) of such section is amended by striking "March 31, 2002" and inserting "March 31, 2006".

SEC. 1052. SIX-MONTH EXTENSION OF EXPIRING GOVERNMENTWIDE INFORMATION SECURITY REQUIREMENTS; CONTINUED APPLICABILITY OF EXPIRING GOVERNMENTWIDE INFORMATION SECURITY REQUIREMENTS TO THE DEPARTMENT OF DEFENSE.

(a) SIX-MONTH EXTENSION OF EXPIRING GOVERNMENTWIDE REQUIREMENTS.—Section 3536 of title 44, United States Code, is amended to read as follows:

"§ 3536. Expiration

"This subchapter shall not be in effect after May 31, 2003.".

(b) CONTINUED APPLICABILITY OF EXPIRING GOVERNMENTWIDE REQUIREMENTS TO DEPARTMENT OF DEFENSE.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2224 the following new section:

"§ 2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense

"(a) IN GENERAL.—The provisions of subchapter II of chapter 35 of title 44 shall continue to apply through September 30, 2004, with respect to the Department of Defense, notwithstanding the expiration of authority under section 3536 of such title.

"(b) RESPONSIBILITIES.—In administering the provisions of subchapter II of chapter 35 of title 44 with respect to the Department of Defense after the expiration of authority under section 3536 of such title, the Secretary of Defense shall perform the duties set forth in that subchapter for the Director of the Office of Management and Budget.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2224 the following new item:

"2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense.".

SEC. 1053. TWO-YEAR EXTENSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2004".

Subtitle F—Other Matters

SEC. 1061. TIME FOR TRANSMITTAL OF ANNUAL DEFENSE AUTHORIZATION LEGISLATIVE PROPOSAL.

(a) IN GENERAL.—Chapter 2 of title 10, United States Code, is amended by inserting after section 113 the following new section:

"§ 113a. Transmission of annual defense authorization request

"(a) TIME FOR TRANSMITTAL.—The Secretary of Defense shall transmit to Congress the annual defense authorization request for a fiscal year during the first 30 days after the date on which the President transmits to Congress the budget for that fiscal year pursuant to section 1105 of title 31.

"(b) DEFENSE AUTHORIZATION REQUEST DEFINED.—In this section, the term 'defense authorization request', with respect to a fiscal year, means a legislative proposal submitted to Congress for the enactment of the following:

"(1) Authorizations of appropriations for that fiscal year, as required by section 114 of this title.

"(2) Personnel strengths for that fiscal year, as required by section 115 of this title.

"(3) Any other matter that is proposed by the Secretary of Defense to be enacted as part of the annual defense authorization bill for that fiscal year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 113 the following new item:

"113a. Transmission of annual defense authorization request.".

SEC. 1062. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 153 is amended—

(A) by inserting "(a) PLANNING; ADVICE; POLICY FORMULATION.—" at the beginning of the text; and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(2) Section 624(d)(1) is amended by striking "subsection (d)(2)" in the second sentence and inserting "paragraph (2)".

(3) Section 661(b)(2) is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002" and inserting "December 28, 2001,".

(4) Section 662(a)(2) is amended—

(A) in subparagraph (A), by striking "during the three-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002," and inserting "during the period beginning on December 28, 2001, and ending on December 27, 2004,"; and

(B) in subparagraph (B), by striking "after the end of the period specified in subparagraph (A)" and inserting "after December 27, 2004".

(5) Section 663(e)(2) is amended by striking "Armed Forces Staff College" and inserting "Joint Forces Staff College".

(6) Section 1451(c)(3) is amended by striking "section" before "clause".

(7) Section 2162(b)(2) is amended by striking "the date of the enactment of this paragraph" and inserting "December 28, 2001,".

(8) Section 2330(c) is amended by inserting a comma after "a task order".

(9) Section 2399(a)(2) is amended—

(A) in the matter preceding subparagraph (A), by striking "means—" and inserting "means a conventional weapons system that—"; and

(B) in subparagraph (A), by striking "a conventional weapons system that".

(10)(A) Section 2410h is transferred to the end of subchapter IV of chapter 87 and redesignated as section 1747.

(B) The item relating to that section in the table of sections at the beginning of chapter 141 is transferred to the end of the table of sections at the beginning of subchapter IV of chapter 87 and amended to reflect the redesignation made by subparagraph (A).

(11) Section 2676(a) is amended by inserting an open parenthesis before "41 U.S.C.".

(12) Section 2677 is amended by striking subsection (c).

(13) Section 2680(e) is amended by striking "the" after "the Committee on" the first place it appears.

(14) Section 2815(b) is amended by striking "for fiscal year 2003 and each fiscal year thereafter" and inserting "for any fiscal year".

(15) Section 2828(b)(2) is amended by inserting "time" after "from time to".

(16) Sections 3755, 6257, and 8755, as added by section 8143(c) of Public Law 107–248 (116 Stat. 1570), are amended by striking "the date of the enactment of this section" and inserting "October 23, 2002".

(b) TITLE 14, UNITED STATES CODE.—Title 14, United States Code, is amended as follows:

(1) Section 505, as added by section 8143(c)(4) of Public Law 107–248 (116 Stat. 1571), is amended by striking "the date of the enactment of this section" and inserting "October 23, 2002".

(2) Section 516(c) is amended by striking "his section" and inserting "this section".

(c) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 302j(a) is amended by striking "subsection (c)" and inserting "subsection (d)".

(2) Section 324(b) is amended by striking "(1)" before "The Secretary".

(d) PUBLIC LAW 107–248.—Section 8118(a) of Public Law 107–248 (116 Stat. 1565) is amended by striking "subsection (i)" and inserting "subsection (j)".

(e) PUBLIC LAW 107–217.—Effective as if included therein as originally enacted, section 3(b) of Public Law 107–217 is amended— 10 USC 2562 note.

(1) in paragraph (8) (116 Stat. 1295), by inserting "the second place it appears" before the semicolon; and 10 USC 2562.

(2) in paragraph (34) (116 Stat. 1298), by striking "section 7545(a)" and inserting "section 7545(c)". 10 USC 7545.

(f) PUBLIC LAW 107–107.—Effective as of December 28, 2001, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) is amended as follows: 10 USC 2350a note.

(1) Section 602(a)(2) (115 Stat. 1132) is amended by striking "an" in the first quoted matter. 37 USC 203.

(2) Section 1212(a)(5) (115 Stat. 1249) is amended by inserting "in" after the paragraph designation. 10 USC 2350a.

(3) Section 1410(a)(3)(C) (115 Stat. 1266) by inserting "both places it appears" before "and inserting". 24 USC 420.

(4) Section 3007(d)(1)(C) (115 Stat. 1352) is amended by striking "2905(b)(7)(B)(iv)" and inserting "2905(b)(7)(C)(iv)". 10 USC 2687 note.

(g) PUBLIC LAW 106–398.—Effective as of October 30, 2000, and as if included therein as enacted, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) is amended as follows: 32 USC 509 note.

(1) Section 577(b)(2) (114 Stat. 1654A–140) is amended by striking "Federal" in the quoted matter and inserting "Department of Defense". 32 USC 509.

(2) Section 612(c)(4)(B) (114 Stat. 1654A–150) is amended by striking the comma at the end of the first quoted matter. 32 USC 209.

(h) PUBLIC LAW 106–246.—Section 136 of Public Law 106–246 (114 Stat. 520) is amended—

(1) in subsection (d)(7), by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

"(B) Section 1302 of title 40, United States Code.

"(C) Subtitle I of title 40, United States Code."; and

(2) in subsection (e)(3), by striking subparagraph (B) and inserting the following new subparagraph:

"(B) Subtitle I of title 40, United States Code.".

(i) PUBLIC LAW 106–181.—Section 740(a)(1) of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (10 U.S.C. 2576 note) is amended by striking "section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483)" and inserting "subchapter II of chapter 5 of title 40, United States Code,".

(j) PUBLIC LAW 106–65.—The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) is amended as follows:

(1) Section 573(b) (10 U.S.C. 513 note) is amended by inserting a period at the end of paragraph (2).

(2) Section 1305(6) (22 U.S.C. 5952 note) is amended by striking the first period after "facility".

(k) PUBLIC LAW 104–307.—Section 2(a)(1) of the Wildfire Suppression Aircraft Transfer Act of 1996 (10 U.S.C. 2576 note)

is amended by striking "section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483)" and inserting "subchapter II of chapter 5 of title 40, United States Code,".

10 USC 2687 note.

(l) PUBLIC LAW 103–337.—Section 2814 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) is amended by striking "the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) and the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)" and inserting "chapter 5 or 33 of title 40, United States Code".

(m) PUBLIC LAW 101–510.—The National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) is amended as follows:

(1) Section 2905(b)(1) (10 U.S.C. 2687 note) is amended—

(A) in subparagraph (A), by striking "section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483)" and inserting "subchapter II of chapter 5 of title 40, United States Code"; and

(B) in subparagraph (B), by striking "section 203 of that Act (40 U.S.C. 484)" and inserting "subchapter III of chapter 5 of title 40, United States Code".

(2) Section 2905(b)(4)(F) is amended by striking "sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484)" and inserting "subchapters II and III of chapter 5 of title 40, United States Code,".

(3) Section 2905(b)(7) is amended by striking "section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k))" in subparagraphs (K)(v), (L)(iv)(V), and (P) and inserting "section 550 of title 40, United States Code,".

10 USC 2687 note.

(4) Section 2926(d)(2) is amended by striking "title IX of the Federal Property and Administrative Services Act (Public Law 92–582; 40 U.S.C. 541 et seq., as amended)" and inserting "chapter 11 of title 40, United States Code".

(n) PUBLIC LAW 100–526.—The Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526) is amended as follows:

(1) Section 204(b)(1) (10 U.S.C. 2687 note) is amended—

(A) in subparagraph (A), by striking "section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483)" and inserting "subchapter II of chapter 5 of title 40, United States Code"; and

(B) in subparagraph (B), by striking "section 203 of that Act (40 U.S.C. 484)" and inserting "subchapter III of chapter 5 of title 40, United States Code".

(2) Section 204(b)(4)(F) is amended by striking "sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484)" and inserting "subchapters II and III of chapter 5 of title 40, United States Code,".

(o) OTHER LAWS.—(1) Section 502(a) of the National Emergencies Act (50 U.S.C. 1651(a)) is amended by striking paragraph (2) and redesignating paragraphs (3) through (7) as paragraphs (1) through (5), respectively.

(2) Section 10(b)(8) of the Military Selective Service Act (50 U.S.C. App. 460(b)(8)) is amended by striking "Public Law 26" and all that follows through the period at the end of the paragraph

and inserting "the Act of March 31, 1947 (50 U.S.C. App. 321 et seq.).".

(3) The Defense Production Act of 1950 is amended in both section 305(i) and section 306(j) (50 U.S.C. App. 2095(i), 2096(j))—

(A) in the first sentence, by striking "the Act entitled" and all that follows through the period at the end of the sentence and inserting "subchapter IV of chapter 31 of title 40, United States Code."; and

(B) in the last sentence, by striking "and section 276(c) of title 40".

SEC. 1063. USE FOR LAW ENFORCEMENT PURPOSES OF DNA SAMPLES MAINTAINED BY DEPARTMENT OF DEFENSE FOR IDENTIFICATION OF HUMAN REMAINS.

(a) IN GENERAL.—Chapter 80 of title 10, United States Code, is amended by inserting after section 1565 the following new section:

"§ 1565a. DNA samples maintained for identification of human remains: use for law enforcement purposes

"(a) COMPLIANCE WITH COURT ORDER.—(1) Subject to paragraph (2), if a valid order of a Federal court (or military judge) so requires, an element of the Department of Defense that maintains a repository of DNA samples for the purpose of identification of human remains shall make available, for the purpose specified in subsection (b), such DNA samples on such terms and conditions as such court (or military judge) directs.

"(2) A DNA sample with respect to an individual shall be provided under paragraph (1) in a manner that does not compromise the ability of the Department of Defense to maintain a sample with respect to that individual for the purpose of identification of human remains.

"(b) COVERED PURPOSE.—The purpose referred to in subsection (a) is the purpose of an investigation or prosecution of a felony, or any sexual offense, for which no other source of DNA information is reasonably available.

"(c) DEFINITION.—In this section, the term 'DNA sample' has the meaning given such term in section 1565(c) of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1565 the following new item:

"1565a. DNA samples maintained for identification of human remains: use for law enforcement purposes.".

SEC. 1064. ENHANCED AUTHORITY TO OBTAIN FOREIGN LANGUAGE SERVICES DURING PERIODS OF EMERGENCY.

(a) NATIONAL FOREIGN LANGUAGE SKILLS REGISTRY.—(1) Chapter 81 of title 10, United States Code, is amended by inserting after section 1596a the following new section:

"§ 1596b. Foreign language proficiency: National Foreign Language Skills Registry

"(a) ESTABLISHMENT.—(1) The Secretary of Defense may establish and maintain a registry of persons who—

"(A) have proficiency in one or more critical foreign languages;

"(B) are willing to provide linguistic services to the United States in the interests of national security during war or a national emergency; and

"(C) meet the eligibility requirements of subsection (b).

"(2) The registry shall be known as the 'National Foreign Language Skills Registry' (in this section referred to as the 'Registry').

"(b) ELIGIBLE PERSONS.—To be eligible for listing on the Registry, a person—

"(1) must be—

"(A) a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22))); or

"(B) an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)));

"(2) shall express willingness, in a form and manner prescribed by the Secretary—

"(A) to provide linguistic services for a foreign language as described in subsection (a); and

"(B) to be listed on the Registry; and

"(3) shall meet such language proficiency and other selection criteria as may be prescribed by the Secretary.

"(c) REGISTERED INFORMATION.—The Registry shall consist of the following:

"(1) The names of eligible persons selected by the Secretary for listing on the Registry.

"(2) Such other information on such persons as the Secretary determines pertinent to the use of such persons to provide linguistic services as described in subsection (a).

"(d) PROTECTION OF PRIVACY.—The Secretary may withhold from public disclosure the information maintained in the Registry in accordance with section 552a of title 5.

"(e) DESIGNATION OF CRITICAL FOREIGN LANGUAGES.—The Secretary shall designate those languages that are critical foreign languages for the purposes of this section. The Secretary shall make such a designation for any foreign language for which there is a shortage of experts in translation or interpretation available to meet requirements of the Secretary or of the head of any other department or agency of the United States for translation or interpretation in the national security interests of the United States.

"(f) LINGUISTIC SERVICES DEFINED.—In this section, the term 'linguistic services' means translation or interpretation of communication in a foreign language.".

(2) The table of sections at the beginning of such chapter is amended by inserting after section 1596a the following new item:

"1596b. Foreign language proficiency: National Foreign Language Skills Registry.".

(b) AUTHORITY TO ACCEPT VOLUNTARY TRANSLATION AND INTERPRETATION SERVICES.—Section 1588(a) of title 10, United States Code, is amended by adding after paragraph (6), as added by section 553, the following new paragraph:

"(7) Voluntary translation or interpretation services offered with respect to a foreign language by a person (A) who is registered for such foreign language on the National Foreign Language Skills Registry under section 1596b of this title,

or (B) who otherwise is approved to provide voluntary translation or interpretation services for national security purposes, as determined by the Secretary of Defense.".

SEC. 1065. REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127a the following new section:

"§ 127b. Assistance in combating terrorism: rewards

"(a) AUTHORITY.—The Secretary of Defense may pay a monetary amount, or provide a payment-in-kind, to a person as a reward for providing United States Government personnel with information or nonlethal assistance that is beneficial to—

"(1) an operation or activity of the armed forces conducted outside the United States against international terrorism; or

"(2) force protection of the armed forces.

"(b) LIMITATION.—The amount or value of a reward provided under this section may not exceed $200,000.

"(c) DELEGATION OF AUTHORITY.—(1) The authority of the Secretary of Defense under subsection (a) may be delegated only—

"(A) to the Deputy Secretary of Defense and an Under Secretary of Defense, without further redelegation; and

"(B) to the commander of a combatant command, but only for a reward in an amount or with a value not in excess of $50,000.

"(2) A commander of a combatant command to whom authority to provide rewards under this section is delegated under paragraph (1) may further delegate that authority, but only for a reward in an amount or with a value not in excess of $2,500, except that such a delegation may be made to the commander's deputy commander without regard to such limitation.

"(d) COORDINATION.—(1) The Secretary of Defense shall prescribe policies and procedures for the offering and making of rewards under this section and otherwise for administering the authority under this section. Such polices and procedures shall be prescribed in consultation with the Secretary of State and the Attorney General and shall ensure that the making of a reward under this section does not duplicate or interfere with the payment of a reward authorized by the Secretary of State or the Attorney General.

"(2) The Secretary of Defense shall consult with the Secretary of State regarding the making of any reward under this section in an amount or with a value in excess of $100,000.

"(e) PERSONS NOT ELIGIBLE.—The following persons are not eligible to receive a reward under this section:

"(1) A citizen of the United States.

"(2) An officer or employee of the United States.

"(3) An employee of a contractor of the United States.

"(f) ANNUAL REPORT.—(1) Not later than December 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of the rewards program under this section during the preceding fiscal year. Deadline.

"(2) Each report for a fiscal year under this subsection shall include the following:

"(A) Information on the total amount expended during that fiscal year to carry out the rewards program under this section during that fiscal year.

"(B) Specification of the amount, if any, expended during that fiscal year to publicize the availability of rewards under this section.

"(C) With respect to each reward provided during that fiscal year—

"(i) the amount or value of the reward and whether the reward was provided as a monetary payment or in some other form;

"(ii) the recipient of the reward; and

"(iii) a description of the information or assistance for which the reward was paid, together with an assessment of the significance and benefit of the information or assistance.

"(3) The Secretary may submit the report in classified form if the Secretary determines that it is necessary to do so.

"(g) DETERMINATIONS BY THE SECRETARY.—A determination by the Secretary under this section is final and conclusive and is not subject to judicial review.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127a the following new item:

"127b. Assistance in combating terrorism: rewards.".

SEC. 1066. PROVISION OF SPACE AND SERVICES TO MILITARY WELFARE SOCIETIES.

(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—Chapter 152 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2566. Space and services: provision to military welfare societies

"(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—The Secretary of a military department may provide, without charge, space and services under the jurisdiction of that Secretary to a military welfare society.

"(b) DEFINITIONS.—In this section:

"(1) The term 'military welfare society' means the following:

"(A) The Army Emergency Relief Society.

"(B) The Navy-Marine Corps Relief Society.

"(C) The Air Force Aid Society, Inc.

"(2) The term 'services' includes lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone and other information technology services (including installation of lines and equipment, connectivity, and other associated services), and security systems (including installation and other associated expenses).".

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

"2566. Space and services: provision to military welfare societies.".

SEC. 1067. PREVENTION AND MITIGATION OF CORROSION OF MILITARY EQUIPMENT AND INFRASTRUCTURE.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2228. Military equipment and infrastructure: prevention and mitigation of corrosion

"(a) DESIGNATION OF RESPONSIBLE OFFICIAL OR ORGANIZATION.—The Secretary of Defense shall designate an officer or employee of the Department of Defense, or a standing board or committee of the Department of Defense, as the senior official or organization responsible in the Department to the Secretary of Defense (after the Under Secretary of Defense for Acquisition, Technology, and Logistics) for the prevention and mitigation of corrosion of the military equipment and infrastructure of the Department.

"(b) DUTIES.—(1) The official or organization designated under subsection (a) shall oversee and coordinate efforts throughout the Department of Defense to prevent and mitigate corrosion of the military equipment and infrastructure of the Department. The duties under this paragraph shall include the duties specified in paragraphs (2) through (5).

"(2) The designated official or organization shall develop and recommend any policy guidance on the prevention and mitigation of corrosion to be issued by the Secretary of Defense.

"(3) The designated official or organization shall review the programs and funding levels proposed by the Secretary of each military department during the annual internal Department of Defense budget review process as those programs and funding proposals relate to programs and funding for the prevention and mitigation of corrosion and shall submit to the Secretary of Defense recommendations regarding those programs and proposed funding levels.

"(4) The designated official or organization shall provide oversight and coordination of the efforts within the Department of Defense to prevent or mitigate corrosion during—

"(A) the design, acquisition, and maintenance of military equipment; and

"(B) the design, construction, and maintenance of infrastructure.

"(5) The designated official or organization shall monitor acquisition practices within the Department of Defense—

"(A) to ensure that the use of corrosion prevention technologies and the application of corrosion prevention treatments are fully considered during research and development in the acquisition process; and

"(B) to ensure that, to the extent determined appropriate for each acquisition program, such technologies and treatments are incorporated into that program, particularly during the engineering and design phases of the acquisition process.

"(c) LONG-TERM STRATEGY.—(1) The Secretary of Defense shall develop and implement a long-term strategy to reduce corrosion and the effects of corrosion on the military equipment and infrastructure of the Department of Defense.

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

"(A) Expansion of the emphasis on corrosion prevention and mitigation within the Department of Defense to include coverage of infrastructure.

"(B) Application uniformly throughout the Department of Defense of requirements and criteria for the testing and certification of new corrosion-prevention technologies for equipment and infrastructure with similar characteristics, similar missions, or similar operating environments.

"(C) Implementation of programs, including supporting databases, to ensure that a focused and coordinated approach is taken throughout the Department of Defense to collect, review, validate, and distribute information on proven methods and products that are relevant to the prevention of corrosion of military equipment and infrastructure.

"(D) Establishment of a coordinated research and development program for the prevention and mitigation of corrosion for new and existing military equipment and infrastructure that includes a plan to transition new corrosion prevention technologies into operational systems.

"(3) The strategy shall include, for the matters specified in paragraph (2), the following:

"(A) Policy guidance.

"(B) Performance measures and milestones.

"(C) An assessment of the necessary personnel and funding necessary to accomplish the long-term strategy.

"(d) DEFINITIONS.—In this section:

"(1) The term 'corrosion' means the deterioration of a material or its properties due to a reaction of that material with its chemical environment.

"(2) The term 'military equipment' includes all weapon systems, weapon platforms, vehicles, and munitions of the Department of Defense, and the components of such items.

"(3) The term 'infrastructure' includes all buildings, structures, airfields, port facilities, surface and subterranean utility systems, heating and cooling systems, fuel tanks, pavements, and bridges.".

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

"2228. Military equipment and infrastructure: prevention and mitigation of corrosion.".

10 USC 2228 note.

(b) DEADLINE FOR DESIGNATION OF RESPONSIBLE OFFICIAL OR ORGANIZATION.—The Secretary of Defense shall designate an officer, employee, or standing board or committee of the Department of Defense under subsection (a) of section 2228 of title 10, United States Code, as added by subsection (a), not later than 90 days after the date of the enactment of this Act.

(c) INTERIM REPORT.—When the President submits the budget for fiscal year 2004 to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report regarding the actions taken to that date under section 2228 of title 10, United States Code, as added by subsection (a). That report shall include the following:

(1) A description of the organizational structure for the personnel carrying out the responsibilities of the official or organization designated under subsection (a) of that section with respect to the prevention and mitigation of corrosion.

(2) An outline for the long-term strategy for prevention and mitigation of corrosion required by subsection (c) of that section and milestones for development of that strategy.

(d) DEADLINE FOR LONG-TERM STRATEGY.—The Secretary of Defense shall submit to Congress a report setting forth the long-term strategy required under subsection (c) of section 2228 of title 10, United States Code, as added by subsection (a), not later than one year after the date of the enactment of this Act.

(e) GAO REVIEW.—The Comptroller General shall monitor the implementation of the long-term strategy required under subsection (c) of section 2228 of title 10, United States Code, as added by subsection (a), and, not later than 18 months after the date of the enactment of this Act, shall submit to Congress an assessment of the extent to which that strategy has been implemented. Deadline.

SEC. 1068. TRANSFER OF HISTORIC DF-9E PANTHER AIRCRAFT TO WOMEN AIRFORCE SERVICE PILOTS MUSEUM.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey, without consideration, to the Women Airforce Service Pilots Museum in Quartzsite, Arizona (in this section referred to as the "W.A.S.P. Museum"), all right, title, and interest of the United States in and to a DF–9E Panther aircraft (Bureau Number 125316). The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The aircraft shall be conveyed under subsection (a) in its current unflyable, "as is" condition. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON BREACH OF CONDITIONS.—The Secretary shall include in the instrument of conveyance of the aircraft under subsection (a) the following conditions:

(1) The W.A.S.P. Museum may not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary.

(2) If the Secretary determines at any time that the W.A.S.P. Museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance of the aircraft under subsection (a) shall be made at no cost to the United States. Any costs associated with the conveyance, costs of determining compliance with subsection (b), and costs of operation and maintenance of the aircraft conveyed shall be borne by the W.A.S.P. Museum.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 1069. INCREASE IN AMOUNT AUTHORIZED TO BE EXPENDED FOR DEPARTMENT OF DEFENSE PROGRAM TO COMMEMORATE 50TH ANNIVERSARY OF THE KOREAN WAR.

Section 1083(f)(2) of the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 113 note) is amended by striking "$7,000,000" and inserting "$10,000,000".

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

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

SEC. 1101. ELIGIBILITY OF DEPARTMENT OF DEFENSE NONAPPROPRIATED FUND EMPLOYEES FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Section 9001(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by striking "and";

(2) in subparagraph (C), by striking the comma at the end and inserting "; and"; and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) an employee of a nonappropriated fund instrumentality of the Department of Defense described in section 2105(c),".

