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104TH CONGRESS
1ST SESSION

H. R. 1530

IN THE SENATE OF THE UNITED STATES

JUNE 20 (legislative day, JUNE 19), 1995
Received; read twice and referred to the Committee on Armed Services

AN ACT

To authorize appropriations for fiscal year 1996 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.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 1996''.

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

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. Reserve components.
Sec. 106. Chemical demilitarization program.

Subtitle B—Army Programs

Sec. 111. Procurement of helicopters.
Sec. 112. Repeal of requirements for armored vehicle upgrades.

Subtitle C—Navy Programs

Sec. 131. Repeal of prohibition on backfit of Trident submarines.
Sec. 132. Repeal of limitation on total cost for SSN–21 and SSN–22 Seawolf submarines.
Sec. 133. Competition required for selection of shipyards for construction of vessels for next generation attack submarine program.
Sec. 134. Sonobuoy programs.

Subtitle D—Air Force Programs

Sec. 141. Repeal of limitations.

Subtitle E—Chemical Demilitarization Program

Sec. 151. Repeal of requirement to proceed expeditiously with development of chemical demilitarization cryofracture facility at Tooele Army Depot, Utah.
Sec. 152. Sense of Congress regarding cost growth in program for destruction of the existing stockpile of lethal chemical agents and munitions.
Sec. 153. Assistance for chemical weapons stockpile communities affected by base closure.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.
Sec. 203. Modifications to Strategic Environmental Research and Development Program.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Maneuver variant unmanned aerial vehicle.
Sec. 213. Tactical manned reconnaissance.
Sec. 214. Advanced lithography program.
Sec. 215. Enhanced fiber optic guided missile system.
Sec. 216. Joint Advanced Strike Technology (JAST) program.
Sec. 217. Development of laser program.

Subtitle C—Ballistic Missile Defense Act of 1995

Sec. 231. Short title.
Sec. 232. Ballistic missile defense policy of the United States.
Sec. 233. Implementation of policy.
Sec. 234. Follow-on technologies research and development.
Sec. 235. Policy on compliance with the ABM Treaty.
Sec. 236. Ballistic missile defense program accountability.
Sec. 237. ABM Treaty defined.
Sec. 238. Repeal of Missile Defense Act of 1991.

Subtitle D—Other Ballistic Missile Defense Provisions

Sec. 241. Ballistic missile defense funding for fiscal year 1996.
Sec. 242. Policy concerning ballistic missile defense.
Sec. 243. Testing of theater missile defense interceptors.
Sec. 244. Repeal of missile defense provisions.

Subtitle E—Other Matters

Sec. 251. Allocation of funds for medical countermeasures against biowarfare threats.
Sec. 252. Analysis of consolidation of basic research accounts of military departments.
Sec. 253. Change in reporting period from calendar year to fiscal year for annual report on certain contracts to colleges and universities.
Sec. 254. Modification to University Research Initiative Support Program.
Sec. 255. Advanced Field Artillery System (Crusader).
Sec. 256. Review of C^4I by National Research Council.
Sec. 257. Five-year plan for federally funded research and development centers (FFRDCs).
Sec. 258. Manufacturing technology program.
Sec. 259. Five-year plan for consolidation of defense laboratories and test and evaluation centers.
Sec. 260. Aeronautical research and test capabilities assessment.
Sec. 261. Limitation on T–38 Avionics Upgrade Program.
Sec. 262. Cross reference to congressional defense policy concerning national technology and industrial base, reinvestment, and conversion in operation of defense research and development programs.
Sec. 263. Demilitarization of conventional munitions, rockets, and explosives.
Sec. 264. Fiber optic acoustic sensor system.
Sec. 265. Joint targeting support system testbed.

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. Office of Economic Adjustment.

Subtitle B—Defense Business Operations Fund

Sec. 311. Codification of Defense Business Operations Fund.
Sec. 312. Retention of centralized management of Defense Business Operations Fund and prohibition on further expansion of Fund.
Sec. 313. Charges for goods and services provided through Defense Business Operations Fund and termination of advance billing practices.
Sec. 314. Annual proposed budget for operation of Defense Business Operations Fund.
Sec. 315. Reduction in requests for transportation funded through Defense Business Operations Fund.

Subtitle C—Environmental Provisions

Sec. 321. Clarification of services and property that may be exchanged to benefit the historical collection of the Armed Forces.
Sec. 322. Addition of amounts creditable to Defense Environmental Restoration Account.

Sec. 323. Repeal of certain environmental education programs.
Sec. 324. Repeal of limitation on obligation of amounts transferred from environmental restoration transfer account.
Sec. 325. Elimination of authority to transfer amounts for toxicological profiles.
Sec. 326. Sense of Congress on use of Defense Environmental Restoration Account.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

Sec. 331. Management of Department of Defense civilian personnel.
Sec. 332. Management of depot employees.
Sec. 333. Conversion to performance by civilian employees of active-duty positions.
Sec. 334. Personnel actions involving employees of nonappropriated fund instrumentalities.
Sec. 335. Limitation on provision of overseas living quarters allowances for nonappropriated fund instrumentality employees.
Sec. 336. Overtime exemption for nonappropriated fund employees.
Sec. 337. Continued health insurance coverage.
Sec. 338. Creditability of certain NAFI service under the Federal Employees' Retirement System.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 341. Operation of commissary store system.
Sec. 342. Pricing policies for commissary store merchandise.
Sec. 343. Limited release of commissary stores sales information to manufacturers, distributors, and other vendors doing business with Defense Commissary Agency.
Sec. 344. Economical distribution of distilled spirits by nonappropriated fund instrumentalities.
Sec. 345. Transportation by commissaries and exchanges to overseas locations.
Sec. 346. Demonstration program for uniform funding of morale, welfare, and recreation activities at certain military installations.
Sec. 347. Continued operation of base exchange mart at Fort Worth Naval Air Station and authority to expand base exchange mart program.
Sec. 348. Uniform deferred payments program for military exchanges.
Sec. 349. Availability of funds to offset expenses incurred by Army and Air Force Exchange Service on account of troop reductions in Europe.
Sec. 350. Study regarding improving efficiencies in operation of military exchanges and other morale, welfare, and recreation activities and commissary stores.
Sec. 351. Extension of deadline for conversion of Navy ships' stores to operation as nonappropriated fund instrumentalities.

Subtitle F—Contracting Out

Sec. 357. Procurement of electricity from most economical source.
Sec. 358. Procurement of certain commodities from most economical source.
Sec. 359. Commercial procurement of printing and duplication services.
Sec. 360. Direct delivery of assorted consumable inventory items of Department of Defense.

Sec. 361. Private operation of functions of Defense Reutilization and Marketing Service.
Sec. 362. Private operation of payroll functions of Department of Defense for payment of civilian employees.
Sec. 363. Demonstration program to identify underdeductions and overpayments made to vendors.
Sec. 364. Pilot program to evaluate potential for private operation of overseas dependents' schools.
Sec. 365. Pilot program for evaluation of improved defense travel processing prototypes.
Sec. 366. Pilot program for private operation of consolidated information technology functions of Department of Defense.
Sec. 367. Increased reliance on the private sector.
Sec. 368. Pilot program for private operation of payroll and accounting functions of nonappropriated fund instrumentalities.

Subtitle G—Miscellaneous Reviews, Studies, and Reports

Sec. 371. Quarterly readiness reports.
Sec. 372. Reports required regarding expenditures for emergency and extraordinary expenses.
Sec. 373. Restatement of requirement for semiannual reports to Congress on transfers from high-priority readiness appropriations.
Sec. 374. Modification of notification requirement regarding use of core logistics functions waiver.
Sec. 375. Limitation on development or modernization of automated information systems of Department of Defense pending report.
Sec. 376. Report regarding reduction of costs associated with contract management oversight.

Subtitle H—Other Matters

Sec. 381. Prohibition on capital lease for Defense Business Management University.
Sec. 382. Authority of Inspector General over investigations of procurement fraud.
Sec. 383. Provision of equipment and facilities to assist in emergency response actions.
Sec. 384. Conversion of the Civilian Marksmanship Program to a federally chartered nonprofit corporation.
Sec. 385. Personnel services and logistical support for certain activities held on military installations.
Sec. 386. Retention of monetary awards.
Sec. 387. Civil Reserve Air Fleet.
Sec. 388. Permanent authority regarding use of proceeds from sale of lost, abandoned, and unclaimed personal property at certain installations.
Sec. 389. Transfer of excess personal property to support law enforcement activities.
Sec. 390. Development and implementation of innovative processes to improve operation and maintenance.
Sec. 391. Review of use of Defense Logistics Agency to manage inventory control points.
Sec. 392. Sale of 50 percent of current war reserve fuel stocks.
Sec. 393. Military clothing sales stores, replacement sales.

Sec. 394. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 395. Core logistics capabilities of the Department of Defense.
Sec. 396. Expansion of Southwest Border States Anti-Drug Information System.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Temporary variations in DOPMA authorized end strength limitations for active duty Navy and Air Force officers in certain grades.

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. Counting of certain active component personnel assigned in support of Reserve component training.

Subtitle C—Military Training Student Loads

Sec. 421. Authorization of training student loads.

Subtitle D—Authorization of Appropriations

Sec. 431. Authorization of appropriations for military personnel.
Sec. 432. Authorization for increase in active-duty end strengths.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Authority to extend transition period for officers selected for early retirement.

Subtitle B—Matters Relating to Reserve Components

Sec. 511. Military technician full-time support program for Army and Air Force reserve components.
Sec. 512. Military leave for military reserve technicians for certain duty overseas.
Sec. 513. Revisions to Army Guard combat reform initiative to include Army reserve under certain provisions and make certain revisions.
Sec. 514. ROTC scholarships for the National Guard.
Sec. 515. Report on feasibility of providing education benefits protection insurance for service academy and ROTC scholarship students who become medically unable to serve.
Sec. 516. Active duty officers detailed to ROTC duty at senior military colleges to serve as Commandant and Assistant Commandant of Cadets and as tactical officers.
Sec. 517. Mobilization income insurance program for members of Ready Reserve.
Sec. 518. Delay in reorganization of Army ROTC regional headquarters structure.
Sec. 519. Active duty associate unit responsibility.

Subtitle C—Matters Relating to Force Levels

Sec. 521. Floor on end strengths.
Sec. 522. Army officer manning levels.
Sec. 523. Comptroller General review of proposed Army end strength allocations.
Sec. 524. Manning status of highly deployable support units.
Sec. 525. Sense of Congress concerning personnel tempo rates.

Subtitle D—Amendments to the Uniform Code of Military Justice

Sec. 541. References to Uniform Code of Military Justice.
Sec. 542. Forfeiture of pay and allowances during confinement by sentence of court-martial.
Sec. 543. Refusal to testify before court-martial.
Sec. 544. Flight from apprehension.
Sec. 545. Carnal knowledge.
Sec. 546. Time after accession for initial instruction in the Uniform Code of Military Justice.
Sec. 547. Persons who may appear before the United States Court of Appeals for the Armed Forces.
Sec. 548. Discretionary representation by Government appellate defense counsel in petitioning Supreme Court for writ of certiorari.
Sec. 549. Repeal of termination of authority for Chief Justice of United States to designate Article III judges for temporary service on Court of Appeals for the Armed Forces.
Sec. 550. Technical amendment.

Subtitle E—Other Matters

Sec. 551. Equalization of accrual of service credit for officers and enlisted members.
Sec. 552. Extension of expiring personnel authorities.
Sec. 553. Increase in educational assistance allowance with respect to skills or specialties for which there is a critical shortage of personnel.
Sec. 554. Amendments to education loan repayment programs.
Sec. 555. Recognition by States of living wills of members, certain former members, and their dependents.
Sec. 556. Transitional compensation for dependents of members of the Armed Forces separated for dependent abuse.
Sec. 557. Army ranger training.
Sec. 558. Repeal of certain civil-military programs.
Sec. 559. Eligibility for Armed Forces Expeditionary Medal based upon service in El Salvador.
Sec. 560. Revision and codification of Military Family Act and Military Child Care Act.
Sec. 561. Discharge of members of the Armed Forces who have the HIV–1 virus.
Sec. 562. Authority to appoint Brigadier General Charles E. Yeager, United States Air Forces (retired) to the grade of major general on the retired list.
Sec. 563. Determination of whereabouts and status of missing persons.
Sec. 564. Nominations to service academies from Commonwealth of the Northern Marianas Islands.

Sec. 565. Report on the consistency of reporting of fingerprint cards and final disposition forms to the Federal Bureau of Investigation.
Sec. 566. Separation benefits during force reduction for officers of commissioned corps of National Oceanic and Atmospheric Administration.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1996.
Sec. 602. Limitation on basic allowance for subsistence for members without dependents residing in Government quarters.
Sec. 603. Authorization of payment of basic allowance for quarters to additional members assigned to sea duty.
Sec. 604. Establishment of minimum amounts of variable housing allowance for high housing cost areas and additional limitation on reduction of allowance for certain members.
Sec. 605. Clarification of limitation on receipt of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Codification and extension of special pay for critically short wartime health specialists in the Selected Reserves.
Sec. 615. Change in eligibility requirements for continuous monthly aviation incentive pay.
Sec. 616. Continuous entitlement to career sea pay for crewmembers of ships designated as tenders.
Sec. 617. Increase in maximum rate of special duty assignment pay for enlisted members serving as recruiters.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Authorization of return to United States of formerly dependent children of members.
Sec. 622. Authorization of dislocation allowance for moves in connection with base realignments and closures.
.Sec. 623. Repeal of prohibition on payment of lodging expenses when adequate Government quarters are available.

Subtitle D—Other Matters

Sec. 631. Elimination of unnecessary annual reporting requirements regarding compensation matters.
Sec. 632. Study regarding joint process for determining location of recruiting stations.
Sec. 633. Elimination of disparity between effective dates for military and civilian retiree cost-of-living adjustments for fiscal year 1996.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Modification of requirements regarding routine physical examinations and immunizations under CHAMPUS.
Sec. 702. Correction of inequities in medical and dental care and death and disability benefits for certain Reservists.
Sec. 703. Medical and dental care for members of the Selected Reserve.

Subtitle B—TRICARE Program

Sec. 711. Priority use of military treatment facilities for persons enrolled in managed care initiatives.
Sec. 712. Staggered payment of enrollment fees for TRICARE.
Sec. 713. Requirement of budget neutrality for TRICARE to be based on entire program.
Sec. 714. Training in health care management and administration for TRICARE lead agents.
Sec. 715. Evaluation and report on TRICARE effectiveness.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Limitation on expenditures to support Uniformed Services Treatment Facilities and limitation on number of participants in USTF managed care plans.
Sec. 722. Application of Federal acquisition regulation to participation agreements with Uniformed Services Treatment Facilities.
Sec. 723. Development of plan for integrating Uniformed Services Treatment Facilities in managed care programs of Department of Defense.
Sec. 724. Equitable implementation of uniform cost sharing requirements for Uniformed Services Treatment Facilities.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Sec. 731. Maximum allowable payments to individual health-care providers under CHAMPUS.
Sec. 732. Expansion of existing restriction on use of defense funds for abortions.
Sec. 733. Identification of third-party payer situations.
Sec. 734. Redesignation of Military Health Care Account as Defense Health Program Account and two-year availability of certain Account funds.
Sec. 735. Expansion of financial assistance program for health-care professionals in reserve components to include dental specialties.
Sec. 736. Elimination of unnecessary annual reporting requirements regarding military health care.

Subtitle E—Other Matters

Sec. 741. Termination of program to train and utilize military psychologists to prescribe psychotropic medications.
Sec. 742. Waiver of collection of payments due from certain persons unaware of loss of CHAMPUS eligibility.
Sec. 743. Notification of certain CHAMPUS covered beneficiaries of loss of CHAMPUS eligibility.

Sec. 744. Demonstration program to train military medical personnel in civilian shock trauma units.
Sec. 745. Study regarding Department of Defense efforts to determine appropriate force levels of wartime medical personnel.
Sec. 746. Study regarding expanded mental health services for certain covered beneficiaries.
Sec. 747. Report on improved access to military health care for covered beneficiaries entitled to Medicare.
Sec. 748. Sense of Congress on continuity of health care services for covered beneficiaries adversely affected by closures of military medical treatment facilities.

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

Subtitle A—Competition

Sec. 801. Competition provisions.
Sec. 802. Preaward debriefings.
Sec. 803. Contract types.

Subtitle B—Commercial Items

Sec. 811. Commercial item exception to requirement for cost or pricing data and information limitations.
Sec. 812. Application of simplified procedures to commercial items.
Sec. 813. Amendment to definition of commercial items.
Sec. 814. Inapplicability of cost accounting standards to contracts and subcontracts for commercial items.

Subtitle C—Additional Reform Provisions

Sec. 821. Repeals of certain procurement provisions.
Sec. 822. Fees for certain testing services.
Sec. 823. Testing of defense acquisition programs.
Sec. 824. Coordination and communication of defense research activities.
Sec. 825. Addition of certain items to domestic source limitation.
Sec. 826. Revisions to procurement notice provisions.
Sec. 827. Encouragement of use of leasing authority.
Sec. 828. Government reliance on the private sector.
Sec. 829. Elimination of certain certification requirements.
Sec. 830. Amendment to commencement and expiration of authority to conduct certain tests of procurement procedures.
Sec. 831. Procurement integrity.
Sec. 832. Further acquisition streamlining provisions.
Sec. 833. Justification of major defense acquisition programs not meeting goals.
Sec. 834. Enhanced performance incentives for acquisition workforce.
Sec. 835. Results oriented acquisition program cycle.
Sec. 836. Rapid contracting goal.
Sec. 837. Encouragement of multiyear contracting.
Sec. 838. Contractor share of gains and losses from cost, schedule, and performance experience.
Sec. 839. Phase funding of defense acquisition programs.
Sec. 840. Improved Department of Defense contract payment procedures.
Sec. 841. Consideration of past performance in assignment to acquisition positions.

Sec. 842. Value engineering for Federal agencies.
Sec. 843. Acquisition workforce.
Sec. 844. Cost reimbursement rules for indirect costs attributable to private sector work of defense contractors.

Subtitle D—Streamlining of Dispute Resolution

PART I—GENERAL PROVISIONS

Sec. 850. Definitions.

PART II—ESTABLISHMENT OF THE UNITED STATES BOARD OF CONTRACT APPEALS

Sec. 851. Establishment.
Sec. 852. Membership.
Sec. 853. Chairman.
Sec. 854. Rulemaking authority.
Sec. 855. Litigation authority.
Sec. 856. Seal of Board.
Sec. 857. Authorization of appropriations.

PART III—FUNCTIONS OF UNITED STATES BOARD OF CONTRACT APPEALS

Sec. 861. Alternative dispute resolution services.
Sec. 862. Alternative dispute resolution of disputes and protests submitted to Board.
Sec. 863. Contract disputes.
Sec. 864. Protests.
Sec. 865. Applicability to contracts for commercial items.

PART IV—REPEAL OF OTHER STATUTES AUTHORIZING ADMINISTRATIVE PROTESTS

Sec. 871. Repeals.

PART V—TRANSFERS AND TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

Sec. 881. Transfer and allocation of appropriations and personnel.
Sec. 882. Terminations and savings provisions.
Sec. 883. Contract dispute authority of Board.
Sec. 884. References to agency boards of contract appeals.
Sec. 885. Conforming amendments.

PART VI—EFFECTIVE DATE; INTERIM APPOINTMENT AND RULES

Sec. 891. Effective date.
Sec. 892. Interim appointment.
Sec. 893. Interim rules.

Subtitle E—Effective Dates and Implementation

Sec. 895. Effective date and applicability.
Sec. 896. Implementing regulations.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Reorganization of Office of the Secretary of Defense.
Sec. 902. Restructuring of Department of Defense acquisition organization and workforce.
Sec. 903. Plan for incorporation of Department of Energy national security functions in Department of Defense.
Sec. 904. Change in titles of certain Marine Corps general officer billets resulting from reorganization of the Headquarters, Marine Corps.
Sec. 905. Inclusion of Information Resources Management College in the National Defense University.
Sec. 906. Employment of civilians at the Asia-Pacific Center for Security Studies.
Sec. 907. Continued operation of Uniformed Services University of the Health Sciences.
Sec. 908. Redesignation of Advanced Research Projects Agency.
Sec. 909. Naval Nuclear Propulsion Program.
Sec. 910. Aviation testing consolidation.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of Classified Annex.
Sec. 1003. Improved funding mechanisms for unbudgeted operations.
Sec. 1004. Designation and liability of disbursing and certifying officials.
Sec. 1005. Authority for obligation of certain unauthorized fiscal year 1995 defense appropriations.
Sec. 1006. Authorization of prior emergency supplemental appropriations for fiscal year 1995.
Sec. 1007. Prohibition of incremental funding of procurement items.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Contract options for LMSR vessels.
Sec. 1022. Vessels subject to repair under phased maintenance contracts.
Sec. 1023. Clarification of requirements relating to repairs of vessels.
Sec. 1024. Naming of naval vessel.
Sec. 1025. Transfer of riverine patrol craft.

Subtitle C—Other Matters

Sec. 1031. Termination and modification of authorities regarding national defense technology and industrial base, defense reinvestment, and defense conversion programs.
Sec. 1032. Repeal of miscellaneous provisions of law.
Sec. 1033. Policy concerning excess defense industrial capacity.
Sec. 1034. ROTC access to campuses.
Sec. 1035. Application of Buy American Act principles.

TITLE XI—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

Sec. 1101. Specification of Cooperative Threat Reduction programs.
Sec. 1102. Fiscal year 1996 authorization.
Sec. 1103. Repeal of demilitarization enterprise fund authority.
Sec. 1104. Prohibition on use of funds for peacekeeping exercises and related activities with Russia.

Sec. 1105. Revision to authority for assistance for weapons destruction.
Sec. 1106. Prior notice to Congress of obligation of funds.
Sec. 1107. Report on accounting for United States assistance.
Sec. 1108. Limitation on Cooperative Threat Reduction program relating to offensive biological weapons program in Russia.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Peacekeeping Provisions

Sec. 1201. Limitation on expenditure of Department of Defense funds for United States forces placed under United Nations command or control.
Sec. 1202. Limitation on use of Department of Defense funds for United States share of costs of United Nations peacekeeping activities.

Subtitle B—Humanitarian Assistance Programs

Sec. 1211. Overseas Humanitarian, Disaster, and Civic Aid programs.
Sec. 1212. Humanitarian assistance.
Sec. 1213. Landmine clearance program.

Subtitle C—Other Matters

Sec. 1221. Revision of definition of landmine for purposes of landmine export moratorium.
Sec. 1222. Extension and amendment of counterproliferation authorities.
Sec. 1223. Prohibition on use of funds for activities associated with the United States-People's Republic of China Joint Defense Conversion Commission.
Sec. 1224. Defense export loan guarantees.
Sec. 1225. Accounting for burdensharing contributions.
Sec. 1226. Authority to accept contributions for expenses of relocation within host nation of United States Armed Forces overseas.
Sec. 1227. Sense of Congress on ABM treaty violations.
Sec. 1228. Reduction of United States military forces in Europe.
Sec. 1229. Sense of Congress concerning unilateral implementation of Start II Treaty.
Sec. 1230. Sense of the Congress regarding the Chemical Weapons Convention.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

TITLE XXII—NAVY

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

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Retention of accrued interest on funds deposited for construction of family housing, Scott Air Force Base, Illinois.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing private investment.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out fiscal year 1995 projects.
Sec. 2407. Limitation on expenditures for construction project at Umatilla Army Depot, Oregon.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

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

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Correction in authorized uses of funds for Army National Guard projects in Mississippi.

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 1993 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Alternative means of acquiring and improving military family housing and supporting facilities for the Armed Forces.
Sec. 2802. Inclusion of other Armed Forces in Navy program of limited partnerships with private developers for military housing.
Sec. 2803. Special unspecified minor construction thresholds for projects to correct life, health, and safety deficiencies and clarification of unspecified minor construction authority.
Sec. 2804. Disposition of amounts recovered as a result of damage to real property.
Sec. 2805. Rental of family housing in foreign countries.

Sec. 2806. Pilot program to provide interest rate buy down authority on loans for housing within housing shortage areas at military installations.

Subtitle B—Base Closure and Realignment

Sec. 2811. Authority to transfer property at military installations to be closed to persons who construct or provide military family housing.
Sec. 2812. Deposit of proceeds from leases of property located at installations being closed or realigned.
Sec. 2813. Agreements for certain services at installations being closed.
Sec. 2814. Removal of base closure properties from application of section 501 of the Stewart B. McKinney Homeless Assistance Act.