(b) DISCRETIONARY AUTHORITY.—Section 9002 of such title is amended—

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

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

"(b) DISCRETIONARY AUTHORITY REGARDING NONAPPROPRIATED FUND INSTRUMENTALITIES.—The Secretary of Defense may determine that a nonappropriated fund instrumentality of the Department of Defense is covered under this chapter or is covered under an alternative long-term care insurance program.".

SEC. 1102. EXTENSION OF DEPARTMENT OF DEFENSE AUTHORITY TO MAKE LUMP-SUM SEVERANCE PAYMENTS.

(a) IN GENERAL.—Section 5595(i)(4) of title 5, United States Code, is amended by striking "2003" and inserting "2006".

Deadline.
5 USC 5595 note.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the President shall submit to the Committees on Armed Services and on Governmental Affairs of the Senate and the Committees on Armed Services and on Government Reform of the House of Representatives a report, including recommendations, on whether the authority under section 5595(i) of title 5, United States Code, should be made permanent or expanded to be made Governmentwide.

SEC. 1103. CONTINUATION OF FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM ELIGIBILITY.

Paragraph (4)(B) of section 8905a(d) of title 5, United States Code, is amended—

(1) in clause (i), by striking "2003" and inserting "2006"; and

(2) in clause (ii)—

(A) by striking "2004" and inserting "2007"; and

(B) by striking "2003" and inserting "2006".

SEC. 1104. CERTIFICATION FOR DEPARTMENT OF DEFENSE PROFESSIONAL ACCOUNTING POSITIONS.

(a) IN GENERAL.—(1) Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1599d. Professional accounting positions: authority to prescribe certification and credential standards

"(a) AUTHORITY TO PRESCRIBE PROFESSIONAL CERTIFICATION STANDARDS.—The Secretary of Defense may prescribe professional certification and credential standards for professional accounting positions within the Department of Defense. Any such standard shall be prescribed as a Department of Defense regulation.

"(b) WAIVER AUTHORITY.—The Secretary may waive any standard prescribed under subsection (a) whenever the Secretary determines such a waiver to be appropriate.

"(c) APPLICABILITY.—A standard prescribed under subsection (a) shall not apply to any person employed by the Department of Defense before the standard is prescribed.

"(d) REPORT.—The Secretary of Defense shall submit to Congress a report on the Secretary's plans to provide training to appropriate Department of Defense personnel to meet any new professional and credential standards prescribed under subsection (a). Such report shall be prepared in conjunction with the Director of the Office of Personnel Management. Such a report shall be submitted not later than one year after the effective date of any regulations, or any revision to regulations, prescribed pursuant to subsection (a). Deadline.

"(e) DEFINITION.—In this section, the term 'professional accounting position' means a position or group of positions in the GS–510, GS–511, and GS–505 series that involves professional accounting work.".

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

"1599d. Professional accounting positions: authority to prescribe certification and credential standards.".

(b) EFFECTIVE DATE.—Standards established pursuant to section 1599d of title 10, United States Code, as added by subsection (a), may take effect no sooner than 120 days after the date of the enactment of this Act. 10 USC 1599d note.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Sec. 1201. Authority to provide administrative services and support for coalition liaison officers.
Sec. 1202. Authority to pay for certain travel of defense personnel of countries participating in NATO Partnership for Peace program.
Sec. 1203. Limitation on funding for Joint Data Exchange Center in Moscow.
Sec. 1204. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
Sec. 1205. Comprehensive annual report to Congress on coordination and integration of all United States nonproliferation activities.
Sec. 1206. Report requirement regarding Russian proliferation to Iran and other countries of proliferation concern.
Sec. 1207. Monitoring of implementation of 1979 agreement between the United States and China on cooperation in science and technology.
Sec. 1208. Extension of certain counterproliferation activities and programs.
Sec. 1209. Semiannual report by Director of Central Intelligence on contributions by foreign persons to efforts by countries of proliferation concern to obtain weapons of mass destruction and their delivery systems.
Sec. 1210. Report on feasibility and advisability of senior officer exchanges between the Armed Forces of the United States and the military forces of Taiwan.
Sec. 1211. Report on United States force structure in the Pacific.

SEC. 1201. AUTHORITY TO PROVIDE ADMINISTRATIVE SERVICES AND SUPPORT FOR COALITION LIAISON OFFICERS.

(a) AUTHORITY.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1051 the following new section:

"§ 1051a. Coalition liaison officers: administrative services and support; travel, subsistence, and other personal expenses

"(a) AUTHORITY.—The Secretary of Defense may provide administrative services and support for the performance of duties by a liaison officer of another nation involved in a coalition with the United States while the liaison officer is assigned temporarily to the headquarters of a combatant command, component command, or subordinate operational command of the United States in connection with the planning for, or conduct of, a coalition operation.

"(b) TRAVEL AND SUBSISTENCE EXPENSES.—(1) The Secretary may pay the expenses specified in paragraph (2) of a liaison officer of a developing country in connection with the assignment of that officer to the headquarters of a combatant command as described in subsection (a), if the assignment is requested by the commander of the combatant command.

"(2) Expenses of a liaison officer that may be paid under paragraph (1) in connection with an assignment described in that paragraph are the following:

"(A) Travel and subsistence expenses.

"(B) Personal expenses directly necessary to carry out the duties of that officer in connection with that assignment.

"(c) REIMBURSEMENT.—To the extent that the Secretary determines appropriate, the Secretary may provide the services and support authorized by subsection (a) and the expenses authorized by subsection (b) with or without reimbursement from (or on behalf of) the recipients.

"(d) DEFINITIONS.—In this section:

"(1) The term 'administrative services and support' includes base or installation support services, office space, utilities,

copying services, fire and police protection, and computer support.

"(2) The term 'coalition' means an ad hoc arrangement between or among the United States and one or more other nations for common action.

"(e) EXPIRATION OF AUTHORITY.—The authority under this section shall expire on September 30, 2005.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051 the following new item:

"1051a. Coalition liaison officers: administrative services and support; travel, subsistence, and other personal expenses.".

(b) GAO REPORT.—Not later than March 1, 2005, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report providing an assessment of the implementation of section 1051a of title 10, United States Code, as added by subsection (a). The assessment shall include the following: Deadline. 10 USC 1051a note.

(1) A description of the benefits to coalition operations of the authority provided by that section.

(2) A statement of the cost to the Department of Defense of the use of the authority provided by that section.

(3) A summary of activities carried out under the authority provided by that section, including (A) the number of liaison officers for whom administrative services and support or expenses were provided under that authority and their countries of origin, and (B) the type of services, support, and expenses provided.

SEC. 1202. AUTHORITY TO PAY FOR CERTAIN TRAVEL OF DEFENSE PERSONNEL OF COUNTRIES PARTICIPATING IN NATO PARTNERSHIP FOR PEACE PROGRAM.

(a) AUTHORITY FOR USE OF FUNDS.—Section 1051(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraphs (2) and (3)";

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

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

"(3) In the case of defense personnel of a developing country that is not a member of the North Atlantic Treaty Organization and that is participating in the Partnership for Peace program of the North Atlantic Treaty Organization (NATO), expenses authorized to be paid under subsection (a) may be paid in connection with travel of personnel to the territory of any of the countries participating in the Partnership for Peace program or the territory of any NATO member country.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to travel performed on or after the date of the enactment of this Act. 10 USC 1051 note.

SEC. 1203. LIMITATION ON FUNDING FOR JOINT DATA EXCHANGE CENTER IN MOSCOW.

(a) LIMITATION.—Not more than 50 percent of the funds made available to the Department of Defense for fiscal year 2003 for activities associated with the Joint Data Exchange Center in

Moscow, Russia, may be obligated or expended for any such activity until—

(1) the United States and the Russian Federation enter into a cost-sharing agreement as described in subsection (d) of section 1231 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–329);

(2) the United States and the Russian Federation enter into an agreement or agreements exempting the United States and any United States person from Russian taxes, and from liability under Russian laws, with respect to activities associated with the Joint Data Exchange Center;

(3) the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a copy of each agreement referred to in paragraphs (1) and (2); and

(4) a period of 30 days has expired after the date of the final submission under paragraph (3).

(b) JOINT DATA EXCHANGE CENTER.—For purposes of this section, the term "Joint Data Exchange Center" means the United States-Russian Federation joint center for the exchange of data to provide early warning of launches of ballistic missiles and for notification of such launches that is provided for in a joint United States-Russian Federation memorandum of agreement signed in Moscow in June 2000.

SEC. 1204. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2003.—The total amount of the assistance for fiscal year 2003 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking "2002" and inserting "2003".

22 USC 5952 note.

SEC. 1205. COMPREHENSIVE ANNUAL REPORT TO CONGRESS ON COORDINATION AND INTEGRATION OF ALL UNITED STATES NONPROLIFERATION ACTIVITIES.

Section 1205 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1247) is amended by adding at the end the following new subsection:

Deadline.

"(d) ANNUAL REPORT ON IMPLEMENTATION OF PLAN.—(1) Not later than January 31, 2003, and each year thereafter, the President shall submit to Congress a report on the implementation of the plan required by subsection (a) during the preceding year.

"(2) Each report under paragraph (1) shall include—

"(A) a discussion of progress made during the year covered by such report in the matters of the plan required by subsection (a);

"(B) a discussion of consultations with foreign nations, and in particular the Russian Federation, during such year on joint programs to implement the plan;

"(C) a discussion of cooperation, coordination, and integration during such year in the implementation of the plan among

the various departments and agencies of the United States Government, as well as private entities that share objectives similar to the objectives of the plan; and

"(D) any recommendations that the President considers appropriate regarding modifications to law or regulations, or to the administration or organization of any Federal department or agency, in order to improve the effectiveness of any programs carried out during such year in the implementation of the plan.".

SEC. 1206. REPORT REQUIREMENT REGARDING RUSSIAN PROLIFERATION TO IRAN AND OTHER COUNTRIES OF PROLIFERATION CONCERN.

22 USC 5952 note.

(a) REPORT REQUIREMENT.—Not later than March 15 of 2003 through 2009, the President shall submit to Congress a report (in unclassified and classified form as necessary) describing in detail Russian proliferation of weapons of mass destruction and ballistic missile goods, technology, expertise, and information, and of dual-use items that may contribute to the development of weapons of mass destruction and ballistic missiles, to Iran and to other countries of proliferation concern during the year preceding the year in which the report is submitted. The report shall include a detailed description of the following, for the year covered by the report:

Deadline. President.

(1) The number, type, and quality of direct and dual-use weapons of mass destruction and ballistic missile goods, technology, expertise, and information transferred.

(2) The form, location, and manner in which such transfers took place.

(3) The contribution that such transfers could make to the recipient countries' weapons of mass destruction and ballistic missile programs, and an estimate of how soon such countries will test, possess, and deploy weapons of mass destruction and ballistic missiles.

(4) The impact and consequences that such transfers have, and could have over the next 10 years—

(A) on United States national security;

(B) on United States military forces deployed in the region to which such transfers are being made;

(C) on United States allies, friends, and interests in that region; and

(D) on the military capabilities of the country receiving such transfers from Russia.

(5) The policy and strategy that the President intends to employ to halt Russian proliferation, the policy tools that the President intends to use to carry out that policy and strategy, the rationale for employing such tools, and the timeline by which the President expects to see material progress in ending Russian proliferation of direct and dual-use weapons of mass destruction and missile goods, technology, expertise, and information.

(b) DEFINITION.—In this section, the term "country of proliferation concern" means any country identified by the Director of Central Intelligence as having engaged in the acquisition of dual-use and other technology useful for the development or production

of weapons of mass destruction (including nuclear weapons, chemical weapons, and biological weapons) or advanced conventional munitions—

(1) in the most recent report under section 721 of the Combatting Proliferation of Weapons of Mass Destruction Act of 1996 (title VII of Public Law 104–293; 50 U.S.C. 2366); or

(2) in any successor report on the acquisition by foreign countries of dual-use and other technology useful for the development or production of weapons of mass destruction.

22 USC 6901 note.

SEC. 1207. MONITORING OF IMPLEMENTATION OF 1979 AGREEMENT BETWEEN THE UNITED STATES AND CHINA ON COOPERATION IN SCIENCE AND TECHNOLOGY.

(a) IN GENERAL.—The Secretary of State shall—

(1) monitor the implementation of the Agreement specified in subsection (c);

(2) keep a systematic account of the protocols to the Agreement;

(3) coordinate the activities of all agencies of the United States Government that carry out cooperative activities under the Agreement; and

(4) ensure that all activities conducted under the Agreement comply with applicable laws and regulations concerning the transfer of militarily sensitive technologies and dual-use technologies.

(b) RESPONSIBILITIES OF THE OFFICE OF SCIENCE AND TECHNOLOGY COOPERATION.—Except as otherwise provided by the Secretary of State, the functions of the Secretary under this section shall be carried out through the Director of the Office of Science and Technology Cooperation of the Department of State.

(c) AGREEMENT DEFINED.—For purposes of this section, the term "Agreement" means the agreement between the United States and the People's Republic of China known as the "Agreement between the Government of the United States of America and the Government of the People's Republic of China on Cooperation in Science and Technology", signed in Washington on January 31, 1979, and its protocols.

Deadline.

(d) BIENNIAL REPORT TO CONGRESS.—(1) Not later than April 1 of each even-numbered year, the Secretary of State shall submit to Congress a report on the implementation of the Agreement and on activities under the Agreement. Each such report shall be submitted in both classified and unclassified form, as necessary.

(2) Each report under this subsection shall provide an evaluation of the benefits of the Agreement to the economy, to the military, and to the industrial base of the People's Republic of China and shall include the following:

(A) An accounting of all activities conducted under the Agreement since the previous report (or, in the case of the first report, since the Agreement was entered into) and a projection of activities to be undertaken under the Agreement during the next two years.

(B) An estimate of the costs to the United States to administer the Agreement during the period covered by the report.

(C) An assessment of how the Agreement has influenced the foreign and domestic policies of the People's Republic of

China and the policy of the People's Republic of China toward scientific and technological cooperation with the United States.

(D) An analysis by the Director of Central Intelligence of the involvement of military specialists, weapons specialists, and intelligence specialists of the People's Republic of China in the activities of the Joint Commission established under the Agreement and in other activities conducted under the Agreement.

(E) A determination by the Secretary of Defense, developed with the assistance of the Director of Central Intelligence, of the extent to which the activities conducted under the Agreement have enhanced the military and defense industrial base of the People's Republic of China, and an assessment of the effect that projected activities under the Agreement for the next two years, including the transfer of technology and know-how, could have on the economic and military capabilities of the People's Republic of China.

(F) An assessment by the Inspector General of the Department of Commerce of—

(i) the extent to which programs or activities carried out under the Agreement provide access to technology, information, or know-how that could enhance military capabilities of the People's Republic of China; and

(ii) the extent to which those programs or activities are carried out in compliance with export control laws and regulations of the United States, especially those laws and regulations governing so-called "deemed exports".

(G) Any recommendations of the Secretary of State, Secretary of Defense, or Director of Central Intelligence for improving the monitoring of the activities of the Joint Commission established under the Agreement.

(3) The Secretary of State shall prepare each report under this subsection in consultation with the Secretary of Defense, the Secretary of Energy, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, and the Director of the National Science Foundation.

(e) INTERAGENCY WORKING GROUP.—The President shall establish an interagency working group to oversee the implementation of the Agreement by departments and agencies of the United States. The working group shall consist of representatives of such departments, agencies, and offices of the executive branch as the President considers appropriate. The working group shall perform the following functions:

(1) Assisting the Secretary of State and other appropriate officials in setting standards under the Agreement for science and technology transfers between the United States and the People's Republic of China.

(2) Monitoring ongoing programs and activities under the Agreement and recommending future programs and activities under the Agreement.

(3) Developing a comprehensive database of all government-to-government programs and United States Government-funded programs under the Agreement.

(4) Coordinating activities under the Agreement between United States Government agencies, including elements of the intelligence community, as appropriate.

SEC. 1208. EXTENSION OF CERTAIN COUNTERPROLIFERATION ACTIVITIES AND PROGRAMS.

(a) EXTENSION OF INTERAGENCY COUNTERPROLIFERATION PROGRAM REVIEW COMMITTEE.—Section 1605(f) of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note) is amended by striking "September 30, 2004" and inserting "September 30, 2008".

(b) LATER DEADLINE FOR SUBMISSION OF ANNUAL REPORT.—Subsection (a) of section 1503 of the National Defense Authorization Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is amended by striking "February 1 of each year" and inserting "May 1 each year".

(c) ADDITIONAL MATTERS TO BE INCLUDED IN ANNUAL REPORT.—Subsection (b) of such section is amended by adding at the end the following new paragraph:

"(8) A discussion of the limitations and impediments to the biological weapons counterproliferation efforts of the Department of Defense (including legal, policy, and resource constraints) and recommendations for the removal or mitigation of such impediments and for ways to make such efforts more effective.".

(d) TECHNICAL AMENDMENT TO REFLECT CHANGE IN POSITION TITLE.—Section 1605(a)(4) of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note) is amended by striking "Under Secretary of Defense for Acquisition and Technology" in the first sentence and inserting "Under Secretary of Defense for Acquisition, Technology, and Logisitics".

SEC. 1209. SEMIANNUAL REPORT BY DIRECTOR OF CENTRAL INTELLIGENCE ON CONTRIBUTIONS BY FOREIGN PERSONS TO EFFORTS BY COUNTRIES OF PROLIFERATION CONCERN TO OBTAIN WEAPONS OF MASS DESTRUCTION AND THEIR DELIVERY SYSTEMS.

(a) CONTENT OF SEMIANNUAL REPORT.—The Combatting Proliferation of Weapons of Mass Destruction Act of 1996 (title VII of Public Law 104–293) is amended by inserting after section 721 (50 U.S.C. 2366) the following new section:

"SEC. 722. SEMIANNUAL REPORT ON CONTRIBUTIONS OF FOREIGN PERSONS TO WEAPONS OF MASS DESTRUCTION AND DELIVERY SYSTEMS EFFORTS OF COUNTRIES OF PROLIFERATION CONCERN.

50 USC 2369.

"(a) REPORTS.—The Director of Central Intelligence shall submit to Congress a semiannual report identifying each foreign person that, during the period covered by the report, made a material contribution to the research, development, production, or acquisition by a country of proliferation concern of—

"(1) weapons of mass destruction (including nuclear weapons, chemical weapons, or biological weapons); or

"(2) ballistic or cruise missile systems.

"(b) PERIOD OF SEMIANNUAL REPORTS.—Semiannual reports under subsection (a) shall be submitted as follows:

Deadline.

"(1) One semiannual report shall cover the first six months of the calendar year and shall be submitted not later than January 1 of the following year.

"(2) The other semiannual report shall cover the second six months of the calendar year and shall be submitted not later than July 1 of the following year. Deadline.

"(c) FORM OF REPORTS.—(1) A report under subsection (a) may be submitted in classified form, in whole or in part, if the Director of Central Intelligence determines that submittal in that form is advisable.

"(2) Any portion of a report under subsection (a) that is submitted in classified form shall be accompanied by an unclassified summary of such portion.

"(d) DEFINITIONS.—In this section:

"(1) The term 'foreign person' means any of the following:

"(A) A natural person who is not a citizen of the United States.

"(B) A corporation, business association, partnership, society, trust, or other nongovernmental entity, organization, or group that is organized under the laws of a foreign country or has its principal place of business in a foreign country.

"(C) Any foreign government or foreign governmental entity operating as a business enterprise or in any other capacity.

"(D) Any successor, subunit, or subsidiary of any entity described in subparagraph (B) or (C).

"(2) The term 'country of proliferation concern' means any country identified by the Director of Central Intelligence as having engaged in the acquisition of dual-use and other technology useful for the development or production of weapons of mass destruction (including nuclear weapons, chemical weapons, and biological weapons) or advanced conventional munitions—

"(A) in the most recent report under section 721; or

"(B) in any successor report on the acquisition by foreign countries of dual-use and other technology useful for the development or production of weapons of mass destruction.".

(b) EFFECTIVE DATE.—Section 722 of the Combatting Proliferation of Weapons of Mass Destruction Act of 1996, as added by subsection (a), shall take effect with the report with respect to the first six months of 2003 required to be submitted under that section not later than January 1, 2004. 50 USC 2369 note.

SEC. 1210. REPORT ON FEASIBILITY AND ADVISABILITY OF SENIOR OFFICER EXCHANGES BETWEEN THE ARMED FORCES OF THE UNITED STATES AND THE MILITARY FORCES OF TAIWAN.

(a) PRESIDENTIAL REPORT.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to Congress a report on— Deadline. President.

(1) the feasibility and advisability of conducting combined operational training with, and exchanges of general and flag officers between, the Armed Forces of the United States and the military forces of Taiwan; and

(2) the progress being made in meeting United States commitments to the security of Taiwan.

(b) CLASSIFICATION OF REPORT.—The report required by this section shall be submitted in unclassified form and, as necessary, in classified form.

SEC. 1211. REPORT ON UNITED STATES FORCE STRUCTURE IN THE PACIFIC.

Deadline.

(a) SECRETARY OF DEFENSE REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the plans of the Department of Defense to maintain adequate United States force structure in the Pacific, including any efforts (1) to augment current basing arrangements, and (2) to implement the recommendations from the most recent Quadrennial Defense Review to improve United States military capabilities in the Pacific.

(b) CLASSIFICATION OF REPORT.—The report required by this section shall be submitted in unclassified form and, as necessary, in classified form.

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

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

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

22 USC 5952 note.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2003 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2003 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $416,700,000 authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(23) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $70,500,000.

(2) For strategic nuclear arms elimination in Ukraine, $6,500,000.

(3) For nuclear weapons transportation security in Russia, $19,700,000.

(4) For nuclear weapons storage security in Russia, $40,000,000.

(5) For activities designated as Other Assessments/Administrative Support, $14,700,000.

(6) For defense and military contacts, $18,900,000.

(7) For weapons of mass destruction infrastructure elimination activities in Kazakhstan, $9,000,000.

(8) For weapons of mass destruction infrastructure elimination activities in Ukraine, $8,800,000.

(9) For chemical weapons destruction in Russia, $50,000,000.

(10) For biological weapons proliferation prevention in the former Soviet Union, $55,000,000.

(11) For weapons of mass destruction proliferation prevention in the States of the former Soviet Union, $40,000,000.

(b) ADDITIONAL FUNDS AUTHORIZED FOR CERTAIN PURPOSES.—Of the funds authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(23) for Cooperative Threat Reduction programs, $83,600,000 may be obligated for any of the purposes specified in paragraphs (1) through (4) and (9) of subsection (a) in addition to the amounts specifically authorized in such paragraphs.

(c) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2003 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(d) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2003 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (5) through (10) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

(4) In this section, the term "specific amount authorized" means, with respect to a purpose listed in any paragraph in subsection (a)—

(A) the amount specifically authorized for that purpose in subsection (a), plus

(B) in the case of a purpose listed in paragraph (1), (2), (3), (4), or (9) of subsection (a), any amount obligated under subsection (b) for that purpose.

SEC. 1303. PROHIBITION AGAINST USE OF FUNDS UNTIL SUBMISSION OF REPORTS.

Not more than 50 percent of fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended until 30 days after the date of the submission of—

(1) the report required to be submitted in fiscal year 2002 under section 1308(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–341); and

(2) the update for the multiyear plan required to be submitted for fiscal year 2001 under section 1205 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 22 U.S.C. 5952 note).

SEC. 1304. REPORT ON USE OF REVENUE GENERATED BY ACTIVITIES CARRIED OUT UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) ADDITIONAL REPORT REQUIREMENTS.—Section 1308(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–341) is amended by inserting at the end the following new paragraphs:

22 USC 5959.

"(6) To the maximum extent practicable, a description of how revenue generated by activities carried out under Cooperative Threat Reduction programs in recipient States is being utilized, monitored, and accounted for.

"(7) A description of the defense and military activities carried out under Cooperative Threat Reduction programs during the fiscal year ending in the year preceding the year of the report, including—

"(A) the amounts obligated or expended for such activities;

"(B) the purposes, goals, and objectives for which such amounts were obligated and expended;

"(C) a description of the activities carried out, including the forms of assistance provided, and the justification for each form of assistance provided;

"(D) the success of each activity, including the goals and objectives achieved for each;

"(E) a description of participation by private sector entities in the United States in carrying out such activities, and the participation of any other Federal department or agency in such activities; and

"(F) any other information that the Secretary considers relevant to provide a complete description of the operation and success of activities carried out under Cooperative Threat Reduction programs.".

(b) EFFECTIVE DATE.—Paragraphs (6) and (7) of section 1308(c) of such Act, as added by subsection (a), shall apply beginning with the report submitted under that section in 2004. Applicability. 22 USC 5959 note.

SEC. 1305. PROHIBITION AGAINST USE OF FUNDS FOR SECOND WING OF FISSILE MATERIAL STORAGE FACILITY. 22 USC 5952 note.

No funds authorized to be appropriated for Cooperative Threat Reduction programs for any fiscal year may be used for the design, planning, or construction of a second wing for a storage facility for Russian fissile material.

SEC. 1306. LIMITED WAIVER OF RESTRICTIONS ON USE OF FUNDS FOR THREAT REDUCTION IN STATES OF THE FORMER SOVIET UNION.