Subtitle C—Land Conveyances Generally

Sec. 2821. Transfer of jurisdiction, Fort Sam Houston, Texas.
Sec. 2822. Land acquisition or exchange, Shaw Air Force Base, Sumter, South Carolina.
Sec. 2823. Transfer of certain real property at Naval Weapons Industrial Reserve Plant, Calverton, New York, for use as national cemetery.
Sec. 2824. Land conveyance, Fort Ord, California.
Sec. 2825. Land conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana.
Sec. 2826. Land conveyance, Naval Air Station, Pensacola, Florida.
Sec. 2827. Land conveyance, Avon Park Air Force Range, Sebring, Florida.
Sec. 2828. Land conveyance, Parks Reserve Forces Training Area, Dublin, California.
Sec. 2829. Land conveyance, Holston Army Ammunition Plant, Mount Carmel, Tennessee.
Sec. 2830. Land conveyance, Naval Weapons Industrial Reserve Plant, McGregor, Texas.
Sec. 2831. Transfer of jurisdiction and land conveyance, Fort Devens Military Reservation, Massachusetts.
Sec. 2832. Land conveyance, Elmendorf Air Force Base, Alaska.
Sec. 2833. Land conveyance alternative to existing lease authority, Naval Supply Center, Oakland, California.
Sec. 2834. Land conveyance, Army Reserve Center, Youngstown, Ohio.
Sec. 2835. Modification of land conveyance, Naval Weapons Industrial Reserve Plant, Calverton, New York.
Sec. 2836. Land exchange, Fort Lewis, Washington.
Sec. 2837. Modification of existing land conveyance, Hamilton Air Force Base.
Sec. 2838. Transfer of jurisdiction, Fort Bliss, Texas.

Subtitle D—Land Conveyances Involving Utilities

Sec. 2841. Conveyance of resource recovery facility, Fort Dix, New Jersey.
Sec. 2842. Conveyance of water and wastewater treatment plants, Fort Gordon, Georgia.
Sec. 2843. Conveyance of electrical distribution system, Fort Irwin, California.

Subtitle E—Other Matters

Sec. 2851. Expansion of authority to sell electricity.
Sec. 2852. Authority for Mississippi State Port Authority to use Navy property at Naval Construction Battalion Center, Gulfport, Mississippi.

Sec. 2853. Prohibition on joint civil aviation use of Naval Air Station Miramar, California.
Sec. 2854. Report regarding Army water craft support facilities and activities.

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. Weapons activities.
Sec. 3102. Environmental restoration and waste management.
Sec. 3103. Payment of penalties.
Sec. 3104. Other defense activities.
Sec. 3105. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on general plant projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Authority to conduct program relating to fissile materials.
Sec. 3132. National Ignition Facility.
Sec. 3133. Tritium production.

Subtitle D—Other Matters

Sec. 3141. Report on foreign tritium purchases.
Sec. 3142. Study on nuclear test readiness postures.
Sec. 3143. Master plan on warheads in the enduring stockpile.
Sec. 3144. Prohibition on international inspections of Department of Energy facilities unless protection of restricted data is certified.
Sec. 3145. Accelerated schedule for environmental management activities.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Fiscal year 1996 authorized uses of stockpile funds.
Sec. 3302. Preference for domestic upgraders in disposal of chromite and manganese ores and chromium ferro and manganese metal electrolytic.

Sec. 3303. Restrictions on disposal of manganese ferro.
Sec. 3304. Titanium initiative to support battle tank upgrade program.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1996.
Sec. 3403. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).
Sec. 3404. Study regarding future of naval petroleum reserves (other than Naval Petroleum Reserve Numbered 1).

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

Sec. 3501. Short title.
Sec. 3502. Authorization of expenditures.
Sec. 3503. Expenditures in accordance with other laws.

Subtitle B—Reconstitution of Commission as Government Corporation

Sec. 3521. Short title.
Sec. 3522. Reconstitution of commission as government corporation.
Sec. 3523. Supervisory board.
Sec. 3524. International advisors.
Sec. 3525. General and specific powers of commission.
Sec. 3526. Congressional review of budget.
Sec. 3527. Audits.
Sec. 3528. Prescription of measurement rules and rates of tolls.
Sec. 3529. Procedures for changes in rules of measurement and rates of tolls.
Sec. 3530. Miscellaneous technical amendments.
Sec. 3531. Conforming amendment to title 31, United States Code.

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 National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Army as follows:

(1) For aircraft, $1,423,067,000.

(2) For missiles, $862,830,000.

(3) For weapons and tracked combat vehicles, $1,359,664,000.

(4) For ammunition, $1,062,715,000.

(5) For other procurement, $2,545,587,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Navy as follows:

(1) For aircraft, $4,106,488,000.

(2) For weapons, including missiles and torpedoes, $1,626,411,000.

(3) For shipbuilding and conversion, $6,227,958,000.

(4) For other procurement, $2,461,472,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Marine Corps in the amount of $399,247,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for Navy and the Marine Corps in the amount of $461,779,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Air Force as follows:

(1) For aircraft, $7,031,952,000.

(2) For missiles, $3,430,083,000.

(3) For ammunition, $321,328,000.

(4) For other procurement, $6,784,801,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1996 for Defense-wide procurement in the amount of $2,205,917,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $150,000,000.

(2) For the Air National Guard, $227,800,000.

(3) For the Army Reserve, $84,300,000.

(4) For the Naval Reserve, $86,000,000.

(5) For the Air Force Reserve, $171,200,000.

(6) For the Marine Corps Reserve, $50,700,000.

SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated for fiscal year 1996 the amount of $746,698,000 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.

(b) ALLOCATION.—Of the funds specified in subsection (a)—

(1) $393,850,000 is for operations and maintenance;

(2) $299,448,000 is for procurement; and

(3) $53,400,000 is for research and development.

Subtitle B—Army Programs

SEC. 111. PROCUREMENT OF HELICOPTERS.

The prohibition in section 133(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) does not apply to the obligation of funds in amounts not to exceed $125,000,000 for the procurement of not more than 20 OH–58D AHIP Scout aircraft from funds appropriated for fiscal year 1996 pursuant to section 101.

SEC. 112. REPEAL OF REQUIREMENTS FOR ARMORED VEHICLE UPGRADES.

Subsection (j) of section 21 of the Arms Export Control Act (22 U.S.C. 2761) is repealed.

Subtitle C—Navy Programs

SEC. 131. REPEAL OF PROHIBITION ON BACKFIT OF TRIDENT SUBMARINES.

Section 124 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2683) is repealed.

SEC. 132. REPEAL OF LIMITATION ON TOTAL COST FOR SSN–21 AND SSN–22 SEAWOLF SUBMARINES.

Section 122 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2682) is repealed.

SEC. 133. COMPETITION REQUIRED FOR SELECTION OF SHIPYARDS FOR CONSTRUCTION OF VESSELS FOR NEXT GENERATION ATTACK SUBMARINE PROGRAM.

(a) COMPETITION REQUIRED.—The Secretary of the Navy shall select on a competitive basis the shipyard for construction of each vessel for the next generation attack submarine program.

(b) PROGRAM IDENTIFIED.—The next generation attack submarine program shall begin with the first submarine for which the Secretary of the Navy enters into a contract for construction after the submarine that is programmed to be constructed using funds appropriated for fiscal year 1998.

SEC. 134. SONOBUOY PROGRAMS.

Of the amount provided in section 102(a)(4)—

(1) none of such amount shall be available for the AN/SSQ–53 (DIFAR) program; and

(2) $8,902,000 shall be available for the AN/SSQ–110 (EER) program.

Subtitle D—Air Force Programs

SEC. 141. REPEAL OF LIMITATIONS.

The following provisions of law are repealed:

(1) Section 112 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1373).

(2) Section 151(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2339).

(3) Sections 131(c) and 131(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1569).

(4) Section 133(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2688).

Subtitle E—Chemical Demilitarization Program

SEC. 151. REPEAL OF REQUIREMENT TO PROCEED EXPEDITIOUSLY WITH DEVELOPMENT OF CHEMICAL DEMILITARIZATION CRYOFRACTURE FACILITY AT TOOELE ARMY DEPOT, UTAH.

Subsection (a) of section 173 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1393) is repealed.

SEC. 152. SENSE OF CONGRESS REGARDING COST GROWTH IN PROGRAM FOR DESTRUCTION OF THE EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS.

The Congress is concerned that growth in the estimated cost of the program to demilitarize the United States' stockpile of lethal chemical agents and munitions raises serious questions regarding that program. Accordingly, it is the sense of Congress that the Secretary of Defense should consider measures to reduce the overall cost of the chemical stockpile demilitarization program, while minimizing total risk and ensuring the maximum protection for the environment, the general public, and the personnel involved in the destruction of lethal chemical agents and munitions.

SEC. 153. ASSISTANCE FOR CHEMICAL WEAPONS STOCKPILE COMMUNITIES AFFECTED BY BASE CLOSURE.

The Secretary of Defense shall review and evaluate issues associated with closure and reutilization of Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations. The review shall include analysis of the economic impacts on these communities and the unique reuse problems facing local communities associated with ongoing chemical weapons programs. The review should also include rec-

ommendations from the Secretary on methods for expeditious and cost-effective transfer of these facilities to local communities for base reuse or privatization. The Secretary shall submit to Congress a report on the review and evaluation not later than 90 days after the date of the enactment of this Act.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,774,947,000.

(2) For the Navy, $8,516,509,000.

(3) For the Air Force, $13,184,102,000.

(4) For Defense-wide activities, $9,548,986,000, of which $239,341,000 is authorized for the activities of the Director, Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1996.—Of the amounts authorized to be appropriated by section 201, $4,181,076,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research and exploratory development'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. MODIFICATIONS TO STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM.

(a) PURPOSES OF PROGRAM.—Section 2901(b) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out ''and the Department of Energy''; and

(B) by striking out ''their'' and inserting in lieu thereof ''its'';

(2) by striking out paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) COUNCIL.—Section 2902 of such title is amended—

(1) in subsection (b)—

(A) by striking out ''thirteen'' and inserting in lieu thereof ''12'';

(B) by striking out paragraph (3);

(C) by redesignating paragraphs (4), (5), (6), (7), (8), (9), and (10) as paragraphs (3), (4), (5), (6), (7), (8), and (9), respectively; and

(D) in paragraph (8), as redesignated, by striking out '', who shall be nonvoting members'';

(2) in subsection (d)—

(A) by striking out paragraph (3);

(B) by redesignating paragraph (4) as paragraph (3) and in that paragraph by striking out ''Federal Coordinating Council on Science, Engineering, and Technology'' and inserting in lieu thereof ''National Science and Technology Council''; and

(C) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(3) in subsection (e)—

(A) by striking out paragraphs (1), (2), and (3);

(B) by redesignating paragraphs (4), (5), (6), (7), (8), (9), and (10) as paragraphs (1), (2), (3), (4), (5), (6), and (7) respectively;

(C) in paragraph (2), as redesignated, by striking out ''such national and international environmental problems as climate change and ozone depletion'' and inserting in lieu thereof ''national and international environmental problems''; and

(D) in paragraph (4), as redesignated, by striking out ''clauses (2) through (6)'' and inserting in lieu thereof ''paragraphs (1) through (3)'';

(4) by striking out subsections (f) and (h); and

(5) by redesignating subsection (g) as subsection (f).

(c) COMPETITIVE PROCEDURES.—Section 2903(c) of such title is amended—

(1) by striking out ''or'' after ''contracts'' and inserting in lieu thereof ''using competitive procedures. The Executive Director may enter into''; and

(2) by striking out ''law, except that'' and inserting in lieu thereof ''law. In either case,''.

(d) SCIENTIFIC ADVISORY BOARD.—Section 2904 of such title is amended—

(1) in subsection (a)—

(A) by striking out ''and the Secretary of Energy''; and

(B) by inserting after ''in consultation with'' the following: ''the Secretary of Energy and'';

(2) in subsection (b)—

(A) by striking out paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3) and in that paragraph by striking out ''three'' and inserting in lieu thereof ''not less than two years and not more than six'';

(3) by striking out subsections (g) and (h); and

(4) by redesignating subsection (i) as subsection (g).

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. SPACE LAUNCH MODERNIZATION.

(a) ALLOCATION OF FUNDS.—Of the amount appropriated pursuant to the authorization in section 201(3)—

(1) $100,000,000 shall be available for a competitive reusable rocket technology program (PE 63401F); and

(2) $7,500,000 shall be available for evaluation of prototype hardware of low-cost expendable launch vehicles (PE 63401F).

(b) LIMITATION.—Funds made available pursuant to subsection (a)(1) may be obligated only to the extent that the fiscal year 1996 current operating plan of the National Aeronautics and Space Administration allocates at least an equal amount for its Reusable Space Launch program.

SEC. 212. MANEUVER VARIANT UNMANNED AERIAL VEHICLE.

None of the amounts appropriated or otherwise made available pursuant to the authorizations in section 201 may be obligated for the Maneuver Variant Unmanned Aerial Vehicle.

SEC. 213. TACTICAL MANNED RECONNAISSANCE.

None of the amounts appropriated or otherwise made available pursuant to an authorization in this Act may be used by the Secretary of the Air Force to conduct research, development, test, or evaluation for a replacement aircraft, pod, or sensor payload for the tactical manned reconnaissance mission.

SEC. 214. ADVANCED LITHOGRAPHY PROGRAM.

Section 216 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2693) is amended—

(1) in subsection (a), by striking out ''to help achieve'' and all that follows through the end of the subsection and inserting in lieu thereof ''to ensure that lithographic processes being developed by American-owned manufacturers operating in the United States will lead to superior performance electronics systems for the Department of Defense. For purposes of the preceding sentence, the term 'American-owned manufacturers' means a manufacturing company or other business entity the majority ownership or control of which is by United States citizens.''; and

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

''(3) The Director of the Defense Advanced Research Projects Agency may set priorities and funding levels for various technologies being developed for the ALP and shall consider funding recommendations by the SIA as advisory.''.

SEC. 215. ENHANCED FIBER OPTIC GUIDED MISSILE SYSTEM.

(a) CERTIFICATION.—Not later than December 1, 1995, the Secretary of the Army shall certify to the congressional defense committees whether there is a requirement for the enhanced fiber optic guided missile (EFOG-

M) system and whether there is a cost and effectiveness analysis supporting such requirement.

(b) LIMITATIONS.—(1) The Secretary of the Army may not obligate more than $280,000,000 (based on fiscal year 1995 constant dollars) to develop and deliver for test and evaluation by the Army the following items:

(A) 44 EFOG-M test missiles.

(B) 256 fully operational EFOG-M missiles.

(C) 12 fully operational fire units.

(2) The Secretary of the Army may not spend funds for the EFOG-M system after September 30, 1998, if the items described in paragraph (1) have not been delivered to the Army by that date at the cost estimated for such system as of the date of the enactment of this Act.

(c) GOVERNMENT-FURNISHED EQUIPMENT.—The Secretary of the Army shall assure that all Government-furnished equipment that the Army agrees to provide under the contract for the EFOG-M system is provided to the prime contractor in accordance with the terms of the contract.

SEC. 216. JOINT ADVANCED STRIKE TECHNOLOGY (JAST) PROGRAM.

(a) ALLOCATION OF FUNDS.—Of the amount appropriated pursuant to the authorizations in section 201,

$280,156,000 shall be available for the Joint Advanced Strike Technology (JAST) program. Of that amount—

(1) $123,795,000 shall be available for PE 63800N;

(2) $125,686,000 shall be available for PE 63800F; and

(3) $30,675,000 shall be available for PE 63800E.

(b) LIMITATION.—Not more than 75 percent of the amount appropriated for such program pursuant to the authorizations in section 201 may be obligated until a period of 30 days has expired after the report specified in subsection (c) is submitted to the congressional defense committees.

(c) REPORT.—The Secretary of Defense shall submit to the congressional defense committees a report, in unclassified and classified form, not later than March 1, 1996, that sets forth in detail the following information for the period 1997 through 2005:

(1) What the total joint requirement, under two major regional contingency (MRC) assumptions, is for the following:

(A) Numbers of tactical combat aircraft and the characteristics required of those air-

craft in terms of capabilities, range, and observability-stealthiness.

(B) Surface- and air-launched standoff precision guided munitions.

(C) Cruise missiles.

(D) Ground-based systems, such as Extended Range-Multiple Launch Rocket System and the Army Tactical Missile System (ATACMS), for joint warfighting capability.

(2) What the major regional contingency warning time assumptions are, and what the effect on future tactical fighter/attack aircraft requirements are using other warning time assumptions.

(3) What requirements exist for the Joint Advanced Strike Technology program that cannot be met by existing aircraft or by those in development.

SEC. 217. DEVELOPMENT OF LASER PROGRAM.

(a) LASER PROGRAM.—The amount authorized for appropriation by section 201 is hereby increased by $9,000,000, to be used for the development by the Naval High Energy Laser Office of a continuous wave, superconducting radio frequency free electron laser program.

(b) OFFSET.—The amount authorized by section 201 is hereby reduced by $9,000,000, of which—

(1) $7,000,000 shall be derived from amounts authorized for experimental evaluation of major innovative technologies (PE 63226E); and

(2) $2,000,000 shall be derived from amounts authorized for the space test program (PE 63402F).

Subtitle C—Ballistic Missile Defense Act of 1995

SEC. 231. SHORT TITLE.

This subtitle may be cited as the ''Ballistic Missile Defense Act of 1995''.

SEC. 232. BALLISTIC MISSILE DEFENSE POLICY OF THE UNITED STATES.

It is the policy of the United States—

(1) to deploy at the earliest practical date highly effective theater missile defenses (TMDs) to protect forward-deployed and expeditionary elements of the Armed Forces of the United States and to complement and support the missile defense capabilities of friendly forces and of allies of the United States; and

(2) to deploy at the earliest practical date a national missile defense (NMD) system that is capable of providing a highly effective defense of the United States against limited ballistic missile attacks.

SEC. 233. IMPLEMENTATION OF POLICY.

(a) TMD DEPLOYMENT.—To implement the policy established in section 232(1), the Secretary of Defense shall develop and deploy at the earliest practical date advanced theater missile defense (TMD) systems.

(b) NMD SYSTEM ARCHITECTURE.—To implement the policy established in section 232(2), the Secretary of Defense shall develop for deployment at the earliest practical date an affordable, operationally-effective National Missile Defense (NMD) system designed to protect the United States against limited ballistic missile attacks. The system to be developed for deployment shall include the following:

(1) Up to 100 ground-based interceptors at a single site or a greater number of interceptors at a number of sites, as determined necessary by the Secretary.

(2) Fixed, ground-based radars.

(3) Space-based sensors, including, within the type of space-based sensors known as ABM-adjunct sensors (such sensors not being prohibited by the ABM Treaty), those sensor systems (such as the Space and Missile Tracking System) that are capable of cuing ground-based anti-ballistic missile interceptors and of providing initial targeting vectors.

(4) Battle management, command, control, and communications.

(c) REPORT ON PLAN FOR DEPLOYMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the Secretary's plan for—

(1) the deployment of advanced theater missile defense (TMD) systems pursuant to subsection (a); and

(2) the deployment of a national missile defense system which meets the requirements specified in subsection (b).

SEC. 234. FOLLOW-ON TECHNOLOGIES RESEARCH AND DEVELOPMENT.

(a) FOLLOW-ON NATIONAL AND THEATER MISSILE DEFENSE TECHNOLOGY.—The Secretary shall pursue research and development of technologies and systems related to national missile defense and theater missile defense in order to provide future options for—

(1) protecting the United States against limited ballistic missile attacks; and

(2) defending forward-deployed and expeditionary elements of the Armed Forces of the United States and complementing and supporting the mis-

sile defense capabilities of friendly forces and allies of the United States.

(b) EXCLUSION OF CERTAIN SYSTEMS FROM INITIAL DEPLOYMENT.—The initial National Missile Defense system architecture developed for deployment pursuant to section 233(b) may not include—

(1) ground-based or space-based directed energy weapons; or

(2) space-based interceptors.

SEC. 235. POLICY ON COMPLIANCE WITH THE ABM TREATY.

(a) POLICY CONCERNING SYSTEMS SUBJECT TO ABM TREATY.—Congress finds that, unless and until a missile defense system, system upgrade, or system component is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), such system, system upgrade, or system component—

(1) has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles; and

(2) therefore is not subject to any application, limitation, or obligation under the ABM Treaty.

(b) PROHIBITIONS.—(1) Funds appropriated to the Department of Defense may not be obligated or expended for the purpose of—

(A) prescribing, enforcing, or implementing any Executive order, regulation, or policy that would apply the ABM Treaty (or any limitation or obligation under such Treaty) to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component; or

(B) taking any other action to provide for the ABM Treaty (or any limitation or obligation under such Treaty) to be applied to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component.

(2) This subsection applies with respect to each missile defense system, missile defense system upgrade, or missile defense system component that is capable of countering modern theater ballistic missiles.

(3) This subsection shall cease to apply with respect to a missile defense system, missile defense system upgrade, or missile defense system component when that system, system upgrade, or system component has been flight tested in an ABM-qualifying flight test.

(c) ABM-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM-qualifying flight test is a flight test against a ballistic missile which, in that

flight test, exceeds (1) a range of 3,500 kilometers, or (2) a velocity of 5 kilometers per second.

SEC. 236. BALLISTIC MISSILE DEFENSE PROGRAM ACCOUNTABILITY.

(a) ANNUAL BMD PROGRAMS REPORT.—The Secretary of Defense shall submit to the congressional defense committees an annual report describing the technical milestones, schedule, and cost of each ballistic missile defense program specified in subsection (c).

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall list all technical milestones, program schedule milestones, and costs of each phase of development and acquisition, together with total estimated program costs, covering the entire life of each program specified in subsection (c).

(c) COVERED PROGRAMS.—The reports under this section shall cover the following programs:

(1) Theater High Altitude Area Defense (THAAD).

(2) Patriot Advanced Capability-3.

(3) Navy Lower Tier.

(4) Navy Upper Tier.

(5) Corps Surface-to-Air Missile.

(6) Hawk.

(7) Boost Phase Intercept.

(8) National Missile Defense.

(9) Arrow.

(10) Medium Extended Air Defense.

(11) Any theater missile defense program or national missile defense program which the Department of Defense initiates after the date of the enactment of this Act.

(d) VARIANCE REPORTING REQUIREMENTS.—(1) In the annual report under this section, the Secretary shall describe, with respect to each program covered in the report, any difference in the technical milestones, program schedule milestones, and costs for that program—

(A) compared with the information relating to that program in the report submitted in the previous year; and

(B) compared with the information relating to that program in the first report submitted under this section in which that program is covered.

(2) Paragraph (1)(A) shall not apply to the first report submitted under this section.

(e) DATE OF SUBMISSION.—The report required by this section for any year shall be submitted not later than 30 days after the date on which the President's budget for the next fiscal year is submitted, except that the first

report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 237. ABM TREATY DEFINED.

For purposes of this subtitle and subtitle D, the term ''ABM Treaty'' means the Treaty Between the United States and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, and signed at Moscow on May 26, 1972, and includes Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 238. REPEAL OF MISSILE DEFENSE ACT OF 1991.

The Missile Defense Act of 1991 is repealed.

Subtitle D—Other Ballistic Missile Defense Provisions

SEC. 241. BALLISTIC MISSILE DEFENSE FUNDING FOR FISCAL YEAR 1996.

Of the amounts authorized to be appropriated pursuant to section 201 for fiscal year 1996 or otherwise made available to the Department of Defense for fiscal year 1996, not more than $3,070,199,000 may be obligated for Ballistic Missile Defense programs.

SEC. 242. POLICY CONCERNING BALLISTIC MISSILE DEFENSE.

(a) BALLISTIC MISSILE DEFENSE AND OTHER COUNTERPROLIFERATION EFFORTS.—The Congress views the deployment of ballistic missile defenses as a nec-

essary, but not sufficient, element of a broader strategy to discourage both the proliferation of weapons of mass destruction and the proliferation of means of their delivery and to defend against the consequences of such proliferation. The Congress, therefore, endorses and supports measures designed to slow or halt the proliferation of advanced technologies that pose a threat to the safety and security of the United States and to international stability.

(b) BALLISTIC MISSILE DEFENSE AND STRATEGIC STABILITY.—(1) The Congress views the deployment of ballistic missile defenses as a strategically stabilizing measure.

(2) The deployment of Theater Missile Defense systems at the earliest practical date pursuant to section 232(a)(1) will deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The deployment of a National Missile Defense system at the earliest practical date pursuant to section 232(a)(2) against the threat of limited ballistic missile attacks—

(A) will strengthen deterrence at the levels of forces agreed to by the United States and Russia under the Strategic Arms Reduction Talks Treaties (START–I and START–II); and

(B) would further strengthen deterrence if reductions below the levels permitted under START–II should be agreed to in the future.

(c) PRESIDENTIAL DISCUSSIONS WITH OTHER NATIONS.—(1) The Congress—

(A) notes that on the basis of section 235 it is no longer necessary for the United States to continue discussions with Russia to clarify the distinction between ABM and TMD systems and, therefore, urges the President to discontinue any such discussions;

(B) notes that the ABM Treaty prohibits deployment of ground-based interceptors in a number that would be sufficient to assure that the entire continental United States, Alaska, and Hawaii are defended against limited ballistic missile attacks; and

(C) notes that past discussions with Russia, based on Russian President Yeltsin's proposal for a Global Protection System, held promise of an agreement to amend the ABM Treaty to allow defense

against a limited ballistic missile attack that would have included (among other measures) permitted deployment of as many as four ground-based interceptor sites in addition to the one site currently permitted under the ABM Treaty and unrestricted exploitation of ground-based and space-based sensors.

(2) In light of the findings in paragraph (1), Congress urges the President to pursue high-level discussions with Russia to amend the ABM Treaty to permit—

(A) deployment of the number of ground-based ABM sites necessary to provide effective defense of the entire territory of the United States against limited ballistic missile attack; and

(B) the unrestricted exploitation of sensors based within the atmosphere and in space.

(3) It is in the interest of the United States to develop its own missile defense capabilities in a manner that will permit the United States to complement and support the missile defense capabilities developed and deployed by its allies and possible coalition partners. Therefore, the Congress urges the President—

(A) to pursue high-level discussions with allies and selected other states on the means and methods by which the parties on a bilateral basis can cooper-

ate in the development, deployment, and operation of ballistic missile defenses;

(B) to take the initiative within the North Atlantic Treaty Organization to develop consensus in the Alliance for a timely deployment of effective ballistic missile defenses by the Alliance; and

(C) in the interim, to seek agreement with allies and selected other states on steps the parties should take, consistent with their national interests, to reduce the risks posed by the threat of limited ballistic missile attacks, such steps to include—

(i) the sharing of early warning information derived from sensors deployed by the United States and other states;

(ii) the exchange on a reciprocal basis of technical data and technology to support both joint development programs and the sale and purchase of missile defense systems and components; and

(iii) operational level planning to exploit current missile defense capabilities and to help define future requirements.

SEC. 243. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

Subsection (a) of section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1600) is amended to read as follows:

''(a) TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.—(1) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation.

''(2) In order to be certified under paragraph (1) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptors program must have included flight tests—

''(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

''(B) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

''(3) For purposes of this subsection, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant

to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

''(4) The number of flight tests described in paragraph (2) that are required in order to make the certification under paragraph (1) shall be a number determined by the Secretary of Defense to be sufficient for the purposes of this section.

''(5) The Secretary may augment live-fire testing to demonstrate weapons system performance goals for purposes of the certification under paragraph (1) through the use of modeling and simulation that is validated by ground and flight testing.''.

SEC. 244. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(2) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(3) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(4) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(5) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(6) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

Subtitle E—Other Matters

SEC. 251. ALLOCATION OF FUNDS FOR MEDICAL COUNTERMEASURES AGAINST BIOWARFARE THREATS.

Section 2370a of title 10, United States Code, is amended—

(1) in subsection (a), by striking out ''Department of Defense—'' and all that follows through ''not more than 20 percent'' and inserting in lieu thereof ''Department of Defense, not more than 50 percent''; and

(2) in subsection (b), by striking out paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 252. ANALYSIS OF CONSOLIDATION OF BASIC RESEARCH ACCOUNTS OF MILITARY DEPARTMENTS.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall conduct an analysis of the cost and effectiveness of consolidating the basic research accounts of the military departments. The analysis shall determine potential infrastructure savings and other benefits of co-locating and consolidating the management of basic research.

(b) DEADLINE.—On or before March 1, 1996, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the analysis conducted under subsection (a).

SEC. 253. CHANGE IN REPORTING PERIOD FROM CALENDAR YEAR TO FISCAL YEAR FOR ANNUAL REPORT ON CERTAIN CONTRACTS TO COLLEGES AND UNIVERSITIES.

Section 2361(c)(2) of title 10, United States Code, is amended—

(1) by striking out ''calendar year'' and inserting in lieu thereof ''fiscal year''; and

(2) by striking out ''after the year'' and inserting in lieu thereof ''after the fiscal year''.

SEC. 254. MODIFICATION TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701) is amended—

(1) in subsections (a) and (b), by striking out ''shall'' both places it appears and inserting in lieu thereof ''may''; and

(2) in subsection (e), by striking out the sentence beginning with ''Such selection process''.

SEC. 255. ADVANCED FIELD ARTILLERY SYSTEM (CRUSADER).

(a) AUTHORITY TO USE FUNDS FOR ALTERNATIVE PROPELLANT TECHNOLOGIES.—During fiscal year 1996, the Secretary of the Army may use funds appropriated for the liquid propellant portion of the Advanced Field Artillery System (Crusader) program for fiscal year 1996 for alternative propellant technologies and integration of those technologies into the design of the Crusader system if—

(1) the Secretary determines that the technical risk associated with liquid propellant will increase costs and delay the initial operational capability of the Crusader system; and

(2) the Secretary notifies the congressional defense committees of the proposed use of the funds and the reasons for the proposed use of the funds.

(b) LIMITATION.—The Secretary of the Army may not spend funds for the liquid propellant portion of the Crusader system after August 1, 1996, unless significant progress has been made toward meeting the objectives set forth in subsection (c) and the statement described in subsection (d) has been submitted to the congressional defense committees.

(c) OBJECTIVES.—The objectives referred to in subsection (b) are the following:

(1) Breech and ignition design criteria for rate of fire for the cannon of the Crusader system have been met.

(2) The final ignition concept has been designed and successfully bench tested for the next prototype of the cannon of the Crusader system.

(3) Designs to prevent chamber piston reversals have been tested in a fixed weapons test stand.

(4) The chemistry and physics of propellant burn resulting from the firing of liquid propellant into any target zone are fully understood, and predictable firings have been demonstrated.

(5) An analysis of the management of heat dissipation has been made for the full range of performance requirements for the cannon, and concept designs supported by that analysis are completed and proposed for engineering.

(6) Engineering designs to control pressure oscillations in the chamber during firing are proven and planned for integration into the next prototype of the cannon.

(7) Fill designs for the cannon chamber that focus on preventing future chamber explosions have been electronically simulated and bench tested.

(8) An assessment of the sensitivity of liquid propellant to contamination by various materials to which it may be exposed throughout the handling and operation of the cannon is completed.

(d) STATEMENT.—The statement referred to in subsection (b) is a statement submitted to the congressional defense committees not later than March 30, 1996, that contains the following:

(1) An assertion that all the hazards associated with liquid propellent have been identified and are controllable to acceptable levels.

(2) An assessment of the technology for each component of the Crusader system (the cannon, ve-

hicle, and crew module). The technology assessment shall include, for each performance goal of the Crusader system (including total system weight), information about the maturity of the technology to achieve that goal, the maturity of the design of the technology, and the manner in which the design has been proven (for example, through simulation, bench testing, or weapon firing).

(3) An assessment of the cost of continued development of the Crusader system after August 1, 1996, the cost of each unit of the Crusader system in the year the Crusader system will be completed, and the cost of each unit of the Future Armored Resupply Vehicle (FARV) in the year that vehicle will be completed.

SEC. 256. REVIEW OF C^{4}I BY NATIONAL RESEARCH COUNCIL.

(a) REVIEW BY NATIONAL RESEARCH COUNCIL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall enter into a contract with the National Research Council of the National Academy of Sciences to conduct a comprehensive review of current and planned service and defense-wide programs for command, control, communications, comput-

ers, and intelligence (C^4I) with a special focus on cross-service and inter-service issues.

(b) MATTERS TO BE ASSESSED IN REVIEW.—The review shall address the following:

(1) The match between the capabilities provided by current service and defense-wide C^4I programs and the actual needs of users of these programs.

(2) The interoperability of service and defense-wide C^4I systems that are planned to be operational in the future.

(3) The need for an overall defense-wide architecture for C^4I.

(4) Proposed strategies for ensuring that future C^4I acquisitions are compatible and interoperable with an overall architecture.

(5) Technological and administrative aspects of the C^4I modernization effort to determine the soundness of the underlying plan and the extent to which it is consistent with concepts for joint military operations in the future.

(c) TWO-YEAR PERIOD FOR CONDUCTING REVIEW.—The National Research Council shall conduct the review over the two-year period beginning upon completion of the performance of the contract described in subsection (a).

(d) REPORTS.—(1) The National Research Council shall submit to the Department of Defense and Congress interim reports and progress updates on a regular basis as the review proceeds. A final report on the review shall set forth the findings, conclusions, and recommendations of the Council for defense-wide and service C^4I programs and shall be submitted to the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives, and the Secretary of Defense.

(2) To the maximum degree possible, the final report shall be submitted in unclassified form with classified annexes as necessary.

(e) INTERAGENCY COOPERATION WITH STUDY.—All military departments, defense agencies, and other components of the Department of Defense shall cooperate fully with the National Research Council in its activities in carrying out the review under this section.

(f) EXPEDITED PROCESSING OF SECURITY CLEARANCES FOR STUDY.—For the purpose of facilitating the commencement of the study under this section, the Secretary of Defense shall expedite to the fullest degree possible the processing of security clearances that are necessary for the National Research Council to conduct the study.

(g) FUNDING.—Of the amount authorized to be appropriated in section 201 for defense-wide activities, $900,000 shall be available for the study under this section.

SEC. 257. FIVE-YEAR PLAN FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS).

(a) FIVE-YEAR PLAN.—The Secretary of Defense, in consultation with the Secretaries of the military departments, shall develop a five-year plan to reduce and consolidate the activities performed by federally funded research and development centers (FFRDCs) and establish a framework for the future workload of such centers.

(b) OBJECTIVES.—The plan shall set forth the manner in which the Secretary of Defense could achieve by October 1, 2000, the following:

(1) Implementation by federally funded research and development centers of only those core activities, as defined by the Secretary, that require the unique capabilities and arrangements afforded by such centers.

(2) Consolidation of such core level activities into as few federally funded research and development centers as is practical and possible.

(3) Acquisition of systems engineering and systems integration activities currently performed by federally funded research and development centers through the use of competitive procedures.

(4) Transfer of the management of the Software Engineering Institute activities to the Defense Information Systems Agency for purposes of supporting command, control, communications, computing, and intelligence (C^4I) programs.

(5) Transfer of the management of the core activities of Lincoln Laboratory to the Office of the Secretary of Defense.

(6) Acquisition of services provided to the Department of Defense by university-affiliated research centers (that operate like federally funded research and development centers) through the use of competitive procedures.

(c) OTHER MATTERS.—The plan also shall include the following:

(1) An assessment of the number of staff needed in each federally funded research and development center during each year over the five years covered by the plan.

(2) A specific timetable for phasing in the objectives set forth in subsection (b).

(d) REPORT.—Not later than February 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report on the plan.

(e) UNDISTRIBUTED REDUCTION.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 for federally funded research and development centers and university-affiliated research centers is hereby reduced by $90,097,000.

SEC. 258. MANUFACTURING TECHNOLOGY PROGRAM.

(a) IN GENERAL.—Section 2525 of title 10, United States Code, is amended as follows:

(1) The heading is amended by striking out the second and third words.

(2) Subsection (a) is amended by striking out ''Science and''.

(3) Subsection (d) is amended—

(A) in paragraph (2)—

(i) by striking out ''or'' at the end of subparagraph (A);

(ii) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; or''; and

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

"(C) will be carried out by an institution of higher education."; and

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

"(3) At least 25 percent of the funds available for the program each fiscal year shall be used for awarding grants and entering into contracts, cooperative agreements, and other transactions on a cost-share basis under which the ratio of recipient costs to Government costs is two to one.".

(b) CLERICAL AMENDMENT.—The item relating to section 2525 in the table of sections at the beginning of chapter 148 of title 10, United States Code, is amended to read as follows:

"2525. Manufacturing technology program.".

SEC. 259. FIVE-YEAR PLAN FOR CONSOLIDATION OF DEFENSE LABORATORIES AND TEST AND EVALUATION CENTERS.

(a) FIVE-YEAR PLAN.—The Secretary of Defense shall develop a five-year plan to consolidate and restructure the laboratories and test and evaluation centers of the Department of Defense.

(b) OBJECTIVE.—The plan shall set forth the specific actions needed to consolidate the laboratories and test and evaluation centers into as few laboratories and centers as

is practical and possible, in the judgment of the Secretary, by October 1, 2005.

(c) MATTERS TO BE CONSIDERED.—In developing the plan, the Secretary shall consider the following:

(1) Consolidation of common support functions, including the following:

(A) Aircraft (fixed wing and rotary).

(B) Weapons.

(C) Space systems.

(D) Command, control, communications, computers, and intelligence.

(2) The extent to which any military construction is planned at the laboratories and centers.

(3) The encroachment on the laboratories and centers by residential and industrial expansion.

(4) The cost of operations and maintenance at the laboratories and centers.

(5) The cost of environmental remediation at the laboratories and centers.

(d) REPORT.—Not later than May 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report on the plan.

(e) LIMITATION.—Of the amounts appropriated or otherwise made available pursuant to an authorization in section 201 for the central test and evaluation investment

development program, not more than 40 percent may be obligated before the report required by subsection (d) is submitted to Congress.

SEC. 260. AERONAUTICAL RESEARCH AND TEST CAPABILITIES ASSESSMENT.

(a) POLICY.—(1) It is in the Nation's long-term national security interests to maintain preeminence in the area of aeronautical research and test capabilities.

(2) Continued advances in aeronautical science and engineering are critical to sustaining the strategic and tactical air superiority of the United States and coalition forces, as well as United States economic security and international aerospace leadership.

(3) Encouragement of active Department of Defense partnership with other Government agencies, academic institutions, and private industry to develop, maintain, and enhance aeronautical research and test capabilities is in the national security and economic interest of the Department and the United States.

(b) REVIEW.—(1) In pursuit of the aeronautical research and test capabilities policy set forth in subsection (a), the Secretary of Defense shall conduct a comprehensive review of the aeronautical research and test facilities and capabilities of the United States in order to assess the current condition of such facilities and capabilities.

(2) The review shall identify options for providing affordable, operable, reliable, and responsive long-term aeronautical research and test capabilities for military and civilian purposes and for the organization and conduct of such capabilities within the Department or through shared operations with other Government agencies, academic institutions, and private industry. The review also shall set forth in detail the projected costs of such options, including costs of acquisition and technical and financial arrangements (including the use of Government facilities for reimbursable private use).

(c) REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to the congressional defense committees a report setting forth in detail the findings of the review required by subsection (b). The report shall include recommendations on the most efficient and economic means of developing, maintaining, and continually modernizing aeronautical research and test capabilities to meet current, planned, and prospective military and civilian needs.

SEC. 261. LIMITATION ON T–38 AVIONICS UPGRADE PROGRAM.

(a) REQUIREMENT.—The Secretary of Defense shall ensure that, in evaluating proposals submitted in response to a solicitation issued for a contract for the T–38 Avi-

onics Upgrade Program, the proposal of an entity may not be considered unless—

(1) in the case of an entity that conducts substantially all of its business in a foreign country, the foreign country provides equal access to similar contract solicitations in that country to United States entities; and

(2) in the case of an entity that conducts business in the United States but that is owned or controlled by a foreign government or by an entity incorporated in a foreign country, the foreign government or foreign country of incorporation provides equal access to similar contract solicitations in that country to United States entities.

(b) DEFINITION.—In this section, the term ''United States entity'' means an entity that is owned or controlled by persons a majority of whom are United States citizens.

SEC. 262. CROSS REFERENCE TO CONGRESSIONAL DEFENSE POLICY CONCERNING NATIONAL TECHNOLOGY AND INDUSTRIAL BASE, REINVESTMENT, AND CONVERSION IN OPERATION OF DEFENSE RESEARCH AND DEVELOPMENT PROGRAMS.

(a) SECTION 2358 PROJECTS.—Section 2358(a)(2)(B) of title 10, United States Code, is amended

by inserting before the period the following: ''and advance the defense policies and objectives specified in section 2501 of this title''.

(b) SECTION 2371 PROJECTS.—Section 2371(a) of such title is amended by inserting before the period in the first sentence the following: ''for the purpose of advancing the defense policies and objectives specified in section 2501 of this title''.

SEC. 263. DEMILITARIZATION OF CONVENTIONAL MUNITIONS, ROCKETS, AND EXPLOSIVES.

Of the amount appropriated pursuant to the authorization in section 201 for the joint Department of Defense-Department of Energy munitions technology development program (PE 63225D), $15,000,000 shall be available for cooperative development and demonstration of processes that comply with applicable environmental laws for the demilitarization and disposal of unserviceable, obsolete, or nontreaty compliant munitions, rocket motors, and explosives. In carrying out such development and demonstration, the Secretary of Defense and the Secretary of Energy should consider a number of potential technologies, including super-critical water oxidation, molten metal pyrolisis, plasma arc, catalytic fluidized-bed oxidation, molten salt oxidation, incineration, critical fluid ex-

traction and ingredient recovery, and underground contained burning.

SEC. 264. FIBER OPTIC ACOUSTIC SENSOR SYSTEM.

(a) FIBER OPTIC ACOUSTIC SENSOR SYSTEM.—Of the amount appropriated pursuant to the authorization in section 201, $28,181,000 shall be available for fiscal year 1996 for the advanced submarine combat systems development program (PE 63504N). Of that amount, $6,900,000 shall be available for research and development of a fiber optic acoustic sensor system, including the development of common optical towed arrays.

(b) OFFSET.—The amount authorized in section 201 for the advanced submarine systems development program (PE 63561N) is hereby reduced by $6,900,000.

SEC. 265. JOINT TARGETING SUPPORT SYSTEM TESTBED.

(a) JOINT TARGETING SUPPORT SYSTEM TESTBED.—The amount authorized in section 201(2) for theater mission planning (project A1784) is hereby increased by $10,000,000, to be used to establish a joint targeting support system testbed (in PE 0204229N).

(b) OFFSET.—The amount authorized in section 201(2) for the Tomahawk (project A0545) is hereby reduced by $10,000,000.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1996 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, $19,339,936,000.

(2) For the Navy, $21,677,510,000.

(3) For the Marine Corps, $2,603,622,000.

(4) For the Air Force, $18,984,162,000.

(5) For Defense-wide activities, $10,680,371,000.

(6) For the Army Reserve, $1,139,591,000.

(7) For the Naval Reserve, $838,042,000.

(8) For the Marine Corps Reserve, $91,783,000.

(9) For the Air Force Reserve, $1,507,447,000.

(10) For the Army National Guard, $2,394,108,000.

(11) For the Air National Guard, $2,734,221,000.

(12) For the Defense Inspector General, $177,226,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,521,000.

(14) For Environmental Restoration, Defense, $1,422,200,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $680,432,000.

(16) For Medical Programs, Defense, $9,876,525,000.

(17) For Summer Olympics, $15,000,000.

(18) For Cooperative Threat Reduction programs, $200,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $50,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1996 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 Business Operations Fund, $878,700,000.

(2) For the National Defense Sealift Fund, $1,574,220,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1996 from the Armed Forces Retirement Home Trust Fund the sum of $59,120,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. OFFICE OF ECONOMIC ADJUSTMENT.

Of the amount authorized in section 301(5) for Defense-wide activities, $60,578,000 is for the Office of Economic Adjustment of the Department of Defense.

Subtitle B—Defense Business Operations Fund

SEC. 311. CODIFICATION OF DEFENSE BUSINESS OPERATIONS FUND.

(a) MANAGEMENT OF WORKING-CAPITAL FUNDS.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2215 the following new section:

"§ 2216. Defense Business Operations Fund

''(a) MANAGEMENT OF WORKING-CAPITAL FUNDS AND CERTAIN ACTIVITIES.—The Secretary of Defense may manage the performance of the working-capital funds and industrial, commercial, and support type activities described in subsection (b) through the fund known as the Defense Business Operations Fund, which is established on the books of the Treasury. Except for the funds and

activities specified in subsection (b), no other functions, activities, funds, or accounts of the Department of Defense may be managed through the Fund.

''(b) FUNDS AND ACTIVITIES INCLUDED.—The funds and activities referred to in subsection (a) are the following:

''(1) Working-capital funds established under section 2208 of this title and in existence on December 5, 1991.

''(2) Those activities that, on December 5, 1991, were funded through the use of a working-capital fund established under that section.

''(3) The Defense Finance and Accounting Service.

''(4) The Defense Industrial Plant Equipment Center.

''(5) The Defense Commissary Agency.

''(6) The Defense Technical Information Service.

''(7) The Defense Reutilization and Marketing Service.

''(c) SEPARATE ACCOUNTING, REPORTING, AND AUDITING OF FUNDS AND ACTIVITIES.—(1) The Secretary of Defense shall provide in accordance with this subsection

for separate accounting, reporting, and auditing of funds and activities managed through the Fund.

''(2) The Secretary shall maintain the separate identity of each fund and activity managed through the Fund that (before the establishment of the Fund) was managed as a separate fund or activity.

''(3) The Secretary shall maintain separate records for each function for which payment is made through the Fund and which (before the establishment of the Fund) was paid directly through appropriations, including the separate identity of the appropriation account used to pay for the performance of the function.

''(d) CHARGES FOR GOODS AND SERVICES PROVIDED THROUGH THE FUND.—(1) Charges for goods and services provided through the Fund shall include the following amounts:

''(A) Amounts necessary to recover the full costs of—

''(i) the development, implementation, operation, and maintenance of systems supporting the wholesale supply and maintenance activities of the Department of Defense; and

''(ii) the use of members of the armed forces in the provision of the goods and services, computed by calculating, to the maximum

extent practicable, such costs as if employees of the Department of Defense were used in the provision of the goods and services.

''(B) Amounts for depreciation of capital assets, set in accordance with generally accepted accounting principles.

''(C) Amounts necessary to recover the full cost of the operation of the Defense Finance Accounting Service.

''(2) Charges for goods and services provided through the Fund may not include the following amounts:

''(A) Amounts necessary to recover the costs of a military construction project (as defined in section 2801(b) of this title), other than a minor construction project financed by the Fund pursuant to section 2805(c)(1) of this title.

''(B) Amounts necessary to cover costs incurred in connection with the closure or realignment of a military installation.

''(e) CAPITAL ASSET SUBACCOUNT.—(1) Amounts charged for depreciation of capital assets pursuant to subsection (d)(1)(B) shall be credited to a separate capital asset subaccount established within the Fund.

"(2) The Secretary of Defense may award contracts for capital assets of the Fund in advance of the availability of funds in the subaccount.

"(f) PROCEDURES FOR ACCUMULATION OF FUNDS.—The Secretary of Defense shall establish billing procedures to ensure that the balance in the Fund does not exceed the amount necessary to provide for the working capital requirements of the Fund, as determined by the Secretary.

"(g) PURCHASE FROM OTHER SOURCES.—The Secretary of Defense or the Secretary of a military department may purchase goods and services that are available for purchase from the Fund from a source other than the Fund if the Secretary determines that such source offers a more competitive rate for the goods and services than the Fund offers.

"(h) ANNUAL REPORTS AND BUDGET.—The Secretary of Defense shall annually submit to Congress, at the same time that the President submits the budget under section 1105 of title 31, the following:

"(1) A detailed report that contains a statement of all receipts and disbursements of the Fund (including such a statement for each subaccount of the Fund) for the year for which the report is submitted.

''(2) A detailed proposed budget for the operation of the Fund for the fiscal year for which the budget is submitted.

''(3) A comparison of the amounts actually expended for the operation of the Fund for the previous fiscal year with the amount proposed for the operation of the Fund for that fiscal year in the President's budget.

''(4) A report on the capital asset subaccount of the Fund that contains the following information:

''(A) The opening balance of the subaccount as of the beginning of the fiscal year in which the report is submitted.

''(B) The estimated amounts to be credited to the subaccount in the fiscal year in which the report is submitted.

''(C) The estimated amounts of outlays to be paid out of the subaccount in the fiscal year in which the report is submitted.

''(D) The estimated balance of the subaccount at the end of the fiscal year in which the report is submitted.

''(E) A statement of how much of the estimated balance at the end of the fiscal year in which the report is submitted will be needed to

pay outlays in the immediately following fiscal year that are in excess of the amount to be credited to the subaccount in the immediately following fiscal year.

''(i) DEFINITIONS.—In this section:

''(1) The term 'capital assets' means the following capital assets that have a development or acquisition cost of not less than $15,000:

''(A) Minor construction projects financed by the Fund pursuant to section 2805(c)(1) of this title.

''(B) Automatic data processing equipment, software, other equipment, and other capital improvements.

''(2) The term 'Fund' means the Defense Business Operations Fund.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2215 the following new item:

''2216. Defense Business Operations Fund.''.

(b) CONFORMING REPEALS.—The following provisions of law are hereby repealed:

(1) Subsections (b), (c), (d), and (e) of section 311 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 2208 note).

(2) Subsections (a) and (b) of section 333 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2208 note).

(3) Section 342 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2208 note).

(4) Section 316 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2208 note).

(5) Section 8121 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 10 U.S.C. 2208 note).

SEC. 312. RETENTION OF CENTRALIZED MANAGEMENT OF DEFENSE BUSINESS OPERATIONS FUND AND PROHIBITION ON FURTHER EXPANSION OF FUND.

(a) CENTRALIZED MANAGEMENT.—Subsection (a) of section 2216 of title 10, United States Code, as added by section 311(a), is amended—

(1) by inserting ''(1)'' before ''The Secretary of Defense''; and

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

''(2) Management of the Fund, including management of cash balances in the Fund, shall be exercised in the Office of the Secretary of Defense under the immediate authority of the Under Secretary of Defense (Comptroller). The Fund shall be treated as a single account for purposes of subchapter III of chapter 13 and subchapter II of chapter 15 of title 31.''.

(b) EXPANSION OF FUND.—Such subsection is further amended by adding at the end of paragraph (1) the following new sentence: ''The Secretary may not convert to management through the Fund any function, activity, fund, or account of the Department of Defense that is not managed through the Fund as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.''.

SEC. 313. CHARGES FOR GOODS AND SERVICES PROVIDED THROUGH DEFENSE BUSINESS OPERATIONS FUND AND TERMINATION OF ADVANCE BILLING PRACTICES.

(a) CHARGES INCLUDED.—Paragraph (1)(A)(ii) of subsection (d) of section 2216 of title 10, United States Code, as added by section 311(a), is amended by striking out ''as if employees of the Department of Defense were used in the provision of the goods and services'' and in-

serting in lieu thereof ''using the pay and allowances of the members''.