(a) AUTHORITY TO WAIVE RESTRICTIONS AND ELIGIBILITY REQUIREMENTS.—If the President submits the certification and report described in subsection (b) with respect to an independent state of the former Soviet Union for a fiscal year— 22 USC 5952 note.

(1) the restrictions in subsection (d) of section 1203 of the Cooperative Threat Reduction Act of 1993 (22 U.S.C. 5952) shall cease to apply, and funds may be obligated and expended under that section for assistance, to that state during that fiscal year; and

(2) funds may be obligated and expended during that fiscal year under section 502 of the FREEDOM Support Act (22 U.S.C. 5852) for assistance or other programs and activities for that state even if that state has not met one or more of the requirements for eligibility under paragraphs (1) through (4) of that section.

(b) CERTIFICATION AND REPORT.—(1) The certification and report referred to in subsection (a) are a written certification submitted by the President to Congress that the waiver of the restrictions and requirements described in paragraphs (1) and (2) of that subsection during such fiscal year is important to the national security interests of the United States, together with a report containing the following:

(A) A description of the activity or activities that prevent the President from certifying that the state is committed to the matters set forth in the provisions of law specified in paragraphs (1) and (2) of subsection (a) in such fiscal year.

(B) An explanation of why the waiver is important to the national security interests of the United States.

(C) A description of the strategy, plan, or policy of the President for promoting the commitment of the state to, and compliance by the state with, such matters, notwithstanding the waiver.

(2) The matter included in the report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(c) FISCAL YEARS COVERED.—The authority under subsection (a) shall apply only with respect to fiscal years 2003, 2004, and 2005.

(d) EXPIRATION OF AUTHORITY.—The authority under subsection (a) shall expire on September 30, 2005.

(e) ADMINISTRATION OF RESTRICTIONS ON ASSISTANCE.—Subsection (d) of section 1203 of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952) is amended—

(1) by striking "any year" and inserting "any fiscal year"; and

(2) by striking "that year" and inserting "such fiscal year".

TITLE XIV—HOMELAND SECURITY

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

50 USC 2312 note.

SEC. 1401. TRANSFER OF TECHNOLOGY ITEMS AND EQUIPMENT IN SUPPORT OF HOMELAND SECURITY.

(a) RESPONSIBLE SENIOR OFFICIAL.—The Secretary of Defense shall designate a senior official of the Department of Defense to coordinate all Department of Defense efforts to identify, evaluate, deploy, and transfer to Federal, State, and local first responders technology items and equipment in support of homeland security.

(b) DUTIES.—The official designated pursuant to subsection (a) shall—

(1) identify technology items and equipment developed or being developed by Department of Defense components that have the potential to enhance public safety and improve homeland security;

(2) cooperate with appropriate Federal Government officials outside the Department of Defense to evaluate whether such technology items and equipment would be useful to first responders;

(3) facilitate the timely transfer, through identification of appropriate private sector manufacturers, of appropriate technology items and equipment to Federal, State, and local first responders, in coordination with appropriate Federal Government officials outside the Department of Defense;

(4) identify and eliminate redundant and unnecessary research efforts within the Department of Defense with respect to technologies to be deployed to first responders;

(5) expedite the advancement of high priority Department of Defense projects from research through implementation of initial manufacturing; and

(6) participate in outreach programs established by appropriate Federal Government officials outside the Department of Defense to communicate with first responders and to facilitate awareness of available technology items and equipment to support responses to crises.

(c) SUPPORT AGREEMENT.—The official designated pursuant to subsection (a) shall enter into an appropriate agreement with a nongovernment entity for such entity to assist the official designated under subsection (a) in carrying out that official's duties under this section. Any such agreement shall be entered into using competitive procedures in compliance with applicable requirements of law and regulation.

Deadline.

(d) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to

the congressional defense committees a report on the actions taken to carry out this section. The report shall include the following:

(1) Identification of the senior official designated pursuant to subsection (a).

(2) A summary of the actions taken or planned to be taken to implement subsection (b), including a schedule for planned actions.

(3) An initial list of technology items and equipment identified pursuant to subsection (b)(1), together with a summary of any program schedule for the development, deployment, or transfer of such items and equipment.

(4) A description of any agreement entered into pursuant to subsection (c).

SEC. 1402. COMPREHENSIVE PLAN FOR IMPROVING THE PREPAREDNESS OF MILITARY INSTALLATIONS FOR TERRORIST INCIDENTS.

10 USC 113 note.

(a) COMPREHENSIVE PLAN.—The Secretary of Defense shall develop a comprehensive plan for improving the preparedness of military installations for preventing and responding to terrorist attacks, including attacks involving the use or threat of use of weapons of mass destruction.

(b) PREPAREDNESS STRATEGY.—The plan under subsection (a) shall include a preparedness strategy that includes each of the following:

(1) Identification of long-term goals and objectives for improving the preparedness of military installations for preventing and responding to terrorist attacks.

(2) Identification of budget and other resource requirements necessary to achieve those goals and objectives.

(3) Identification of factors beyond the control of the Secretary that could impede the achievement of those goals and objectives.

(4) A discussion of the extent to which local, regional, or national military response capabilities are to be developed, integrated, and used.

(5) A discussion of how the Secretary will coordinate the capabilities referred to in paragraph (4) with local, regional, or national civilian and other military capabilities.

(c) PERFORMANCE PLAN.—The plan under subsection (a) shall include a performance plan that includes each of the following:

(1) A reasonable schedule, with milestones, for achieving the goals and objectives of the strategy under subsection (b).

(2) Performance criteria for measuring progress in achieving those goals and objectives.

(3) A description of the process, together with a discussion of the resources, necessary to achieve those goals and objectives.

(4) A description of the process for evaluating results in achieving those goals and objectives.

(d) SUBMITTAL TO CONGRESS.—The Secretary shall submit the comprehensive plan developed under subsection (a) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives not later than 180 days after the date of the enactment of this Act.

(e) COMPTROLLER GENERAL REVIEW AND REPORT.—Not later than 60 days after the date on which the Secretary submits the comprehensive plan under subsection (a), the Comptroller General

Deadline.

shall review the plan and submit to the committees referred to in subsection (d) the Comptroller General's assessment of the plan.

(f) ANNUAL REPORT.—(1) In each of 2004, 2005, and 2006, the Secretary of Defense shall include a report on the comprehensive plan developed under subsection (a) with the materials that the Secretary submits to Congress in support of the budget submitted by the President that year pursuant to section 1105(a) of title 31, United States Code.

(2) Each such report shall include—

(A) a discussion of any revision that the Secretary has made in the comprehensive plan developed under subsection (a) since the last report under this subsection or, in the case of the first such report, since the plan was submitted under subsection (d); and

(B) an assessment of the progress made in achieving the goals and objectives of the strategy set forth in the plan.

(3) If the Secretary includes in the report for 2004 or 2005 under this subsection a declaration that the goals and objectives of the preparedness strategy set forth in the comprehensive plan have been achieved, no further report is required under this subsection.

10 USC 12310 note.

SEC. 1403. ADDITIONAL WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) ESTABLISHMENT OF ADDITIONAL TEAMS.—The Secretary of Defense shall—

(1) establish 23 additional teams designated as Weapons of Mass Destruction Civil Support Teams, for a total of 55 such teams; and

(2) ensure that of such 55 teams, there is at least one team established in each State and territory.

(b) PLAN.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a plan, in furtherance of subsection (a), for establishing at least one Weapons of Mass Destruction Civil Support Team in each State and territory that does not have such a team as of the date of the enactment of this Act. The plan shall include the following:

(1) A schedule and budget for manning, training, and equipping the new teams as rapidly as is possible without jeopardizing the attainment of full effectiveness by the new teams.

(2) A discussion of whether the mission of the Weapons of Mass Destruction Civil Support Teams should be expanded and, if so, how.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "Weapons of Mass Destruction Civil Support Team" means a team of members of the reserve components of the Armed Forces that is established under section 12310(c) of title 10, United States Code, in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction.

(2) The term "State and territory" means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

SEC. 1404. REPORT ON THE ROLE OF THE DEPARTMENT OF DEFENSE IN SUPPORTING HOMELAND SECURITY.

Deadline.

(a) REPORT REQUIRED.—Not later than March 1, 2003, the Secretary of Defense shall submit to the congressional defense

committees a report on Department of Defense responsibilities, mission, and plans for military support of homeland security.

(b) CONTENTS OF REPORT.—The report shall include, at a minimum, a discussion of the following:

(1) The Department of Defense definition of its homeland security mission, particularly with respect to how it relates to providing military support to civil authorities, managing the consequences of terrorist attacks, and homeland defense, and the actions the Department is taking to implement the homeland security mission as so defined.

(2) Changes in the roles, missions, responsibilities, organization, and capabilities of the following organizations in order to conduct their homeland security support mission, and the reasons for such changes:

(A) The Office of the Secretary of Defense.

(B) The Army, Navy, Air Force, and Marine Corps.

(C) The Army National Guard and the Air National Guard.

(D) The combatant commands of the Department of Defense.

(3) The relationship between the Department of Defense, including its combatant commands, and the following with regard to homeland security:

(A) Other departments and agencies of the Federal Government.

(B) State and local governments.

(C) The National Guard and Reserve components.

(4) The current capability of the Department of Defense to respond to terrorist attacks employing chemical, biological, radiological, nuclear, high explosive or cyberterrorism weapons against personnel and critical infrastructure of the Department, including identification of the goals of the Department for being fully capable of responding to such attacks, current deficiencies in that capability, the resources required to achieve that capability, and a long-term plan to reach that capability.

(5) The roles, missions, and responsibilities of the intelligence components of the Department of Defense in support of its homeland security mission, including the policies and plans for—

(A) collecting and analyzing information related to homeland security;

(B) sharing that information with other agencies of the Federal Government; and

(C) preparing threat and risk assessments and issuing warnings.

(6) A discussion of plans of the Department of Defense for training, exercising, and preparing to perform its homeland security mission, including—

(A) individual and collective training for civilian and military personnel of the Department involved in homeland security;

(B) integrated training with other agencies of the Federal Government, and with State and local governments, as appropriate;

(C) interagency exercises and simulations; and

(D) the development of a permanent "terrorist opposing force" capable of challenging the Department's plans, policies, and capabilities during training events and exercises.

(7) A discussion of how the Department of Defense biological defense research program supports its homeland security mission.

(8) A discussion of the efforts by the Department of Defense to develop, either within the Department or through contracts with private entities, anticyberterrorism technology, including an assessment of whether and how such efforts should be increased.

(9) An assessment of the need for and feasibility of developing and fielding Department of Defense regional chemical-biological incident response teams across the United States, including options for providing the resources and personnel necessary for developing and fielding any such teams.

(10) A discussion of the Department of Defense plans and efforts to place new emphasis on the unique operational demands associated with homeland security while ensuring that defense of the United States remains the primary mission of the Department of Defense.

(11) The resource constraints and legal impediments to implementing any of the activities discussed under paragraphs (1) through (10).

SEC. 1405. SENSE OF CONGRESS ON DEPARTMENT OF DEFENSE ASSISTANCE TO LOCAL FIRST RESPONDERS.

It is the sense of Congress that the Secretary of Defense should, to the extent the Secretary considers appropriate and feasible, provide assistance, in accordance with otherwise applicable provisions of law, to entities that are local first responders for domestic terrorist incidents in order to assist those entities in improving their capabilities to respond to such incidents.

TITLE XV—AUTHORIZATION OF APPROPRIATIONS FOR THE WAR ON TERRORISM

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

SEC. 1501. AUTHORIZATION OF APPROPRIATIONS FOR CONTINUED OPERATIONS FOR THE WAR ON TERRORISM.

In addition to any other amounts authorized to be appropriated by this Act, there is hereby authorized to be appropriated for the Department of Defense for fiscal year 2003, subject to subsection (b), $10,000,000,000 only for the conduct of Operation Noble Eagle and Operation Enduring Freedom in continuation of the war on terrorism in accordance with the purposes stated in section 2(a)

of the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note).

SEC. 1502. MOBILIZATION AND PERSONNEL.

Of the amount authorized to be appropriated in section 1501, $2,550,000,000 shall be available only for transfer (subject to sections 1507 and 1508) to fiscal year 2003 military personnel accounts of the Department of Defense for the purpose of providing for the personnel and personnel support costs of the members of the Armed Forces who are participating in Operation Noble Eagle or Operation Enduring Freedom in continuation of the war on terrorism in accordance with the purposes referred to in section 1501(a).

SEC. 1503. OPERATIONS.

Of the amount authorized to be appropriated in section 1501, $4,270,000,000 shall be available only for transfer (subject to sections 1507 and 1508) to fiscal year 2003 operation and maintenance accounts and working-capital funds of the Department of Defense for operating costs of the conduct of Operation Noble Eagle and Operation Enduring Freedom in continuation of the war on terrorism in accordance with the purposes referred to in section 1501(a).

SEC. 1504. EQUIPMENT REPLACEMENT AND ENHANCEMENT.

Of the amount authorized to be appropriated in section 1501, $1,000,000,000 shall be available only for transfer (subject to sections 1507 and 1508) to fiscal year 2003 procurement and research, development, test, and evaluation accounts of the Department of Defense for—

(1) emergency replacement of equipment and munitions lost or expended in operations conducted as part of Operation Noble Eagle or Operation Enduring Freedom in continuation of the war on terrorism in accordance with the purposes referred to in section 1501(a); or

(2) enhancement of critical military capabilities necessary to carry out operations as part of those Operations in continuation of the war on terrorism in accordance with those purposes.

SEC. 1505. CLASSIFIED ACTIVITIES.

Of the amount authorized to be appropriated in section 1501, $1,980,000,000 shall be available only for unspecified intelligence and classified activities carried out in support of Operation Noble Eagle or Operation Enduring Freedom in continuation of the war on terrorism in accordance with the purposes referred to in section 1501(a), and only by transfer (subject to sections 1507 and 1508) to fiscal year 2003 accounts of the Department of Defense in amounts as follows:

(1) To procurement accounts, $1,618,200,000.

(2) To operation and maintenance accounts, $301,600,000.

(3) To research, development, test, and evaluation accounts, $60,200,000.

SEC. 1506. PROCUREMENT OF MUNITIONS.

Of the amount authorized to be appropriated in section 1501, $200,000,000 shall be available only for the procurement of munitions for the support of Operation Noble Eagle or Operation Enduring Freedom in continuation of the war on terrorism in

accordance with the purposes referred to in section 1501(a), and only by transfer (subject to sections 1507 and 1508) to fiscal year 2003 procurement accounts of the Department of Defense in amounts as follows:

(1) To accounts of the Army for the procurement of ammunition $94,000,000.

(2) To accounts of the Navy for the procurement of weapons, $35,000,000.

(3) To accounts of the Navy and Marine Corps for the procurement of ammunition, $25,000,000.

(4) To accounts of the Air Force for the procurement of ammunition, $40,000,000.

(5) To Defense-wide procurement accounts for special operations forces, $6,000,000.

SEC. 1507. DISCRETIONARY RESTORATION OF AUTHORIZATIONS OF APPROPRIATIONS REDUCED FOR MANAGEMENT EFFICIENCIES.

(a) TRANSFER AUTHORITY.—(1) The Secretary of Defense may, subject to section 1508, transfer up to a total of $1,000,000,000 of the amount authorized to be appropriated by section 1501 to Department of Defense accounts under titles I, II, and III that are reduced for savings described in paragraph (2) if and to the extent that the Secretary determines that such savings are not achievable.

(2) The savings referred to in paragraph (1) are savings that are to be achieved from—

(A) improved management of Department of Defense contracts for the procurement of services; and

(B) the deferral of expenditures on financial management systems.

(b) RELATIONSHIP TO OTHER TITLE XV TRANSFER AUTHORITIES.—The total amount transferred under sections 1502 through 1506 and under section 1507 may not exceed the total amount authorized to be appropriated by section 1501.

SEC. 1508. GENERAL PROVISIONS APPLICABLE TO TRANSFERS.

(a) MERGER OF TRANSFERRED AMOUNTS.—Amounts transferred pursuant to this title shall be merged with, and shall be available for the same purposes and the same period as, the account to which transferred.

(b) CONGRESSIONAL NOTICE-AND-WAIT REQUIREMENT.—A transfer may not be made under section 1502, 1503, 1504, 1505, 1506, or 1507 until the Secretary of Defense has submitted a notice in writing to the congressional defense committees of the proposed transfer and a period of 15 days has elapsed after the date such notice is received. Any such notice shall include specification of the amount of the proposed transfer, the account to which the transfer is to be made, and the purpose of the transfer.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authorities provided in this title are in addition to any other transfer authority available to the Secretary of Defense under any provision of any other title of this Act or under any other provision of law.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Military Construction Authorization Act for Fiscal Year 2003.

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 2003".

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out certain fiscal year 2002 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 2001 project.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$1,900,000
	Fort Rucker	$15,808,000
	Redstone Arsenal	$1,950,000
Alaska	Fort Greely	$2,700,000
	Fort Richardson	$20,011,000
	Fort Wainwright	$139,906,000
Arizona	Fort Huachuca	$10,400,000
	Yuma Proving Ground	$4,500,000
California	Fort Irwin	$2,522,000
Colorado	Fort Carson	$9,698,000
District of Columbia	Walter Reed Army Medical Center	$13,794,000
Georgia	Fort Benning	$86,250,000
	Fort Stewart/Hunter Army Air Field	$26,000,000
Hawaii	Schofield Barracks	$191,000,000
Kansas	Fort Leavenworth	$7,979,000
	Fort Riley	$81,095,000
Kentucky	Blue Grass Army Depot	$5,500,000
	Fort Campbell	$106,300,000
	Fort Knox	$5,873,000
Louisiana	Fort Polk	$37,620,000
Maryland	Fort Detrick	$22,500,000
Massachusetts	Natick Research, Development, and Engineering Center	$4,100,000
Missouri	Fort Leonard Wood	$24,993,000
New Jersey	Picatinny Arsenal	$7,500,000
New York	Fort Drum	$18,300,000
	United States Military Academy, West Point	$4,991,000
North Carolina	Fort Bragg	$99,632,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Oklahoma	Fort Sill	$39,652,000
Pennsylvania	Letterkenny Army Depot	$1,550,000
South Carolina	Fort Jackson	$3,051,000
Texas	Fort Bliss	$5,200,000
	Fort Hood	$83,061,000
Virginia	Fort Eustis	$4,133,000
	Fort Lee	$7,103,000
Washington	Fort Lewis	$56,195,000
	Yakima Training Center	$3,000,000
	Total	$1,155,767,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	Supreme Headquarters, Allied Powers Europe	$13,600,000
Germany	Area Support Group, Bamberg	$17,200,000
	Campbell Barracks	$8,300,000
	Coleman Barracks	$1,350,000
	Darmstadt	$3,500,000
	Grafenwoehr	$69,866,000
	Landstuhl	$2,400,000
	Mannheim	$42,000,000
	Schweinfurt	$2,000,000
Italy	Vicenza	$34,700,000
Korea	Camp Carroll	$20,000,000
	Camp Castle	$6,800,000
	Camp Hovey	$25,000,000
	Camp Humphreys	$36,000,000
	Camp Henry	$10,200,000
	Camp Tango	$12,600,000
	K16 Airfield	$40,000,000
Qatar	Qatar	$8,600,000
	Total	$354,116,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Unspecified Worldwide	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section

2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	38 Units	$17,752,000
Arizona	Yuma Proving Ground	33 Units	$6,100,000
Korea	Yongsan	10 Units	$3,100,000
	Total:		$26,952,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $15,653,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $239,751,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,104,176,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $949,567,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $354,116,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $21,550,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $160,313,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $282,356,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,117,274,000.

(7) For the construction of phase 2 of Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted

into law by Public Law 106–398; 114 Stat. 1654A–389), $13,000,000.

(8) For the construction of phase 3 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), $50,000,000.

(9) For the construction of phase 2 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $21,000,000.

(10) For the construction of phase 2 of a barracks complex, Nelson Boulevard, at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2105 of this Act, $42,000,000.

(11) For the construction of phase 2 of a basic combat trainee complex at Fort Jackson, South Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2105 of this Act, $39,000,000.

(12) For the construction of phase 2 of a barracks complex, 17th and B Streets, at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $50,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $18,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Main Post, at Fort Benning, Georgia);

(3) $100,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Capron Avenue, at Schofield Barracks, Hawaii);

(4) $13,200,000 (the balance of the amount authorized under section 2101(a) for construction of a combined arms collective training facility at Fort Riley, Kansas);

(5) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Range Road, at Fort Campbell, Kentucky); and

(6) $25,000,000 (the balance of the amount authorized under section 2101(a) for construction of a consolidated maintenance complex at Fort Sill, Oklahoma).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (12) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by the following:

(1) $18,596,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

(2) $29,350,000, which represents savings resulting from adjustments in the accounting of civilian personnel benefits.

(3) $16,740,000, which represents savings resulting from reductions in supervision, inspection, and overhead costs.

(4) $18,000,000, which represents savings resulting from lower-than-expected inflation.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1281) is amended—

(1) in the item relating to Fort Carson, Colorado, by striking "$66,000,000" in the amount column and inserting "$67,000,000"; and

(2) in the item relating to Fort Jackson, South Carolina, by striking "$65,650,000" in the amount column and inserting "$68,650,000".

(b) CONFORMING AMENDMENTS.—Section 2104(b) of that Act (115 Stat. 1284) is amended—

(1) in paragraph (3), by striking "$41,000,000" and inserting "$42,000,000"; and

(2) in paragraph (4), by striking "$36,000,000" and inserting "$39,000,000".

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–390) is amended by striking "Camp Page" in the installation or location column and inserting "Camp Stanley".

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2002 projects.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$3,000,000
California	Auxiliary Landing Field, San Diego (San Clemente Island)	$6,150,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$39,470,000
	Marine Corps Air Station, Camp Pendleton	$11,930,000
	Marine Corps Air Station, Miramar	$12,210,000
	Marine Corps Base, Camp Pendleton	$84,040,000
	Marine Corps Logistics Base, Barstow	$4,450,000
	Naval Air Station, Lemoore	$35,855,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$6,760,000
	Naval Air Warfare Center, China Lake	$10,100,000
	Naval Construction Training Center, Port Hueneme	$10,170,000
	Naval Post Graduate School, Monterey	$9,020,000
	Naval Station, San Diego	$12,210,000
Connecticut	Naval Submarine Base, New London	$7,880,000
District of Columbia	Marine Corps Barracks	$3,700,000
	Naval District, Washington	$2,690,000
Florida	Naval Air Station, Jacksonville	$13,342,000
	Naval Air Station, Pensacola	$990,000
	Naval School Explosive Ordnance Detachment, Eglin	$6,350,000
	Naval Station, Mayport	$1,900,000
	Naval Surface Warfare Center Coastal Systems Station, Panama City	$10,700,000
Georgia	Naval Submarine Base, Kings Bay	$1,580,000
Hawaii	Marine Corps Base	$9,500,000
	Naval Shipyard, Pearl Harbor	$18,500,000
	Naval Station, Pearl Harbor	$34,090,000
Illinois	Naval Training Center, Great Lakes	$83,190,000
Indiana	Naval Surface Warfare Center, Crane	$11,610,000
Maine	Naval Air Station, Brunswick	$9,830,000
	Naval Shipyard, Kittery-Portsmouth	$15,200,000
Maryland	Naval Air Facility, Andrews Air Force Base	$9,680,000
	Naval Surface Warfare Center, Carderock Division	$12,900,000
	United States Naval Academy	$1,800,000
Mississippi	Naval Air Station, Meridian	$2,850,000
	Naval Construction Battalion Center, Gulfport	$5,460,000
	Naval Station, Pascagoula	$25,305,000
New Jersey	Naval Air Warfare Center, Lakehurst	$5,200,000
	Naval Weapons Station, Earle	$5,600,000
North Carolina	Marine Corps Air Station, Cherry Point.	$6,040,000
	Marine Corps Air Station, New River	$6,920,000
	Marine Corps Base, Camp Lejeune	$9,570,000
Rhode Island	Naval Station, Newport	$15,900,000
South Carolina	Marine Corps Air Station, Beaufort	$13,700,000
	Marine Corps Recruit Depot, Parris Island	$10,490,000
	Naval Weapons Station, Charleston	$5,740,000
Texas	Naval Air Station, Corpus Christi	$7,150,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval Station, Ingleside	$5,000,000
	Naval Air Station, Kingsville	$6,210,000
Virginia	Marine Corps Combat Development Command, Quantico	$24,864,000
	Naval Air Station Oceana	$16,490,000
	Naval Amphibious Base, Little Creek	$9,770,000
	Naval Shipyard, Norfolk, Portsmouth	$36,470,000
	Naval Station, Norfolk	$168,965,000
	Naval Support Activity, Norfolk	$2,260,000
	Naval Surface Warfare Center, Dahlgren	$15,830,000
	Naval Weapons Station, Yorktown	$15,020,000
Washington	Naval Air Station, Whidbey Island	$17,580,000
	Naval Magazine, Indian Island	$4,030,000
	Naval Station, Bremerton	$45,870,000
	Naval Submarine Base, Bangor	$22,310,000
	Naval Undersea Warfare Center, Keyport	$7,500,000
	Puget Sound Naval Shipyard, Bremerton	$57,132,000
	Strategic Weapons Facility, Bangor	$7,340,000
Various Locations	Host Nation Infrastructure	$1,000,000
	Total	$1,084,363,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	$25,970,000
Cuba	Naval Station, Guantanamo Bay	$4,280,000
Diego Garcia	Diego Garcia, Naval Support Facility	$11,090,000
Greece	Naval Support Activity, Joint Headquarters Command, Larissa	$6,800,000
Guam	Commander, United States Naval Forces, Guam	$13,400,000
Iceland	Naval Air Station, Keflavik	$14,920,000
Italy	Naval Air Station, Sigonella	$55,660,000
Spain	Naval Station, Rota	$18,700,000
	Total	$150,820,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	178 Units	$40,981,000
	Twentynine Palms	76 Units	$19,425,000
Connecticut	Naval Submarine Base, New London	100 Units	$24,415,000
Florida	Naval Station, Mayport	1 Unit	$329,000
Hawaii	Marine Corps Base, Kaneohe Bay	65 Units	$24,797,000
Maine	Naval Air Station, Brunswick	22 Units	$5,000,000
Mississippi	Naval Air Station, Meridian	56 Units	$9,755,000
North Carolina	Marine Corps Base, Camp Lejeune	317 Units	$43,650,000
Virginia	Marine Corps Base, Quantico	290 Units	$41,843,000
United Kingdom	Joint Maritime Facility, St. Mawgan	62 Units	$18,524,000
		Total	$228,719,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,281,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $139,468,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,576,381,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $1,025,598,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $148,250,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $26,187,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $95,570,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $379,468,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $867,788,000.