(b) CHARGES EXCLUDED.—Paragraph (2) of such subsection is amended by adding at the end the following new subparagraph:

''(C) Amounts necessary to recover the costs of functions designated by the Secretary of Defense as mission critical, such as ammunition handling safety, and amounts for ancillary tasks not directly related to the mission of the function or activity managed through the Fund.''.

(c) TERMINATION OF ADVANCE BILLING PRACTICES.—Such subsection is further amended by adding at the end the following new paragraph:

''(3) After September 30, 1996, functions and activities managed through the Fund may not use advance billing in the provision of goods and services to customers.''.

SEC. 314. ANNUAL PROPOSED BUDGET FOR OPERATION OF DEFENSE BUSINESS OPERATIONS FUND.

Subsection (h)(2) of section 2216 of title 10, United States Code, as added by section 311(a), is amended by adding at the end the following new sentence: ''The proposed budget shall include the amount necessary to cover the operating losses, if any, of the Fund for the previous fiscal year.''.

SEC. 315. REDUCTION IN REQUESTS FOR TRANSPORTATION FUNDED THROUGH DEFENSE BUSINESS OPERATIONS FUND.

(a) REDUCTION.—The Secretary of Defense shall direct the heads of Defense-wide activities and the Secretaries of the military departments to reduce requests during fiscal year 1996 for purchasing transportation from the transportation accounts of the Defense Business Operations Fund by $70,000,000 below the level of such requests during fiscal year 1995. The rates charged for transportation funded through the Defense Business Operations Fund shall be reduced to reflect the effect of the reduced requests on overhead costs.

(b) REPORT REQUIRED.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report regarding—

(1) the effect on the Defense transportation organization of implementing certain consolidation proposals, such as the elimination of duplication in the component command structure; and

(2) the extent that transportation overhead, the cost of which is passed on to customers, can be significantly reduced without adversely affecting mobilization requirements.

Subtitle C—Environmental Provisions

SEC. 321. CLARIFICATION OF SERVICES AND PROPERTY THAT MAY BE EXCHANGED TO BENEFIT THE HISTORICAL COLLECTION OF THE ARMED FORCES.

Section 2572(b) of title 10, United States Code, is amended in paragraph (1) by striking out ''not needed by the armed forces'' and all that follows through the end of the paragraph and inserting in lieu thereof the following: ''not needed by the armed forces for any of the following items or services if they directly benefit the historical collection of the armed forces:

''(A) Similar items held by any individual, organization, institution, agency, or nation.

''(B) Conservation supplies, equipment, facilities, or systems.

''(C) Search, salvage, or transportation services.

''(D) Restoration, conservation, or preservation services.

''(E) Educational programs.''.

SEC. 322. ADDITION OF AMOUNTS CREDITABLE TO DEFENSE ENVIRONMENTAL RESTORATION ACCOUNT.

Section 2703(e) of title 10, United States Code is amended to read as follows:

''(e) AMOUNTS RECOVERED.—The following amounts shall be credited to the transfer account:

''(1) Amounts recovered under section 107 of CERCLA for response actions of the Secretary.

''(2) Any other amounts recovered by the Secretary or the Secretary of the military department concerned from a contractor, insurer, surety, or other person to reimburse the Department of Defense for any expenditure for environmental response activities.''.

SEC. 323. REPEAL OF CERTAIN ENVIRONMENTAL EDUCATION PROGRAMS.

Sections 1333 and 1334 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2701 note) are repealed.

SEC. 324. REPEAL OF LIMITATION ON OBLIGATION OF AMOUNTS TRANSFERRED FROM ENVIRONMENTAL RESTORATION TRANSFER ACCOUNT.

(a) REPEAL OF LIMITATION.—Section 2703 of title 10, United States Code, is further amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d), subsection (e) (as amended by section 322), and subsection (f) as subsections (c), (d), and (e), respectively.

(b) EFFECT ON CONTRACTS.—Nothing in the amendment made by subsection (a) shall be considered to negate or invalidate any legal protection or legal defense available to the Department of Defense under ''force majeure'' clauses in environmental restoration contracts or agreements existing on the date of the enactment of this Act.

SEC. 325. ELIMINATION OF AUTHORITY TO TRANSFER AMOUNTS FOR TOXICOLOGICAL PROFILES.

Section 2704 of title 10, United States Code, is amended in subsections (c) and (d)(3)—

(1) by striking out '', such sums from amounts appropriated to the Department of Defense,''; and

(2) by striking out '', including the manner for transferring funds and personnel and for coordination of activities under this section''.

SEC. 326. SENSE OF CONGRESS ON USE OF DEFENSE ENVIRONMENTAL RESTORATION ACCOUNT.

It is the sense of Congress that the Secretary of Defense should make every effort to limit, by the end of fiscal year 1997, spending for administration, support, studies, and investigations associated with the Defense Environ-

mental Restoration Account to 20 percent of the total funding for that account.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

SEC. 331. MANAGEMENT OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL.

Section 129 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(including any limitation on full-time equivalent positions)'' before the period at the end of the second sentence; and

(B) by adding at the end the following new sentence: ''The Secretary shall not be required to make a reduction in the number of full-time equivalent positions in the Department of Defense unless such reduction is necessary due to a reduction in funds available to the Department or is required under a law that is enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and that refers specifically to this subsection.''; and

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

''(d) With respect to each budget activity within an appropriation for any fiscal year for operations and maintenance, the Secretary of Defense shall ensure that there are employed during that fiscal year employees in the number, and of the type and with the skill mix, that are necessary to carry out the functions within that budget activity for which funds are provided for that fiscal year.''.

SEC. 332. MANAGEMENT OF DEPOT EMPLOYEES.

(a) DEPOT EMPLOYEES.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2472. Management of depot employees

''(a) PROHIBITION ON MANAGEMENT BY END STRENGTH.—The civilian employees of the Department of Defense involved in the depot-level maintenance and repair of materiel may not be managed on the basis of any end-strength constraint or limitation on the number of such employees who may be employed on the last day of a fiscal year. Such employees shall be managed solely on the basis of the available workload and the funds made available for such depot-level maintenance and repair.

''(b) ANNUAL REPORT.—Not later than 60 days after the beginning of each fiscal year, the Secretary of Defense

shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the number of employees employed and expected to be employed by the Department of Defense during that fiscal year to perform depot-level maintenance and repair of materiel. The report shall indicate whether that number is sufficient to perform the depot-level maintenance and repair functions for which funds have been appropriated for that fiscal year for performance by Department of Defense employees.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 146 of such title is amended by adding at the end the following new item:

''2472. Management of depot employees.''.

SEC. 333. CONVERSION TO PERFORMANCE BY CIVILIAN EMPLOYEES OF ACTIVE-DUTY POSITIONS.

(a) CONVERSION TO CIVILIAN PERFORMANCE.—During fiscal year 1996, the Secretary of Defense shall change to performance by employees of the Department of Defense the performance of not less than 10,000 positions in the Department of Defense that, as of September 30, 1995, were designated to be performed by members of the Armed Forces on active duty.

(b) IMPLEMENTATION PLAN.—Not later than March 31, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Com-

mittee on National Security of the House of Representatives a plan for the implementation of subsection (a).

SEC. 334. PERSONNEL ACTIONS INVOLVING EMPLOYEES OF NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) CLARIFICATION OF DEFINITION OF NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEE.—Subsection (a)(1) of section 1587 of title 10, United States Code, is amended by adding at the end the following new sentence: ''Such term includes a civilian employee of a support organization within the Department of Defense or a military department, such as the Defense Finance and Accounting Service, who is paid from nonappropriated funds on account of the nature of the employee's duties.''.

(b) DIRECT REPORTING OF VIOLATIONS.—Subsection (e) of such section is amended in the second sentence by inserting before the period the following: ''and to permit the direct reporting of alleged violations of subsection (b) to the Inspector General of the Department of Defense''.

(c) TECHNICAL AMENDMENT.—Subsection (a)(1) of such section is further amended by striking out ''Navy Resale and Services Support Office'' and inserting in lieu thereof ''Navy Exchange Service Command''.

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

"§ 1587. Employees of nonappropriated fund instrumentalities: personnel actions".

(2) The item relating to section 1587 in the table of sections at the beginning of chapter 81 of such title is amended to read as follows:

''1587. Employees of nonappropriated fund instrumentalities: personnel actions.''.

SEC. 335. LIMITATION ON PROVISION OF OVERSEAS LIVING QUARTERS ALLOWANCES FOR NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES.

(a) CONFORMING ALLOWANCE TO ALLOWANCES FOR OTHER CIVILIAN EMPLOYEES.—Subject to subsection (b), any overseas living quarters allowance paid from nonappropriated funds and provided to a nonappropriated fund instrumentality employee after the date of the enactment of this Act may not exceed the amount of a quarters allowance provided under subchapter III of chapter 59 of title 5 to a similarly situated civilian employee of the Department of Defense paid from appropriated funds.

(b) APPLICATION TO CERTAIN CURRENT EMPLOYEES.—In the case of a nonappropriated fund instrumentality employee who, as of the date of the enactment of this Act, receives an overseas living quarters allowance

under any other authority, subsection (a) shall apply to such employee only after the earlier of—

(1) September 30, 1998; or

(2) the date on which the employee otherwise ceases to be eligible for such an allowance under such other authority.

(c) NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEE DEFINED.—For purposes of this section, the term ''nonappropriated fund instrumentality employee'' has the meaning given such term in section 1587(a)(1) of title 10, United States Code.

SEC. 336. OVERTIME EXEMPTION FOR NONAPPROPRIATED FUND EMPLOYEES.

Section 6121(2) of title 5, United States Code, is amended to read as follows:

''(2) 'employee' has the meaning given it by section 2105(a) and also includes those paid from nonappropriated funds of the Army and Air Force Exchange Service, Navy Ship's Stores Ashore, Navy exchanges, Marine Corps exchanges, Coast Guard exchanges, and other instrumentalities of the United States under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the armed forces;''.

SEC. 337. CONTINUED HEALTH INSURANCE COVERAGE.

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A), by inserting ‘‘, or a voluntary separation from a surplus position,’’ after ‘‘an involuntary separation from a position’’; and

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

‘‘(C) For the purpose of this paragraph, ‘surplus position’ means a position which is identified in pre-reduction in force planning as no longer required, and which is expected to be eliminated under formal reduction-in-force procedures.’’.

SEC. 338. CREDITABILITY OF CERTAIN NAFI SERVICE UNDER THE FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.

(a) IN GENERAL.—Subject to subsections (b) and (c), upon application to the Office of Personnel Management, any individual who, on the date of making such application, is an employee within the Department of Defense or the legislative branch of the Government shall be allowed credit under chapter 84 of title 5, United States Code (for purposes of benefits payable out of the Fund) for any service if—

(1) such service was performed by such individual as an employee of a nonappropriated fund in-

strumentality of the Department of Defense or the Coast Guard, described in section 2105(c) of such title; and

(2) such individual has served continuously, since moving (after December 31, 1986, and without a break in service of more than 3 days) from a nonappropriated fund instrumentality referred to in paragraph (1), in—

(A) the Department of Defense; or

(B) the legislative branch of the Government.

(b) CONDITIONS.—An individual may not be allowed credit for service under this section unless—

(1) an application is filed before the deadline under subsection (c);

(2) such individual has been subject to chapter 84 of title 5, United States Code, since moving in the manner described in subsection (a)(2); and

(3) such individual deposits to the credit of the Fund an amount equal to 1.3 percent of the basic pay paid to such individual for such service, with interest (computed in accordance with paragraphs (2) and (3) of section 8334(e) of title 5, United States Code).

(c) DEADLINE.—An application under this section may not be filed after—

(1) the end of the 6-month period beginning on the date of the enactment of this Act; or

(2) if earlier, the date on which a written determination is made by the Office of Personnel Management that the actuarial present value of all benefits payable as a result of the enactment of this section has reached $50,000,000.

(d) REGULATIONS.—The Office of Personnel Management shall prescribe any regulations necessary to carry out this section.

(e) DEFINITION.—For purposes of this section, the term ''Fund'' means the Civil Service Retirement and Disability Fund under section 8348 of title 5, United States Code.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 341. OPERATION OF COMMISSARY STORE SYSTEM.

(a) COOPERATION WITH OTHER ENTITIES.—Section 2482 of title 10, United States Code, is amended—

(1) in the section heading, by striking out ''**private**'';

(2) by inserting ''(a) PRIVATE OPERATION.—'' before ''Private persons''; and

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

''(b) CONTRACTS WITH OTHER AGENCIES AND INSTRUMENTALITIES.—(1) The Defense Commissary Agency, and other agencies of the Department of Defense that support the operation of the commissary store system, may enter into contracts or other agreements with other appropriated fund or nonappropriated fund instrumentalities of the Department of Defense or other departments or agencies of the United States to facilitate efficiency in the management and operation of the commissary store system.

''(2) A commissary store operated by a nonappropriated fund instrumentality shall be operated in accordance with section 2484 of this title. Subject to such section, the Secretary of Defense may authorize a transfer of goods, supplies, and facilities of, and funds appropriated for, the Defense Commissary Agency to a nonappropriated fund instrumentality operating a commissary store.''.

(b) AUTHORIZATION FOR DISTRIBUTORS TO SERVE AS VENDOR AGENTS.—Such section is further amended

by adding after subsection (b), as added by subsection (a), the following new subsection:

''(c) PAYMENTS TO VENDOR AGENTS.—If a distributor for a vendor of resale products under contract to the Defense Commissary Agency is designated as an agent by and for the vendor, the distributor may invoice the agency and accept payments from the agency under the vendor's contract. A distributor designated as a agent for purposes of this subsection may request payment for more than one product of the vendor on the same invoice. All payments made by the agency to a distributor designated by a vendor as the vendor's agent shall be considered payments under the vendor's contract, and the payments shall fulfill the payment obligations of the United States in the same manner as if the payments had been made directly to the vendor.''.

(c) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 147 of such title is amended to read as follows:

''2482. Commissary stores: operation.''.

SEC. 342. PRICING POLICIES FOR COMMISSARY STORE MERCHANDISE.

Section 2486(d)(1) of title 10, United States Code, is amended—

(1) by striking out ''each item'' and inserting in lieu thereof ''items''; and

(2) by striking out ''actual product cost of the item'' and inserting in lieu thereof ''total average product cost of merchandise sold''.

SEC. 343. LIMITED RELEASE OF COMMISSARY STORES SALES INFORMATION TO MANUFACTURERS, DISTRIBUTORS, AND OTHER VENDORS DOING BUSINESS WITH DEFENSE COMMISSARY AGENCY.

Section 2487(b) of title 10, United States Code, is amended in the second sentence by inserting before the period the following: ''unless the agreement is between the Defense Commissary Agency and a manufacturer, distributor, or other vendor doing business with the Agency and is restricted to information directly related to merchandise provided by that manufacturer, distributor, or vendor''.

SEC. 344. ECONOMICAL DISTRIBUTION OF DISTILLED SPIRITS BY NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) ECONOMICAL DISTRIBUTION.—Subsection (a)(1) of section 2488 of title 10, United States Code, is amended by inserting after ''most competitive source'' the following: ''and distributed in the most economical manner''.

(b) DETERMINATION OF MOST ECONOMICAL DISTRIBUTION METHOD.—Such section is further amended—

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

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

''(c)(1) In the case of covered alcoholic beverage purchases of distilled spirits, to determine whether a nonappropriated fund instrumentality of the Department of Defense represents the most economical method of distribution to package stores, the Secretary of Defense shall consider all components of the distribution costs incurred by the nonappropriated fund instrumentality, such as overhead costs (including management, logistics, administration, depreciation, and utilities), the costs of carrying inventory, and handling and distribution costs.

''(2) If the use of a private distributor would subject covered alcoholic beverage purchases of distilled spirits to direct or indirect State taxation, a nonappropriated fund instrumentality shall be considered to be the most economical method of distribution regardless the results of the determination under paragraph (1).

''(3) The Secretary shall use the agencies performing audit functions on behalf of the armed forces and the Inspector General of the Department of Defense to make determinations under this subsection.''.

SEC. 345. TRANSPORTATION BY COMMISSARIES AND EXCHANGES TO OVERSEAS LOCATIONS.

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

"§ 2643. Commissary and exchange services: transportation overseas

''The Secretary of Defense shall give the officials responsible for operation of commissaries and military exchanges the authority to negotiate directly with private carriers for the most cost-effective transportation of commissary and exchange supplies by sea without relying on the Military Sealift Command or the Military Traffic Management Command. Section 2631 of this title, regarding the preference for vessels of the United States or belonging to the United States in the transportation of supplies by sea, shall apply to the negotiation of transportation contracts under the authority of this section.''.

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

''2643. Commissary and exchange services: transportation overseas.''.

SEC. 346. DEMONSTRATION PROGRAM FOR UNIFORM FUNDING OF MORALE, WELFARE, AND RECREATION ACTIVITIES AT CERTAIN MILITARY INSTALLATIONS.

(a) DEMONSTRATION PROGRAM REQUIRED.—The Secretary of Defense shall conduct a demonstration program at six military installations, under which funds appropriated for the support of morale, welfare, and recreation programs at the installations are combined with nonappropriated funds available for such programs and treated as nonappropriated funds. Under this demonstration program, the combined appropriated funds shall be expended pursuant to the laws and regulations that apply to nonappropriated funds.

(b) COVERED MILITARY INSTALLATIONS.—The Secretary of Defense shall select two military installations from each military department to participate in the demonstration program.

(c) EFFECT ON CIVILIAN EMPLOYEES.—Civilian employees of the Department of Defense who are normally paid using the appropriated funds that are combined under subsection (a) shall be considered to be nonappropriated fund instrumentality employees unless they continue to be paid using other appropriated funds. Any converted employee shall automatically revert to the employee's former status at the end of the program or

upon any action by management to terminate the employee, whichever occurs first. Any converted employee shall retain retirement and medical benefits under the employee's former status.

(d) PERIOD OF DEMONSTRATION PROGRAM.—The demonstration program shall terminate at the end of the first full fiscal year beginning on or after the date of the enactment of this Act.

(e) REPORT.—Not later than 90 days after the end of the demonstration program, the Secretary of Defense shall submit to Congress a report describing the results of the demonstration program.

SEC. 347. CONTINUED OPERATION OF BASE EXCHANGE MART AT FORT WORTH NAVAL AIR STATION AND AUTHORITY TO EXPAND BASE EXCHANGE MART PROGRAM.

(a) CONTINUED OPERATION OF BASE EXCHANGE MART.—Section 375 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2736) is amended by striking out ‘‘, until December 31, 1995,’’.

(b) EXPANSION OF BASE EXCHANGE MART PROGRAM.—(1) Subject to paragraph (2), the Secretary of Defense may provide for the operation by a nonappropriated fund instrumentality of not more than

ten combined exchange and commissary stores, in which groceries are sold at five percent above cost and other items are sold at the typical military exchange markup.

(2) The Secretary may select a military installation as the location for a combined exchange and commissary store only if—

(A) the installation has been or is selected for closure or realignment; or

(B) the continued operation of a separate military exchange and commissary store at the installation is not economically feasible.

(3) If a nonappropriated fund instrumentality incurs a loss in operating a commissary store as a result of the pricing requirements specified in paragraph (1), the Secretary may authorize a transfer of funds appropriated for the Defense Commissary Agency to the nonappropriated fund instrumentality to offset the loss. However, the total amount of appropriated funds transferred during a fiscal year to support the operation of a commissary store may not exceed an amount equal to 25 percent of the appropriated funds provided during the last full year of operation of the commissary store by the Defense Commissary Agency.

(4) The combined military exchange and commissary stores authorized under this subsection shall include the

combined military exchange and commissary store operated at the Naval Air Station Fort Worth, Joint Reserve Center, Carswell Field, Texas.

(5) For purposes of this section, the term ''nonappropriated fund instrumentality'' means the Army and Air Force Exchange Service, Navy Exchange Service Command, Marine Corps exchanges, or any other instrumentality of the United States under the jurisdiction of the Armed Forces which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.

SEC. 348. UNIFORM DEFERRED PAYMENTS PROGRAM FOR MILITARY EXCHANGES.

(a) USE OF COMMERCIAL BANKING INSTITUTIONS.—As soon as possible after the date of the enactment of this Act, the Secretary of Defense shall endeavor to enter into an agreement with a commercial banking institution under which the commercial banking institution will fund and operate the deferred payment programs of the Army and Air Force Exchange Service and Navy Exchange Service Command. To ease the transition to commercial operation, the Secretary may initially limit the agreement to one of the two military exchange services.

(b) UNIFORM EXCHANGE CREDIT PROGRAM.—Not later than January 1, 1997, the Secretary shall establish

a uniform deferred payment program for use in all military exchanges to replace the separate deferred payment programs currently operated by the Army and Air Force Exchange Service and Navy Exchange Service Command.

(c) REPORT.—Not later than December 31, 1995, the Secretary of Defense shall submit to Congress a report describing the implementation of this section.

SEC. 349. AVAILABILITY OF FUNDS TO OFFSET EXPENSES INCURRED BY ARMY AND AIR FORCE EXCHANGE SERVICE ON ACCOUNT OF TROOP REDUCTIONS IN EUROPE.

Of funds authorized to be appropriated under section 301(5), not more than $70,000,000 shall be available to the Secretary of Defense for transfer to the Army and Air Force Exchange Service to offset expenses incurred by the Army and Air Force Exchange Service on account of reductions in the number of members of the United States Armed Forces assigned to permanent duty ashore in Europe.

SEC. 350. STUDY REGARDING IMPROVING EFFICIENCIES IN OPERATION OF MILITARY EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES AND COMMISSARY STORES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study regarding the manner in which greater efficiencies can be achieved in the operation of—

(1) military exchanges;

(2) other instrumentalities of the United States under the jurisdiction of the Armed Forces which are conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces; and

(3) commissary stores.

(b) REPORT OF STUDY.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study and containing such recommendations as the Secretary considers appropriate to implement efficiency-building options identified in the study.

SEC. 351. EXTENSION OF DEADLINE FOR CONVERSION OF NAVY SHIPS' STORES TO OPERATION AS NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) EXTENSION.—Section 371(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 7604 note) is amended by striking out ''December 31, 1995'' and inserting in lieu thereof ''December 31, 1996''.

(b) INSPECTOR GENERAL REVIEW.—Not later than April 1, 1996, the Inspector General of the Department of Defense shall submit to Congress a report—

(1) evaluating the costs and benefits of converting the operation of all Navy ships' stores to operation by the Navy Exchange Service Command, as required by section 371(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 7604 note); and

(2) reviewing the Navy Audit Agency report regarding such conversion prepared pursuant to section 374 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2736).

Subtitle F—Contracting Out

SEC. 357. PROCUREMENT OF ELECTRICITY FROM MOST ECONOMICAL SOURCE.

(a) PROCUREMENT OF ELECTRICITY.—(1) Chapter 147 of title 10, United States Code, is amended by inserting after section 2483 the following new section:

"§ 2483a. Procurement of electricity from most economical source

''The Secretary of Defense shall procure electricity for use on military installations and by other activities and functions of the Department of Defense from the most economical source, as determined by the Secretary. The Secretary shall make the determination required by this section in the manner provided in section 2462 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2483 the following new item:

''2483a. Procurement of electricity from most economical source.''.

(b) EFFECTIVE DATE; RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall take effect on March 1, 1996, except that the amendment shall not be construed to require the termination of any contract for the purchase of electricity for the Department of Defense entered into before that date.

SEC. 358. PROCUREMENT OF CERTAIN COMMODITIES FROM MOST ECONOMICAL SOURCE.

(a) PROCUREMENT OF SUPPLIES.—In the case of supplies for the Department of Defense procured through the General Services Administration as of the date of the enactment of this Act, the Secretary of Defense shall procure such supplies from another source if the Secretary determines that the source can provide the supplies at a lower cost. The Secretary shall make the determinations required by this section in the manner provided in section 2462 of title 10, United States Code.

(b) EFFECTIVE DATE; RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall take effect on March 1, 1996, except that the amendment shall not be construed to require the termination of any contract between the Secretary of Defense and the General Services Administration entered into before that date.

SEC. 359. COMMERCIAL PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

Consistent with the requirements of title 44, United States Code, during fiscal year 1996, the Defense Printing Service shall competitively procure a minimum of 70 percent of its printing and duplication services.

SEC. 360. DIRECT DELIVERY OF ASSORTED CONSUMABLE INVENTORY ITEMS OF DEPARTMENT OF DEFENSE.

To reduce the expense and necessity of maintaining extensive warehouses for consumable inventory items of the Department of Defense, the Secretary of Defense shall arrange for direct vendor delivery of food, clothing, medical and pharmaceutical supplies, automotive, electrical, fuel, and construction supplies, and other consumable inventory items for military installations throughout the United States. The Secretary shall complete implementation of this direct vendor delivery system not later than September 30, 1996.

SEC. 361. PRIVATE OPERATION OF FUNCTIONS OF DEFENSE REUTILIZATION AND MARKETING SERVICE.

(a) SOLICITATION OF PROPOSALS.—(1) Not later than March 15, 1996, the Secretary of Defense shall solicit for the selected performance by commercial entities of those functions of the Defense Reutilization and Marketing Service, a unit of the Defense Logistics Agency, for which the Secretary determines that privatization would result in cost savings for the United States and the generation of additional revenues for the United States.