(6) For replacement of a pier at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287), as amended by section 2205 of this Act, $33,520,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $10,645,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Pascagoula, Mississippi);

(3) $48,120,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Norfolk, Virginia); and

(4) $2,570,000 (the balance of the amount authorized under section 2201(b) for a quality of life support facility, Naval Air Station Sigonella, Italy).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by the following:

(1) $3,992,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

(2) $10,470,000, which represents savings resulting from adjustments in the accounting of civilian personnel benefits.

(3) $15,017,000, which represents savings resulting from reductions in supervision, inspection, and overhead costs.

(4) $14,000,000, which represents savings resulting from lower-than-expected inflation.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MILITARY CONSTRUCTION PROJECT AT NAVAL STATION, NORFOLK, VIRGINIA.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286) is amended—

(1) in the item relating to Naval Station, Norfolk, Virginia, by striking "$139,270,000" in the amount column and inserting "$139,550,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,059,030,000".

(b) MILITARY FAMILY HOUSING AT QUANTICO, VIRGINIA.—The table in section 2202(a) of that Act (115 Stat. 1288) is amended in the item relating to Marine Corps Combat Development Command, Quantico, Virginia, by striking "60 Units" in the purpose column and inserting "39 Units".

(c) CONFORMING AMENDMENT.—Section 2204(b)(2) of that Act (115 Stat. 1289) is amended by striking "$33,240,000" and inserting "$33,520,000".

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Authority for use of military construction funds for construction of public road near Aviano Air Base, Italy, to replace road closed for force protection purposes.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alaska	Clear Air Station	$14,400,000
	Eielson Air Force Base	$41,100,000
Arizona	Davis-Monthan Air Force Base	$19,270,000
	Luke Air Force Base	$13,000,000
Arkansas	Little Rock Air Force Base	$25,600,000
California	Beale Air Force Base	$11,740,000
	Travis Air Force Base	$33,469,000
	Vandenberg Air Force Base	$10,500,000
Colorado	Buckley Air National Guard Base	$17,700,000
	Peterson Air Force Base	$5,500,000
	Schriever Air Force Base	$5,700,000
	United States Air Force Academy	$4,200,000
District of Columbia	Bolling Air Force Base	$5,000,000
Florida	Avon Park Air Force Range	$2,000,000
	Elgin Air Force Base	$4,250,000
	Hurlburt Field	$15,000,000
	MacDill Air Force Base	$20,000,000
Georgia	Robins Air Force Base	$29,400,000
Hawaii	Hickam Air Force Base	$1,350,000
Kansas	McConnell Air Force Base	$7,500,000
Louisiana	Barksdale Air Force Base	$22,900,000
Maryland	Andrews Air Force Base	$9,600,000
Massachusetts	Hanscom Air Force Base	$7,700,000
Mississippi	Keesler Air Force Base	$22,000,000
Nebraska	Offutt Air Force Base	$11,000,000
Nevada	Nellis Air Force Base	$56,850,000
New Jersey	McGuire Air Force Base	$29,831,000
New Mexico	Cannon Air Force Base	$4,650,000
	Holloman Air Force Base	$4,650,000
	Kirtland Air Force Base	$21,900,000
North Carolina	Pope Air Force Base	$9,700,000
North Dakota	Minot Air Force Base	$5,000,000
Ohio	Wright-Patterson Air Force Base	$25,000,000
Oklahoma	Altus Air Force Base	$14,800,000
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$6,800,000
South Dakota	Ellsworth Air Force Base	$13,200,000
Texas	Goodfellow Air Force Base	$10,600,000
	Lackland Air Force Base	$37,300,000
	Lackland Air Force Base (Camp Bullis)	$10,000,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
	Laughlin Air Force Base	$8,000,000
	Sheppard Air Force Base	$16,000,000
Utah	Hill Air Force Base	$14,500,000
Virginia	Langley Air Force Base	$70,940,000
	Total	$724,400,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Diego Garcia	Diego Garcia	$17,100,000
Germany	Ramstein Air Force Base	$71,783,000
Guam	Andersen Air Force Base	$31,000,000
Italy	Aviano Air Force Base	$6,600,000
Japan	Kadena Air Force Base	$6,000,000
Korea	Osan Air Base	$15,100,000
Spain	Naval Station, Rota	$31,818,000
Turkey	Incirlik Air Force Base	$1,550,000
United Kingdom	Royal Air Force, Fairford	$19,000,000
	Royal Air Force, Lakenheath	$13,400,000
Wake Island	Wake Island	$24,900,000
	Total	$238,251,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$24,993,000
	Total	$24,993,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	140 Units	$18,954,000

Air Force: Family Housing—Continued

State or Country	Installation or location	Purpose	Amount
California	Travis Air Force Base	110 Units	$24,320,000
Colorado	Peterson Air Force Base	2 Units	$959,000
	United States Air Force Academy	71 Units	$12,424,000
Delaware	Dover Air Force Base	112 Units	$19,615,000
Florida	Eglin Air Force Base	Housing Office.	$597,000
	Eglin Air Force Base	134 Units	$15,906,000
	MacDill Air Force Base	96 Units	$18,086,000
Hawaii	Hickam Air Force Base	96 Units	$29,050,000
Idaho	Mountain Home Air Force Base	95 Units	$24,392,000
Kansas	McConnell Air Force Base	Housing Maintenance Facility	$1,514,000
Maryland	Andrews Air Force Base	53 Units	$9,838,000
	Andrews Air Force Base	52 Units	$8,807,000
Mississippi	Columbus Air Force Base	Housing Office.	$412,000
	Keesler Air Force Base	117 Units	$16,505,000
Missouri	Whiteman Air Force Base	97 Units	$17,107,000
Montana	Malmstrom Air Force Base	18 Units	$4,717,000
New Mexico	Holloman Air Force Base	101 Units	$20,161,000
North Carolina	Pope Air Force Base	Housing Maintenance Facility	$991,000
	Seymour Johnson Air Force Base	126 Units	$18,615,000
North Dakota	Grand Forks Air Force Base	150 Units	$30,140,000
	Minot Air Force Base	112 Units	$21,428,000
	Minot Air Force Base	102 Units	$20,315,000
Oklahoma	Vance Air Force Base	59 Units	$11,423,000
South Dakota	Ellsworth Air Force Base	Housing Maintenance Facility	$447,000
	Ellsworth Air Force Base	22 Units	$4,794,000
Texas	Dyess Air Force Base	85 Units	$14,824,000
	Randolph Air Force Base	Housing Maintenance Facility	$447,000
	Randolph Air Force Base	112 Units	$14,311,000
Virginia	Langley Air Force Base	Housing Office	$1,193,000
Germany	Ramstein Air Force Base	19 Units	$8,534,000
Korea	Osan Air Base	113 Units	$35,705,000
	Osan Air Base	Housing Supply Warehouse	$834,000

Air Force: Family Housing—Continued

State or Country	Installation or location	Purpose	Amount
United Kingdom	Royal Air Force, Lakenheath	Housing Office and Maintenance Facility	$2,203,000
	Total		$429,568,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $34,188,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Unites States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $226,068,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,633,738,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $717,300,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $238,251,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $24,993,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $82,820,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $689,824,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $869,050,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a); and

(2) $7,100,000 (the balance of the amount authorized under section 2301(a) for construction of a consolidated base engineer complex at Altus Air Force Base, Oklahoma).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by the following:

(1) $19,063,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

(2) $15,306,000, which represents savings resulting from reductions in supervision, inspection, and overhead costs.

(3) $16,000,000, which represents savings resulting from lower-than-expected inflation.

SEC. 2305. AUTHORITY FOR USE OF MILITARY CONSTRUCTION FUNDS FOR CONSTRUCTION OF PUBLIC ROAD NEAR AVIANO AIR BASE, ITALY, TO REPLACE ROAD CLOSED FOR FORCE PROTECTION PURPOSES.

(a) AUTHORITY TO USE FUNDS.—Using amounts authorized to be appropriated by section 2304(a)(2), the Secretary of the Air Force may carry out a project to provide a public road, and associated improvements, to replace a public road adjacent to Aviano Air Base, Italy, that has been closed for force protection purposes.

(b) SCOPE OF AUTHORITY.—(1) The authority of the Secretary to carry out the project referred to in subsection (a) shall include authority as follows:

(A) To acquire property for the project for transfer to a host nation authority.

(B) To provide funds to a host nation authority to acquire property for the project.

(C) To make a contribution to a host nation authority for purposes of carrying out the project.

(D) To provide vehicle and pedestrian access to landowners affected by the project.

(2) The acquisition of property using the authority in subparagraph (A) or (B) of paragraph (1) may be made regardless of whether or not ownership of such property will vest in the United States.

(c) INAPPLICABILITY OF CERTAIN REAL PROPERTY MANAGEMENT REQUIREMENT.—Section 2672(a)(1)(B) of title 10, United States Code, shall not apply with respect to any acquisition of interests in land for purposes of the project authorized by subsection (a).

TITLE XXIV—DEFENSE AGENCIES

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

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section

2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitarization ..	Pine Bluff, Arkansas	$18,937,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$111,958,000
Defense Logistics Agency	Defense Supply Center, Richmond, Virginia	$5,500,000
	Naval Air Station, New Orleans, Louisiana	$9,500,000
	Travis Air Force Base, California	$16,000,000
Defense Threat Reduction Agency	Fort Belvoir, Virginia	$76,388,000
Department of Defense Dependents Schools	Fort Bragg, North Carolina	$2,036,000
	Fort Jackson, South Carolina	$2,506,000
	Marine Corps Base, Camp Lejeune, North Carolina	$12,138,000
	Marine Corps Base, Quantico, Virginia	$1,418,000
	United States Military Academy, West Point, New York	$4,347,000
Joint Chiefs of Staff	Peterson Air Force Base, Colorado	$25,000,000
Missile Defense Agency	Kauai, Hawaii	$23,400,000
National Security Agency	Fort Meade, Maryland	$4,484,000
Special Operations Command	Dam Neck, Virginia	$3,900,000
	Fort Bragg, North Carolina	$30,800,000
	Hurlburt Field, Florida	$11,100,000
	Naval Amphibious Base, Little Creek, Virginia	$14,300,000
	Stennis Space Center, Mississippi	$5,000,000
TRICARE Management Activity	Elmendorf Air Force Base, Alaska	$10,400,000
	Hickam Air Force Base, Hawaii ...	$2,700,000
Washington Headquarters Services	District of Columbia	$2,500,000
	Total	$394,312,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	Andersen Air Force Base, Guam ..	$17,586,000
	Naval Forces Marianas Islands, Guam	$6,000,000
	Naval Station, Rota, Spain	$23,400,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
	Royal Air Force, Fairford, United Kingdom	$17,000,000
	Yokota Air Base, Japan	$23,000,000
Department of Defense Dependents Schools	Kaiserslautern, Germany	$957,000
	Lajes Field, Azores, Portugal	$1,192,000
	Seoul, Korea	$31,683,000
	Supreme Headquarters, Allied Powers Europe, Belgium	$1,573,000
	Spangdahlem Air Base, Germany	$997,000
	Vicenza, Italy	$2,117,000
TRICARE Management Activity	Naval Support Activity, Naples, Italy	$41,449,000
	Spangdahlem Air Base, Germany	$39,629,000
	Total	$206,583,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $5,480,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $34,531,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,434,795,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $357,712,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $206,583,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,293,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $45,532,000.

(6) For energy conservation projects authorized by section 2403, $34,531,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $565,138,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $5,480,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $42,432,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For payment of a claim against the Hospital Replacement project at Elmendorf Air Force Base, Alaska, $10,400,000.

(10) For the construction of phase 4 of an ammunition demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of this Act, $38,000,000.

(11) For the construction of phase 5 of an ammunition demilitarization facility at Newport Army Depot, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of this Act, $61,494,000.

(12) For the construction of phase 5 of an ammunition demilitarization facility at Aberdeen Proving Ground, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), $20,600,000.

(13) For the construction of phase 3 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of this Act, $10,300,000.

(14) For the construction of phase 3 of an ammunition demilitarization support facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), $8,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $26,200,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Threat Reduction Center, Fort Belvoir, Virginia).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (14) of subsection (a)

is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by the following:

(1) $2,976,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

(2) $37,000, which represents savings resulting from adjustments in the accounting of civilian personnel benefits.

(3) $7,414,000, which represents savings resulting from reductions in supervision, inspection, and overhead costs.

(4) $7,000,000, which represents savings resulting from lower-than-expected inflation.

SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298), is further amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Blue Grass Army Depot, Kentucky, by striking "$254,030,000" in the amount column and inserting "$290,325,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$748,245,000".

(b) CONFORMING AMENDMENT.—Section 2405(b)(3) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 839), as so amended, is further amended by striking "$231,230,000" and inserting "$267,525,000".

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), is further amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Newport Army Depot, Indiana, by striking "$191,550,000" in the amount column and inserting "$293,853,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$829,919,000".

(b) CONFORMING AMENDMENT.—Section 2404(b)(2) of the Military Construction Authorization Act for Fiscal Year 1999 (112 Stat. 2196) is amended by striking "$162,050,000" and inserting "$264,353,000".

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1997 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year

2000 (division B of Public Law 106–65; 113 Stat. 839), is further amended—

(1) under the agency heading relating to Chemical Demilitarization Program, in the item relating to Pueblo Chemical Activity, Colorado, by striking "$203,500,000" in the amount column and inserting "$261,000,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$607,454,000".

(b) CONFORMING AMENDMENT.—Section 2406(b)(2) of the Military Construction Authorization Act for Fiscal Year 1997 (110 Stat. 2779), as so amended, is further amended by striking "$203,500,000" and inserting "$261,000,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $168,200,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to subsection (a) is the amount specified in such subsection, reduced by $1,000,000, which represents savings resulting from lower-than-expected inflation.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

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

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) IN GENERAL.—There are authorized to be appropriated for fiscal years beginning after September 30, 2002, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions

therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $237,236,000; and

(B) for the Army Reserve, $99,399,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $75,801,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $204,215,000; and

(B) for the Air Force Reserve, $85,649,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to subsection (a)(1)(A) is the amount specified in such subsection, reduced by $1,000,000, which represents savings resulting from lower-than-expected inflation.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

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

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2006 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), authorizations set forth in the tables in subsection (b), as provided in section

2302 or 2601 of that Act, shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorizations

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	$6,000,000
Texas	Lackland Air Force Base	Dormitory	$5,300,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-Purpose Range Complex–Heavy	$13,500,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the table in subsection (b), as provided in section 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1301), shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 Units)	$8,988,000
Florida	Patrick Air Force Base	Replace Family Housing (46 Units)	$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 Units)	$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 Units)	$5,600,000

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Lease of military family housing in Korea.
Sec. 2802. Modification of alternative authority for acquisition and improvement of military housing.
Sec. 2803. Pilot housing privatization authority for acquisition or construction of military unaccompanied housing.
Sec. 2804. Repeal of source requirements for family housing construction overseas.
Sec. 2805. Availability of energy cost savings realized at military installations.

Subtitle B—Real Property and Facilities Administration

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

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

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

PART II—NAVY CONVEYANCES

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

PART III—AIR FORCE CONVEYANCES

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

Subtitle D—Other Matters

Sec. 2851. Master plan for use of Navy Annex, Arlington, Virginia.
Sec. 2852. Sale of excess treated water and wastewater treatment capacity, Marine Corps Base, Camp Lejeune, North Carolina.
Sec. 2853. Conveyance of real property, Adak Naval Complex, Alaska, and related land conveyances.
Sec. 2854. Special requirement for adding military installation to closure list.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. LEASE OF MILITARY FAMILY HOUSING IN KOREA.

(a) INCREASE IN NUMBER OF UNITS AUTHORIZED FOR LEASE AT CURRENT MAXIMUM AMOUNT.—Paragraph (3) of section 2828(e)

of title 10, United States Code, is amended by striking "800 units" and inserting "1,175 units".

(b) AUTHORITY TO LEASE ADDITIONAL NUMBER OF UNITS AT INCREASED MAXIMUM AMOUNT.—That section is further amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;

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

"(4) In addition to the units of family housing referred to in paragraph (1) for which the maximum lease amount is $25,000 per unit per year, the Secretary of the Army may lease not more than 2,400 units of family housing in Korea subject to a maximum lease amount of $35,000 per unit per year.";

(3) in paragraph (5), as so redesignated, by striking "and (3)" and inserting "(3), and (4)"; and

(4) in paragraph (6), as so redesignated, by striking "53,000" and inserting "55,775".

SEC. 2802. MODIFICATION OF ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) AUTHORIZED UTILITIES AND SERVICES.—Section 2872a(b) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(11) Firefighting and fire protection services.

"(12) Police protection services.".

(b) LEASING OF HOUSING.—(1) Section 2874 of such title is amended—

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

(B) by striking subsection (a) and inserting the following new subsections:

"(a) LEASE AUTHORIZED.—The Secretary concerned may enter into contracts for the lease of housing units that the Secretary determines are suitable for use as military family housing or military unaccompanied housing.

"(b) USE OF LEASED UNITS.—The Secretary concerned shall utilize housing units leased under this section as military family housing or military unaccompanied housing, as appropriate.".

(2) The heading for such section is amended to read as follows:

"§ 2874. Leasing of housing".

(3) The table of sections at the beginning of subchapter IV of chapter 169 of such title is amended by striking the item relating to section 2874 and inserting the following new item:

"2874. Leasing of housing.".

(c) REPEAL OF INTERIM LEASE AUTHORITY.—(1) Section 2879 of such title is repealed.

(2) The table of sections at the beginning of subchapter IV of chapter 169 of such title is amended by striking the item relating to section 2879.

SEC. 2803. PILOT HOUSING PRIVATIZATION AUTHORITY FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) IN GENERAL.—(1) Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2881 the following new section:

"§ 2881a. Pilot projects for acquisition or construction of military unaccompanied housing

"(a) PILOT PROJECTS AUTHORIZED.—The Secretary of the Navy may carry out not more than three pilot projects under the authority of this section or another provision of this subchapter to use the private sector for the acquisition or construction of military unaccompanied housing in the United States, including any territory or possession of the United States.

"(b) TREATMENT OF HOUSING; ASSIGNMENT OF MEMBERS.—The Secretary of the Navy may assign members of the armed forces without dependents to housing units acquired or constructed under the pilot projects, and such housing units shall be considered as quarters of the United States or a housing facility under the jurisdiction of the Secretary for purposes of section 403 of title 37.

"(c) BASIC ALLOWANCE FOR HOUSING.—(1) The Secretary of Defense may prescribe and, under section 403(n) of title 37, pay for members of the armed forces without dependents in privatized housing acquired or constructed under the pilot projects higher rates of partial basic allowance for housing than the rates authorized under paragraph (2) of such section.

"(2) The partial basic allowance for housing paid for a member at a higher rate under this subsection may be paid directly to the private sector source of the housing to whom the member is obligated to pay rent or other charge for residing in such housing if the private sector source credits the amount so paid against the amount owed by the member for the rent or other charge.

"(d) FUNDING.—(1) The Secretary of the Navy shall use the Department of Defense Military Unaccompanied Housing Improvement Fund to carry out activities under the pilot projects.

"(2) Subject to 90 days prior notification to the appropriate committees of Congress, such additional amounts as the Secretary of Defense considers necessary may be transferred to the Department of Defense Military Unaccompanied Housing Improvement Fund from amounts appropriated for construction of military unaccompanied housing in military construction accounts. The amounts so transferred shall be merged with and be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund.

"(e) REPORTS.—(1) The Secretary of the Navy shall transmit to the appropriate committees of Congress a report describing—

"(A) each contract for the acquisition of military unaccompanied housing that the Secretary proposes to solicit under the pilot projects;

"(B) each conveyance or lease proposed under section 2878 of this title in furtherance of the pilot projects; and

"(C) the proposed partial basic allowance for housing rates for each contract as they vary by grade of the member and how they compare to basic allowance for housing rates for other contracts written under the authority of the pilot programs.

"(2) The report shall describe the proposed contract, conveyance, or lease and the intended method of participation of the United States in the contract, conveyance, or lease and provide a justification of such method of participation. The report shall be submitted not later than 90 days before the date on which the Secretary issues the contract solicitation or offers the conveyance or lease.

Deadline.

"(f) EXPIRATION.—Notwithstanding section 2885 of this title, the authority of the Secretary of the Navy to enter into a contract under the pilot programs shall expire September 30, 2007.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2881 the following new item:

"2881a. Pilot projects for acquisition or construction of military unaccompanied housing.".

(b) CONFORMING AMENDMENT.—Section 2871(7) of title 10, United States Code, is amended by inserting before the period at the end the following: "and transient housing intended to be occupied by members of the armed forces on temporary duty".

SEC. 2804. REPEAL OF SOURCE REQUIREMENTS FOR FAMILY HOUSING CONSTRUCTION OVERSEAS.

Section 803 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 10 U.S.C. 2821 note) is repealed.

SEC. 2805. AVAILABILITY OF ENERGY COST SAVINGS REALIZED AT MILITARY INSTALLATIONS.

Section 2865(b) of title 10, United States Code, is amended by striking "through the end of the fiscal year following the fiscal year for which the funds were appropriated" and inserting "until expended".

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AGREEMENTS TO LIMIT ENCROACHMENTS AND OTHER CONSTRAINTS ON MILITARY TRAINING, TESTING, AND OPERATIONS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2684 the following new section:

"§ 2684a. Agreements to limit encroachments and other constraints on military training, testing, and operations

"(a) AGREEMENTS AUTHORIZED.—The Secretary of Defense or the Secretary of a military department may enter into an agreement with an eligible entity described in subsection (b) to address the use or development of real property in the vicinity of a military installation for purposes of—

"(1) limiting any development or use of the property that would be incompatible with the mission of the installation; or

"(2) preserving habitat on the property in a manner that—

"(A) is compatible with environmental requirements; and

"(B) may eliminate or relieve current or anticipated environmental restrictions that would or might otherwise restrict, impede, or otherwise interfere, whether directly or indirectly, with current or anticipated military training, testing, or operations on the installation.

"(b) ELIGIBLE ENTITIES.—An agreement under this section may be entered into with any of the following:

"(1) A State or political subdivision of a State.

"(2) A private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal, as determined by the Secretary concerned.

"(c) INAPPLICABILITY OF CERTAIN CONTRACT REQUIREMENTS.—Chapter 63 of title 31 shall not apply to any agreement entered into under this section.

"(d) ACQUISITION AND ACCEPTANCE OF PROPERTY AND INTERESTS.—(1) An agreement with an eligible entity under this section may provide for—

"(A) the acquisition by the entity of all right, title, and interest in and to any real property, or any lesser interest in the property, as may be appropriate for purposes of this section; and

"(B) the sharing by the United States and the entity of the acquisition costs.

"(2) Property or interests may not be acquired pursuant to the agreement unless the owner of the property or interests consents to the acquisition.

"(3) The agreement shall require the entity to transfer to the United States, upon the request of the Secretary concerned, all or a portion of the property or interest acquired under the agreement or a lesser interest therein. The Secretary shall limit such transfer request to the minimum property or interests necessary to ensure that the property concerned is developed and used in a manner appropriate for purposes of this section.

"(4) The Secretary concerned may accept on behalf of the United States any property or interest to be transferred to the United States under the agreement.

"(5) For purposes of the acceptance of property or interests under the agreement, the Secretary concerned may accept an appraisal or title documents prepared or adopted by a non-Federal entity as satisfying the applicable requirements of section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651) or section 3111 of title 40, if the Secretary concerned finds that the appraisal or title documents substantially comply with the requirements.

"(e) ACQUISITION OF WATER RIGHTS.—The authority of the Secretary concerned to enter into an agreement under this section for the acquisition of real property (or an interest therein) includes the authority to support the purchase of water rights from any available source when necessary to support or protect the mission of a military installation.

"(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in an agreement under this section as the Secretary considers appropriate to protect the interests of the United States.

"(g) FUNDING.—(1) Except as provided in paragraph (2), funds authorized to be appropriated for operation and maintenance of the Army, Navy, Marine Corps, Air Force, or Defense-wide activities may be used to enter into agreements under this section.

"(2) In the case of a military installation operated primarily with funds authorized to be appropriated for research, development, test, and evaluation, funds authorized to be appropriated for the Army, Navy, Marine Corps, Air Force, or Defense-wide activities for research, development, test, and evaluation may be used to

enter into agreements under this section with respect to the installation.

"(h) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' means the Secretary of Defense or the Secretary of a military department.

"(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and the territories and possessions of the United States.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2684 the following new item:

"2684a. Agreements to limit encroachments and other constraints on military training, testing, and operations.".

SEC. 2812. CONVEYANCE OF SURPLUS REAL PROPERTY FOR NATURAL RESOURCE CONSERVATION PURPOSES.

(a) CONVEYANCE AUTHORITY.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2694 the following new section:

"§ 2694a. Conveyance of surplus real property for natural resource conservation

"(a) AUTHORITY TO CONVEY.—The Secretary of a military department may convey to an eligible entity described in subsection (b) any surplus real property that—

"(1) is under the administrative control of the Secretary;

"(2) is suitable and desirable for conservation purposes;

"(3) has been made available for public benefit transfer for a sufficient period of time to potential claimants; and

"(4) is not subject to a pending request for transfer to another Federal agency or for conveyance to any other qualified recipient for public benefit transfer under the real property disposal processes and authorities under subtitle I of title 40.

"(b) ELIGIBLE ENTITIES.—The conveyance of surplus real property under this section may be made to any of the following:

"(1) A State or political subdivision of a State.

"(2) A nonprofit organization that exists for the primary purpose of conservation of natural resources on real property.

"(c) REVISIONARY INTEREST AND OTHER DEED REQUIREMENTS.—(1) The deed of conveyance of any surplus real property conveyed under this section shall require the property to be used and maintained for the conservation of natural resources in perpetuity. If the Secretary concerned determines at any time that the property is not being used or maintained for such purpose, then, at the option of the Secretary, all or any portion of the property shall revert to the United States.

"(2) The deed of conveyance may permit the recipient of the property—

"(A) to convey the property to another eligible entity, subject to the approval of the Secretary concerned and subject to the same covenants and terms and conditions as provided in the deed from the United States; and

"(B) to conduct incidental revenue-producing activities on the property that are compatible with the use of the property for conservation purposes.

"(3) The deed of conveyance may contain such additional terms, reservations, restrictions, and conditions as the Secretary concerned considers appropriate to protect the interests of the United States.

"(d) RELEASE OF COVENANTS.—With the concurrence of the Secretary of Interior, the Secretary concerned may grant a release from a covenant included in the deed of conveyance of real property conveyed under this section, subject to the condition that the recipient of the property pay the fair market value, as determined by the Secretary concerned, of the property at the time of the release of the covenant. The Secretary concerned may reduce the amount required to be paid under this subsection to account for the value of the natural resource conservation benefit that has accrued to the United States during the period the covenant was in effect, if the benefit was not taken into account in determining the original consideration for the conveyance.

"(e) CONGRESSIONAL NOTIFICATION.—The Secretary concerned may not approve of the reconveyance of real property under subsection (c) or grant the release of a covenant under subsection (d) until the Secretary notifies the appropriate committees of Congress of the proposed reconveyance or release and a period of 21 days elapses from the date the notification is received by the committees.

"(f) LIMITATIONS.—The conveyance of real property under this section shall not be used as a condition of allowing any defense activity under any Federal, State, or local permitting or review process. The Secretary concerned may make the conveyance, with the restrictions specified in subsection (c), to establish a mitigation bank, but only if the establishment of the mitigation bank does not occur in order to satisfy any condition for permitting military activity under a Federal, State, or local permitting or review process.

"(g) CONSIDERATION.—In fixing the consideration for the conveyance of real property under this section, or in determining the amount of any reduction of the amount to be paid for the release of a covenant under subsection (d), the Secretary concerned shall take into consideration any benefit that has accrued or may accrue to the United States from the use of such property for the conservation of natural resources.

"(h) RELATION TO OTHER CONVEYANCE AUTHORITIES.—(1) The Secretary concerned may not make a conveyance under this section of any real property to be disposed of under a base closure law in a manner that is inconsistent with the requirements and conditions of the base closure law.

"(2) In the case of real property on Guam, the Secretary concerned may not make a conveyance under this section unless the Government of Guam has been first afforded the opportunity to acquire the real property as authorized by section 1 of Public Law 106–504 (114 Stat. 2309).

"(i) DEFINITIONS.—In this section:

"(1) The term 'appropriate committees of Congress' has the meaning given such term in section 2801 of this title.

"(2) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (10 U.S.C. 2687 note).

"(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(D) Any other similar authority for the closure or realignment of military installations that is enacted after the date of the enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003.

"(3) The term 'Secretary concerned' means the Secretary of a military department.

"(4) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and the territories and possessions of the United States.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2694 the following new item:

"2694a. Conveyance of surplus real property for natural resource conservation.".

(b) ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE EXPENSES.—Section 2695(b) of such title is amended by adding at the end the following new paragraph:

"(5) The conveyance of real property under section 2694a of this title.".

(c) AGREEMENTS WITH NONPROFIT NATURAL RESOURCE CONSERVATION ORGANIZATIONS.—Section 2701(d) of such title is amended—

(1) in the subsection heading, by striking "AGENCIES" and inserting "ENTITIES";

(2) in paragraph (1)—

(A) by striking "with any State or local government agency, or with any Indian tribe," and inserting "any State or local government agency, any Indian tribe, or any nonprofit conservation organization"; and

(B) by striking "the agency" and inserting "the agency, Indian tribe, or organization"; and

(3) by striking paragraph (4), as redesignated by section 311(2) of this Act, and inserting the following new paragraph:

"(4) DEFINITIONS.—In this subsection:

"(A) The term 'Indian tribe' has the meaning given such term in section 101(36) of CERCLA (42 U.S.C. 9601(36)).

"(B) The term 'nonprofit conservation organization' means any non-governmental nonprofit organization whose primary purpose is conservation of open space or natural resources.".

SEC. 2813. MODIFICATION OF DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) ADMINISTRATOR OF PROGRAM.—Subsection (a) of section 2814 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1310; 10 U.S.C. 2809 note) is amended by striking "Secretary of the Army" and inserting "Secretary of Defense or the Secretary of a military department".

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

"(b) CONTRACTS.—(1) Not more than 12 contracts per military department may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

"(2) The demonstration program may only cover contracts entered into on or after the date of the enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, except that the Secretary of the Army shall treat any contract containing requirements referred to in subsection (a) that was entered into under the authority in such subsection between that date and December 28, 2001, as a contract for the purpose of the demonstration program.".

(c) REPORTING REQUIREMENTS.—Subsection (d) of such section is amended by striking "Secretary of the Army" and inserting "Secretary of Defense".

(d) FUNDING.—(1) Subsection (f) of such section is amended by striking "the Army" and inserting "the military departments or defense-wide".

10 USC 2809 note.

(2) The amendment made by paragraph (1) shall not affect the availability for the purpose of the demonstration program under section 2814 of the Military Construction Authorization Act for Fiscal Year 2002, as amended by this section, of any amounts authorized to be appropriated before the date of the enactment of this Act for the Army for military construction that have been obligated for the demonstration program, but not expended, as of that date.

SEC. 2814. EXPANDED AUTHORITY TO TRANSFER PROPERTY AT MILITARY INSTALLATIONS TO BE CLOSED TO PERSONS WHO CONSTRUCT OR PROVIDE MILITARY FAMILY HOUSING.

(a) 1988 LAW.—Section 204(e)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking the last sentence.

(b) 1990 LAW.—Section 2905(f)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking the last sentence.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

16 USC 668dd note.

SEC. 2821. TRANSFER OF JURISDICTION, FORT MCCLELLAN, ALABAMA, TO ESTABLISH MOUNTAIN LONGLEAF NATIONAL WILDLIFE REFUGE.

Deadline.

(a) TRANSFER REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior a parcel of real property at Fort McClellan, Alabama, consisting of approximately 7,600 acres, which is described as the "acquisition area" in a memorandum of agreement between the Secretaries numbered 1448–40181–00–K–014.

(b) ESTABLISHMENT AND MANAGEMENT OF REFUGE.—(1) The Secretary of the Interior shall establish on the real property transferred under subsection (a) the Mountain Longleaf National Wildlife

Refuge to enhance, manage, and protect the unique mountain longleaf pine ecosystem on the property.

(2) The Secretary of Interior shall manage the Mountain Longleaf National Wildlife Refuge in a manner that—

(A) conserves and enhances populations of fish, wildlife, and plants in the Refuge, including migratory birds and species that are threatened or endangered, with particular emphasis on the protection of the mountain longleaf pine plant ecosystem;

(B) protects and enhances the quality of aquatic habitat in the Refuge;

(C) provides, in coordination with the Alabama Department of Conservation and Natural Resources, the public with recreational opportunities, including hunting, fishing, wildlife observation, and photography;

(D) provides opportunities for scientific research and education on land use and environmental law; and

(E) is consistent with environmental restoration efforts conducted by the Secretary of the Army on the Refuge or on lands adjacent to the Refuge.

(c) ENVIRONMENTAL RESTORATION.—(1) The Secretary of the Army shall continue to be responsible for unexploded ordnance, discarded military munitions, and munitions constituents on the real property transferred under subsection (a) and shall continue to follow a remediation process in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(2) The Secretary of the Army shall appropriately factor the management directives for the Mountain Longleaf National Wildlife Refuge, as described in subsection (b), into the remedy selection process for the property transferred under subsection (a).

(d) RELATION TO OTHER ENVIRONMENTAL LAWS.—Nothing in this section shall relieve, and no action taken under this section may relieve, the Secretary of the Army or the Secretary of the Interior, or any other person from any liability or other obligation under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.), or any other Federal or State law.

(e) ASSISTANCE.—The Secretary of the Army may provide up to $500,000 from the funds in the Base Realignment and Closure Account 1990 to the Secretary of Interior to facilitate the establishment of the Mountain Longleaf National Wildlife Refuge and to support environmental research at the Refuge during the first two years of the operation of the Refuge.

SEC. 2822. LAND CONVEYANCES, LANDS IN ALASKA NO LONGER REQUIRED FOR NATIONAL GUARD PURPOSES.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to an eligible entity described in subsection (b) all right, title, and interest of the United States in and to any parcel of real property, including any improvements thereon, in the State of Alaska described in subsection (c) if the Secretary determines the conveyance would be in the public interest.

(b) ELIGIBLE RECIPIENTS.—The following entities shall be eligible to receive real property under subsection (a):

(1) The State of Alaska.

(2) A governmental entity in the State of Alaska.

(3) A Native Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)).

(4) The Metlakatla Indian Community.

(c) COVERED PROPERTY.—Subsection (a) applies to real property located in the State of Alaska that—

(1) is under the jurisdiction of the Department of the Army and, before December 2, 1980, was under such jurisdiction for the use of the Alaska National Guard;

(2) is located in a unit of the National Wildlife Refuge System designated in the Alaska National Interest Lands Conservation Act (Public Law 96–487; 16 U.S.C. 668dd note);

(3) is excess to the needs of the Alaska National Guard and the Department of Defense; and

(4) the Secretary determines that—

(A) the anticipated cost to the United States of retaining the property exceeds the value of such property; or

(B) the condition of the property makes it unsuitable for retention by the United States.

(d) CONSIDERATION.—The conveyance of real property under this section shall, at the election of the Secretary, be for no consideration or for consideration in an amount determined by the Secretary to be appropriate under the circumstances.

(e) USE OF CONSIDERATION.—If consideration is received for the conveyance of real property under subsection (a), the Secretary may use the amounts received, in such amounts as are provided in appropriations Acts, to pay for—

(1) the cost of a survey described in subsection (f) with respect to the property;

(2) the cost of carrying out any environmental assessment, study, or analysis, and any remediation, that may be required under Federal law, or is considered appropriate by the Secretary, in connection with the property or the conveyance of the property; and

(3) any other costs incurred by the Secretary in conveying the property.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance of real property under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2823. LAND CONVEYANCE, SUNFLOWER ARMY AMMUNITION PLANT, KANSAS.

(a) CONVEYANCE AUTHORIZED.—The Administrator of General Services may convey to the Johnson County Park and Recreation District, Kansas (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, at the Sunflower Army Ammunition Plant in the State of Kansas consisting of approximately 2,000 acres.

(b) BASIS OF CONVEYANCE.—The conveyance under this section shall be made in a manner consistent with section 550(e) of title 40, United States Code, for the purpose of permitting the District to use the conveyed property for public recreational purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage, location, and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Administrator. The cost of such legal description, survey, or both shall be borne by the District.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Administrator considers appropriate to protect the interests of the United States.

(e) APPLICATION OF SECTION.—If the Administrator and the District reach an agreement regarding the conveyance of the property described in subsection (a) before January 31, 2003, the authority provided by this section shall not take effect.

SEC. 2824. LAND CONVEYANCES, BLUEGRASS ARMY DEPOT, RICHMOND, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Madison County, Kentucky (in this section referred to as the "County"), all right, title, and interest of the United States in and to the following parcels of real property, including any improvements thereon, at the Bluegrass Army Depot, Richmond, Kentucky:

(1) A parcel consisting of approximately 10 acres.

(2) A parcel consisting of approximately 3 acres, including the building known as Quarters 29.

(b) CONDITIONS OF CONVEYANCE.—(1) The Secretary may not convey the parcel of real property referred to in subsection (a)(1) unless the County agrees to use the property to facilitate the construction of a veterans' center on the property by the State of Kentucky and the Secretary determines that the State has appropriated adequate funds for the construction of the veterans' center.

(2) The Secretary may not convey the parcel of real property referred to in subsection (a)(2) unless the County agrees to utilize the property for historical preservation and education purposes.

(c) REVERSIONARY INTEREST.—(1) At the end of the seven-year period beginning on the date on which the Secretary makes the conveyance of the parcel of real property referred to in subsection (a)(1), if the Secretary determines that a veterans' center is not in operation on the conveyed real property, then, at the option of the Secretary, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(2) If the Secretary determines at any time that the parcel of real property referred to in subsection (a)(2) has ceased to be utilized for the purposes specified in subsection (b)(2), then, at the option of the Secretary, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(3) Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the County to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyances under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the County to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyances, if the excess costs were incurred as a result of a request by the County. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyances.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyances. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Hopkinsville, Kentucky (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property at Fort Campbell, Kentucky, consisting of approximately 50 acres and containing an abandoned railroad spur for the purpose of permitting the City to use the property for storm water management, recreation, transportation, and other public purposes.

(b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the City to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the City to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyance, if the excess costs were incurred as a result of a request by the City. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyance.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF PROPERTY.—The acreage of the real property to be conveyed under subsection (a) has been determined by the Secretary through a legal description outlining such acreage. No further survey of the property is required before the conveyance is made.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, ARMY RESERVE TRAINING CENTER, BUFFALO, MINNESOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Buffalo Independent School District 877 of Buffalo, Minnesota (in this section referred to as the "School District"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 800 8th Street, N.E., in Buffalo, Minnesota, and contains a former Army Reserve Training Center, which is being used by the School District as the site of the Phoenix Learning Center.

(b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the School District to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the School District to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyance, if the excess costs were incurred as a result of a request by the School District. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyance.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the School District.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. LAND CONVEYANCE, FORT MONMOUTH, NEW JERSEY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey by sale all right, title, and interest of the United States in and to a parcel of real property, consisting of approximately 63.95 acres of military family housing known as Howard Commons, that comprises a portion of Fort Monmouth, New Jersey.

(b) COMPETITIVE BID REQUIREMENT.—The Secretary shall use competitive procedures for the sale authorized by subsection (a).

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (a), the recipient shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under such subsection.

(2) In-kind consideration under paragraph (1) may include the construction of replacement military family housing or the rehabilitation of existing military family housing at Fort Monmouth, New Jersey, as agreed upon by the Secretary.

(3) If the value of in-kind consideration to be provided under this subsection exceeds $1,500,000, the Secretary may not accept such consideration until after the end of the 21-day period beginning on the date the Secretary notifies the congressional defense committees of the decision of the Secretary to accept in-kind consideration in excess of that amount.

(4) Any proceeds received by the Secretary under this subsection and not used to construct or rehabilitate such military family housing shall be deposited in the special account in the Treasury established pursuant to section 572(b) of title 40, United States Code.

(d) EFFECT OF TRANSFER OF ADMINISTRATIVE JURISDICTION.—If the real property authorized to be conveyed by this section is transferred to the administrative jurisdiction of the Administrator of General Services, the Administrator, rather than the Secretary, shall have the authority to convey such property under this section.

(e) DESCRIPTION OF PARCEL.—The exact acreage and legal description of the parcel to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the recipient of the parcel.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2828. LAND CONVEYANCE, FORT BLISS, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the County of El Paso, Texas (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 44 acres at Fort Bliss, Texas, for the purpose of facilitating the construction by the State of Texas of a nursing home for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—(1) At the end of the seven-year period beginning on the date on which the Secretary makes the conveyance under subsection (a), if the Secretary determines that a nursing home for veterans is not in operation on the conveyed real property, then, at the option of the Secretary—

(A) all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States; and

(B) the United States shall have the right of immediate entry onto the property.

(2) Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the County to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the County to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyance, if the excess costs were incurred as a result of a request by the County. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyance.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, FORT HOOD, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Veterans Land Board of the State of Texas (in this section referred to as the "Board") all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 174 acres at Fort Hood, Texas, for the purpose of permitting the Board to establish a State-run cemetery for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—(1) At the end of the seven-year period beginning on the date on which the Secretary makes the conveyance under subsection (a), if the Secretary determines that a cemetery for veterans is not in operation on the conveyed real property, then, at the option of the Secretary—

(A) all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States; and

(B) the United States shall have the right of immediate entry onto the property.

(2) Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the Board to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under

subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the Board to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyance, if the excess costs were incurred as a result of a request by the Board. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyance.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCES, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE TO FAIRFAX COUNTY, VIRGINIA, AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to Fairfax County, Virginia, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 135 acres, located in the northwest portion of the Engineer Proving Ground at Fort Belvoir, Virginia, in order to permit the County to use such property for park and recreational purposes.

(2) The parcel of real property authorized to be conveyed by paragraph (1) is generally described as that portion of the Engineer Proving Ground located west of Accotink Creek, east of the Fairfax County Parkway, and north of Cissna Road to the northern boundary, but excludes a parcel of land consisting of approximately 15 acres located in the southeast corner of such portion of the Engineer Proving Ground.

(3) The land excluded under paragraph (2) from the parcel of real property authorized to be conveyed by paragraph (1) shall be reserved for an access road to be constructed in the future.

(b) CONVEYANCE OF BALANCE OF PROPERTY AUTHORIZED.—The Secretary may convey to any competitively selected grantee all right, title, and interest of the United States in and to the real property, including any improvements thereon, at the Engineering Proving Ground not conveyed under the authority in subsection (a).

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (b), the grantee shall provide the United

States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under such subsection.

(2) In-kind consideration under paragraph (1) may include the maintenance, improvement, alteration, repair, remodeling, restoration (including environmental restoration), or construction of facilities for the Department of the Army at Fort Belvoir or at any other site or sites designated by the Secretary.

(3) If in-kind consideration under paragraph (1) includes the construction of facilities, the grantee shall also convey to the United States—

(A) title to such facilities, free of all liens and other encumbrances; and

(B) if the United States does not have fee simple title to the land underlying such facilities, convey to the United States all right, title, and interest in and to such lands not held by the United States.

(4) If the value of in-kind consideration to be provided under paragraph (1) exceeds $1,500,000, the Secretary may not accept such consideration until after the end of the 21-day period beginning on the date the Secretary notifies the congressional defense committees of the decision of the Secretary to accept in-kind consideration in excess of that amount.

(5) The Secretary shall deposit any cash received as consideration under this subsection in the special account established pursuant to section 572(b) of title 40, United States Code.

(d) EFFECT OF TRANSFER OF ADMINISTRATIVE JURISDICTION.—If all or a portion of the real property authorized to be conveyed by this section is transferred to the administrative jurisdiction of the Administrator of General Services, the Administrator, rather than the Secretary of the Army, shall have the authority to convey such property under this section.

(e) REPEAL OF SUPERSEDED AUTHORITY.—Section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658), as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 568), is repealed.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of each such survey shall be borne by the grantee.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2831. LAND CONVEYANCE, MARINE CORPS AIR STATION, MIRAMAR, SAN DIEGO, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the ENPEX Corporation, Incorporated (in this section referred to as the "Corporation"), all right, title, and interest of the United States in and to a parcel of real property, including

any improvements thereon, at Marine Corps Air Station, Miramar, San Diego, California, consisting of approximately 60 acres and appurtenant easements and any other necessary interests in real property for the purpose of permitting the Corporation to use the property for the production of electric power and related ancillary activities.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Corporation shall—

(A) convey to the United States all right, title, and interest of the Corporation in and to a parcel of real property in the San Diego area that is suitable for military family housing, as determined by the Secretary; and

(B) if the parcel conveyed under subparagraph (A) does not contain housing units suitable for use as military family housing, design and construct such military family housing units and supporting facilities as the Secretary considers appropriate.

(2) The total combined value of the real property and military family housing conveyed by the Corporation under this subsection shall be at least equal to the fair market value of the real property conveyed to the Secretary under subsection (a), including any severance costs arising from any diminution of the value or utility of other property at Marine Corps Air Station, Miramar, attributable to the prospective future use of the property conveyed under subsection (a).

(3) The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and the fair market value of the consideration to be provided under this subsection. Such determinations shall be final.

(c) REVERSIONARY INTEREST.—(1) Subject to paragraph (2), if the Secretary determines at any time that the property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(2) If Marine Corps Air Station, Miramar, is no longer used as a Federal aviation facility, paragraph (1) shall no longer apply, and the Secretary shall release, without consideration, the reversionary interest retained by the United States under such paragraph.

(d) ADMINISTRATIVE EXPENSES.—(1) The Corporation shall make funds available to the Secretary to cover costs to be incurred by the Secretary, or reimburse the Secretary for costs incurred, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. This paragraph does not apply to costs associated with the removal of explosive ordnance from the parcel and environmental remediation of the parcel.

(2) Section 2695(c) of title 10 United States Code, shall apply to any amount received under paragraph (1). If the amounts received in advance under such paragraph exceed the costs actually

incurred by the Secretary, the Secretary shall refund the excess amount to the Corporation.

(e) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the property to be conveyed by the Corporation under subsection (b) shall be determined by a survey satisfactory to the Secretary.

(f) EXEMPTIONS.—Section 2696 of title 10, United States Code, does not apply to the conveyance authorized by subsection (a), and the authority to make the conveyance shall not be considered to render the property excess or underutilized.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. MODIFICATION OF AUTHORITY FOR LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) MODIFICATION OF CONVEYANCE AUTHORITY FOR COREA AND WINTER HARBOR PROPERTIES.—Subsection (b) of section 2845 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1319) is amended to read as follows:

"(b) CONVEYANCE AND TRANSFER OF COREA AND WINTER HARBOR PROPERTIES AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to parcels of real property, including any improvements thereon and appurtenances thereto, comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, as follows:

"(A) The parcel consisting of approximately 50 acres known as the Corea Operations Site.

"(B) Three parcels consisting of approximately 23 acres and comprising family housing facilities.

"(2) The Secretary of the Navy may transfer to the administrative jurisdiction of the Secretary of the Interior a parcel of real property consisting of approximately 404 acres at the former Naval Security Group Activity, which is the balance of the real property comprising the Corea Operations Site. The Secretary of the Interior shall administer the property transferred under this paragraph as part of the National Wildlife Refuge System.".

(b) EXEMPTION OF MODIFIED CONVEYANCES FROM FEDERAL SCREENING REQUIREMENT.—Such section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) EXEMPTION FROM FEDERAL SCREENING.—Any conveyance authorized by subsection (b)(1) is exempt from the requirement to screen the property concerned for further Federal use pursuant to section 2696 of title 10, United States Code.".

(c) CONFORMING AMENDMENTS.—Subsections (c), (d), (e), (f), (h) (as redesignated), and (i) (as redesignated) of such section are

amended by striking "subsection (b)" each place it appears and inserting "subsection (b)(1)".

SEC. 2833. LAND CONVEYANCE, WESTOVER AIR RESERVE BASE, MASSACHUSETTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of Chicopee, Massachusetts (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including 133 housing units and other improvements thereon, consisting of approximately 30.38 acres located at Westover Air Reserve Base in Chicopee, Massachusetts, for the purpose of permitting the City to use the property for economic development and other public purposes.

(b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the City to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) The Secretary shall require the City to reimburse the Secretary for any excess costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other excess costs incurred by the Secretary, in connection with the conveyance, if the excess costs were incurred as a result of a request by the City. In this paragraph, the term "excess costs" means costs in excess of those costs considered reasonable and necessary by the Secretary to comply with existing law to make the conveyance.

(3) Any reimbursement received under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. LAND CONVEYANCE, NAVAL STATION, NEWPORT, RHODE ISLAND.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the State of Rhode Island, or any political subdivision thereof, any or all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 34 acres located in Melville, Rhode Island, and known as the Melville Marina site.

(b) CONSIDERATION.—(1) As consideration for the conveyance of real property under subsection (a), the conveyee shall pay the United States an amount equal to the fair market value of the real property, as determined by the Secretary based on an appraisal of the real property acceptable to the Secretary.