(b) REPORT ON RETENTION OF FUNCTIONS.—Not later than January 15, 1996, the Secretary shall submit

a report to the Congress describing those functions of the Defense Reutilization and Marketing Service that the Secretary believes should be currently retained for exclusive performance by civilian employees of the Department of Defense or military personnel and the reasons why such functions should be so retained.

SEC. 362. PRIVATE OPERATION OF PAYROLL FUNCTIONS OF DEPARTMENT OF DEFENSE FOR PAYMENT OF CIVILIAN EMPLOYEES.

(a) PLAN ON CONTRACTING OUT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a plan regarding private operation of payroll functions for civilian employees of the Department of Defense.

(b) IMPLEMENTATION.—Not later than October 1, 1996, the Secretary shall implement the plan developed under subsection (a).

SEC. 363. DEMONSTRATION PROGRAM TO IDENTIFY UNDERDEDUCTIONS AND OVERPAYMENTS MADE TO VENDORS.

(a) DEMONSTRATION PROGRAM REQUIRED.—The Secretary of Defense shall conduct a demonstration program at the Defense Personnel Support Center, Philadelphia, Pennsylvania, to evaluate the feasibility of using private contractors to audit accounting and procurement

1 records of the Department of Defense to identify moneys
2 due the United States because of underdeductions and
3 overpayments made to vendors. Pursuant to an agreement
4 between the Secretary and one or more private contractors
5 selected by the Secretary, the contractors shall perform
6 an audit of accounting and procurement records of the De-
7 partment for at least fiscal years 1993, 1994, and 1995
8 using commercial sector data processing techniques, which
9 would compare purchase documents and agreements with
10 vendor invoices to discover discrepancies in allowances,
11 pricing, discounts, billback allowances, backhaul allow-
12 ances, and freight routing instructions. The audit shall
13 also attempt to identify duplicate payments and unauthor-
14 ized invoice charges.

15 (b) BONUS PAYMENT.—From amounts made avail-
16 able to conduct the demonstration program, the Secretary
17 may pay the contractors a negotiated amount not to ex-
18 ceed 25 percent of all amounts recovered as a result of
19 the audit.

20 (c) AVAILABILITY OF FUNDS.—From amounts au-
21 thorized to be appropriated pursuant to section 301(5),
22 not more than $5,000,000 shall be available to cover the
23 costs of the demonstration program, including the cost of
24 any bonus payment under subsection (b).

SEC. 364. PILOT PROGRAM TO EVALUATE POTENTIAL FOR PRIVATE OPERATION OF OVERSEAS DEPENDENTS' SCHOOLS.

(a) PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program to assess the feasibility of using private contractors to operate schools of the defense dependents' education system established under section 1402(a) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(a)).

(b) SELECTION OF SCHOOL FOR PROGRAM.—If the Secretary of Defense conducts the pilot program, the Secretary shall select one school of the defense dependents' education system for participation in the program. Under the pilot program, the Secretary shall provide for the operation of the school by an appropriate private contractor for not less than one complete school year.

(c) REPORT.—Not later than 30 days after the end of the first school year in which the pilot program is conducted, the Secretary of Defense shall submit to Congress a report on the results of the program. The report shall include the recommendation of the Secretary with respect to the extent to which other schools of the defense dependents' education system should be operated by private contractors.

SEC. 365. PILOT PROGRAM FOR EVALUATION OF IMPROVED DEFENSE TRAVEL PROCESSING PROTOTYPES.

(a) PILOT PROGRAM REQUIRED; LOCATION.—(1) The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall conduct a pilot program regarding two prototype tests of commercial travel applications to determine the best approach for the Department of Defense Travel System.

(2) The Secretary shall conduct the pilot program at six military installations containing approximately equal numbers of members of the Armed Forces. Two installations shall be selected from each military department.

(b) DESCRIPTION OF PROTOTYPE TESTS.—The two respective tests shall be as follows:

(1) In this test, three installations (one for each military department), with the Department of Defense acting as its own integrator, will implement the travel processes proposed by the task force on travel management chartered by the Secretary of Defense in July 1994, and will offer specific business opportunities in the services areas currently utilized, namely reservations and credit card technologies.

(2) In this test, three installations (one for each military department), will contract out their entire

travel process, reserving only essential elements, such as travel authorization, for performance by employees of the Department of Defense. Particular attention will be focused on the ability of the vendor to integrate all processes into a responsive, reasonably priced, uniform travel system.

(c) CONDUCT OF TESTS.—The two prototype tests shall be conducted as follows:

(1) Each test must accommodate the guidelines for travel management issued by the Under Secretary of Defense (Comptroller).

(2) The tests must take no more than 60 days to set up and be operational for one year.

(d) EVALUATION CRITERIA.—The Secretary of Defense shall establish evaluation criteria that include, at a minimum—

(1) aligning travel policy and cost estimates with mission at the point of reservation;

(2) using fully integrated solutions envisioned by the Department of Defense travel reengineering report of January 1995;

(3) matching credit card data and reservation data with cost estimate data;

(4) matching data with a trip pro forma plan to eliminate the need for further approvals; and

(5) a responsive and flexible management information system for managers at all levels to monitor travel expenses throughout the year, budget accurately for any future year, and assess cost and value relationship regarding temporary duty travel for each mission.

(e) PLAN FOR PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the prototype test, including the objective of reducing the total costs of managing travel by at least one-half.

(2) The methodology, duration, and anticipated costs, including an arrangement whereby the contractor would receive its agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the objective specified in paragraph (1).

(3) A specific citation to any provision or law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) The evaluation mechanism required by subsection (d).

(5) A provision for implementing the most successful prototype Department-wide, based upon final assessment of results.

SEC. 366. PILOT PROGRAM FOR PRIVATE OPERATION OF CONSOLIDATED INFORMATION TECHNOLOGY FUNCTIONS OF DEPARTMENT OF DEFENSE.

(a) PILOT PROGRAM REQUIRED.—(1) The Secretary of Defense shall enter into discussions with private sector entities for the purpose of issuing a request for proposal to establish a pilot program to test and evaluate the cost savings and efficiencies of private operation of all information technology services for the Department of Defense currently being consolidated in Defense MegaCenters. The negotiations shall be conducted so that the request for proposal may be issued within 60 days after the date of the enactment of this Act.

(2) The minimum workload to be contracted out in the pilot program shall be equivalent to the workload of at least three Defense MegaCenters.

(b) ESTABLISHMENT AND DURATION.—The Secretary of Defense shall implement private operations under the pilot program within one year after the date of the enactment of this Act. The pilot program shall operate for not more than a three-year period after implementation.

(c) GOAL OF PROGRAM.—The goal of the pilot program is to receive proposals from private sector entities that, if implemented, would reduce operating costs to the Department of Defense for information technology functions by at least 35 percent in comparison to annual operating cost as of the date of the enactment of this Act.

(d) PLAN OF PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the program.

(2) The methodology, duration, and anticipated costs of the program, including the cost of an arrangement whereby the private contractor would receive the agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the goal specified in subsection (c).

(3) A specific citation to any provisions of law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) An evaluation mechanism for the program.

(5) A provision for expanding the program to all information technology functions of the Depart-

ment of Defense, based upon final assessment of the results of the program.

(e) SUSPENSION OF FURTHER CONSOLIDATION.—Until the completion of the pilot program and submission of the final report required under subsection (f)(2), none of the funds appropriated to the Department of Defense for a fiscal year after fiscal year 1995 may be used to reduce the number of data centers of the Department of Defense to fewer than the 16 Defense MegaCenters identified as of the date of the enactment of this Act.

(f) REPORTING REQUIREMENTS.—(1) Not later than six months after commencing contracting out activities under the pilot program, the Secretary of Defense shall submit to Congress an initial assessment report regarding the implementation of the pilot program.

(2) The Secretary shall submit to Congress a final assessment report, including a recommendation for expanding the program as appropriate, not later than one year after commencing contracting out activities under the pilot program.

SEC. 367. INCREASED RELIANCE ON THE PRIVATE SECTOR.

(a) GENERAL RULE.—The Secretary of Defense shall endeavor to carry out through an entity in the private sector any activity to provide a commercial product or service for the Department of Defense if—

(1) the product or service can be provided through a source in the private sector; and

(2) an adequate competitive environment exists to provide for economical accomplishment of the function by the private sector.

(b) APPLICABILITY.—(1) Subsection (a) shall not be construed to apply to any commercial product or service with respect to which the Secretary of Defense determines that—

(A) production, manufacture, or provision of that product or service by the Government is necessary for reasons of national security; or

(B) the product or service is so inherently governmental in nature that it is in the public interest to require production or performance, respectively, by the Department of Defense.

(2) A determination under paragraph (1) shall be made in accordance with regulations prescribed under subsection (c).

(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the purposes of this section. Such regulations shall be prescribed in consultation with the Director of the Office of Management and Budget.

(d) REPORT.—(1) The Secretary of Defense shall identify all activities of the Department of Defense that

are carried out to provide commercial products or services for the Department of Defense and that are carried out by personnel of the Department of Defense (other than activities specified by the Secretary pursuant to subsection (b)).

(2) The Secretary shall transmit to Congress, not later than April 15, 1996, a report on matters relating to increased use of the private sector for the performance of commercial functions for the Department of Defense. The report shall include a list of all activities identified under paragraph (1) and indicate, for each activity, whether the Secretary proposes to convert the performance of such activity to performance by the private sector and, if not, the reasons why.

(3) The report shall include—

(A) a description of the advantages and disadvantages of using contractor personnel, rather than employees of the Department of Defense, to perform functions of the Department that are not essential to the warfighting mission of the Armed Forces;

(B) specification of all legislative and regulatory impediments to contracting those functions for private performance; and

(C) the views of the Secretary of Defense on the desirability of terminating the applicability of OMB Circular A–76 to the Department of Defense.

(4) The Secretary shall carry out paragraph (1) in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States. In carrying out that paragraph, the Secretary shall consult with, and seek the views of, representatives of the private sector, including organizations representing small businesses.

SEC. 368. PILOT PROGRAM FOR PRIVATE OPERATION OF PAYROLL AND ACCOUNTING FUNCTIONS OF NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) PILOT PROGRAM REQUIRED; LOCATION.—(1) The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall enter into discussions with private sector entities for the purpose of issuing a request for proposal to establish a pilot program to test and evaluate the cost savings and efficiencies of private operation of accounting and payroll function of nonappropriated fund instrumentalities of the Department of Defense. The negotiations shall be conducted so that the request for proposal may be issued within 60 days after the date of the enactment of this Act.

(2) The pilot program shall consist of a major Department of Defense Nonappropriated Fund Accounting and Payroll function.

(b) GOAL OF PROGRAM.—The goal of the pilot program is to receive proposals from private sector entities that, if implemented, would reduce by at least 25 percent the total costs to the Government for each pay event.

(c) PLAN OF PROGRAM.—Before conducting the pilot program, the Secretary of Defense shall develop a plan for the program that addresses the following:

(1) The purposes of the program.

(2) The methodology, duration, and anticipated costs of the program, including the cost of an arrangement whereby the private contractor would receive the agreed upon contract payment plus an additional negotiated amount not to exceed 50 percent of the dollar savings achieved in excess of the goal specified in subsection (b).

(3) A specific citation to any provisions of law, rule, or regulation that, if not waived, would prohibit the conduct of the program or any part of the program.

(4) An evaluation mechanism for the program.

(5) A provision for expanding the program to all accounting and payroll functions of

nonappropriated fund instrumentalities of the Department of Defense, based upon final assessment of the results of the program.

Subtitle G—Miscellaneous Reviews, Studies, and Reports

SEC. 371. QUARTERLY READINESS REPORTS.

(a) IN GENERAL.—(1) Chapter 22 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 452. Quarterly readiness reports

''(a) REQUIREMENT.—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on military readiness. The report for any quarter shall be based on assessments that are provided during that quarter—

''(1) to any council, committee, or other body of the Department of Defense (A) that has responsibility for readiness oversight, and (B) the membership of which includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

''(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

''(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

''(b) MATTERS TO BE INCLUDED.—Each such report—

''(1) shall specifically describe identified readiness problems or deficiencies and planned remedial actions; and

''(2) shall include the key indicators and other relevant data related to the identified problem area or deficiency.

''(c) CLASSIFICATION OF REPORTS.—Reports under this section shall be submitted in unclassified form and may, as the Secretary determines necessary, also be submitted in classified form.''.

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

''452. Quarterly readiness reports.''.

(b) EFFECTIVE DATE.—Section 452 of title 10, United States Code, as added by subsection (a), shall take effect with the calendar-year quarter during which this Act is enacted.

SEC. 372. REPORTS REQUIRED REGARDING EXPENDITURES FOR EMERGENCY AND EXTRAORDINARY EXPENSES.

Subsection (c) of section 127 of title 10, United States Code, is amended to read as follows:

''(c)(1) In any fiscal year in which funds are expended under the authority of this section, the Secretary of Defense shall submit a report of such expenditures on a quarterly basis to the committees specified in paragraph (3).

''(2) An obligation or expenditure in an amount of $1,000,000 or more may not be made under the authority of this section for any single transaction until the Secretary of Defense has notified the committees specified in paragraph (3).

''(3) The committees referred to in paragraphs (1) and (2) are—

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

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

SEC. 373. RESTATEMENT OF REQUIREMENT FOR SEMIANNUAL REPORTS TO CONGRESS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

Section 361 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2732) is amended to read as follows:

"SEC. 361. SEMIANNUAL REPORTS TO CONGRESS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

''(a) ANNUAL REPORTS.—(1) During 1996 and 1997, the Secretary of Defense shall submit to the congressional defense committees a report on transfers during the preceding fiscal year from funds available for the budget activities specified in subsection (d) (hereinafter in this section referred to as 'covered budget activities'). The report each year shall be submitted not later than the date in that year on which the President submits the budget for the next fiscal year to Congress pursuant to section 1105 of title 31, United States Code.

''(2) Each such report shall include—

''(A) specific identification of each transfer during the preceding fiscal year of funds available for any covered budget activity, showing the amount of the transfer, the covered budget activity from which

the transfer was made, and the budget activity to which the transfer was made; and

''(B) with respect to each such transfer, a statement of whether that transfer was made to a budget activity within a different appropriation than the appropriation containing the covered budget activity from which the transfer was made or to a budget activity within the same appropriation.

''(b) MIDYEAR REPORTS.—On May 1 of each year specified in subsection (a), the Secretary of Defense shall submit to the congressional defense committees a report providing the same information, with respect to the first six months of the fiscal year in which the report is submitted, that is provided in reports under subsection (a) with respect to the preceding fiscal year.

''(c) MATTERS TO BE INCLUDED.—In each report under this section, the Secretary shall include the following:

''(1) With respect to each transfer of funds identified in the report, a statement of the specific reason for the transfer.

''(2) For each covered budget activity—

''(A) a statement, for the period covered by the report, of—

''(i) the total amount of transfers into funds available for that activity;

''(ii) the total amount of transfers from funds available for that activity; and

''(iii) the net amount of transfers into, or out of, funds available for that activity; and

''(B) a detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

''(d) COVERED BUDGET ACTIVITIES.—The budget activities to which this section applies are the following:

''(1) The budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Army, appropriation that are designated as follows:

''(A) Combat Units.

''(B) Tactical Support.

''(C) Force-Related Training/Special Activities.

''(D) Depot Maintenance.

''(E) JCS Exercises.

''(2) The budget activity groups (known as 'subactivities') within the Operating Forces budget

activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

''(A) Mission and Other Flight Operations.

''(B) Mission and Other Ship Operations.

''(C) Fleet Air Training.

''(D) Ship Operational Support and Training.

''(E) Aircraft Depot Maintenance.

''(F) Ship Depot Maintenance.

''(3) The budget activity groups (known as 'subactivities'), or other activity, within the Operating Forces budget activity of the annual Operation and Maintenance, Air Force, appropriation that are designated or otherwise identified as follows:

''(A) Primary Combat Forces.

''(B) Primary Combat Weapons.

''(C) Global and Early Warning.

''(D) Air Operations Training.

''(E) Depot Maintenance.

''(F) JCS Exercises.''.

SEC. 374. MODIFICATION OF NOTIFICATION REQUIREMENT REGARDING USE OF CORE LOGISTICS FUNCTIONS WAIVER.

Section 2464(b) of title 10, United States Code, is amended by striking out paragraphs (3) and (4) and inserting in lieu thereof the following new paragraph:

''(3) A waiver under paragraph (2) may not take effect until the end of the 30-day period beginning on the date on which the Secretary submits a report on the waiver to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

SEC. 375. LIMITATION ON DEVELOPMENT OR MODERNIZATION OF AUTOMATED INFORMATION SYSTEMS OF DEPARTMENT OF DEFENSE PENDING REPORT.

(a) OBLIGATIONS AND EXPENDITURES SUBJECT TO REPORT.—Of the amounts appropriated pursuant to the authorization of appropriations in section 301, the Secretary of Defense may not obligate or expend amounts in excess of $2,411,947,000 for the development and modernization of automated data processing programs of the Department of Defense until after the end of the 30-day period beginning on the date on which the Inspector Gen-

eral of the Department of Defense submits to Congress a report that—

(1) addresses the ongoing concerns about performance measures and management controls regarding automated information systems;

(2) certifies that the Inspector General has completed review of the Base Level System Modernization and the Sustaining Base Information System;

(3) certifies that the Inspector General has completed the tasks identified in the review of Standard Installation/Division Personnel System-3;

(4) provides complete functional economic analyses for Automated System for Transportation Data, Electronic Data Interchange, Flexible Computer Integrated Manufacturing, Navy Tactical Command Support System, and Defense Information System Network;

(5) contains the resolution of the existing problems with the Defense Information System Network, Continuous Acquisition and Life-Cycle Support, and the Joint Computer-Aided Acquisition and Logistics Support;

(6) provides the necessary waivers regarding compelling military value, or provides complete func-

tional economic analyses, regarding Air Force Wargaming Center Air Force Command Exercise System, Cheyenne Mountain Upgrade, Transportation Coordinator Automated Command and Control Information Systems, and Wing Command and Control System; and

(7) certifies the termination of the Personnel Electronic Record Management System or provides justification for the continued need for the program.

(b) AUTOMATED INFORMATION SYSTEM DEFINED.—For purposes of this section, the term ''automated information system'' means an automated information system of the Department of Defense subject to section 381 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2738; 10 U.S.C. 113 note).

SEC. 376. REPORT REGARDING REDUCTION OF COSTS ASSOCIATED WITH CONTRACT MANAGEMENT OVERSIGHT.

(a) REPORT REQUIRED.—Not later than April 1, 1996, the Comptroller General of the United States shall submit to Congress a report identifying methods to reduce the cost to the Department of Defense of management oversight of contracts in connection with major defense acquisition programs.

(b) MAJOR DEFENSE ACQUISITION PROGRAMS DEFINED.—For purposes of this section, the term ''major defense acquisition programs'' has the meaning given that term in section 2430(a) of title 10, United States Code.

Subtitle H—Other Matters

SEC. 381. PROHIBITION ON CAPITAL LEASE FOR DEFENSE BUSINESS MANAGEMENT UNIVERSITY.

None of the funds appropriated to the Department of Defense for fiscal year 1996 may be used to enter into any lease with respect to the Center for Financial Management Education and Training of the Defense Business Management University if the lease would be treated as a capital lease for budgetary purposes.

SEC. 382. AUTHORITY OF INSPECTOR GENERAL OVER INVESTIGATIONS OF PROCUREMENT FRAUD.

(a) AUTHORITY.—Section 141 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) The Inspector General shall be responsible for and shall oversee all investigations of procurement fraud within the Department of Defense.''.

(b) IMPLEMENTATION.—The Secretary of Defense shall take such action as may be necessary to implement the amendment made by subsection (a).

SEC. 383. PROVISION OF EQUIPMENT AND FACILITIES TO ASSIST IN EMERGENCY RESPONSE ACTIONS.

Section 372 of title 10, United States Code, is amended by adding at the end the following new sentence: ''Assistance provided under this section may include training facilities, sensors, protective clothing, antidotes, and other materials and expertise of the Department of Defense appropriate for use by a Federal, State, or local law enforcement or emergency response agency in preparing for or responding to an emergency involving chemical or biological agents if the Secretary determines that the materials or services to be provided are not reasonably available from another source.''.

SEC. 384. CONVERSION OF THE CIVILIAN MARKSMANSHIP PROGRAM TO A FEDERALLY CHARTERED NONPROFIT CORPORATION.

(a) CORPORATION.—

(1) ESTABLISHMENT.—There is hereby established a private nonprofit corporation, to be known as the Corporation for the Promotion of Rifle Practice and Firearms Safety (in this section referred to as the ''Corporation''), for the promotion of rifle practice and firearms safety.

(2) DUTIES.—The Corporation shall be responsible for the supervision, oversight, and control of the Civilian Marksmanship Program.

(3) MEMBERSHIP.—The Corporation shall have a board of directors consisting of nine members. Each member shall serve for a two-year term, except for four members of the initial board of directors, who shall serve a one-year term, and shall be eligible for reappointment. The private members of the National Board for the Promotion of Rifle Practice, as in existence on the day before the date of the enactment of this Act, shall forward nominations for membership on the initial board of directors of the Corporation to the governing body designated by the United States Olympic Committee for international rifle and pistol competition (in this section referred to as the ''USOC designee'') not later than 10 days after the date of the enactment of this Act. Unless the nomination is rejected by the USOC designee by written notification to the existing members of the National Board within 30 days of the nomination, the nominee shall be seated as a member of the board of directors of the Corporation. Members of the board of directors shall nominate individuals to fill subsequent vacancies within 10 days of the vacancy, with a right of rejection reserved to the USOC designee by written notification to the Corporation within 30 days of each nomination.

(4) DIRECTOR OF CIVILIAN MARKSMANSHIP AND STAFF.—The Corporation shall appoint a person to serve as the Director of Civilian Marksmanship, who shall be responsible for the day to day operations of the Corporation and the Civilian Marksmanship Program. Subject to the approval of the Corporation, the Director and civilian employees of the Corporation may enroll or remain enrolled without penalty or loss of credit in all pension and benefits programs available to civilian employees of the Department of Defense, the employer's contribution to be paid by the Corporation.

(b) SOLICITATION AND RECEIPT OF FUNDS.—

(1) IN GENERAL.—The Corporation and the Director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise.

(2) USE OF PROCEEDS.—Amounts collected by the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets and other supplies and appliances, shall be used to carry out the Civilian Marksmanship Program.

(3) TRANSFER OF FUNDS.—Amounts available to the National Board for the Promotion of Rifle Practice as of the date of enactment of this Act from rifle sales programs and from fees in connection with competitions sponsored by that board shall be transferred to the Corporation to carry out the Civilian Marksmanship Program.

(4) FEES CHARGED.—The Corporation may impose such reasonable fees as are necessary to cover the direct and indirect costs to the Corporation, for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

(c) RESPONSIBILITIES.—The Corporation, through the Civilian Marksmanship Program, shall provide for—

(1) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

(2) the instruction of citizens of the United States in marksmanship, and the employment of trained instructors for the purpose;

(3) the promotion of practice in the use of rifled arms and the maintenance and management of

matches and competitions in the use of those arms; and

(4) the award to competitors of trophies, prizes, badges, and other insignia.

(d) YOUTH ACTIVITIES.—The Corporation, through the Civilian Marksmanship Program, shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

(e) ELIGIBILITY.—

(1) AFFIDAVIT.—Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program, the person shall be required to certify by affidavit the following:

(A) The person has not been convicted of any violation of section 922 of title 18, United States Code. The Director may require any person to attach certification from the appropriate State or Federal law enforcement agency to the person's affidavit.

(B) The person is not a member of any organization that advocates the violent overthrow of the United States Government.

(2) EFFECT OF CONVICTION.—A person who has been convicted of a violation of section 922 of

title 18, United States Code, shall not be eligible to participate in any activity sponsored or supported by the Corporation through the Civilian Marksmanship Program.

(3) FURTHER LIMITATIONS ON PARTICIPATION.—The Director may limit participation as necessary to ensure quality instruction in the rifled arms, participant safety, and firearms security.

(f) ARMS AND AMMUNITION.—

(1) ISSUANCE.—The Corporation may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities related to the Civilian Marksmanship Program. Issuance shall be made only to gun clubs under the direction of the Corporation that provide training in the use of rifled arms to youth, the Boy Scouts of America, 4–H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition. The Corporation shall be responsible for ensuring adequate oversight and accountability for these arms and ammunition.

(2) SALE TO CLUBS.—The Corporation may sell at fair market value caliber .30 rifles and ammunition for caliber .30 rifles, .22 rifles, and air rifles to

gun clubs that are under the direction of the Corporation and provide training in the use of rifled arms. In lieu of sales, the Civilian Marksmanship Program may loan caliber .30 rifles, .22 rifles, and air rifles to such clubs, but the Corporation is responsible for ensuring the oversight and accountability of such rifles.

(3) SALE TO INDIVIDUALS.—The Corporation may sell at fair market value caliber .30 rifles, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the Corporation. Such sales are subject to applicable Federal, State, and local laws. In addition to any other requirement, the Corporation shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies, and the Corporation shall not sell weapons or ammunition to a person who has been convicted of a felony or Federal or State firearms violation.

(g) OTHER DUTIES.—The Corporation shall provide for or assist in providing for—

(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia,

clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

(2) transportation of employees, instructors, and civilians to give or receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance in lieu of subsistence, of members of teams authorized by the Corporation to participate in matches or competitions in the use of rifled arms.

(h) AUTHORITY OF SECRETARY OF DEFENSE TO SELL SURPLUS ARMS AND AMMUNITION.—Subject to section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 372 note), relating to the transfer of excess small arms and ammunition to support Government counter-drug activities, the Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M–1 Garand rifles, and ammunition for such rifles, held by the Army on the date of the enactment of this Act. After such date, the Secretary of the Army shall cease demilitarization of remaining M–1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable by the Defense Logistics Agency. Any transfers of arms and ammunition to the Corporation under this section shall be made without cost to the Civilian Marksman-

ship Program, except that the Corporation shall assume the cost of preparation and transportation of the transferred rifles.

(i) LOGISTICAL SUPPORT TO CIVILIAN MARKSMANSHIP PROGRAM.—The Secretary of Defense, under such regulations as the Secretary may prescribe, may provide logistical support to the Civilian Marksmanship Program, for competitions and other activities conducted by the Corporation. The Secretary shall recoup only the incremental cost for this support from the Corporation. The National Matches may continue to be held at the current Department of Defense facilities as part of the support authorized under this section.

(j) REPEAL.—(1) Sections 4307, 4308, 4310, and 4311 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, 4310, and 4311.

SEC. 385. PERSONNEL SERVICES AND LOGISTICAL SUPPORT FOR CERTAIN ACTIVITIES HELD ON MILITARY INSTALLATIONS.

Section 2544 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

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

''(g) In the case of a Boy Scout Jamboree held on a United States military installation, the Secretary of Defense may provide personnel services and logistical support at the military installation in addition to the support authorized under subsections (a) and (d).''.

SEC. 386. RETENTION OF MONETARY AWARDS.

(a) MONETARY AWARDS.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2610. Acceptance of monetary awards from competition for excellence

''(a) ACCEPTANCE AUTHORIZED.—The Secretary of Defense may accept any monetary award given to the Department of Defense by a nongovernmental entity as an award in competition recognizing excellence or innovation in providing services or administering programs.

''(b) DISPOSITION OF AWARDS.—(1) Subject to paragraph (2), a monetary award accepted under subsection (a) shall be credited to the appropriation supporting the operation of the command, installation, or other activity that is recognized for the award and, in such amount as is provided in advance in appropriation Acts, shall be

available for the same purposes as the underlying appropriation.

''(2) Subject to such limitations as may be provided in appropriation Acts, the Secretary of Defense may disburse an amount not to exceed 50 percent of the monetary award to persons who are responsible for the excellence or innovation recognized by the award. A person may not receive more than $10,000 under the authority of this paragraph from any monetary reward.

''(c) INCIDENTAL EXPENSES.—Subject to such limitations as may be provided in appropriation Acts, appropriations available to the Department of Defense may be used to pay incidental expenses incurred to compete in a competition described in subsection (a) or to accept a monetary award under this section.

''(d) REGULATIONS AND REPORTING.—(1) The Secretary of Defense shall prescribe regulations to determine the disposition of any monetary awards accepted under this section and the payment of incidental expenses under subsection (c).

''(2) The Secretary of Defense shall submit to Congress an annual report describing the disposition of any monetary awards accepted under this section and the payment of any incidental expenses under this subsection (c).''.

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

''2610. Acceptance of monetary awards from competition for excellence.''.

SEC. 387. CIVIL RESERVE AIR FLEET.

Section 9512 of title 10, United States Code, is amended by striking out ''full'' before ''Civil Reserve Air Fleet'' in subsections (b)(2) and (e).

SEC. 388. PERMANENT AUTHORITY REGARDING USE OF PROCEEDS FROM SALE OF LOST, ABANDONED, AND UNCLAIMED PERSONAL PROPERTY AT CERTAIN INSTALLATIONS.

(a) CONVERSION OF EXISTING DEMONSTRATION PROJECT.—Section 343 the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1343) is amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsection:

''(d) APPLICATION OF SPECIAL RULE.—The special rule provided by subsection (a) shall apply with respect to the disposal under section 2575 of title 10, United States Code, of property found on the military installations referred to in subsection (b).''.

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

(1) by striking out ''DEMONSTRATION PROJECT'' in the subsection heading and inserting in lieu thereof ''SPECIAL RULE REGARDING PROCEEDS''; and

(2) by striking out ''demonstration project'' and inserting in lieu thereof ''permanent program''.

SEC. 389. TRANSFER OF EXCESS PERSONAL PROPERTY TO SUPPORT LAW ENFORCEMENT ACTIVITIES.

Section 1208(a)(1)(A) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (P.L. 101–189; 10 U.S.C. 372 note) is amended by striking out ''counter-drug activities'' and inserting in lieu thereof ''law enforcement activities, including counter-drug activities''.

SEC. 390. DEVELOPMENT AND IMPLEMENTATION OF INNOVATIVE PROCESSES TO IMPROVE OPERATION AND MAINTENANCE.

Of the amounts authorized to be appropriated under section 301(5), $350,000,000 shall be available to the Secretary of Defense for the development or acquisition of information technologies and reengineered functional processes, such as in the areas of personnel management, finance, and depot-level maintenance, for implementation within the Department of Defense. Before obligating or expending funds under this section for an information technology or reengineered functional process, the Sec-

retary shall certify to Congress that the information technology or reengineered functional process—

(1) demonstrates a rate of return, within three years, of 300 percent compared to the investment made under this section; or

(2) would have a measurable effect upon the effectiveness of the readiness of the Armed Forces or the operation and management of the Department of Defense.

SEC. 391. REVIEW OF USE OF DEFENSE LOGISTICS AGENCY TO MANAGE INVENTORY CONTROL POINTS.

(a) REVIEW OF CONSOLIDATION OF INVENTORY CONTROL POINTS.—The Secretary of Defense shall conduct a review regarding the consolidation under the Defense Logistics Agency of all inventory control points, including the inventory management and acquisition of depot-level repairables.

(b) SUBMISSION OF RESULTS.—Not later than March 31, 1996, the Secretary shall complete the review and submit a report to the congressional defense committees describing the results the review.

(c) LIMITATION ON IMPLEMENTATION OF MATERIEL MANAGEMENT STANDARD SYSTEM.—Pending the submission of the report, the Secretary of Defense may not proceed with the implementation of the automated data proc-

essing program of the Department of Defense known as the Materiel Management Standard System.

SEC. 392. SALE OF 50 PERCENT OF CURRENT WAR RESERVE FUEL STOCKS.

(a) SALE REQUIRED.—Notwithstanding section 2390(a) of title 10, United States Code, the Secretary of Defense shall reduce war reserve fuel stocks of the Department of Defense to a level equal to 50 percent of the level of such stocks on January 1, 1995. The Secretary shall achieve the reduction through consumption of fuel in the Department of Defense and, if necessary, sales of fuel outside the Department to the highest qualified bidders.

(b) SUBSEQUENT FUEL PURCHASES.—After the date of the enactment of this Act, fuel purchases for the Department of Defense shall be made on the basis of the actual fuel needs of the Department.

(c) REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the manner in which the reduction of war reserve fuel stocks is to be made and the time period within which the reduction is to be achieved.

(d) SUSPENSION OF REDUCTION; INCREASES.—The Secretary of Defense may suspend the reduction of war reserve fuel stocks, and in fact increase such stocks as otherwise authorized by law, in the event of a national

emergency or to advance the national security interests of the United States.

SEC. 393. MILITARY CLOTHING SALES STORES, REPLACEMENT SALES.

(a) IN GENERAL.—(1) Chapter 651 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices

''(a) The branch, office, or officer designated by the Secretary of the Navy shall procure and sell, for cash or credit—

''(1) articles specified by the Secretary of the Navy or a person designated by the Secretary, to members of the Navy and Marine Corps; and

''(2) items of individual clothing and equipment to members of the Navy and Marine Corps, under such restrictions as the Secretary may prescribe.

An account of sales on credit shall be kept and the amount due reported to any branch office, or officer designated by the Secretary. Except for articles and items acquired through the use of working capital funds under section 2208 of this title, sales of articles shall be at cost, and sales of individual clothing and equipment shall be at aver-

age current prices, including overhead, as determined by the Secretary.

''(b) The branch, office, or officer designated by the Secretary shall sell subsistence supplies to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

''(c) The branch, office, or officer designated by the Secretary may sell serviceable supplies, other than subsistence supplies, to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

''(d) A person who has been discharged honorably or under honorable conditions from the Army, Navy, Air Force, or Marine Corps and who is receiving care and medical treatment from the Public Health Service or the Department of Veterans Affairs may buy subsistence supplies and other supplies, except articles of uniform, at the prices at which like property is sold to members of the Navy and Marine Corps.

''(e) Under such conditions as the Secretary may prescribe, exterior articles of uniform may be sold to a person who has been discharged from the Navy or Marine Corps honorably or under honorable conditions at the prices at which like articles are sold to members of the Navy or

Marine Corps. This subsection does not modify section 772 or 773 of this title.

''(f) Under regulations prescribed by the Secretary, payment for subsistence supplies shall be made in cash or by commercial credit.

''(g) The Secretary may provide for the procurement and sale of stores designated by him to such civilian officers and employees of the United States, and such other persons, as he considers proper—

''(1) at military installations outside the United States (provided such sales conform with host nation support agreements); and

''(2) at military installations inside the United States where the Secretary determines that it is impracticable for those civilian officers, employees, and persons to obtain those stores from commercial enterprises without impairing the efficient operation of military activities.

However, sales to such civilian officers and employees inside the United States may be only to those who reside within military installations.

''(h) Appropriations for subsistence of the Navy or Marine Corps may be applied to the purchase of subsistence supplies for sale to members of the Navy and Marine

Corps on active duty for the use of themselves and their families.''.

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

''7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.''.

(b) CONFORMING AMENDMENTS FOR OTHER ARMED FORCES.—(1) Section 4621(f) of such title is amended by inserting before the period at the end the following: ''or by commercial credit''.

(2) Section 9621(f) of such title is amended by inserting before the period at the end the following: ''or by commercial credit''.

SEC. 394. 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.—Of the amounts authorized to be appropriated in section 301(5)—

(1) $50,000,000 shall be available for providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $8,000,000 shall be available for making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION OF AVAILABILITY OF FUNDS.—Not later than June 30, 1996—

(1) the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1996 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) the Secretary of Education shall notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1996 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT.—The Secretary of Defense (with respect to funds made available under subsection (a)(1)) and the Secretary of Education (with respect to funds made available under subsection (a)(2)) shall disburse such funds not later than 30 days after the date on which notification to the eligible local education agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—For purposes of this section:

(1) The term ''educational agencies assistance'' means assistance authorized under subsection (b) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note).

(2) The term ''educational agencies payments'' means payments authorized under subsection (d) of that section.

(e) REDUCTION IN IMPACT THRESHOLD.—Subsection (c)(1) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended—

(1) by striking out ''30 percent'' and inserting in lieu thereof ''20 percent''; and

(2) by striking out ''counted under subsection (a) or (b) of section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress; 20 U.S.C. 238)''.

(f) EXTENSION OF REPORTING REQUIREMENT.—Subsection (e)(1) of section 386 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended by striking out ''and 1995'' and inserting in lieu thereof ''1995, and 1996''.

(g) TECHNICAL AMENDMENTS TO CORRECT REFERENCES TO REPEALED LAW.—Section 386 of the Na-

tional Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 238 note) is amended—

(1) in subsection (d), by striking out ''under section 3'' and all that follows through ''of such subsection that result from'' and inserting in lieu thereof ''payments under section 8003(e) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(e)) as a result of'';

(2) in subsection (e)(2)(C), by inserting after ''et seq.),'' the following: ''title VIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701 et seq.),'';

(3) in subsection (e)(2)(D), by striking out ''under subsections (a) and (b) of section 3 of such Act (20 U.S.C. 238)''; and

(4) in subsection (h)—

(A) in paragraph (1), by striking out ''section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))'' and inserting in lieu thereof ''section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9))''; and

(B) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

''(3) The term 'State' does not include Puerto Rico, Wake Island, Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands.''.

SEC. 395. CORE LOGISTICS CAPABILITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2473. Depot-level maintenance and repair workload

''(a) IMPORTANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR CORE CAPABILITIES.—It is essential for the national defense that the United States maintain a core depot-level maintenance and repair capability (including skilled personnel, equipment, and facilities) within facilities owned and operated by the Department of Defense that—

''(1) is of the proper size (A) to ensure a ready and controlled source of technical competence and repair and maintenance capability necessary to meet the requirements of the National Military Strategy and other requirements for responding to military contingencies, and (B) to provide for rapid augmentation in time of emergency; and

"(2) is assigned sufficient workload to ensure cost efficiency and proficiency in time of peace.

"(b) DETERMINATION OF CORE DEPOT MAINTENANCE ACTIVITIES.—(1) The Secretary of each military department shall identify those depot-level maintenance and repair activities under that Secretary's jurisdiction that are necessary to ensure for that military department the depot-level maintenance and repair capability described in subsection (a) and as required by section 2464 of this title.

"(2) The Secretary of each military department shall prescribe the procedures to be used to quantify the requirements necessary to support the capability described in subsection (a).

"(c) PERFORMANCE OF WORKLOAD THAT SUPPORTS DEPOT-LEVEL MAINTENANCE AND REPAIR CORE CAPABILITIES.—The Secretary of each military department shall require the performance of depot-level maintenance and repair of activities identified under subsection (b) at organic Department of Defense maintenance depots at levels sufficient to ensure that the Department of Defense maintains the core depot-level maintenance and repair capability described in subsection (a).

"(d) INTERSERVICING OF WORKLOAD.—The Secretary of Defense, after consultation with the Secretaries

of the military departments, may transfer workload that supports the core capability described in subsection (a) from one military department to another. The Secretary of Defense shall use merit-based criteria in evaluating such transfers.

''(e) SOURCE OF REPAIR FOR OTHER DEPOT-LEVEL WORKLOADS.—In the case of depot-level maintenance and repair workloads in excess of the workload required pursuant to subsection (c) to be performed at organic Department of Defense depots, the Secretary of Defense, after consultation with the Secretaries of the military departments, may provide for the performance of those workloads through sources selected by competition. The Secretary of Defense shall use competition between private firms and organic Department of Defense depots for any such workload when the Secretary determines there are less than two qualified sources of supply among private firms for the performance of that specific depot-level maintenance workload.

''(f) DEPOT-LEVEL WORKLOAD COMPETITIONS.—In any competition under this section for a depot-level workload (whether among private firms or between Department of Defense activities and private firms), bids from any entity participating in the competition shall accurately disclose all costs properly and consistently derived from ac-

counting systems and practices that comply with laws, policies, and standards applicable to that entity. In any competition between Department of Defense activities and private firms, the Government calculation for the cost of performance of the function by Department of Defense civilian employees shall be based on an estimate using the most efficient and cost effective manner for performance of such function by Department of Defense civilian employees.

''(g) ANNUAL REPORT.—Not later than March 1 of each year, the Secretary of Defense shall submit to Congress a report specifying depot maintenance core capability requirements determined in accordance with the procedures established to comply with subsection (b)(2) and the planned amount of workload to be accomplished in the organic depots of each military department in support of those requirements for the following fiscal year. The report shall identify the planned amount of workload measured by direct labor hours and by amounts expended and shall be shown separately for each commodity group.''.

(b) REPEAL OF 60/40 REQUIREMENT AND REQUIREMENT RELATING TO COMPETITION.—Effective December 31, 1996—

(1) section 2466 of title 10, United States Code, is repealed unless Congress takes further action regarding such repeal; and

(2) section 2469 of title 10, United States Code, is repealed unless Congress takes further action regarding such repeal.

(c) INTERIM EXCLUSION OF LARGE MAINTENANCE AND REPAIR PROJECTS FROM 60/40 REQUIREMENT.—Effective on the date of the enactment of this Act, section 2466(d) of title 10, United States Code, is amended—

(1) by striking out ''EXCEPTION.—'' and inserting in lieu thereof ''EXCEPTIONS.—(1)''; and

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

''(2) If a maintenance or repair project for a single item that is contracted for performance by non-Federal Government personnel accounts for 5 percent or more of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload, the project and the funds necessary for the project shall not be considered when applying the percentage limitation specified in subsection (a) to that military department or Defense Agency.''.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 146 of such title is amended—

(1) effective December 31, 1996, by striking out the items relating to sections 2466 and 2469; and

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

''2473. Depot-level maintenance and repair workload.''.

(e) REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report on the depot-level maintenance and repair workload of the Department of Defense. The report shall include the following:

(1) The analysis required by subsection (f) of the effect on that workload of the so-called 60/40 requirement.

(2) The analysis required by subsection (g) of the projected effect on that workload using a definition of core capability consistent with the description in section 2473(a) of title 10, United States Code, as added by subsection (a).

(3) The comparison of those analyses required by subsection (h).

(4) Identification and analysis of significant issues that arise if organic Department of Defense depots are allowed to participate in a full and open

competition with private firms for repair workloads in excess of work that supports core capabilities.

(f) 60/40 REQUIREMENT.—(1) The report under subsection (e) shall include an analysis of the requirement under section 2466 of title 10, United States Code, that no more than 40 percent of the depot-level maintenance and repair work of the Department of Defense be contracted for performance by non-Government personnel. That analysis shall include the following:

(A) A description of the effect on military readiness and the national security resulting from that requirement, including a description of any specific difficulties experienced by the Department of Defense as a result of that requirement.

(B) A determination of the depot-level maintenance and repair workload of the Department of Defense allocated for performance by organic Department of Defense depots for any fiscal year during which the requirement has been in effect, the percentage of funds for that workload that were obligated to private sector entities, shown for each such fiscal year and for the entire period during which the requirement has been in effect.

(2) That analysis shall be made with respect to—

(A) the distribution during the five fiscal years ending with fiscal year 1995 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, measured by direct labor hours and by amounts expended, and displayed, for that five-year period and for each year of that period, so as to show (for each military department (and separately for the Navy and Marine Corps)) such distribution for each commodity group (such as naval vessels, aircraft, tracked combat vehicles); and

(B) the projected distribution during the five fiscal years beginning with fiscal year 1996 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, set forth in the same manner as described in subparagraph (A).

(g) CORE WORKLOAD ANALYSIS.—The report under subsection (e) shall include an analysis of the depot-level maintenance and repair workload of the Department of Defense in which the Secretary uses the capability described in section 2473(a) of title 10, United States Code, as added by subsection (a), as the standard for determin-

ing that portion of such workload that is required to be performed in organic Department of Defense facilities. That analysis shall be made with respect to—

(1) the distribution that would (using that standard) have been made during the five fiscal years ending with fiscal year 1995 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, measured by direct labor hours and by amounts expended, and displayed, for that five-year period and for each year of that period, so as to show (for each military department (and separately for the Navy and Marine Corps)) such distribution for each commodity group (such as naval vessels, aircraft, tracked combat vehicles); and

(2) the projected distribution (using that standard) during the five fiscal years beginning with fiscal year 1996 of the depot-level maintenance and repair workload of the Department of Defense between organic Department of Defense depots and non-Government personnel, set forth in the same manner as described in paragraph (1).

(h) COMPARISON.—The report under subsection (e) shall include a comparison of the results of the analysis

of the depot-level maintenance and repair workload of the Department of Defense under subsection (f) with the results of the analysis of that workload under subsection (g). The comparison shall include a comparison of the two analyses by service and commodity group with respect to each of the following:

(1) Identification, based on each analysis, of core workloads and of the capabilities and equipment needed to perform depot-level maintenance and repair for those core workloads.

(2) Identification, based on each analysis, of depot-level maintenance and repair work performed (or that would be performed) at organic Department of Defense depots and of depot-level maintenance and repair work performed (or that would be performed) by non-Government personnel.

(3) Readiness.

(4) The Department of Defense budget.

(5) The depot-level maintenance and repair workload distribution, under each analysis, by direct labor hours performed and by dollars expended.

(6) Projected level, for each analysis, of Government capital investment in public and private depot-level maintenance and repair facilities.

(i) REVIEW BY GAO.—(1) The Comptroller General of the United States shall conduct an independent audit of the findings of the Secretary of Defense in the report under subsection (e). The Secretary of Defense shall provide to the Comptroller General for such purpose all information used by the Secretary in preparing such report.

(2) Not later than April 1, 1996, the Comptroller General shall submit to the congressional defense committees a report on the analysis by the Comptroller General of the report submitted by the Secretary of Defense under this section.

SEC. 396. EXPANSION OF SOUTHWEST BORDER STATES ANTI-DRUG INFORMATION SYSTEM.

Congress finds that the Southwest Border States Anti-Drug Information Systems program is an important element in the effort of the Department of Defense to support law enforcement agencies in the fight against illegal trafficking of narcotics.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1996 , as follows:

(1) The Army, 495,000.

(2) The Navy, 428,000.

(3) The Marine Corps, 174,000.

(4) The Air Force, 388,200.

SEC. 402. TEMPORARY VARIATIONS IN DOPMA AUTHORIZED END STRENGTH LIMITATIONS FOR ACTIVE DUTY NAVY AND AIR FORCE OFFICERS IN CERTAIN GRADES.

(a) AIR FORCE OFFICERS IN GRADE OF MAJOR.—Notwithstanding section 523(a)(1) of title 10, United States Code, and except as provided in section 523(c) of such title, of the total number of commissioned officers serving on active duty in the Air Force at the end of any fiscal year through fiscal year 1997 (excluding officers in categories specified in section 523(b) of title 10, United States Code), the number of officers who may be serving on active duty in the grade of major may not, as of the end of such fiscal year, exceed the number determined in accordance with the following table:

Total number of Air Force commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of major
70,000	14,612
75,000	15,407
80,000	16,202
85,000	16,997
90,000	17,792
95,000	18,587
100,000	19,382
105,000	20,177
110,000	20,971
115,000	21,766

Total number of Air Force commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of major
120,000	22,561
125,000	23,356

(b) NAVY OFFICERS IN GRADES OF LIEUTENANT COMMANDER, COMMANDER, AND CAPTAIN.—Notwithstanding section 523(a)(2) of title 10, United States Code, and except as provided in section 523(c) of such title, of the total number of commissioned officers serving on active duty in the Navy at the end of any fiscal year through fiscal year 1997 (excluding officers in categories specified in section 523(b) of title 10, United States Code), the number of officers who may be serving on active duty in each of the grades of lieutenant commander, commander, and captain may not, as of the end of such fiscal year, exceed a number determined in accordance with the following table:

Total number of Navy commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of		
	Lieutenant Commander	Commander	Captain
45,000	10,034	6,498	2,801
48,000	10,475	6,706	2,902
51,000	10,916	6,912	3,002
54,000	11,357	7,120	3,103
57,000	11,798	7,328	3,204
60,000	12,239	7,535	3,305
63,000	12,680	7,742	3,406
66,000	13,121	7,949	3,506
70,000	13,709	8,226	3,641
90,000	16,649	9,608	4,313

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1996, as follows:

(1) The Army National Guard of the United States, 373,000.

(2) The Army Reserve, 230,000.

(3) The Naval Reserve, 98,608.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 109,458.

(6) The Air Force Reserve, 73,969.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

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

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

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

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1996 , 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, 23,390.

(2) The Army Reserve, 11,575.

(3) The Naval Reserve, 17,490.

(4) The Marine Corps Reserve, 2,285.

(5) The Air National Guard of the United States, 9,817.

(6) The Air Force Reserve, 628.

SEC. 413. COUNTING OF CERTAIN ACTIVE COMPONENT PERSONNEL ASSIGNED IN SUPPORT OF RESERVE COMPONENT TRAINING.

Section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 12001 note) is amended—

(1) by inserting ''(1)'' before ''The Secretary''; and

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

''(2) The Secretary of Defense may count toward the number of active component personnel required under paragraph (1) to be assigned to serve as advisers under the program under this section any active component personnel who are assigned to an active component unit (A) that was established principally for the purpose of providing dedicated training support to reserve component units, and (B) the primary mission of which is to provide such dedicated training support.''.

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) IN GENERAL.—For fiscal year 1996, the components of the Armed Forces are authorized average military training loads as follows:

(1) The Army, 75,013.

(2) The Navy, 44,238.

(3) The Marine Corps, 26,095.

(4) The Air Force, 33,232.

(b) SCOPE.—The average military training student loads authorized for an armed force under subsection (a) apply to the active and reserve components of that armed force.

(c) ADJUSTMENTS.—The average military student loads authorized in subsection (a) shall be adjusted consistent with the end strengths authorized in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal

year 1996 a total of $68,951,663,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1996.

SEC. 432. AUTHORIZATION FOR INCREASE IN ACTIVE-DUTY END STRENGTHS.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 1996 for military personnel the sum of $112,000,000. Any amount appropriated pursuant to this section shall be allocated, in such manner as the Secretary of Defense prescribes, among appropriations for active-component military personnel for that fiscal year and shall be available only to increase the number of members of the Armed Forces on active duty during that fiscal year (compared to the number of members that would be on active duty but for such appropriation).

(b) EFFECT ON END STRENGTHS.—The end-strength authorizations in section 401 shall each be deemed to be increased by such number as necessary to take account of additional members of the Armed Forces authorized by the Secretary of Defense pursuant to subsection (a).

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. AUTHORITY TO EXTEND TRANSITION PERIOD FOR OFFICERS SELECTED FOR EARLY RETIREMENT.