(2) The consideration received under paragraph (1) shall be deposited in the account established pursuant to section 572(b) of title 40, United States Code, and shall be available as provided for in that section.

(c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Secretary may require the conveyee of the real property under subsection (a) to reimburse the Secretary for any costs incurred by the Secretary in carrying out the conveyance.

(2) Any reimbursement for costs that is received under paragraph (1) shall be credited to the fund or account providing funds for such costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. LAND EXCHANGE AND BOUNDARY ADJUSTMENTS, MARINE CORPS BASE, QUANTICO, AND PRINCE WILLIAM FOREST PARK, VIRGINIA.

(a) LAND EXCHANGE.—Administrative jurisdiction over certain lands at Prince William Forest Park, Virginia, and at the Marine Corps Base, Quantico, Virginia, shall be adjusted through the following actions:

(1) The Secretary of the Navy shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior approximately 352 acres of land, depicted as "Lands Transferred from Department of the Navy to Department of the Interior" on the map entitled "Boundary Adjustments Between Prince William Forest Park and Marine Corps Base, Quantico", numbered 860/80283, and dated May 1, 2002.

(2) The Secretary of the Interior shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Navy approximately 3,398 acres of land, depicted as "Lands Transferred from Department of the Interior to Department of the Navy" on the map described in paragraph (1).

(b) RETENTION OF CERTAIN LAND.—The Secretary of the Interior shall continue to administer approximately 1,346 acres of land, depicted as "Lands Retained by Department of the Interior" on the map described in subsection (a)(1). Effective on the date of the enactment of this Act, the special use permit dated March 16, 1972, which provides for the use of part of this land by the Marine Corps, shall no longer be in effect.

(c) SUBSEQUENT DISPOSAL OF LAND.—(1) If any of the land described in subsection (a)(1) or (b) is determined to be excess to the needs of the Department of the Interior, the Secretary of the Interior shall offer to transfer, without reimbursement, administrative jurisdiction over the land to the Secretary of the Navy.

(2) If any of the land described in subsection (a)(2) is determined to be excess to the needs of the Department of the Navy, the

Secretary of the Navy shall offer to transfer, without reimbursement, administrative jurisdiction over the land to the Secretary of the Interior.

(3) If an offer made under this subsection is not accepted within 90 days, the land covered by the offer may be disposed of in accordance with the laws and regulations governing the disposal of excess property.

(d) BOUNDARY MODIFICATION AND ADMINISTRATION.—(1) The boundaries of Prince William Forest Park and the Marine Corps Base, Quantico, shall be modified to reflect the land exchanges or disposals made under this section.

(2) Land transferred to the Secretary of the Interior under subsection (a)(1) or retained under subsection (b) shall be administered as part of Prince William Forest Park in accordance with applicable laws and regulations.

(e) AVAILABILITY OF MAP.—The map described in subsection (a)(1) shall be on file and available for public inspection in the appropriate offices of the National Park Service, Department of the Interior.

(f) CONFORMING AMENDMENTS.—The Act of June 22, 1948 (Chapter 596; 62 Stat. 571), is amended—

(1) by striking the first section and inserting the following new section:

"SECTION 1. PRINCE WILLIAM FOREST PARK, VIRGINIA.

"Chopawamsic Park, which was established in 1933 as Chopawamsic Recreational Demonstration Area, shall be known as 'Prince William Forest Park'.";

(2) in section 2—

(A) by striking "That all" and inserting "All"; and

(B) by striking "the Chopawamsic Park" and inserting "Prince William Forest Park"; and

(3) in section 3—

(A) by striking "That the Secretary of the Interior and the Secretary of the Navy be, and they are hereby" and inserting "The Secretary of the Interior is"; and

(B) by striking "the Chopawamsic Park" both places it appears and inserting "Prince William Forest Park".

PART III—AIR FORCE CONVEYANCES

SEC. 2841. MODIFICATION OF LAND CONVEYANCE, LOS ANGELES AIR FORCE BASE, CALIFORNIA.

Section 2861(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–433) is amended in the first sentence by striking "10 years" and inserting "30 years".

SEC. 2842. LAND EXCHANGE, BUCKLEY AIR FORCE BASE, COLORADO.

(a) EXCHANGE AUTHORIZED.—For the purpose of facilitating the acquisition of real property suitable for the construction of military family housing for Buckley Air Force Base, Colorado, the Secretary of the Air Force may convey to the State of Colorado (in this section referred to as the "State") all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of all or part of the Watkins Communications Site in Arapahoe County, Colorado.

(b) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (a) the State shall convey to the United States all right, title, and interest of the State in and to a parcel of real property, including improvements thereon, consisting of approximately 41 acres that is owned by the State and is contiguous to Buckley Air Force Base, Colorado.

(2) The Secretary shall have jurisdiction over the real property conveyed under paragraph (1).

(3) Upon conveyance to the United States under paragraph (1), the real property conveyed under that paragraph is withdrawn from all forms of appropriation under the general land laws, including the mining laws and mineral and geothermal leasing laws.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND CONVEYANCES, WENDOVER AIR FORCE BASE AUXILIARY FIELD, NEVADA.

(a) CONVEYANCES AUTHORIZED TO WEST WENDOVER, NEVADA.—(1) The Secretary of the Interior may convey, without consideration, to the City of West Wendover, Nevada, all right, title, and interest of the United States in and to the following:

(A) The lands at Wendover Air Force Base Auxiliary Field, Nevada, identified in Easement No. AFMC–HL–2–00–334 that are determined by the Secretary of the Air Force to be no longer required.

(B) The lands at Wendover Air Force Base Auxiliary Field identified for disposition on the map entitled "West Wendover, Nevada–Excess", dated January 5, 2001, that are determined by the Secretary of the Air Force to be no longer required.

(2) The purposes of the conveyances under this subsection are—

(A) to permit the establishment and maintenance of runway protection zones; and

(B) to provide for the development of an industrial park and related infrastructure.

(3) The map referred to in paragraph (1)(B) shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management and the Elko District Office of the Bureau of Land Management.

(b) CONVEYANCE AUTHORIZED TO TOOELE COUNTY, UTAH.—(1) The Secretary of the Interior may convey, without consideration, to Tooele County, Utah, all right, title, and interest of the United States in and to the lands at Wendover Air Force Base Auxiliary Field identified in Easement No. AFMC–HL–2–00–318 that are determined by the Secretary of the Air Force to be no longer required.

(2) The purpose of the conveyance under this subsection is to permit the establishment and maintenance of runway protection

zones and an aircraft accident potential protection zone as necessitated by continued military aircraft operations at the Utah Test and Training Range.

(c) PHASED CONVEYANCES.—The land conveyances authorized by subsections (a) and (b) may be conducted in phases. To the extent practicable, the first phase of the conveyances should involve at least 3,000 acres.

(d) MANAGEMENT OF CONVEYED LANDS.—The lands conveyed under subsections (a) and (b) shall be managed by the City of West Wendover, Nevada, City of Wendover, Utah, Tooele County, Utah, and Elko County, Nevada—

(1) in accordance with the provisions of an Interlocal Memorandum of Agreement entered into between the Cities of West Wendover, Nevada, and Wendover, Utah, Tooele County, Utah, and Elko County, Nevada, providing for the coordinated management and development of the lands for the economic benefit of both communities; and

(2) in a manner that is consistent with such provisions of the easements referred to subsections (a) and (b) that, as jointly determined by the Secretary of the Air Force and Secretary of the Interior, remain applicable and relevant to the operation and management of the lands following conveyance and are consistent with the provisions of this section.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force and the Secretary of the Interior may jointly require such additional terms and conditions in connection with the conveyances authorized by subsections (a) and (b) as the Secretaries consider appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2851. MASTER PLAN FOR USE OF NAVY ANNEX, ARLINGTON, VIRGINIA.

(a) MODIFICATION OF AUTHORITY FOR TRANSFER FROM NAVY ANNEX.—Section 2881 of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 879) is amended—

(1) in subsection (b)(2), as amended by section 2863(f) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1332), by striking "as a site for—" and all that follows and inserting "as a site for such other memorials or museums that the Secretary considers compatible with Arlington National Cemetery and the Air Force Memorial."; and

(2) in subsection (d)—

(A) in paragraph (2), by striking "the recommendation (if any) of the Commission on the National Military Museum to use a portion of the Navy Annex property as the site for the National Military Museum" and inserting "the use of the acres reserved under subsection (b)(2) for a memorial or museum"; and

(B) in paragraph (4), by striking "the date on which the Commission on the National Military Museum submits to Congress its report under section 2903" and inserting "the date of the enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003".

(b) CONSTRUCTION OF AMENDMENTS.—The amendments made by subsection (a) may not be construed to delay the establishment of the United States Air Force Memorial authorized by section 2863 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1330).

SEC. 2852. SALE OF EXCESS TREATED WATER AND WASTEWATER TREATMENT CAPACITY, MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA.

(a) SALE AUTHORIZED.—The Secretary of the Navy may provide to Onslow County, North Carolina, or any authority or political subdivision organized under the laws of North Carolina to provide public water or sewage services in Onslow County (in this section referred to as the "County"), treated water and wastewater treatment services from facilities at Marine Corps Base, Camp Lejeune, North Carolina, if the Secretary determines that the provision of these utility services is in the public interest and will not interfere with current or future operations at Camp Lejeune.

(b) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Section 2686 of title 10, United States Code, shall not apply to the provision of public water or sewage services authorized by subsection (a).

(c) CONSIDERATION.—As consideration for the receipt of public water or sewage services under subsection (a), the County shall pay to the Secretary an amount (in cash or in kind) equal to the fair market value of the services. Amounts received in cash shall be credited to the base operation and maintenance accounts of Camp Lejeune.

(d) EXPANSION.—The Secretary may make minor expansions and extensions and permit connections to the public water or sewage systems of the County in order to furnish the services authorized under subsection (a). The Secretary shall restrict the provision of services to the County to those areas in the County where residential development would be compatible with current and future operations at Camp Lejeune.

(e) ADMINISTRATIVE EXPENSES.—(1) The Secretary may require the County to reimburse the Secretary for the costs incurred by the Secretary to provide public water or sewage services to the County under subsection (a).

(2) Section 2695(c) of title 10 United States Code, shall apply to any amount received under this subsection.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the provision of public water or sewage services under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. CONVEYANCE OF REAL PROPERTY, ADAK NAVAL COMPLEX, ALASKA, AND RELATED LAND CONVEYANCES.

Section 6 of the Act entitled "An Act to ratify an agreement between The Aleut Corporation and the United States of America to exchange land rights received under the Alaska Native Claims Settlement Act for certain land interests on Adak Island, and for other purposes.", approved October 11, 2002 (Public Law 107–239), is amended by adding at the end the following new subsection:

Ante, p. 1490.

"(f) For purposes of section 21(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1620(c)), all property received by the Aleut Corporation under this Act shall be given a tax basis equal

to fair value on the date of the transfer. Fair value shall be determined by replacement cost appraisal.".

SEC. 2854. SPECIAL REQUIREMENT FOR ADDING MILITARY INSTALLATION TO CLOSURE LIST.

Section 2914(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3003 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 155 Stat, 1346), is amended— 115 Stat. 1346.

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

"(5) SITE VISIT.—In the report required under section 2903(d)(2)(A) that is to be transmitted under paragraph (1), the Commission may not recommend the closure of a military installation not recommended for closure by the Secretary under subsection (a) unless at least two members of the Commission visit the installation before the date of the transmittal of the report.".

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

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

Subtitle B—Program Authorizations, Restrictions, and Limitations

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

Subtitle C—Proliferation Matters

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

Sec. 3157. Accelerated disposition of highly enriched uranium.
Sec. 3158. Strengthened international security for nuclear materials and security of nuclear operations.
Sec. 3159. Export control programs.
Sec. 3160. Plan for accelerated return of weapons-usable nuclear materials.
Sec. 3161. Sense of Congress on amendment of Convention on Physical Protection of Nuclear Materials.
Sec. 3162. Sense of Congress on program to secure stockpiles of highly enriched uranium and plutonium.

Subtitle D—Other Matters

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

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

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

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,038,490,000, to be allocated as follows:

(1) For weapons activities, $5,901,641,000.

(2) For defense nuclear nonproliferation activities, $1,104,130,000.

(3) For naval reactors, $706,790,000.

(4) For the Office of the Administrator for Nuclear Security, $325,929,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out new plant projects as follows:

(1) For weapons activities, the following new plant projects:

Project 03–D–101, Sandia underground reactor facility (SURF), Sandia National Laboratories, Albuquerque, New Mexico, $2,000,000.

Project 03–D–103, project engineering and design, various locations, $17,039,000.

Project 03–D–121, gas transfer capacity expansion, Kansas City Plant, Kansas City, Missouri, $4,000,000.

Project 03–D–122, prototype purification facility, Y–12 plant, Oak Ridge, Tennessee, $20,800,000.

Project 03–D–123, special nuclear materials requalification, Pantex plant, Amarillo, Texas, $3,000,000.

(2) For naval reactors, the following new plant project: Project 03–D–201, cleanroom technology facility, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $7,200,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for environmental management activities in carrying out programs necessary for national security in the amount of $6,759,846,000, to be allocated as follows:

(1) For defense environmental restoration and waste management, $4,510,133,000.

(2) For defense environmental management cleanup reform in carrying out environmental restoration and waste management activities necessary for national security programs, $982,000,000.

(3) For defense facilities closure projects, $1,109,314,000.

(4) For defense environmental management privatization, $158,399,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out new plant projects as follows:

(1) For environmental restoration and waste management activities, the following new plant project:

Project 03–D–403, immobilized high-level waste interim storage facility, Richland, Washington, $6,363,000.

(2) For defense environmental management cleanup reform, the following new plant project:

Project 03–D–414, project engineering and design, various locations, $8,800,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for other defense activities in carrying out programs necessary for national security in the amount of $462,664,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $315,000,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

42 USC 7274s.

SEC. 3141. ANNUAL ASSESSMENTS AND REPORTS TO THE PRESIDENT AND CONGRESS REGARDING THE CONDITION OF THE UNITED STATES NUCLEAR WEAPONS STOCKPILE.

(a) ANNUAL ASSESSMENTS REQUIRED.—For each nuclear weapon type in the stockpile of the United States, each official specified in subsection (b) on an annual basis shall, to the extent such official is directly responsible for the safety, reliability, performance,

or military effectiveness of that nuclear weapon type, complete an assessment of the safety, reliability, performance, or military effectiveness (as the case may be) of that nuclear weapon type.

(b) COVERED OFFICIALS.—The officials referred to in subsection (a) are the following:

(1) The head of each national security laboratory.

(2) The commander of the United States Strategic Command.

(c) USE OF TEAMS OF EXPERTS FOR ASSESSMENTS.—The head of each national security laboratory shall establish and use one or more teams of experts, known as "red teams", to assist in the assessments required by subsection (a). Each such team shall include experts from both of the other national security laboratories. Each such team for a national security laboratory shall—

(1) review the matters covered by the assessments under subsection (a) performed by the head of that laboratory;

(2) subject such matters to challenge; and

(3) submit the results of such review and challenge, together with the findings and recommendations of such team with respect to such review and challenge, to the head of that laboratory.

(d) REPORT ON ASSESSMENTS.—Not later than December 1 of each year, each official specified in subsection (b) shall submit to the Secretary concerned, and to the Nuclear Weapons Council, a report on the assessments that such official was required by subsection (a) to complete. The report shall include the following: Deadline.

(1) The results of each such assessment.

(2)(A) Such official's determination as to whether or not one or more underground nuclear tests are necessary to resolve any issues identified in the assessments and, if so—

(i) an identification of the specific underground nuclear tests that are necessary to resolve such issues; and

(ii) a discussion of why options other than an underground nuclear test are not available or would not resolve such issues.

(B) An identification of the specific underground nuclear tests which, while not necessary, might have value in resolving any such issues and a discussion of the anticipated value of conducting such tests.

(C) Such official's determination as to the readiness of the United States to conduct the underground nuclear tests identified under subparagraphs (A)(i) and (B), if directed by the President to do so.

(3) In the case of a report submitted by the head of a national security laboratory—

(A) a concise statement regarding the adequacy of the science-based tools and methods being used to determine the matters covered by the assessments;

(B) a concise statement regarding the adequacy of the tools and methods employed by the manufacturing infrastructure required by section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note) to identify and fix any inadequacy with respect to the matters covered by the assessments; and

(C) a concise summary of the findings and recommendations of any teams under subsection (c) that relate

to the assessments, together with a discussion of those findings and recommendations.

(4) In the case of a report submitted by the Commander of the United States Strategic Command, a discussion of the relative merits of other nuclear weapon types (if any), or compensatory measures (if any) that could be taken, that could enable accomplishment of the missions of the nuclear weapon types to which the assessments relate, should such assessments identify any deficiency with respect to such nuclear weapon types.

(5) An identification and discussion of any matter having an adverse effect on the capability of the official submitting the report to accurately determine the matters covered by the assessments.

Deadline.

(e) SUBMITTALS TO THE PRESIDENT AND CONGRESS.—(1) Not later than March 1 of each year, the Secretary of Defense and the Secretary of Energy shall submit to the President—

(A) each report, without change, submitted to either Secretary under subsection (d) during the preceding year;

(B) any comments that the Secretaries individually or jointly consider appropriate with respect to each such report;

(C) the conclusions that the Secretaries individually or jointly reach as to the safety, reliability, performance, and military effectiveness of the nuclear weapons stockpile of the United States; and

(D) any other information that the Secretaries individually or jointly consider appropriate.

(2) Not later than March 15 of each year, the President shall forward to Congress the matters received by the President under paragraph (1) for that year, together with any comments the President considers appropriate.

(f) CLASSIFIED FORM.—Each submittal under subsection (e) shall be in classified form only, with the classification level required for each portion of such submittal marked appropriately.

(g) DEFINITIONS.—In this section:

(1) The term "national security laboratory" has the meaning given such term in section 3281 of the National Nuclear Security Administration Act (50 U.S.C. 2471).

(2) The term "Secretary concerned" means—

(A) the Secretary of Energy, with respect to matters concerning the Department of Energy; and

(B) the Secretary of Defense, with respect to matters concerning the Department of Defense.

(h) FIRST SUBMISSIONS.—(1) The first submissions made under subsection (d) shall be the submissions required to be made in 2003.

(2) The first submissions made under subsection (e) shall be the submissions required to be made in 2004.

SEC. 3142. PLANS FOR ACHIEVING ENHANCED READINESS POSTURE FOR RESUMPTION BY THE UNITED STATES OF UNDERGROUND NUCLEAR WEAPONS TESTS.

(a) PLANS REQUIRED.—The Secretary of Energy, in consultation with the Administrator for Nuclear Security, shall prepare plans for achieving, not later than one year after the date on which the plans are submitted under subsection (c), readiness postures

of six months, 12 months, 18 months, and 24 months for resumption by the United States of underground nuclear weapons tests.

(b) READINESS POSTURE.—For purposes of this section, a readiness posture of a specified number of months for resumption by the United States of underground nuclear weapons tests is achieved when the Department of Energy has the capability to resume such tests, if directed by the President to resume such tests, not later than the specified number of months after the date on which the President so directs.

(c) REPORT.—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Energy budget for fiscal year 2004 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a report on the plans required by subsection (a). The report shall include—

(1) an assessment of the current readiness posture for resumption by the United States of underground nuclear weapons tests;

(2) the plans required by subsection (a) and, for each such plan, the estimated cost for implementing such plan and an estimate of the annual cost of maintaining the readiness posture to which the plan relates; and

(3) the recommendation of the Secretary, developed in consultation with the Secretary of Defense, as to the optimal readiness posture for resumption by the United States of underground nuclear weapons tests, including the basis for that recommendation.

SEC. 3143. REQUIREMENTS FOR SPECIFIC REQUEST FOR NEW OR MODIFIED NUCLEAR WEAPONS. 42 USC 7271d.

(a) REQUIREMENT FOR REQUEST FOR FUNDS FOR DEVELOPMENT.—(1) In any fiscal year after fiscal year 2002 in which the Secretary of Energy plans to carry out activities described in paragraph (2) relating to the development of a new nuclear weapon or modified nuclear weapon, the Secretary shall specifically request funds for such activities in the budget of the President for that fiscal year under section 1105(a) of title 31, United States Code.

(2) The activities described in this paragraph are as follows:

(A) The conduct, or provision for conduct, of research and development which could lead to the production of a new nuclear weapon by the United States.

(B) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a new nuclear weapon by the United States.

(C) The conduct, or provision for conduct, of research and development which could lead to the production of a modified nuclear weapon by the United States.

(D) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a modified nuclear weapon by the United States.

(b) BUDGET REQUEST FORMAT.—The Secretary shall include in a request for funds under subsection (a) the following:

(1) In the case of funds for activities described in subparagraph (A) or (C) of subsection (a)(2), a single dedicated line item for all such activities for new nuclear weapons or modified nuclear weapons that are in phase 1, 2, or 2A or phase 6.1, 6.2, or 6.2A (as the case may be), or any concept work prior

to phase 1 or 6.1 (as the case may be), of the nuclear weapons acquisition process.

(2) In the case of funds for activities described in subparagraph (B) or (D) of subsection (a)(2), a dedicated line item for each such activity for a new nuclear weapon or modified nuclear weapon that is in phase 3 or higher or phase 6.3 or higher (as the case may be) of the nuclear weapons acquisition process.

(c) EXCEPTION.—Subsection (a) shall not apply to funds for purposes of conducting, or providing for the conduct of, research and development, or manufacturing and engineering, determined by the Secretary to be necessary—

(1) for the nuclear weapons life extension program;

(2) to modify an existing nuclear weapon solely to address safety or reliability concerns; or

(3) to address proliferation concerns.

(d) DEFINITIONS.—In this section:

(1) The term "life extension program" means the program to repair or replace non-nuclear components, or to modify the pit or canned subassembly, of nuclear weapons that are in the nuclear weapons stockpile on the date of the enactment of this Act in order to assure that such nuclear weapons retain the ability to meet the military requirements applicable to such nuclear weapons when first placed in the nuclear weapons stockpile.

(2) The term "modified nuclear weapon" means a nuclear weapon that contains a pit or canned subassembly, either of which—

(A) is in the nuclear weapons stockpile as of the date of the enactment of this Act; and

(B) is being modified in order to meet a military requirement that is other than the military requirements applicable to such nuclear weapon when first placed in the nuclear weapons stockpile.

(3) The term "new nuclear weapon" means a nuclear weapon that contains a pit or canned subassembly, either of which is neither—

(A) in the nuclear weapons stockpile on the date of the enactment of this Act; nor

(B) in production as of that date.

SEC. 3144. DATABASE TO TRACK NOTIFICATION AND RESOLUTION PHASES OF SIGNIFICANT FINDING INVESTIGATIONS.

(a) AVAILABILITY OF FUNDS FOR DATABASE.—Amounts authorized to be appropriated by section 3101(a)(1) for the National Nuclear Security Administration for weapons activities shall be available to the Deputy Administrator for Nuclear Security for Defense Programs for the development and implementation of a database for all national security laboratories to track the notification and resolution phases of Significant Finding Investigations (SFIs). The purpose of the database is to facilitate the monitoring of the progress and accountability of the national security laboratories in Significant Finding Investigations.

(b) IMPLEMENTATION DEADLINE.—The database required by subsection (a) shall be implemented not later than September 30, 2003.

(c) NATIONAL SECURITY LABORATORY DEFINED.—In this section, the term "national security laboratory" has the meaning given that term in section 3281(1) of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 968; 50 U.S.C. 2471(1)).

SEC. 3145. DEFENSE ENVIRONMENTAL MANAGEMENT CLEANUP REFORM PROGRAM.

(a) PROGRAM REQUIRED.—From funds made available pursuant to section 3102(a)(2) for defense environmental management cleanup reform, the Secretary of Energy shall carry out a program to reform DOE environmental management activities. In carrying out the program, the Secretary shall allocate, to each site for which the Secretary has submitted to the congressional defense committees a site performance management plan, the amount of those funds that such plan requires.

(b) TRANSFER AND MERGER OF FUNDS.—(1) Funds so allocated shall, notwithstanding section 3624, be transferred to the account for DOE environmental management activities and, subject to paragraph (2) and subsection (c), shall be merged with and be available for the same purposes and for the same period as the funds available in such account. The authority provided by section 3629 shall apply to funds so transferred.

(2) No funds so allocated may be obligated or expended until 30 days after the Secretary submits to the congressional defense committees a description of the activities to be carried out at each site to which funds are so allocated.

(c) LIMITATION ON USE OF ALL MERGED FUNDS.—Upon a transfer and merger of funds under subsection (b), all funds in the merged account that are available with respect to the site may be used only to carry out the site performance management plan for the site.

(d) SITE PERFORMANCE MANAGEMENT PLAN DEFINED.—For purposes of this section, a site performance management plan for a site is a plan, agreed to by the applicable Federal and State agencies with regulatory jurisdiction with respect to the site, for the performance of activities to accelerate the reduction of environmental risk in connection with, and to accelerate the environmental cleanup of, the site.

(e) DOE ENVIRONMENTAL MANAGEMENT ACTIVITIES DEFINED.—For purposes of this section, the term "DOE environmental management activities" means environmental restoration and waste management activities of the Department of Energy in carrying out programs necessary for national security.

SEC. 3146. LIMITATION ON OBLIGATION OF FUNDS FOR ROBUST NUCLEAR EARTH PENETRATOR PROGRAM PENDING SUBMISSION OF REPORT.

(a) REPORT-AND-WAIT REQUIREMENT.—None of the funds made available to the Secretary of Energy for fiscal year 2003 for the Robust Nuclear Earth Penetrator program may be obligated until—

(1) the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report described in subsection (b); and

(2) a period of 30 days has passed after such report is received by those committees.

(b) REPORT.—A report under subsection (a)(1) is a report on the Robust Nuclear Earth Penetrator program, prepared by the

Secretary of Defense in consultation with the Secretary of Energy, that sets forth the following:

(1) The military requirements for the Robust Nuclear Earth Penetrator.

(2) The nuclear weapons employment policy regarding the Robust Nuclear Earth Penetrator.

(3) A detailed description of the categories or types of targets that the Robust Nuclear Earth Penetrator is designed to hold at risk.

(4) An assessment of the ability of conventional weapons to defeat the same categories and types of targets as are described pursuant to paragraph (3).

Subtitle C—Proliferation Matters

22 USC 5952 note.

SEC. 3151. TRANSFER TO NATIONAL NUCLEAR SECURITY ADMINISTRATION OF DEPARTMENT OF DEFENSE'S COOPERATIVE THREAT REDUCTION PROGRAM RELATING TO ELIMINATION OF WEAPONS GRADE PLUTONIUM PRODUCTION IN RUSSIA.

(a) TRANSFER OF PROGRAM.—There are hereby transferred to the Administrator for Nuclear Security the following:

(1) The program, within the Cooperative Threat Reduction program of the Department of Defense, relating to the elimination of weapons grade plutonium production in Russia.

(2) All functions, powers, duties, and activities of that program performed before the date of the enactment of this Act by the Department of Defense.

(b) TRANSFER OF ASSETS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in paragraph (2), so much of the property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the program transferred by subsection (a) are transferred to the Administrator for use in connection with the program transferred.

(2) The Cooperative Threat Reduction funds specified in this paragraph are the following:

(A) Fiscal year 2002 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1254; 22 U.S.C. 5952 note).

(B) Fiscal year 2001 Cooperative Threat Reduction funds, as specified in section 1301(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–339; 22 U.S.C. 5959 note).

(C) Fiscal year 2000 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 792; 22 U.S.C. 5952 note).

(c) AVAILABILITY OF TRANSFERRED FUNDS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in subsection (b)(2), the Cooperative Threat Reduction funds transferred under subsection (b) for

the program referred to in subsection (a) shall be available for activities as follows:

(A) To design and construct, refurbish, or both, fossil fuel energy plants in Russia that provide alternative sources of energy to the energy plants in Russia that produce weapons grade plutonium.

(B) To carry out limited safety upgrades of not more than three energy plants in Russia that produce weapons grade plutonium, provided that such upgrades do not extend the life of those plants.

(2) Amounts available under paragraph (1) for activities referred to in that paragraph shall remain available for obligation for three fiscal years.

(d) LIMITATION.—(1) Of the amounts authorized to be appropriated by this title or any other Act for the program referred to in subsection (a), the Administrator for Nuclear Security may not obligate any funds for construction, or obligate or expend more than $100,000,000 for that program, until 30 days after the later of—

(A) the date on which the Administrator submits to the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate, a copy of an agreement or agreements entered into between the United States Government and the Government of the Russian Federation to shut down the three plutonium-producing reactors in Russia as specified under paragraph (2); and

(B) the date on which the Administrator submits to the committees specified in subparagraph (A) a report on a plan to achieve international participation in the program referred to in subsection (a), including cost sharing.

(2) The agreement (or agreements) under paragraph (1)(A) shall contain—

(A) a commitment to shut down the three plutonium-producing reactors;

(B) the date on which each such reactor will be shut down;

(C) a schedule and milestones for each such reactor to complete the shutdown of such reactor by the date specified under subparagraph (B);

(D) a schedule and milestones for refurbishment or construction of fossil fuel energy plants to be undertaken by the Government of the Russian Federation in support of the program;

(E) an arrangement for access to sites and facilities necessary to meet such schedules and milestones;

(F) an arrangement for audit and examination procedures in order to evaluate progress in meeting such schedules and milestones; and

(G) any cost sharing arrangements between the United States Government and the Government of the Russian Federation in undertaking activities under such agreement (or agreements).

SEC. 3152. REPEAL OF REQUIREMENT FOR REPORTS ON OBLIGATION OF FUNDS FOR PROGRAMS ON FISSILE MATERIALS IN RUSSIA.

Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617; 22 U.S.C. 5952 note) is amended—

(1) in subsection (a), by striking "(a) AUTHORITY.—"; and

(2) by striking subsection (b).

SEC. 3153. EXPANSION OF ANNUAL REPORTS ON STATUS OF NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAMS.

(a) COVERED PROGRAMS.—Subsection (a) of section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–475; 22 U.S.C. 5952 note) is amended by striking "Russia that" and inserting "countries where such materials".

(b) REPORT CONTENTS.—Subsection (b) of that section is amended—

(1) in paragraph (1) by inserting "in each country covered by subsection (a)" after "locations,";

(2) in paragraph (2), by striking "in Russia" and inserting "in each such country";

(3) in paragraph (3), by inserting "in each such country" after "subsection (a)"; and

(4) in paragraph (5), by striking "by total amount and by amount per fiscal year" and inserting "by total amount per country and by amount per fiscal year per country".

SEC. 3154. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, OR BIOLOGICAL WEAPONS.

(a) EXTENSION OF TESTING.—Section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2720; 50 U.S.C. 2315) is amended—

(1) in subsection (a)(2), by striking "of five successive fiscal years beginning with fiscal year 1997" and inserting "of fiscal years 1997 through 2013"; and

(2) in subsection (b)(2), by striking "of five successive fiscal years beginning with fiscal year 1997" and inserting "of fiscal years 1997 through 2013".

50 USC 2315 note.

(b) CONSTRUCTION OF EXTENSION WITH DESIGNATION OF ATTORNEY GENERAL AS LEAD OFFICIAL.—The amendments made by subsection (a) may not be construed as modifying the designation of the President titled "Designation of the Attorney General as the Lead Official for the Emergency Response Assistance Program Under Sections 1412 and 1415 of the National Defense Authorization Act for Fiscal Year 1997", dated April 6, 2000, designating the Attorney General to assume programmatic and funding responsibilities for the Emergency Response Assistance Program under sections 1412 and 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of the National Defense Authorization Act for Fiscal Year 1997).

SEC. 3155. COOPERATIVE PROGRAM ON RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF TECHNOLOGY REGARDING NUCLEAR OR RADIOLOGICAL TERRORISM.

50 USC 2315 note.

(a) PROGRAM REQUIRED.—The Administrator for Nuclear Security shall carry out with the Russian Federation a cooperative program on the research, development, and demonstration of technologies for protection from and response to nuclear or radiological terrorism.

(b) PROGRAM ELEMENTS.—In carrying out the program required by subsection (a), the Administrator shall—

(1) conduct research and development of technology for protection from nuclear or radiological terrorism, including technology for the detection, identification, assessment, control, and disposition of radiological materials that could be used for nuclear terrorism; and

(2) provide, where feasible, for the demonstration to other countries of technologies or methodologies on matters relating to nuclear or radiological terrorism, including—

(A) the demonstration of technologies developed under the program to respond to nuclear or radiological terrorism;

(B) the demonstration of technologies developed under the program for the disposal of radioactive materials;

(C) the demonstration of methodologies developed under the program for use in evaluating the radiological threat of radiological sources identified as not under current accounting programs in the audit report of the Inspector General of the Department of Energy titled "Accounting for Sealed Sources of Nuclear Material Provided to Foreign Countries" (DOE/IG–0546);

(D) in coordination with the Nuclear Regulatory Commission, the demonstration of methodologies developed under the program to facilitate the development of a regulatory framework for licensing and controlling radioactive sources; and

(E) in coordination with the Office of Environment, Safety, and Health of the Department of Energy, the demonstration of methodologies developed under the program to facilitate development of consistent criteria for screening international transfers of radiological materials.

(c) CONSULTATION.—In carrying out activities in accordance with subsection (b)(2), the Administrator shall consult with—

(1) the Secretary of Defense, Secretary of State, and Secretary of Commerce; and

(2) the International Atomic Energy Agency.

(d) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3101(a)(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $15,000,000 may be available for carrying out this section.

SEC. 3156. MATTERS RELATING TO THE INTERNATIONAL MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM OF THE DEPARTMENT OF ENERGY.

50 USC 2343.

(a) RADIOLOGICAL DISPERSAL DEVICE MATERIALS PROTECTION, CONTROL, AND ACCOUNTING.—The Secretary of Energy may establish within the International Materials Protection, Control, and Accounting program of the Department of Energy a program on

the protection, control, and accounting of materials usable in radiological dispersal devices. In establishing such program, the Secretary shall—

(1) identify the sites and radiological materials to be covered by such program;

(2) carry out a risk assessment of such radiological materials; and

(3) identify and establish the costs of and schedules for such program.

(b) REVISED FOCUS FOR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM OF RUSSIAN FEDERATION.—(1) The Secretary of Energy shall work cooperatively with the Russian Federation to develop, as soon as practicable but not later than January 1, 2013, a sustainable nuclear materials protection, control, and accounting system for the nuclear materials of the Russian Federation that is supported solely by the Russian Federation.

(2) The Secretary shall work with the Russian Federation to identify various alternatives to provide the United States adequate transparency in the nuclear materials protection, control, and accounting program of the Russian Federation to assure that such program is meeting applicable goals for nuclear materials protection, control, and accounting.

(c) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3101(a)(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 may be available for carrying out this section.

22 USC 5952 note.

SEC. 3157. ACCELERATED DISPOSITION OF HIGHLY ENRICHED URANIUM.

(a) PROGRAM ON ACCELERATED DISPOSITION OF HEU AUTHORIZED.—(1) The Secretary of Energy may carry out a program to pursue with the Russian Federation options for blending highly enriched uranium so that the concentration of U–235 in such uranium is below 20 percent.

(2) The options pursued under paragraph (1) shall include expansion of the Material Consolidation and Conversion program of the Department of Energy to include—

(A) additional facilities for the blending of highly enriched uranium; and

(B) additional centralized secure storage facilities for highly enriched uranium designated for blending.

(3) Any site selected for the storage of uranium or blended material under paragraph (2)(B) shall undergo complete materials protection, control, and accounting upgrades before the commencement of the storage of uranium or blended material at such site under the program.

(b) CONSTRUCTION WITH HEU DISPOSITION AGREEMENT.—Nothing in this section may be construed as terminating, modifying, or otherwise affecting requirements for the disposition of highly enriched uranium under the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, signed at Washington on February 18, 1993.

(c) LIMITATION ON RELEASE FOR SALE OF BLENDED URANIUM.—Uranium blended under this section may not be released for sale until the earlier of—

(1) January 1, 2014; or

(2) the date on which the Secretary certifies that such uranium can be absorbed into the global market without undue disruption to the uranium mining, conversion, and enrichment industry in the United States.

(d) AMOUNT FOR ACTIVITIES.—Of the amount to be appropriated by section 3101(a)(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $10,000,000 may be available for carrying out this section.

SEC. 3158. STRENGTHENED INTERNATIONAL SECURITY FOR NUCLEAR MATERIALS AND SECURITY OF NUCLEAR OPERATIONS. 50 USC 2344.

(a) REPORT ON OPTIONS FOR INTERNATIONAL PROGRAM TO STRENGTHEN SECURITY.—(1) Not later than 270 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on options for an international program to develop strengthened security for nuclear reactors and associated materials outside the United States. Deadline.

(2) In evaluating options for purposes of the report, the Secretary shall consult with the Nuclear Regulatory Commission and the International Atomic Energy Agency on the feasibility and advisability of actions to reduce the risks associated with terrorist attacks on nuclear reactors outside the United States.

(b) JOINT PROGRAMS WITH RUSSIA ON PROLIFERATION-RESISTANT NUCLEAR ENERGY TECHNOLOGIES.—(1) The Secretary shall pursue with the Ministry of Atomic Energy of the Russian Federation joint programs between the United States and the Russian Federation on the development of proliferation-resistant nuclear energy technologies, including advanced fuel cycles.

(2) Of the amount authorized to be appropriated by section 3101(a)(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $10,000,000 may be available for carrying out the joint programs referred to in paragraph (1).

(c) ASSISTANCE REGARDING HOSTILE INSIDERS.—The Secretary may, utilizing appropriate expertise of the Department of Energy and the Nuclear Regulatory Commission, provide technical assistance to nuclear reactor facilities outside the United States with respect to the interdiction of hostile insiders at such facilities in order to prevent incidents arising from the disablement of the vital systems of such facilities.

SEC. 3159. EXPORT CONTROL PROGRAMS. 50 USC 2345.

(a) AUTHORITY TO PURSUE OPTIONS FOR STRENGTHENING EXPORT CONTROL PROGRAMS.—The Secretary of Energy, in coordination with the Secretary of State, may pursue in the region of the former Soviet Union and other regions of concern options for accelerating programs that assist the countries in such regions in improving their domestic export control programs for materials, technologies, and expertise relevant to the construction or use of a nuclear or radiological dispersal device.

(b) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3101(a)(2) for the Department of Energy for the National Nuclear Security Administration for defense

nuclear nonproliferation, up to $5,000,000 may be available for carrying out this section.

22 USC 5952 note.

SEC. 3160. PLAN FOR ACCELERATED RETURN OF WEAPONS-USABLE NUCLEAR MATERIALS.

(a) PLAN FOR ACCELERATED RETURN.—The Secretary of Energy shall work with the Russian Federation to develop a plan to accelerate the return to Russia of all weapons-usable nuclear materials located in research reactors and other facilities outside Russia that were supplied by the former Soviet Union.

(b) FUNDING AND SCHEDULES.—As part of the plan under subsection (a), the Secretary shall identify the funding and schedules required to assist the research reactors and facilities referred to in that subsection in—

(1) transferring highly enriched uranium to Russia; and

(2) upgrading the materials protection, control, and accounting procedures at such research reactors and facilities until the weapons-usable nuclear materials in such reactors and facilities are returned in accordance with that subsection.

(c) COORDINATION.—The provision of assistance under subsection (b) shall be closely coordinated with the International Atomic Energy Agency.

SEC. 3161. SENSE OF CONGRESS ON AMENDMENT OF CONVENTION ON PHYSICAL PROTECTION OF NUCLEAR MATERIALS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should encourage amendment of the Convention on the Physical Protection of Nuclear Materials in order to provide that the Convention shall—

(1) apply to both the domestic and international use and transport of nuclear materials;

(2) incorporate fundamental practices for the physical protection of such materials; and

(3) address protection against sabotage involving nuclear materials.

(b) CONVENTION ON THE PHYSICAL PROTECTION OF NUCLEAR MATERIAL DEFINED.—In this section, the term "Convention on the Physical Protection of Nuclear Materials" means the Convention on the Physical Protection of Nuclear Materials, With Annex, done at Vienna on October 26, 1979.

SEC. 3162. SENSE OF CONGRESS ON PROGRAM TO SECURE STOCKPILES OF HIGHLY ENRICHED URANIUM AND PLUTONIUM.

It is the sense of Congress that the Secretary of Energy should, in consultation with the Secretary of State and Secretary of Defense, develop a comprehensive program of activities to encourage all countries with nuclear materials to adhere to, or to adopt standards equivalent to, the International Atomic Energy Agency standard on The Physical Protection of Nuclear Material and Nuclear Facilities (INFCIRC/225/Rev.4), relating to the security of stockpiles of highly enriched uranium (HEU) and plutonium (Pu).

Subtitle D—Other Matters

SEC. 3171. INDEMNIFICATION OF DEPARTMENT OF ENERGY CONTRACTORS.

Section 170 d.(1)(A) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)(1)(A)) is amended by striking "until August 1, 2002," and inserting "until December 31, 2004,".

SEC. 3172. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT FOR FISCAL YEAR 2003.—From amounts authorized to be appropriated to the Secretary of Energy by this title, $6,900,000 shall be available for payment by the Secretary for fiscal year 2003 to the Los Alamos National Laboratory Foundation, a not-for-profit foundation chartered as described in section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052).

(b) USE OF FUNDS.—The foundation referred to in subsection (a) shall—

(1) utilize funds provided under this section as a contribution to the endowment fund for the foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to the payment made under this section to fund programs to support the educational needs of children in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico.

(c) REPEAL OF SUPERSEDED AUTHORITY AND MODIFICATION OF AUTHORITY TO EXTEND CONTRACT.—(1) Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368) is amended to read as follows:

"(b) SUPPORT FOR FISCAL YEARS 2003 THROUGH 2005.—Subject to the availability of appropriations, the Secretary may provide for a contract extension through fiscal year 2005 similar to the contract extension referred to in subsection (a)(2).".

(2) The amendment made by paragraph (1) shall take effect on October 1, 2002. Effective date.

(d) REPORT.—(1) The Secretary of Energy, in consultation with the Administrator for Nuclear Security, shall conduct a study of options for funding the contract extension authorized by subsection (b) of such section 3136 (as amended by subsection (c)) other than through annual appropriations. The study should also include options for providing cost of living adjustments to teachers in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico, other than through such contract extension.

(2) Not later than December 31, 2003, the Secretary shall submit to the congressional defense committees a report on the study conducted under paragraph (1). The report shall set forth the findings and conclusions of the study, together with any recommendations as a result of the study. Deadline.

SEC. 3173. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY NUCLEAR FACILITIES.

(a) WORKER HEALTH AND SAFETY RULES.—The Atomic Energy Act of 1954 is amended by inserting after section 234B (42 U.S.C. 2282b) the following new section:

42 USC 2282c.

"SEC. 234C. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY NUCLEAR FACILITIES.

"a. REGULATIONS REQUIRED.—

"(1) IN GENERAL.—The Secretary shall promulgate regulations for industrial and construction health and safety at Department of Energy facilities that are operated by contractors covered by agreements of indemnification under section 170 d. of the Atomic Energy Act of 1954, after public notice and opportunity for comment under section 553 of title 5, United States Code (commonly known as the 'Administrative Procedure Act'). Such regulations shall, subject to paragraph (3), provide a level of protection for workers at such facilities that is substantially equivalent to the level of protection currently provided to such workers at such facilities.

"(2) APPLICABILITY.—The regulations promulgated under paragraph (1) shall not apply to any facility that is a component of, or any activity conducted under, the Naval Nuclear Propulsion Program provided for under Executive Order No. 12344, dated February 1, 1982 (42 U.S.C. 7158 note) (as in force pursuant to section 1634 of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 42 U.S.C. 7158 note)).

"(3) FLEXIBILITY.—In promulgating the regulations under paragraph (1), the Secretary shall include flexibility—

"(A) to tailor implementation of such regulations to reflect activities and hazards associated with a particular work environment;

"(B) to take into account special circumstances at a facility that is, or is expected to be, permanently closed and that is expected to be demolished, or title to which is expected to be transferred to another entity for reuse; and

"(C) to achieve national security missions of the Department of Energy in an efficient and timely manner.

"(4) NO EFFECT ON HEALTH AND SAFETY ENFORCEMENT.—This subsection does not diminish or otherwise affect the enforcement or the application of any other law, regulation, order, or contractual obligation relating to worker health and safety.

"b. CIVIL PENALTIES.—

"(1) IN GENERAL.—A person (or any subcontractor or supplier of the person) who has entered into an agreement of indemnification under section 170 d. (or any subcontractor or supplier of the person) that violates (or is the employer of a person that violates) any regulation promulgated under subsection a. shall be subject to a civil penalty of not more than $70,000 for each such violation.

"(2) CONTINUING VIOLATIONS.—If any violation under this subsection is a continuing violation, each day of the violation shall constitute a separate violation for the purpose of computing the civil penalty under paragraph (1).

"c. CONTRACT PENALTIES.—

"(1) IN GENERAL.—The Secretary shall include in each contract with a contractor of the Department who has entered into an agreement of indemnification under section 170 d. provisions that provide an appropriate reduction in the fees or amounts paid to the contractor under the contract in the event

of a violation by the contractor or contractor employee of any regulation promulgated under subsection a.

"(2) CONTENTS.—The provisions shall specify various degrees of violations and the amount of the reduction attributable to each degree of violation.

"d. COORDINATION OF PENALTIES.—

"(1) CHOICE OF PENALTIES.—For any violation by a person of a regulation promulgated under subsection a., the Secretary shall pursue either civil penalties under subsection b. or contract penalties under subsection c., but not both.

"(2) MAXIMUM AMOUNT.—In the case of an entity described in subsection d. of section 234A, the total amount of civil penalties under subsection b. and contract penalties under subsection c. in a fiscal year may not exceed the total amount of fees paid by the Department of Energy to that entity in that fiscal year.

"(3) COORDINATION WITH SECTION 234A.—The Secretary shall ensure that a contractor of the Department is not penalized both under this section and under section 234A for the same violation.".

(b) PROMULGATION OF INITIAL REGULATIONS.— 42 USC 2282c note.

(1) DEADLINE FOR PROMULGATING REGULATIONS.—The Secretary of Energy shall promulgate the regulations required by subsection a. of section 234C of the Atomic Energy Act of 1954 (as added by subsection (a)) not later than one year after the date of the enactment of this Act.

(2) EFFECTIVE DATE.—The regulations promulgated under paragraph (1) shall take effect on the date that is one year after the promulgation date of the regulations.

(c) PROHIBITION.—The Secretary of Energy shall not participate in or otherwise support any study or other project relating to a modification in the scope of the regulations enforceable by civil penalties under section 234A or 234C of the Atomic Energy Act of 1954, or the responsibility of the Secretary to implement and enforce such regulations, until after the date on which the regulations for such purposes under such section 234C take effect in accordance with subsection (b). 42 USC 2282c note.

SEC. 3174. EXTENSION OF AUTHORITY TO APPOINT CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 3161(c)(1) of the National Defense Authorization Act for Fiscal Year 1995 (42 U.S.C. 7231 note) is amended by striking "September 30, 2002" and inserting "September 30, 2004".

SEC. 3175. ONE-YEAR EXTENSION OF PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

Section 3159 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (42 U.S.C. 2121 note) is amended—

(1) in subsection (f), by striking "atomic energy defense activities" and inserting "the National Nuclear Security Administration";

(2) in subsection (g), by striking "three years" and all that follows through the period at the end and inserting "April 1, 2003."; and

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

Deadline.

"(i) FOLLOW-UP REPORT.—Not later than February 1, 2003, the panel shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a follow-up report assessing progress toward meeting the expectations set forth by the panel for the United States stockpile stewardship program, and making recommendations for corrective legislative action where progress has been unsatisfactory.".

SEC. 3176. REPORT ON STATUS OF ENVIRONMENTAL MANAGEMENT INITIATIVES TO ACCELERATE THE REDUCTION OF ENVIRONMENTAL RISKS AND CHALLENGES POSED BY THE LEGACY OF THE COLD WAR.

(a) REPORT REQUIRED.—The Secretary of Energy shall prepare a report on the status of those environmental management initiatives specified in subsection (c) that are being undertaken to accelerate the reduction of the environmental risks and challenges that, as a result of the legacy of the Cold War, are faced by the Department of Energy, contractors of the Department, and applicable Federal and State agencies with regulatory jurisdiction.

(b) CONTENTS.—The report shall include the following matters:

(1) A discussion of the progress made in reducing such risks and challenges in each of the following areas:

(A) Acquisition strategy and contract management.

(B) Regulatory agreements.

(C) Interim storage and final disposal of high-level waste, spent nuclear fuel, transuranic waste, and low-level waste.

(D) Closure and transfer of environmental remediation sites.

(E) Achievements in innovation by contractors of the Department with respect to accelerated risk reduction and cleanup.

(F) Consolidation of special nuclear materials and improvements in safeguards and security.

(2) An assessment of the progress made in streamlining risk reduction processes of the environmental management program of the Department.

(3) An assessment of the progress made in improving the responsiveness and effectiveness of the environmental management program of the Department.

(4) Any proposals for legislation that the Secretary considers necessary to carry out such initiatives, including the justification for each such proposal.

(c) INITIATIVES COVERED.—The environmental management initiatives referred to in subsection (a) are the initiatives arising out of the report titled "Top-to-Bottom Review of the Environmental Management Program" and dated February 4, 2002, with respect to the environmental restoration and waste management activities of the Department of Energy in carrying out programs necessary for national security.

(d) SUBMISSION OF REPORT.—On the date on which the budget justification materials in support of the Department of Energy budget for fiscal year 2004 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) are submitted to Congress, the Secretary shall submit to the

congressional defense committees the report required by subsection (a).

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

SEC. 3181. FINDINGS.

Congress makes the following findings:

(1) In September 2000, the United States and the Russian Federation signed a Plutonium Management and Disposition Agreement by which each agreed to dispose of 34 metric tons of weapons-grade plutonium.

(2) The agreement with Russia is a significant step toward safeguarding nuclear materials and preventing their diversion to rogue states and terrorists.

(3) The Department of Energy plans to dispose of 34 metric tons of weapons-grade plutonium in the United States before the end of 2019 by converting the plutonium to a mixed-oxide fuel to be used in commercial nuclear power reactors.

(4) The Department has formulated a plan for implementing the agreement with Russia through construction of a mixed-oxide fuel fabrication facility, the so-called MOX facility, and a pit disassembly and conversion facility at the Savannah River Site, Aiken, South Carolina.