(a) SELECTIVE RETIREMENT OF WARRANT OFFICERS.—Section 581 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) The Secretary concerned may defer for not more than 90 days the retirement of an officer otherwise approved for early retirement under this section in order to prevent a personal hardship to the officer or for other humanitarian reasons.''.

(b) SELECTIVE EARLY RETIREMENT OF ACTIVE-DUTY OFFICERS.—Section 638(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) The Secretary concerned may defer for not more than 90 days the retirement of an officer otherwise approved for early retirement under this section or section 638a of this title in order to prevent a personal hardship to the officer or for other humanitarian reasons.''.

Subtitle B—Matters Relating to Reserve Components

SEC. 511. MILITARY TECHNICIAN FULL-TIME SUPPORT PROGRAM FOR ARMY AND AIR FORCE RESERVE COMPONENTS.

(a) REQUIREMENT OF ANNUAL AUTHORIZATION OF END STRENGTH.—(1) Section 115 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g) Congress shall authorize for each fiscal year the end strength for military technicians for each reserve component of the Army and Air Force. Funds available to the Department of Defense for any fiscal year may not be used for the pay of a military technician during that fiscal year unless the technician fills a position that is within the number of such positions authorized by law for that fiscal year for the reserve component of that technician. This subsection applies without regard to section 129 of this title.''.

(2) The amendment made by paragraph (1) does not apply with respect to fiscal year 1995.

(b) AUTHORIZATION FOR FISCAL YEARS 1996 AND 1997.—For each of fiscal years 1996 and 1997, the number of military technicians, as of the last day of that fiscal year, for the Army and the Air Force (notwithstanding

section 129 of title 10, United States Code) may not exceed the following:

(1) Army National Guard, 25,500.

(2) Army Reserve, 6,630.

(3) Air National Guard, 22,906.

(4) Air Force Reserve, 9,802.

(c) ADMINISTRATION OF MILITARY TECHNICIAN PROGRAM.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10216. Military technicians

''(a) PRIORITY FOR MANAGEMENT OF MILITARY TECHNICIANS.—(1) As a basis for making the annual request to Congress pursuant to section 115 of this title for authorization of end strengths for military technicians of the Army and Air Force reserve components, the Secretary of Defense shall give priority to supporting authorizations for dual status military technicians in the following high-priority units and organizations:

''(A) Units of the Selected Reserve that are scheduled to deploy no later than 90 days after mobilization.

''(B) Units of the Selected Reserve that are or will deploy to relieve active duty peacetime operations tempo.

''(C) Those organizations with the primary mission of providing direct support surface and aviation maintenance for the reserve components of the Army and Air Force, to the extent that the military technicians in such units would mobilize and deploy in a skill that is compatible with their civilian position skill.

''(2) For each fiscal year, the Secretary of Defense shall, for the high-priority units and organizations referred to in paragraph (1), achieve a programmed manning level for military technicians that is not less than 90 percent of the programmed manpower structure for those units and organizations for military technicians for that fiscal year.

''(3) For each fiscal year, the Secretary of Defense shall, for reserve component management headquarters organizations (including national and State-level National Guard headquarters, in United States Property and Fiscal Offices, and in similar management-level headquarters in the Army and Air Force Reserve), achieve a programmed manning level for military technicians that is not more than 70 percent of the programmed manpower structure for those organizations for military technicians for that fiscal year.

"(4) Military technician authorizations and personnel in high-priority units and organizations specified in paragraph (1) shall be exempt from any requirement (imposed by law or otherwise) for reductions in Department of Defense civilian personnel and shall only be reduced as part of military force structure reductions. Planned reductions in Department of Defense civilian personnel that would apply to such technician authorizations and personnel but for this paragraph shall be reallocated by the Secretary of Defense on a proportional basis throughout the Department of Defense, with an emphasis on reducing headquarters personnel.

"(b) DUAL-STATUS REQUIREMENT.—The Secretary of Defense shall require the Secretary of the Army and the Secretary of the Air Force to establish as a condition of employment for each individual who is hired after the date of the enactment of this section as a military technician that the individual maintain membership in the Selected Reserve (so as to be a so-called 'dual-status' technician) and shall require that the civilian and military position skill requirements of dual-status military technicians be compatible. No Department of Defense funds may be spent for compensation for any military technician hired after the date of the enactment of this section who is not a member of the Selected Reserve, except that compensa-

tion may be paid for up to six months following loss of membership in the selected reserve if such loss of membership was not due to the failure to meet military standards.''.

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

''10216. Military technicians.''.

(d) REVIEW OF RESERVE COMPONENT MANAGEMENT HEADQUARTERS.—(1) The Secretary of Defense shall, within six months after the date of the enactment of this Act, undertake steps to reduce, consolidate, and streamline management headquarters operations of the reserve components. As part of those steps, the Secretary shall identify those military technicians positions in such headquarters operations that are excess to the requirements of those headquarters.

(2) Of the military technicians positions that are identified under paragraph (1), the Secretary shall reallocate up to 95 percent of those positions to the high-priority units and activities specified in section 10216(a) of title 10, United States Code, as added by subsection (c).

(e) ANNUAL DEFENSE MANPOWER REQUIREMENTS REPORT.—Section 115a of title 10, United States Code, is amended by adding at the end the following new subsection:

''(h) In each such report, the Secretary shall include a separate report on the Army and Air Force military technician programs. The report shall include a presentation, shown by reserve component and shown both as of the end of the preceding fiscal year and for the next fiscal year, of the following:

''(1) The number of military technicians required to be employed (as specified in accordance with Department of Defense procedures), the number authorized to be employed under Department of Defense personnel procedures, and the number actually employed.

''(2) Within each of the numbers under paragraph (1)—

''(A) the number applicable to a reserve component management headquarter organization; and

''(B) the number applicable to high-priority units and organizations (as specified in section 10216(a) of this title).

''(3) Within each of the numbers under paragraph (1), the numbers of military technicians who are not themselves members of a reserve component (so-called 'single-status' technicians), with a further

display of such numbers as specified in paragraph (2).''.

SEC. 512. MILITARY LEAVE FOR MILITARY RESERVE TECHNICIANS FOR CERTAIN DUTY OVERSEAS.

Section 6323 of title 5, United States Code is amended by adding at the end the following new subsection:

''(d)(1) A military reserve technician described in section 8401(30) is entitled at such person's request to leave without loss of, or reduction in, pay, leave to which such person is otherwise entitled, credit for time or service, or performance or efficiency rating for each day, not to exceed 44 workdays in a calendar year, in which such person is on active duty without pay, as authorized pursuant to section 12315 of title 10, under section 12301(b) or 12301(d) of title 10 (other than active duty during a war or national emergency declared by the President or Congress) for participation in noncombat operations outside the United States, its territories and possessions.

''(2) An employee who requests annual leave or compensatory time to which the employee is otherwise entitled, for a period during which the employee would have been entitled upon request to leave under this subsection, may be granted such annual leave or compensatory time without regard to this section or section 5519.''.

SEC. 513. REVISIONS TO ARMY GUARD COMBAT REFORM INITIATIVE TO INCLUDE ARMY RESERVE UNDER CERTAIN PROVISIONS AND MAKE CERTAIN REVISIONS.

(a) PRIOR ACTIVE DUTY PERSONNEL.—Section 1111 of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484) is amended—

(1) in the section heading, by striking out the first three words;

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

''(a) ADDITIONAL PRIOR ACTIVE DUTY OFFICERS.—The Secretary of the Army shall increase the number of qualified prior active-duty officers in the Army National Guard by providing a program that permits the separation of officers on active duty with at least two, but less than three, years of active service upon condition that the officer is accepted for appointment in the Army National Guard. The Secretary shall have a goal of having not fewer than 150 officers become members of the Army National Guard each year under this section.

''(b) ADDITIONAL PRIOR ACTIVE DUTY ENLISTED MEMBERS.—The Secretary of the Army shall increase the number of qualified prior active-duty enlisted members in the Army National Guard through the use of enlistments

as described in section 8020 of the Department of Defense Appropriations Act, 1994 (Public Law 103–139). The Secretary shall enlist not fewer than 1,000 new enlisted members each year under enlistments described in that section.''; and

(3) by striking out subsections (d) and (e).

(b) SERVICE IN THE SELECTED RESERVE IN LIEU OF ACTIVE DUTY SERVICE FOR ROTC GRADUATES.—Section 1112(b) of such Act (106 Stat. 2537) is amended by striking out ''National Guard'' before the period at the end and inserting in lieu thereof ''Selected Reserve''.

(c) REVIEW OF OFFICER PROMOTIONS.—Section 1113 of such Act (106 Stat. 2537) is amended—

(1) in subsection (a), by striking out ''National Guard'' both places it appears and inserting in lieu thereof ''Selected Reserve'';

(2) by striking out subsection (b) and inserting in lieu thereof the following:

''(b) COVERAGE OF SELECTED RESERVE COMBAT AND EARLY DEPLOYING UNITS.—(1) Subsection (a) applies to officers in all units of the Selected Reserve that are designated as combat units or that are designated for deployment within 75 days of mobilization.

''(2) Subsection (a) shall take effect with respect to officers of the Army Reserve, and with respect to officers

of the Army National Guard in units not subject to subsection (a) as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996, at the end of the 90-day period beginning on such date of enactment.''.

(d) INITIAL ENTRY TRAINING AND NONDEPLOYABLE PERSONNEL.—Section 1115 of such Act (106 Stat. 2538) is amended—

(1) in subsections (a) and (b), by striking out ''National Guard'' each place it appears and inserting in lieu thereof ''Selected Reserve''; and

(2) in subsection (c)—

(A) by striking out ''a member of the Army National Guard enters the National Guard'' and inserting in lieu thereof ''a member of the Army Selected Reserve enters the Army Selected Reserve''; and

(B) by striking out ''from the Army National Guard''.

(e) ACCOUNTING OF MEMBERS WHO FAIL PHYSICAL DEPLOYABILITY STANDARDS.—Section 1116 of such Act (106 Stat. 2539) is amended by striking out ''National Guard'' each place it appears and inserting in lieu thereof ''Selected Reserve''.

(f) USE OF COMBAT SIMULATORS.—Section 1120 of such Act (106 Stat. 2539) is amended by inserting ''and the Army Reserve'' before the period at the end.

SEC. 514. ROTC SCHOLARSHIPS FOR THE NATIONAL GUARD.

(a) CLARIFICATION OF RESTRICTION ON ACTIVE DUTY.—Paragraph (2) of section 2107(h) of title 10, United States Code, is amended by inserting ''full-time'' before ''active duty'' in the second sentence.

(b) REDESIGNATION OF ROTC SCHOLARSHIPS.—Such paragraph is further amended by inserting after the first sentence the following new sentence: ''A cadet designated under this paragraph who, having initially contracted for service as provided in subsection (b)(5)(A) and having received financial assistance for two years under an award providing for four years of financial assistance under this section, modifies such contract with the consent of the Secretary of the Army to provide for service as described in subsection (b)(5)(B), may be counted, for the year in which the contract is modified, toward the number of appointments required under the preceding sentence for financial assistance awarded for a period of four years.''.

SEC. 515. REPORT ON FEASIBILITY OF PROVIDING EDUCATION BENEFITS PROTECTION INSURANCE FOR SERVICE ACADEMY AND ROTC SCHOLARSHIP STUDENTS WHO BECOME MEDICALLY UNABLE TO SERVE.

Not later than June 30, 1996, the Secretary of Defense shall submit to Congress a report on the desirability and the feasibility of the establishment of an insurance program, to operate at no cost to the Government, to insure individuals who are cadets or midshipmen at one of the service academies or who hold Reserve Officer Training Corps scholarships under section 2107 or 2107a of title 10, United States Code, against the loss of the value of attendance at such service academy (in terms of the cost of education at another institution), or the value of the scholarship, in cases in which such attendance or such scholarship is terminated by the Secretary of the military department concerned because the individual has become, through no fault of the individual, medically disqualified from military service.

SEC. 516. ACTIVE DUTY OFFICERS DETAILED TO ROTC DUTY AT SENIOR MILITARY COLLEGES TO SERVE AS COMMANDANT AND ASSISTANT COMMANDANT OF CADETS AND AS TACTICAL OFFICERS.

(a) IN GENERAL.—Chapter 103 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2111a. Detail of officers to senior military colleges

''(a) DETAIL OF OFFICERS TO SERVE AS COMMANDANT OR ASSISTANT COMMANDANT OF CADETS.—(1) Upon the request of a senior military college, the Secretary of Defense shall detail an officer on the active-duty list to serve as Commandant of Cadets at that college or (in the case of a college with an Assistant Commandant of Cadets) detail an officer on the active-duty list to serve as Assistant Commandant of Cadets at that college (but not both).

''(2) In the case of an officer detailed as Commandant of Cadets, the officer may, upon the request of the college, be assigned from among the Professor of Military Science, the Professor of Naval Science (if any), and the Professor of Aerospace Science (if any) at that college or may be in addition to any other officer detailed to that college in support of the program.

"(3) In the case of an officer detailed as Assistant Commandant of Cadets, the officer may, upon the request of the college, be assigned from among officers otherwise detailed to duty at that college in support of the program or may be in addition to any other officer detailed to that college in support of the program.

"(b) DESIGNATION OF OFFICERS AS TACTICAL OFFICERS.—Upon the request of a senior military college, the Secretary of Defense shall authorize officers (other than officers covered by subsection (a)) who are detailed to duty as instructors at that college to act simultaneously as tactical officers (with or without compensation) for the Corps of Cadets at that college.

"(c) DETAIL OF OFFICERS.—The Secretary of a military department shall designate officers for detail to the program at a senior military college in accordance with criteria provided by the college. An officer may not be detailed to a senior military college without the approval of that college.

"(d) SENIOR MILITARY COLLEGES.—The senior military colleges are the following:

"(1) Texas A&M University.

"(2) Norwich College.

"(3) The Virginia Military Institute.

"(4) The Citadel.

''(5) Virginia Polytechnic Institute and State University.

''(6) North Georgia College.''.

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

''2111a. Detail of officers to senior military colleges.''.

SEC. 517. MOBILIZATION INCOME INSURANCE PROGRAM FOR MEMBERS OF READY RESERVE.

(a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E of title 10, United States Code, is amended by inserting after chapter 1213 the following new chapter:

''CHAPTER 1214—READY RESERVE INCOME INSURANCE

''Sec.
''12521. Definitions.
''12522. Establishment and purpose of program.
''12523. Program administration.
''12524. Eligible insurance companies.
''12525. Persons insured; amount.
''12526. Deductions; payment.
''12527. Payment of insurance; beneficiaries.
''12528. Premiums; accounting to the Secretary.
''12529. Forfeiture.

''§ 12521. Definitions

''In this chapter:

''(1) The term 'covered service' means active duty in the armed forces performed by a member of a reserve component under orders for more than 30 days which specify that the member's service is in

support of an operational mission for which members of the reserve components have been ordered to active duty without their consent or in support of forces activated during a period of war or during a period of national emergency as declared by the President or Congress.

''(2) The term 'covered member' means a member of the Ready Reserve who is eligible for and who has not declined coverage under this chapter.

''(3) The term 'Secretary' means the Secretary of Defense.

''(4) The term 'Department' means the Department of Defense.

''(5) The term 'Board' means the Board of Actuaries established under section 2006(e)(1) of this title.

''(6) The term 'Fund' means the Department of Defense Ready Reserve Income Insurance Fund.

''§ 12522. Establishment and purpose of program

''(a) ESTABLISHMENT.—There is established an insurance program for members of the Ready Reserve to be known as the Department of Defense Ready Reserve Income Insurance Program which shall be administered by the Secretary. There is also established on the books of the Treasury a fund to be known as the Department

of Defense Ready Reserve Income Insurance Fund, which shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance on an actuarially sound basis liabilities of the Program.

''(b) ASSETS OF FUND.—There shall be deposited into the Fund the following, which shall constitute the assets of the Fund:

''(1) Amounts paid into the Fund under sections 12526 and 12528 of this title.

''(2) Any amount appropriated to the Fund.

''(3) Any return on investment of the assets of the Fund.

''(c) BOARD OF ACTUARIES.—The Department of Defense Education Benefits Fund Board of Actuaries shall have the actuarial responsibility for the Program.

''(d) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—(1) Not later than six months after the Program is established, the Board shall determine (project) the premium rate for the coverage to be offered.

''(2) If at the time of any such valuation there has been a change in benefits under the Program that has been made since the last such valuation and such change in benefits increases or decreases the present value of amounts payable from the Fund, the Board shall deter-

mine a premium rate methodology and schedule for the liquidation of any liability (or actuarial gain to the Fund) created by such change and any previous such changes so that the present value of the sum of the scheduled premium payments (or reduction in payments that would otherwise be made) equals the cumulative increase (or decrease) in the present value of such benefits.

''(3) If at the time of any such valuation the Board determines that, based upon changes in actuarial assumptions since the last valuation, there has been an actuarial gain or loss to the Fund, the Board shall recommend a premium rate schedule for the amortization of the cumulative gain or loss to the Fund created by such change in assumptions and any previous such changes in assumptions through an increase or decrease in the payments that would otherwise be made to the Fund.

''(4) If at any time liabilities exceed assets of the Fund as a result of a call up, and funds are unavailable to pay benefits, the Secretary shall seek a special appropriation to cover the unfunded liability. If appropriations are not made, in any fiscal year, the Secretary shall limit the value of any benefits conferred by this program to an amount that does not exceed assets of the Fund expected to accrue at the end of such fiscal year. Benefits that can-

not be paid because of such limitation of funds shall be deferred and paid only after funds become available.

''(e) PAYMENTS INTO THE FUND.—(1) Payment into the Fund under this subsection shall accumulate in accordance with the provisions of section 12526 of this title.

''(2) At the beginning of each fiscal year, the Secretary shall determine the sum of the following:

''(A) The projected amount of the premiums to be collected, investment earnings, and any special appropriations received for that fiscal year.

''(B) The amount for that year of any cumulative unfunded liability (including any negative amount or any gain to the Fund) resulting from payments of benefits.

''(C) The amount for that year (including any negative amount) of any cumulative actuarial gain or loss to the Fund.

''(f) INVESTMENT OF ASSETS OF FUND.—The Secretary of the Treasury shall invest such portion of the Fund as is not in the judgment of the Secretary of Defense required to meet current liabilities. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary of Defense, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration

current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the Fund.

"§ 12523. Program administration

''The insurance program provided for in this chapter shall be administered by the Secretary, who is authorized to adopt such rules, procedures, and policies as in the Secretary's judgment may be necessary or appropriate to carry out the purposes of this chapter.

"§ 12524. Eligible insurance companies

''(a) The Secretary may, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), purchase from one or more insurance companies a policy or policies of group insurance to offer benefits to all members. Each such insurance company shall (1) be licensed to issue insurance in each of the 50 States and in the District of Columbia, and (2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least 1 percent of the total amount of insurance which all such insurance companies have in effect in the United States.

''(b) Any insurance company which issues a policy under subsection (a) shall establish an administrative of-

fice at a place and under a name designated by the Secretary.

''(c) The Secretary may use the facilities and services of any insurance company issuing any policy under this chapter and may designate one such company as the representative of the other companies and contract to pay a reasonable fee to the designated company for its services.

''(d) The Secretary shall arrange with the insurance company issuing any policy under this chapter to reinsure, under conditions approved by the Secretary, portions of the total amount of insurance under such policy or policies with such other insurance companies (which meet qualifying criteria set forth by the Secretary) as may elect to participate in such reinsurance.

''(e) The Secretary may at any time discontinue any policy purchased under this section.

"§ 12525. Persons insured; amount

''(a)(1) Any policy of insurance provided under this chapter shall insure each covered member of the Ready Reserve against covered service. Any covered member ordered into covered service shall be entitled to payment of a basic benefit of $1,000 for each month of covered service which is in excess of the initial 30 days of covered service, unless the member has elected in writing (A) not to be insured under this chapter, (B) to be insured for a lower

benefit of half the basic benefit, or (C) to be insured in a greater amount, in increments of $500, above the basic benefit not to exceed $5,000 per month of covered service (adjusted pursuant to paragraph (2)), following the initial 30 days of covered service, except that no member may be paid under this chapter for more than 12 months of covered service served during any period of 18 months. Payment for any period of covered service less than one month shall be at the rate of one-thirtieth of the monthly rate for each day served. Payment shall be based solely on insured status and on the period of covered service served; no proof of lost income or expenses incurred as a result of covered service shall be required.

''(2) The Secretary shall determine annually the effect of inflation on the benefits and establish an adjustment rate which ensures that there is no loss of value in the benefits payable to a member. Adjustments shall apply to benefits for members with existing coverage and for newly eligible members. Such adjustments for inflation will be rounded to the nearest $10 increment.

''(3) Members of the Ready Reserve who, under regulations prescribed by the Secretary of Defense in coordination with the Secretary of Transportation, are serving on active duty (or full-time National Guard duty) shall not be eligible to purchase insurance under this chapter. Addi-

tional categories of members of the Ready Reserve, in the discretion of the Secretary of Defense, may also be excluded from eligibility to purchase insurance under this chapter.

''(b) Promptly following the effective date of this chapter, the Secretary shall make a one-time offer of insurance coverage under this chapter to all persons who were members of the Ready Reserve of an armed force on that date and who remain members of the Ready Reserve. Members of the Ready Reserve, first becoming eligible for coverage after the effective date of this chapter, shall be automatically enrolled for the basic benefit unless declined, or another amount is elected under subsection (a)(1).

''(c) Members shall be given a written explanation of the insurance and be advised that they have the right (1) to decline coverage altogether, (2) to select half the basic benefit, or (3) to select increased benefits. The right of a member of the Ready Reserve to decline, increase, or decrease coverage shall be exercised within 30 days of first being eligible for coverage.

"§ 12526. Deductions; payment

''(a)(1) During any period in which a member insured under this chapter is participating in paid reserve training or other duty, there shall be deducted each month from

the member's basic pay or compensation for inactive duty training an amount determined by the Secretary to be the same for all members of the Ready Reserve who subscribe to the same amount of insurance as the share of the cost attributable to insuring such member. As provided in section 12525 of this title, the Secretary may establish graduated monthly premiums for an amount of insurance less than the basic amount of coverage or in excess of the basic coverage amount.

''(2) Any member insured under this chapter who is not in a pay status in which the member receives pay on a monthly basis shall pay the cost attributable to insuring such member in accordance with regulations to be adopted by the Secretary.

''(b) An amount equal to the first amount due on insurance under this chapter may be advanced from current appropriations for military pay to any such member, which amount shall constitute a lien upon the pay for military service accruing to the person to whom such advance was made, and shall be collected therefrom if not otherwise paid. No disbursing or certifying officer shall be responsible for any loss by reason of such advance.

''(c) The sums withheld from the basic or other pay of insured members or deposited by insured members, together with the income derived from any dividends or pre-

mium rate adjustments, shall be deposited to the credit of the Fund. All premium payments for insurance issued under this chapter shall be deposited into the Fund.

"§ 12527. Payment of insurance; beneficiaries

''(a) A member insured under this chapter who serves in excess of 30 days of covered service shall be paid the amount to which such member is entitled on a monthly basis, with the first payment due no later than one month following the 30th day of covered service. The Secretary shall adopt regulations prescribing the manner in which payments shall be made, either to the member or, in accordance with subsection (d), to a designated person or entity.

''(b) A member may designate in writing another person (including a spouse, parent, or other person with an insurable interest as determined by the Secretary by regulation) to whom the insurance payments to which such member is entitled are to be paid. Such designation may be made to a bank or other financial institution, to the credit of a designated person. In the latter event, insurance payments to which a member becomes entitled shall be paid to the designated person, bank or financial institution.

''(c) Any amount of insurance payable under this chapter on account of a deceased member's period of cov-

ered service shall be paid, upon the establishment of a valid claim therefor, to the beneficiary or beneficiaries which the former member had designated in writing. If no such designation has been made, the amount shall be payable in accordance with the laws of the State of the member's domicile.

"§ 12528. Premiums; accounting to the Secretary

''(a) Each policy of insurance provided by the Secretary under this chapter shall include for the first policy years a fixed monetary premium per $1,000 of insurance, based, in consultation with the Board, on the best available estimate of risk and financial exposure, levels of subscription by members, and other relevant factors. Different premium levels may be established for different amounts of coverage, provided that the premium rate established for the basic benefit shall not be at a premium rate higher than the premium rate set for increased coverages.

''(b) Each policy shall include provisions whereby the premium rate for the first policy year shall be continued for subsequent policy years (but the premium amount may be increased to account or inflation-adjusted benefit increases). The rate may be readjusted for any subsequent year with the consent of the Secretary based on prior consultation with the Board of Actuaries.

"§ 12529. Forfeiture

''Any person found guilty of mutiny, treason, spying, or desertion, or who refuses to perform service in the armed forces or refuses to wear the uniform of any of the armed forces, shall forfeit all rights to insurance under this chapter.''.

(2) The tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, of title 10, United States Code, are amended by inserting after the item relating to chapter 1213 the following new item:

"1214. Ready Reserve Income Insurance .....12521".

(b) EFFECTIVE DATE.—The insurance program provided for in chapter 1218 of title 10, United States Code, as added by subsection (a), and the deductions and contributions for that program shall take effect on a date designated by the Secretary. Such date may not be later than September 30, 1996. The Secretary shall publish in the Federal Register notice of such effective date.