(5) The United States and the State of South Carolina have a compelling interest in the safe, proper, and efficient operation of the plutonium disposition facilities at the Savannah River Site. The MOX facility will also be economically beneficial to the State of South Carolina, and that economic benefit will not be fully realized unless the MOX facility is built.

(6) The State of South Carolina desires to ensure that all plutonium transferred to the State of South Carolina is stored safely; that the full benefits of the MOX facility are realized as soon as possible; and, specifically, that all defense plutonium or defense plutonium materials transferred to the Savannah River Site either be processed or be removed expeditiously.

SEC. 3182. DISPOSITION OF WEAPONS-USABLE PLUTONIUM AT SAVANNAH RIVER SITE.

(a) PLAN FOR CONSTRUCTION AND OPERATION OF MOX FACILITY.—(1) Not later than February 1, 2003, the Secretary of Energy shall submit to Congress a plan for the construction and operation of the MOX facility at the Savannah River Site, Aiken, South Carolina. Deadline.

(2) The plan under paragraph (1) shall include—

(A) a schedule for construction and operations so as to achieve, as of January 1, 2009, and thereafter, the MOX production objective, and to produce 1 metric ton of mixed-oxide fuel by December 31, 2009; and

(B) a schedule of operations of the MOX facility designed so that 34 metric tons of defense plutonium and defense plutonium materials at the Savannah River Site will be processed into mixed-oxide fuel by January 1, 2019.

Deadline.
Reports.

(3)(A) Not later than February 15 each year, beginning in 2004 and continuing for as long as the MOX facility is in use, the Secretary shall submit to Congress a report on the implementation of the plan required by paragraph (1).

(B) Each report under subparagraph (A) for years before 2010 shall include—

(i) an assessment of compliance with the schedules included with the plan under paragraph (2); and

(ii) a certification by the Secretary whether or not the MOX production objective can be met by January 2009.

(C) Each report under subparagraph (A) for years after 2009 shall—

(i) address whether the MOX production objective has been met; and

(ii) assess progress toward meeting the obligations of the United States under the Plutonium Management and Disposition Agreement.

(D) Each report under subparagraph (A) for years after 2017 shall also include an assessment of compliance with the MOX production objective and, if not in compliance, the plan of the Secretary for achieving one of the following:

(i) Compliance with such objective.

(ii) Removal of all remaining defense plutonium and defense plutonium materials from the State of South Carolina.

Deadline.

(b) CORRECTIVE ACTIONS.—(1) If a report under subsection (a)(3) indicates that construction or operation of the MOX facility is behind the applicable schedule under subsection (a)(2) by 12 months or more, the Secretary shall submit to Congress, not later than August 15 of the year in which such report is submitted, a plan for corrective actions to be implemented by the Secretary to ensure that the MOX facility project is capable of meeting the MOX production objective by January 1, 2009.

(2) If a plan is submitted under paragraph (1) in any year after 2008, the plan shall include corrective actions to be implemented by the Secretary to ensure that the MOX production objective is met.

(3) Any plan for corrective actions under paragraph (1) or (2) shall include established milestones under such plan for achieving compliance with the MOX production objective.

(4) If, before January 1, 2009, the Secretary determines that there is a substantial and material risk that the MOX production objective will not be achieved by 2009 because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until such risk is addressed and the Secretary certifies that the MOX production objective can be met by 2009.

(5) If, after January 1, 2009, the Secretary determines that the MOX production objective has not been achieved because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until the Secretary certifies that the MOX production objective can be met.

(6)(A) Upon making a determination under paragraph (4) or (5), the Secretary shall submit to Congress a report on the options

for removing from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the State of South Carolina after April 15, 2002.

(B) Each report under subparagraph (A) shall include an analysis of each option set forth in the report, including the cost and schedule for implementation of such option, and any requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) relating to consideration or selection of such option.

(C) Upon submittal of a report under paragraph (A), the Secretary shall commence any analysis that may be required under the National Environmental Policy Act of 1969 in order to select among the options set forth in the report.

(c) CONTINGENT REQUIREMENT FOR REMOVAL OF PLUTONIUM AND MATERIALS FROM SAVANNAH RIVER SITE.—If the MOX production objective is not achieved as of January 1, 2009, the Secretary shall, consistent with the National Environmental Policy Act of 1969 and other applicable laws, remove from the State of South Carolina, for storage or disposal elsewhere— Deadlines.

(1) not later than January 1, 2011, not less than 1 metric ton of defense plutonium or defense plutonium materials; and

(2) not later than January 1, 2017, an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002 and January 1, 2017, but not processed by the MOX facility.

(d) ECONOMIC AND IMPACT ASSISTANCE.—(1) If the MOX production objective is not achieved as of January 1, 2011, the Secretary shall, from funds available to the Secretary, pay to the State of South Carolina each year beginning on or after that date through 2016 for economic and impact assistance an amount equal to $1,000,000 per day, not to exceed $100,000,000 per year, until the later of—

(A) the date on which the MOX production objective is achieved in such year; or

(B) the date on which the Secretary has removed from the State of South Carolina in such year at least 1 metric ton of defense plutonium or defense plutonium materials.

(2)(A) If, as of January 1, 2017, the MOX facility has not processed mixed-oxide fuel from defense plutonium and defense plutonium materials in the amount of not less than—

(i) one metric ton, in each of any two consecutive calendar years; and

(ii) three metric tons total,

the Secretary shall, from funds available to the Secretary, pay to the State of South Carolina for economic and impact assistance an amount equal to $1,000,000 per day, not to exceed $100,000,000 per year, until the removal by the Secretary from the State of South Carolina of an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002, and January 1, 2017, but not processed by the MOX facility.

(B) Nothing in this paragraph may be construed to terminate, supersede, or otherwise affect any other requirements of this section.

(3) If the State of South Carolina obtains an injunction that prohibits the Department from taking any action necessary for the Department to meet any deadline specified by this subsection, that deadline shall be extended for a period of time equal to the period of time during which the injunction is in effect.

(e) FAILURE TO COMPLETE PLANNED DISPOSITION PROGRAM.—If on July 1 each year beginning in 2020 and continuing for as long as the MOX facility is in use, less than 34 metric tons of defense plutonium or defense plutonium materials have been processed by the MOX facility, the Secretary shall submit to Congress a plan for—

(1) completing the processing of 34 metric tons of defense plutonium and defense plutonium material by the MOX facility; or

(2) removing from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site after April 15, 2002, but not processed by the MOX facility.

(f) REMOVAL OF MIXED-OXIDE FUEL UPON COMPLETION OF OPERATIONS OF MOX FACILITY.—If, one year after the date on which operation of the MOX facility permanently ceases, any mixed-oxide fuel remains at the Savannah River Site, the Secretary shall submit to Congress—

Reports.

(1) a report on when such fuel will be transferred for use in commercial nuclear reactors; or

(2) a plan for removing such fuel from the State of South Carolina.

(g) DEFINITIONS.—In this section:

(1) MOX PRODUCTION OBJECTIVE.—The term "MOX production objective" means production at the MOX facility of mixed-oxide fuel from defense plutonium and defense plutonium materials at an average rate equivalent to not less than one metric ton of mixed-oxide fuel per year. The average rate shall be determined by measuring production at the MOX facility from the date the facility is declared operational to the Nuclear Regulatory Commission through the date of assessment.

(2) MOX FACILITY.—The term "MOX facility" means the mixed-oxide fuel fabrication facility at the Savannah River Site, Aiken, South Carolina.

(3) DEFENSE PLUTONIUM; DEFENSE PLUTONIUM MATERIALS.—The terms "defense plutonium" and "defense plutonium materials" mean weapons-usable plutonium.

SEC. 3183. STUDY OF FACILITIES FOR STORAGE OF PLUTONIUM AND PLUTONIUM MATERIALS AT SAVANNAH RIVER SITE.

(a) STUDY.—The Defense Nuclear Facilities Safety Board shall conduct a study of the adequacy of the K-Area Materials Storage facility (KAMS), and related support facilities such as Building 235–F, at the Savannah River Site, Aiken, South Carolina, for the storage of defense plutonium and defense plutonium materials in connection with the disposition program provided in section 3182 and in connection with the amended Record of Decision of the Department of Energy for fissile materials disposition.

Deadline.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Defense Nuclear Facilities Safety Board

shall submit to Congress and the Secretary of Energy a report on the study conducted under subsection (a).

(c) REPORT ELEMENTS.—The report under subsection (b) shall—

(1) address—

(A) the suitability of KAMS and related support facilities for monitoring and observing any defense plutonium or defense plutonium materials stored in KAMS;

(B) the adequacy of the provisions made by the Department for remote monitoring of such defense plutonium and defense plutonium materials by way of sensors and for handling of retrieval of such defense plutonium and defense plutonium materials; and

(C) the adequacy of KAMS should such defense plutonium and defense plutonium materials continue to be stored at KAMS after 2019; and

(2) include such proposals as the Defense Nuclear Facilities Safety Board considers appropriate to enhance the safety, reliability, and functionality of KAMS.

(d) REPORTS ON ACTIONS ON PROPOSALS.—Not later than 6 months after the date on which the report under subsection (b) is submitted to Congress, and every year thereafter, the Secretary and the Board shall each submit to Congress a report on the actions taken by the Secretary in response to the proposals, if any, included in the report. Deadline.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2003, $19,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2003, the National Defense Stockpile Manager may obligate up to $76,400,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate

the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $21,069,000 for fiscal year 2003 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

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

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2003.

Funds are hereby authorized to be appropriated for fiscal year 2003, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $93,132,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), $54,126,000, of which—

(A) $50,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,126,000 is for administrative expenses related to loan guarantee commitments under the program.

(3) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92–402 (as amended by this title), $20,000,000.

SEC. 3502. AUTHORITY TO CONVEY VESSEL USS SPHINX (ARL–24).

(a) IN GENERAL.—Notwithstanding any other law, the Secretary of Transportation may convey the right, title, and interest of the United States Government in and to the vessel USS SPHINX (ARL–24), to the Dunkirk Historical Lighthouse and Veterans Park

Museum (a not-for-profit corporation, in this section referred to as the "recipient") for use as a military museum, if—

(1) the recipient agrees to use the vessel as a nonprofit military museum;

(2) the vessel is not used for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government when the Secretary requires use of the vessel by the Government;

(4) the recipient agrees that when the recipient no longer requires the vessel for use as a military museum—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State of New York, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes;

(5) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, or lead paint after conveyance of the vessel, except for claims arising from use by the Government under paragraph (3) or (4); and

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(b) DELIVERY OF VESSEL.—If a conveyance is made under this section, the Secretary shall deliver the vessel at the place where the vessel is located on the date of enactment of this Act, in its present condition, and without cost to the Government.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may also convey any unneeded equipment from other vessels in the National Defense Reserve Fleet in order to restore the USS SPHINX (ARL–24) to museum quality.

(d) RETENTION OF VESSEL IN NDRF.—The Secretary shall retain in the National Defense Reserve Fleet the vessel authorized to be conveyed under subsection (a), until the earlier of—

(1) 2 years after the date of the enactment of this Act; or

(2) the date of conveyance of the vessel under subsection (a).

SEC. 3503. INDEPENDENT ANALYSIS OF TITLE XI INSURANCE GUARANTEE APPLICATIONS.

Section 1104A of the Merchant Marine Act, 1936 (46 App. U.S.C. 1274) is amended—

(1) by adding at the end of subsection (d) the following:

"(4) The Secretary may obtain independent analysis of an application for a guarantee or commitment to guarantee under this title."; and

(2) in subsection (f) by inserting "(including for obtaining independent analysis under subsection (d)(4))" after "applications for a guarantee".

SEC. 3504. PREPARATION AS ARTIFICIAL REEFS AND SCRAPPING OF OBSOLETE VESSELS.

(a) FINANCIAL ASSISTANCE TO STATES FOR PREPARATION OF TRANSFERRED OBSOLETE SHIPS FOR USE AS ARTIFICIAL REEFS.—(1) Public Law 92–402 (16 U.S.C. 1220 et seq.) is amended—

16 USC 1220d.

(A) by redesignating section 7 as section 8; and

(B) by inserting after section 6 the following new section 7:

16 USC 1220c–1.

"SEC. 7. FINANCIAL ASSISTANCE TO STATE TO PREPARE TRANSFERRED SHIP.

"(a) ASSISTANCE AUTHORIZED.—The Secretary, subject to the availability of appropriations, may provide, to any State to which an obsolete ship is transferred under this Act, financial assistance to prepare the ship for use as an artificial reef, including for—

"(1) environmental remediation;

"(2) towing; and

"(3) sinking.

"(b) AMOUNT OF ASSISTANCE.—The Secretary shall determine the amount of assistance under this section with respect to an obsolete ship based on—

"(1) the total amount available for providing assistance under this section;

"(2) the benefit achieved by providing assistance for that ship; and

"(3) the cost effectiveness of disposing of the ship by transfer under this Act and provision of assistance under this section, compared to other disposal options for that ship.

"(c) TERMS AND CONDITIONS.—The Secretary—

"(1) shall require a State seeking assistance under this section to provide cost data and other information determined by the Secretary to be necessary to justify and document the assistance; and

"(2) may require a State receiving such assistance to comply with terms and conditions necessary to protect the environment and the interests of the United States.".

(2) Section 4(4) of such Act (16 U.S.C. 1220a(4)) is amended by inserting "(except for any financial assistance provided under section 7)" after "at no cost to the Government".

16 USC 1220 note. Deadline.

(b) ENVIRONMENTAL BEST MANAGEMENT PRACTICES FOR PREPARING VESSELS FOR USE AS ARTIFICIAL REEFS.—(1) Not later than September 30, 2003, the Secretary of Transportation, acting through the Maritime Administration, and the Administrator of the Environmental Protection Agency shall jointly develop environmental best management practices to be used in the preparation of vessels for use as artificial reefs.

(2) The environmental best management practices under paragraph (1) shall be developed in consultation with the heads of other Federal agencies, and State agencies, having an interest in the use of vessels as artificial reefs.

(3) The environmental best management practices under paragraph (1) shall—

(A) include practices for the preparation of vessels for use as artificial reefs to ensure that vessels so prepared will be environmentally sound in their use as artificial reefs;

(B) ensure that such practices are consistent nationwide;

(C) establish baselines for estimating the costs associated with the preparation of vessels for use as artificial reefs; and

(D) include mechanisms to enhance the utility of the Artificial Reefing Program of the Maritime Administration as an option for the disposal of obsolete vessels.

(4) The environmental best management practices developed under paragraph (1) shall serve as national guidelines to be used by Federal agencies for the preparation of vessels for use as artificial reefs.

(5) The Secretary of Transportation shall submit to Congress a report on the environmental best management practices developed under paragraph (1) through the existing ship disposal reporting requirements in section 3502 of Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 1654A–492). The report shall describe such practices, and may include such other matters as the Secretary considers appropriate. Reports.

(c) PILOT PROGRAM ON EXPORT OF OBSOLETE VESSELS FOR DISMANTLEMENT AND RECYCLING.—(1)(A) The Secretary of Transportation, Secretary of State, and Administrator of the Environmental Protection Agency shall jointly carry out one or more pilot programs through the Maritime Administration to explore the feasibility and advisability of various alternatives for exporting obsolete vessels in the National Defense Reserve Fleet for purposes of the dismantlement and recycling of such vessels. 16 USC 5405 note.

(B) The pilot programs shall be carried out in accordance with applicable provisions of law and regulations.

(2)(A) The pilot programs under paragraph (1) shall be carried out during fiscal year 2003.

(B) The pilot programs shall include a total of not more than four vessels.

(C) The authority provided by this subsection is in addition to any other authority available to Maritime Administration for exporting obsolete vessels in the National Defense Reserve Fleet.

(3) Activities under the pilot programs under paragraph (1) shall include the following:

(A) Exploration of the feasibility and advisability of a variety of alternatives (developed for purposes of the pilot programs) for exporting obsolete vessels in the National Defense Reserve Fleet for purposes of the dismantlement and recycling of such vessels.

(B) Response by the Maritime Administration to proposals from the international ship recycling industry for innovative and cost-effective disposal solutions for obsolete vessels in the National Defense Reserve Fleet, including an evaluation of the feasibility and advisability of such proposals.

(C) Demonstration of the extent to which the cost-effective dismantlement or recycling of obsolete vessels in the National Defense Reserve Fleet can be accomplished abroad in manner that appropriately addresses concerns regarding worker health and safety and the environment.

(D) Opportunities to transfer abroad processes, methodologies, and technologies for ship dismantlement and recycling in order to support the pilot programs and to improve international practices and standards for ship dismantlement and recycling.

(E) Exploration of cooperative efforts with foreign governments (under a global action program on ship recycling or other program) in order to foster economically and environmentally sound ship recycling abroad.

(4) The Secretary of Transportation shall submit to Congress a report on the pilot programs under paragraph (1) through the existing ship disposal reporting requirements in section 3502 of Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001. The report shall include a description of the activities under the pilot programs, and such recommendations for further legislative or administrative action as the Secretary considers appropriate.

16 USC 5405 note.

(d) CONSTRUCTION.—Nothing in this section shall be construed to establish a preference for the reefing or export of obsolete vessels in the National Defense Reserve Fleet over other alternatives available to the Secretary for the scrapping of such vessels under section 3502(d)(3) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001.

Atomic Energy Defense Act.

TITLE XXXVI—ATOMIC ENERGY DEFENSE PROVISIONS

Sec. 3601. Short title.

Subtitle A—[Reserved]

Subtitle B—Department of Energy National Security Authorizations General Provisions

Sec. 3620. Definitions.
Sec. 3621. Reprogramming.
Sec. 3622. Minor construction projects.
Sec. 3623. Limits on construction projects.
Sec. 3624. Fund transfer authority.
Sec. 3625. Conceptual and construction design.
Sec. 3626. Authority for emergency planning, design, and construction activities.
Sec. 3627. Scope of authority to carry out plant projects.
Sec. 3628. Availability of funds.
Sec. 3629. Transfer of defense environmental management funds.
Sec. 3630. Transfer of weapons activities funds.
Sec. 3631. Funds available for all national security programs of the Department of Energy.

42 USC 7101 note.

SEC. 3601. SHORT TITLE.

This title may be cited as the "Atomic Energy Defense Act".

Subtitle A—[Reserved]

Subtitle B—Department of Energy National Security Authorizations General Provisions

42 USC 7386.

SEC. 3620. DEFINITIONS.

In this subtitle:

(1) The term "DOE national security authorization" means an authorization of appropriations for activities of the Department of Energy in carrying out programs necessary for national security.

(2) The term "congressional defense committees" means—

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

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

(3) The term "minor construction threshold" means $5,000,000.

SEC. 3621. REPROGRAMMING. 42 USC 7386a.

(a) IN GENERAL.—Except as provided in subsection (b) and in sections 3629 and 3630, the Secretary of Energy may not use amounts appropriated pursuant to a DOE national security authorization for a program—

(1) in amounts that exceed, in a fiscal year—

(A) 115 percent of the amount authorized for that program by that authorization for that fiscal year; or

(B) $5,000,000 more than the amount authorized for that program by that authorization for that fiscal year; or

(2) which has not been presented to, or requested of, Congress.

(b) EXCEPTION WHERE NOTICE-AND-WAIT GIVEN.—An action described in subsection (a) may be taken if—

(1) the Secretary submits to the congressional defense committees a report referred to in subsection (c) with respect to such action; and

(2) a period of 30 days has elapsed after the date on which such committees receive the report.

(c) REPORT.—The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(d) COMPUTATION OF DAYS.—In the computation of the 30-day period under subsection (b), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain.

(e) LIMITATIONS.—

(1) TOTAL AMOUNT OBLIGATED.—In no event may the total amount of funds obligated pursuant to a DOE national security authorization for a fiscal year exceed the total amount authorized to be appropriated by that authorization for that fiscal year.

(2) PROHIBITED ITEMS.—Funds appropriated pursuant to a DOE national security authorization may not be used for an item for which Congress has specifically denied funds.

SEC. 3622. MINOR CONSTRUCTION PROJECTS. 42 USC 7386b.

(a) AUTHORITY.—Using operation and maintenance funds or facilities and infrastructure funds authorized by a DOE national security authorization, the Secretary of Energy may carry out minor construction projects.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding

fiscal year. Each report shall provide a brief description of each minor construction project covered by the report.

(c) COST VARIATION REPORTS TO CONGRESSIONAL COMMITTEES.—If, at any time during the construction of any minor construction project authorized by a DOE national security authorization, the estimated cost of the project is revised and the revised cost of the project exceeds the minor construction threshold, the Secretary shall immediately submit to the congressional defense committees a report explaining the reasons for the cost variation.

(d) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term "minor construction project" means any plant project not specifically authorized by law for which the approved total estimated cost does not exceed the minor construction threshold.

42 USC 7386c.

SEC. 3623. LIMITS ON CONSTRUCTION PROJECTS.

(a) CONSTRUCTION COST CEILING.—Except as provided in subsection (b), construction on a construction project which is in support of national security programs of the Department of Energy and was authorized by a DOE national security authorization may not be started, and additional obligations in connection with the project above the total estimated cost may not be incurred, whenever the current estimated cost of the construction project exceeds by more than 25 percent the higher of—

(1) the amount authorized for the project; or

(2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(b) EXCEPTION WHERE NOTICE-AND-WAIT GIVEN.—An action described in subsection (a) may be taken if—

(1) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

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

(c) COMPUTATION OF DAYS.—In the computation of the 30-day period under subsection (b), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain.

(d) EXCEPTION FOR MINOR PROJECTS.—Subsection (a) does not apply to a construction project with a current estimated cost of less than the minor construction threshold.

42 USC 7386d.

SEC. 3624. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to a DOE national security authorization to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—

(1) TRANSFERS PERMITTED.—Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to a DOE national security authorization to any other DOE national security authorization. Amounts of authorizations so transferred may be merged with and be available for the same purposes

and for the same period as the authorization to which the amounts are transferred.

(2) MAXIMUM AMOUNTS.—Not more than 5 percent of any such authorization may be transferred to another authorization under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the congressional defense committees of any transfer of funds to or from any DOE national security authorization.

SEC. 3625. CONCEPTUAL AND CONSTRUCTION DESIGN. 42 USC 7386e.

(a) CONCEPTUAL DESIGN.—

(1) REQUIREMENT.—Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) REQUESTS FOR CONCEPTUAL DESIGN FUNDS.—If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) EXCEPTIONS.—The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than the minor construction threshold; or

(B) for emergency planning, design, and construction activities under section 3626.

(b) CONSTRUCTION DESIGN.—

(1) AUTHORITY.—Within the amounts authorized by a DOE national security authorization, the Secretary may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN PROJECTS.—If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3626. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES. 42 USC 7386f.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to a DOE national security authorization, including funds authorized to be appropriated for advance planning, engineering, and construction design,

and for plant projects, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of a construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3625(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

42 USC 7386g.

SEC. 3627. SCOPE OF AUTHORITY TO CARRY OUT PLANT PROJECTS.

In carrying out programs necessary for national security, the authority of the Secretary of Energy to carry out plant projects includes authority for maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto.

42 USC 7386h.

SEC. 3628. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), amounts appropriated pursuant to a DOE national security authorization for operation and maintenance or for plant projects may, when so specified in an appropriations Act, remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to a DOE national security athorization for a fiscal year shall remain available to be obligated only until the end of that fiscal year.

42 USC 7386i.

SEC. 3629. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—

(1) NUMBER OF TRANSFERS.—Not more than one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) AMOUNTS TRANSFERRED.—The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) DETERMINATION REQUIRED.—A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary—

(A) to address a risk to health, safety, or the environment; or

(B) to assure the most efficient use of defense environmental management funds at the field office.

(4) IMPERMISSIBLE USES.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress

has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3621 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, a program or project that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by that office, and for which defense environmental management funds have been authorized and appropriated.

(2) The term "defense environmental management funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

SEC. 3630. TRANSFER OF WEAPONS ACTIVITIES FUNDS. 42 USC 7386j.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—

(1) NUMBER OF TRANSFERS.—Not more than one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) AMOUNTS TRANSFERRED.—The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) DETERMINATION REQUIRED.—A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer—

(A) is necessary to address a risk to health, safety, or the environment; or

(B) will result in cost savings and efficiencies.

(4) LIMITATION.—A transfer may not be carried out by a manager of a field office under subsection (a) to cover a cost overrun or scheduling delay for any program or project.

(5) IMPERMISSIBLE USES.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3621 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, a program or project that is for weapons activities necessary for national security programs of the Department, that is being carried out by that office, and for which weapons activities funds have been authorized and appropriated.

(2) The term "weapons activities funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

42 USC 7386k.

SEC. 3631. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3621, amounts appropriated pursuant to a DOE national security authorization for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

Approved December 2, 2002.

LEGISLATIVE HISTORY—H.R. 4546 (S. 2514) (S. 2515):

HOUSE REPORTS: Nos. 107–436, Pts. 1 and 2 (Comm. on Armed Services) and 107–772 (Comm. of Conference).

SENATE REPORTS: No. 107–151 accompanyinig S. 2514 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 148 (2002):

May 9, considered and passed House.

June 27, considered and passed Senate, amended, in lieu of S. 2514.

July 25, House concurred in Senate amendment with an amendment.

Nov. 12, House agreed to conference report.

Nov. 13, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 38 (2002):

Dec. 2, Presidential remarks and statement.