SEC. 518. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

SEC. 519. ACTIVE DUTY ASSOCIATE UNIT RESPONSIBILITY.

(a) ASSOCIATE UNITS.—Subsection (a) of section 1131 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2540) is amended to read as follows:

''(a) ASSOCIATE UNITS.—The Secretary of the Army shall require—

''(1) that each ground combat maneuver brigade of the Army National Guard that (as determined by the Secretary) is essential for the execution of the National Military Strategy be associated with an active-duty combat unit; and

''(2) that combat support and combat service support units of the Army Selected Reserve that (as determined by the Secretary) are essential for the execution of the National Military Strategy be associated with active-duty units.''.

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

(1) by striking out ''National Guard combat unit'' in the matter preceding paragraph (1) and inserting in lieu thereof ''National Guard unit or Army Selected Reserve unit that (as determined by the Secretary under subsection (a)) is essential for the execution of the National Military Strategy''; and

(2) by striking out ''of the National Guard unit'' in paragraphs (1), (2), (3), and (4) and inserting in lieu thereof ''of that unit''.

Subtitle C—Matters Relating to Force Levels

SEC. 521. FLOOR ON END STRENGTHS.

(a) IN GENERAL.—Chapter 39 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 691. Permanent end strength levels to support two major regional contingencies

''(a) The end strengths specified in subsection (b) are the minimum strengths necessary to enable the armed forces to fulfill a national defense strategy calling for the United States to be able to successfully conduct two nearly simultaneous major regional contingencies.

''(b) Unless otherwise provided by law, the number of members of the armed forces (other than the Coast Guard) on active duty at the end of any fiscal year shall be not less than the following:

''(1) For the Army, 495,000.

''(2) For the Navy, 395,000.

''(3) For the Marine Corps, 174,000.

''(4) For the Air Force, 381,000.

''(c) No funds appropriated to the Department of Defense may be used to reduce the active duty end strengths for the armed forces below the levels specified in subsection (b) unless the Secretary of Defense submits to Congress notice of the proposed lower end strength levels and a justification for those levels. No action may then be taken to reduce such end strengths below the levels specified in subsection (b) until the end of the six-month period beginning on the date of the submission of such notification to Congress.

''(d) The number of members of the armed forces on active duty shall be counted for purposes of this section in the same manner as applies under section 115(a)(1) 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:

''691. Permanent end strength levels to support two major regional contingencies.''.

SEC. 522. ARMY OFFICER MANNING LEVELS.

(a) IN GENERAL.—(1) Chapter 331 of title 10, United States Code, is amended by inserting after the table of sections the following new section:

''§ 3201. Officers on active duty: minimum strength based on requirements

''(a) The Secretary of the Army shall ensure that (beginning with fiscal year 1999) the strength at the end of each fiscal year of officers on active duty is sufficient to enable the Army to meet at least 90 percent of the programmed manpower structure for the active component of the Army.

''(b) The number of officers on active duty shall be counted for purposes of this section in the same manner as applies under section 115(a)(1) of this title.

''(c) In this section:

''(1) The term 'programmed manpower structure' means the aggregation of billets describing the full manpower requirements for units and organizations in the programmed force structure.

''(2) The term 'programmed force structure' means the set of units and organizations that exist in the current year and that is planned to exist in each future year under the then-current Future-Years Defense Program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after ''Sec.'' the following new item:

''3201. Officers on active duty: minimum strength based on requirements.''.

(b) ASSISTANCE IN ACCOMPLISHING REQUIREMENT.—The Secretary of Defense shall provide to the Army sufficient personnel and financial resources (including resources from outside Army accounts) to enable the Army to meet the requirement specified in section 3201 of title 10, United States Code, as added by subsection (a).

SEC. 523. COMPTROLLER GENERAL REVIEW OF PROPOSED ARMY END STRENGTH ALLOCATIONS.

(a) IN GENERAL.—During fiscal years 1996 through 2001, the Comptroller General of the United States shall analyze the plans of the Secretary of the Army for the allocation of assigned active component end strengths for the Army through the requirements process known as

Total Army Analysis 2003 and through any subsequent similar requirements process of the Army that is conducted before 2002. The Comptroller General's analysis shall consider whether the proposed active component end strengths and planned allocation of forces for that period will be sufficient to implement the national military strategy. In monitoring those plans, the Comptroller General shall determine the extent to which the Army will be able during that period—

(1) to man fully the combat force based on the projected active component Army end strength for each of fiscal years 1996 through 2001;

(2) to meet the support requirements for the force and strategy specified in the report of the Bottom-Up Review, including requirements for operations other than war; and

(3) to streamline further Army infrastructure in order to eliminate duplication and inefficiencies and replace active duty personnel in overhead positions, whenever practicable, with civilian or reserve personnel.

(b) ACCESS TO DOCUMENTS, ETC.—The Secretary of the Army shall ensure that the Comptroller General is provided access, on a timely basis and in accordance with the needs of the Comptroller General, to all analyses, models,

memoranda, reports, and other documents prepared or used in connection with the requirements process of the Army known as Total Army Analysis 2003 and any subsequent similar requirements process of the Army that is conducted before 2002.

(c) ANNUAL REPORT.—Not later than March 1 of each year through 2002, the Comptroller General shall submit to Congress a report on the findings and conclusions of the Comptroller General under this section.

SEC. 524. MANNING STATUS OF HIGHLY DEPLOYABLE SUPPORT UNITS.

Not later than September 30, 1996, the Secretary of each military department shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the units under that Secretary's jurisdiction that (as determined by the Secretary) are high-priority support units that would deploy early in a contingency operation or other crisis and that are, as a matter of policy, managed at less than 100 percent of their authorized strengths. The Secretary shall include in the report the number of such high-priority support units (shown by type of unit), the level of manning within such high-priority support units, and either the justification for manning of less than 100 percent or the status of corrective action.

SEC. 525. SENSE OF CONGRESS CONCERNING PERSONNEL TEMPO RATES.

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

(1) Excessively high personnel tempo rates for members of the Armed Forces resulting from high-tempo unit operations degrades unit readiness and morale and eventually can be expected to adversely affect unit retention.

(2) The Armed Forces have begun to develop methods to measure and manage personnel tempo rates.

(3) The Armed Forces have attempted to reduce operations and personnel tempo for heavily tasked units by employing alternative capabilities and reducing tasking requirements.

(b) SENSE OF CONGRESS.—The Secretary of Defense should continue to enhance the knowledge within the Armed Forces of personnel tempo and to improve the techniques by which personnel tempo is managed with a view toward establishing and achieving reasonable personnel tempo standards for all personnel, regardless of unit or assignment.

Subtitle D—Amendments to the Uniform Code of Military Justice

SEC. 541. REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

SEC. 542. FORFEITURE OF PAY AND ALLOWANCES DURING CONFINEMENT BY SENTENCE OF COURT-MARTIAL.

(a) FORFEITURE.—(1) Subchapter VIII is amended by inserting after section 857 (article 57) the following new section (article):

"§ 857a. Art. 57a. Sentences: forfeiture of pay and allowances during confinement by sentence of court-martial

''(a) A court-martial sentence, as announced by the sentencing authority, that includes confinement shall result in the forfeiture of pay and allowances due that member during the period of the confinement or while on parole. The forfeiture shall be effective on the date on which the sentence is announced. The percentage of pay and al-

lowances forfeited shall be the maximum percentage that the court-martial could have directed as part of the sentence.

''(b) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for confinement, the member shall be paid the pay and allowances which the member would have been paid, but for the forfeiture, for the period during which the forfeiture was in effect.''.

(2) The table of sections at the beginning of subchapter VIII is amended by inserting after the item relating to section 857 (article 57) the following new item:

''857a. 57a. Sentences: forfeiture of pay and allowances during confinement by sentence of court-martial.''.

(b) ACTION BY THE CONVENING AUTHORITY.—Section 860 (article 60) is amended—

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

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

''(d) In a case involving an accused who has dependents and in which the sentence, as approved, includes confinement, the convening authority or other person taking action under this section may waive some or all of the forfeiture of pay and allowances otherwise required by section

857a of this title (article 57a). Any amount of pay and allowances payable only by reason of such a waiver shall be paid, as the convening authority or other person taking action under this section directs, to the dependents of the accused.''

(c) CONFORMING AMENDMENT.—(1) Section 804 of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 15 of such title is amended by striking out the item relating to section 804.

SEC. 543. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.

Section 847(b) (article 47(b)) is amended by striking out ''shall be'' in the second sentence and all that follows inserting in lieu thereof ''shall be fined or imprisoned, or both, at the court's discretion.''.

SEC. 544. FLIGHT FROM APPREHENSION.

(a) IN GENERAL.—Section 895 (article 95) is amended to read as follows:

''§ 895. Art. 95. Resistance, flight, breach of arrest, and escape

''Any person subject to this chapter who—

''(1) resists apprehension;

''(2) flees from apprehension;

''(3) breaks arrest; or

''(4) escapes from custody or confinement;

shall be punished as a court-martial may direct.''.

(b) CLERICAL AMENDMENT.—The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X is amended to read as follows:

''895. 95. Resistance, flight, breach of arrest, and escape.''.

SEC. 545. CARNAL KNOWLEDGE.

(a) GENDER NEUTRALITY.—Subsection (b) of section 920 (article 120) is amended to read as follows:

''(b) Any person subject to this chapter who, under circumstances not amounting to rape, commits an act of sexual intercourse with a person—

''(1) who is not that person's spouse; and

''(2) who has not attained the age of sixteen years;

is guilty of carnal knowledge and shall be punished as a court-martial may direct.''.

(b) MISTAKE OF FACT.—Such section (article) is further amended by adding at the end the following new subsection:

''(d) In a prosecution under subsection (b), it is a defense that—

''(1) the person with whom the accused committed the act of sexual intercourse had at the time of the alleged offense attained the age of twelve years; and

''(2) the accused reasonably believed that that person had at the time of the alleged offense attained the age of sixteen years.''.

SEC. 546. TIME AFTER ACCESSION FOR INITIAL INSTRUCTION IN THE UNIFORM CODE OF MILITARY JUSTICE.

Section 937(a)(1) (article 137(a)(1)) is amended by striking out ''within six days'' and inserting in lieu thereof ''within fourteen days''.

SEC. 547. PERSONS WHO MAY APPEAR BEFORE THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

Section 944 (article 144) is amended by adding at the end the following new sentence: ''However, no person may appear before the court (whether on a brief or in person) other than an attorney who is admitted to practice before the court or who is authorized to appear by the court in a particular case (except that the court may permit a third-year law student certified under a State rule for practical training of law students to appear as an amicus curiae).''.

SEC. 548. DISCRETIONARY REPRESENTATION BY GOVERNMENT APPELLATE DEFENSE COUNSEL IN PETITIONING SUPREME COURT FOR WRIT OF CERTIORARI.

Section 870 (article 70) is amended—

(1) in subsection (c), by inserting ''(except as provided in subsection (f))'' before ''the Supreme Court''; and

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

''(f) Representation of the accused by appellate defense counsel in preparation of a petition to the Supreme Court for a writ of certiorari shall be at the discretion of the appellate defense counsel.''.

SEC. 549. REPEAL OF TERMINATION OF AUTHORITY FOR CHIEF JUSTICE OF UNITED STATES TO DESIGNATE ARTICLE III JUDGES FOR TEMPORARY SERVICE ON COURT OF APPEALS FOR THE ARMED FORCES.

Subsection (i) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 942 note) is repealed.

SEC. 550. TECHNICAL AMENDMENT.

Section 866(f) (article 66(f)) is amended by striking out ''Courts of Military Review'' both places it appears

and inserting in lieu thereof ''Courts of Criminal Appeals''.

Subtitle E—Other Matters

SEC. 551. EQUALIZATION OF ACCRUAL OF SERVICE CREDIT FOR OFFICERS AND ENLISTED MEMBERS.

(a) ENLISTED SERVICE CREDIT.—Section 972 of title 10, United States Code, is amended—

(1) by inserting ''(a) ENLISTED MEMBERS REQUIRED TO MAKE UP TIME LOST.—'' before ''An enlisted member'';

(2) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

''(3) is confined by military or civilian authorities for more than one day before, during, or after trial; or''; and

(3) by redesignating paragraph (5) as paragraph (4).

(b) OFFICER SERVICE CREDIT.—Such section is further amended by adding at the end the following:

''(b) OFFICERS NOT ALLOWED SERVICE CREDIT FOR TIME LOST.—In the case of an officer of an armed force who after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996—

''(1) deserts;

''(2) is absent from his organization, station, or duty for more than one day without proper authority, as determined by competent authority;

''(3) is confined by military or civilian authorities for more than one day before, during, or after trial; or

''(4) is unable for more than one day, as determined by competent authority, to perform his duties because of intemperate use of drugs or alcoholic liquor, or because of disease or injury resulting from his misconduct;

the period of such desertion, absence, confinement, or inability to perform duties may not be counted in computing, for any purpose other than basic pay under section 205 of title 37, the officer's length of service.''.

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

''§ 972. Members: effect of time lost

(2) The item relating to section 972 in the table of sections at the beginning of chapter 49 of such title is amended to read as follows:

''972. Members: effect of time lost.''.

(d) CONFORMING AMENDMENTS.—(1) Section 1405(c) is amended—

(A) by striking out ''MADE UP.—Time'' and inserting in lieu thereof ''MADE UP OR EXCLUDED.—(1) Time'';

(B) by striking out ''section 972'' and inserting in lieu thereof ''section 972(a)'';

(C) by inserting after ''of this title'' the following: '', or required to be made up by an enlisted member of the Navy, Marine Corps, or Coast Guard under that section with respect to a period of time after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995,''; and

(D) by adding at the end the following:

''(2) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this section any time identified with respect to that officer under that section.''.

(2) Chapter 367 of such title is amended—

(A) in section 3925(b), by striking out ''section 972'' and inserting in lieu thereof ''section 972(a)''; and

(B) by adding at the end of section 3926 the following new subsection:

''(e) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of

this section any time identified with respect to that officer under that section.''.

(3)(A) Chapter 571 of such title is amended by inserting after section 6327 the following new section:

"§ 6328. Computation of years of service: voluntary retirement

''(a) ENLISTED MEMBERS.—Time required to be made up under section 972(a) of this title after the date of the enactment of this section may not be counted in computing years of service under this chapter.

''(b) OFFICERS.—Section 972(b) of this title excludes from computation of an officer's years of service for purposes of this chapter any time identified with respect to that officer under that section.''.

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6327 the following new item:

''6328. Computation of years of service: voluntary retirement.''.

(4) Chapter 867 of such title is amended—

(A) in section 8925(b), by striking out ''section 972'' and inserting in lieu thereof ''section 972(a)''; and

(B) by adding at the end of section 8926 the following new subsection:

''(d) Section 972(b) of this title excludes from computation of an officer's years of service for purposes of

this section any time identified with respect to that officer under that section.''.

(e) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any period of time covered by section 972 of title 10, United States Code, that occurs after that date.

SEC. 552. EXTENSION OF EXPIRING PERSONNEL AUTHORITIES.

(a) GRADE DETERMINATION AUTHORITY FOR CERTAIN RESERVE MEDICAL OFFICERS.—Sections 3359(b) and 8359(b) of title 10, United States Code, are amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(n) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of such title are amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360 note), is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(d) AUTHORITY FOR TEMPORARY PROMOTIONS OF CERTAIN NAVY LIEUTENANTS.—Section 5721 of title 10, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 553. INCREASE IN EDUCATIONAL ASSISTANCE ALLOWANCE WITH RESPECT TO SKILLS OR SPECIALTIES FOR WHICH THERE IS A CRITICAL SHORTAGE OF PERSONNEL.

Section 16131 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(j)(1) In the case of a person who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit or, in the case of critical units, retain personnel, the Secretary concerned may increase the rate of the educational assistance allowance applicable to that person to such rate in excess of the rate prescribed under subparagraphs (A) through (D) of subsection (b)(1) as the Secretary of Defense considers appropriate, but the amount of any such increase may not exceed $350 per month.

''(2) The authority provided by paragraph (1) shall be exercised by the Secretaries of the military departments

under regulations prescribed by the Secretary of Defense.''.

SEC. 554. AMENDMENTS TO EDUCATION LOAN REPAYMENT PROGRAMS.

(a) GENERAL EDUCATION LOAN REPAYMENT PROGRAM.—Section 2171(a)(1) of title 10, United States Code, is amended—

(1) by striking out ''or'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or''.

(b) EDUCATION LOAN REPAYMENT PROGRAM FOR ENLISTED MEMBERS OF SELECTED RESERVE WITH CRITICAL SPECIALTIES.—Section 16301(a)(1) of such title is amended—

(1) by striking out ''or'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or''.

(c) EDUCATION LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONS OFFICERS SERVING IN SELECTED RESERVE WITH WARTIME CRITICAL MEDICAL SKILL SHORTAGES.—Section 16302(a) of such title is amended—

(1) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5) respectively; and

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

''(2) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or''.

SEC. 555. RECOGNITION BY STATES OF LIVING WILLS OF MEMBERS, CERTAIN FORMER MEMBERS, AND THEIR DEPENDENTS.

(a) RECOGNITION BY STATES REQUIRED.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1044b the following new section:

"§ 1044c. Military advance medical directives: requirement for recognition by States

''(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT WITHOUT REGARD TO STATE LAW.—A military advance medical directive—

''(1) is exempt from any requirement of form, substance, formality, or recording that is provided for advance medical directives under the laws of a State; and

''(2) shall be given the same legal effect as an advance medical directive prepared and executed in accordance with the laws of the State concerned.

''(b) MILITARY ADVANCE MEDICAL DIRECTIVES.—For the purposes of this section, a military advance medical directive is any written declaration regarding future medical treatment that—

''(1) is executed by a person eligible for legal assistance under section 1044(a) of this title or regulations of the Secretary concerned; and

''(2) is intended—

''(A) to provide, withdraw, or withhold life-prolonging procedures, including hydration and sustenance, in the event of a terminal condition or persistent vegetative state of the declarant; or

"(B) to appoint another person to make health care decisions for the declarant under circumstances stated in the declaration if the declarant is determined to be incapable of making informed health care decisions.

"(c) STATEMENT TO BE INCLUDED.—Under regulations prescribed by the Secretary concerned, a written declaration described in subsection (b) shall contain a statement that clearly indicates the purpose of the declaration to serve as the military advance medical directive of the declarant. However, the failure of a military advance medical directive to include such a statement shall not be construed to negate the legal effect of the directive under subsection (a).

"(d) STATE DEFINED.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and a possession 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 1044b the following new item:

"1044c. Military advance medical directives: requirement for recognition by States.".

(b) EFFECTIVE DATE.—Section 1044c of title 10, United States Code, as added by subsection (a), shall apply with respect to any military advance medical direc-

tive described in such section declared before, on, or after the date of the enactment of this Act.

SEC. 556. TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.

(a) MANDATORY PROGRAM.—Subsection (a) of section 1059 of title 10, United States Code, is amended by striking out ''may each establish a program'' and inserting in lieu thereof ''shall each establish a program''.

(b) PAYMENT TO DEPENDENTS OF MEMBERS NOT DISCHARGED.—Subsection (d) of such section is amended by striking out ''of a separation from active duty as'' in the first sentence.

SEC. 557. ARMY RANGER TRAINING.

(a) IN GENERAL.—(1) Chapter 401 of title 10, United States Code, is amended by inserting after section 4302 the following new section:

''§ 4303. Army Ranger Training: instructor staffing; safety

''(a) LEVELS OF PERSONNEL ASSIGNED TO BE NOT LESS THAN NUMBER REQUIRED.—(1) The Secretary of the Army shall ensure that at all times the number of officers, and the number of enlisted members, permanently assigned to the Army Ranger Training Brigade (or other organizational element of the Army primarily responsible

for ranger student training) are not less than the required manning spaces for that brigade.

''(2) If at any time the number of officers, or the number of enlisted members, permanently assigned to the Ranger Training Brigade is less than the required manning spaces for officers, or for enlisted members, as the case may be, for the Brigade, the Secretary of the Army shall submit to Congress a notice of such shortage, together with a statement of the reasons for the shortage and of the expected date when the number assigned will be not less than the required manning spaces, in accordance with paragraph (1).

''(b) REQUIRED MANNING SPACES.—(1) The Secretary of the Army may not (except as provided in paragraph (3)) reduce the required manning spaces for the Ranger Training Brigade below the baseline required manning spaces.

''(2) In this section:

''(A) The term 'required manning spaces' means the number of personnel spaces for officers, and the number of personnel spaces for enlisted members, that are designated in Army authorization documents as the number required to accomplish the missions of a particular unit or organization.

''(B) The term 'baseline required manning spaces' means the required manning spaces for the Army Ranger Training Brigade as of February 10, 1995, of 94 officers and 658 enlisted members.

''(3) The Secretary may (subject to paragraph (4)) make reductions in required manning spaces for the Army Ranger Training Brigade from the baseline required manning spaces if—

''(A) reductions in ranger student training loads result in decreased instructor workload; and

''(B) one or more of the three major phases of the Ranger Course (conducted at Fort Benning, Georgia, at the Mountain Ranger Camp, and in Florida) is eliminated.

''(4) Before making a reduction authorized by paragraph (3) in required manning spaces, the Secretary of the Army shall submit to Congress a report on the proposed reduction. Such a reduction may not be made unless the report includes a certification by the Secretary that the reduction will not reduce the ability of the commander of the Ranger Training Brigade to conduct training safely. The report shall include a description of the reduction (including specification of the number of officers and the number of enlisted members that will be considered to be required to carry out the missions of the Army Ranger

Training Brigade after the reduction) and shall set forth the rationale of the Secretary for the reduction.

''(c) TRAINING SAFETY CELLS.—(1) The Secretary of the Army shall establish and maintain an organizational entity known as a 'safety cell' as part of the organizational elements of the Army responsible for conducting each of the three major phases of the Ranger Course. The safety cell in each different geographic area of Ranger Course training shall be comprised of personnel who have sufficient continuity and experience in that geographic area of such training to be knowledgeable of the local conditions year-round, including conditions of terrain, weather, water, and climate and other conditions and the potential effect on those conditions on Ranger student training and safety.

''(2) Members of each safety cell shall be assigned in sufficient numbers to serve as advisers to the officers in charge of the major phase of Ranger training and shall assist those officers in making informed daily 'go' and 'no-go' decisions regarding training in light of all relevant conditions, including conditions of terrain, weather, water, and climate and other conditions.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4302 the following new item:

''4303. Army Ranger Training: instructor staffing; safety.''.

(b) ACCOMPLISHMENT OF REQUIRED MANNING LEVELS.—(1) If, as of the date of the enactment of this Act, the number of officers, or the number of enlisted members, permanently assigned to the Ranger Training Brigade is not 100 percent (or more) of the requirement specified in subsection (b) of section 4303 of title 10, United States Code, as added by subsection (a), the Secretary of the Army—

(A) shall take such steps as necessary to accomplish that requirement within 12 months after such date of enactment; and

(B) not later than 90 days after such date of enactment, shall submit to Congress a plan to achieve and maintain that requirement.

(2) If the Secretary does not accomplish the requirement referred to in paragraph (1) with respect to both officers and enlisted members within 12 months after the date of the enactment of this Act (as required by paragraph (1)(A)), the Secretary shall halt all training activities of the Ranger Training Brigade until the requirement is met.

SEC. 558. REPEAL OF CERTAIN CIVIL-MILITARY PROGRAMS.

(a) REPEAL OF CIVIL-MILITARY COOPERATIVE ACTION PROGRAM.—(1) Section 410 of title 10, United States Code, and section 1081(a) of the National Defense

Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 410 note) are repealed:

(2) The table of sections at the beginning of chapter 20 of title 10, United States Code, is amended by striking out the item relating to section 410.

(b) REPEAL OF RELATED PROVISIONS.—The following sections of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) are repealed:

(1) Section 1045 (10 U.S.C. 410 note), relating to a pilot outreach program to reduce demand for illegal drugs.

(2) Section 1091 (32 U.S.C. 501 note), relating to the National Guard Civilian Youth Opportunities Program.

(c) TERMINATION OF SUPPORT OF CIVILIAN COMMUNITY CORPS.—(1) The Secretary of Defense may not provide support to, or participate in, the Civilian Community Corps Demonstration Program established under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611–12626) or the Civilian Community Corps required as part of that demonstration program.

(2) Section 1093 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 12612 note), relating to coordination between the

National Guard Civilian Youth Opportunities Pilot Program and the Civilian Community Corps Demonstration Program, is repealed.

SEC. 559. ELIGIBILITY FOR ARMED FORCES EXPEDITIONARY MEDAL BASED UPON SERVICE IN EL SALVADOR.

(a) IN GENERAL.—For the purpose of determining eligibility of members and former members of the Armed Forces for the Armed Forces Expeditionary Medal, the country of El Salvador during the period beginning on January 1, 1981 and ending on February 1, 1992, shall be treated as having been designated as an area and a period of time in which members of the Armed Forces participated in operations in significant numbers and otherwise met the general requirements for the award of that medal.

(b) INDIVIDUAL DETERMINATION.—The Secretary of the military department concerned shall determine whether individual members or former members of the Armed Forces who served in El Salvador during the period beginning on January 1, 1981 and ending on February 1, 1992 meet the individual service requirements for award of the Armed Forces Expeditionary Medal as established in applicable regulations. Such determinations shall be made as

expeditiously as possible after the date of the enactment of this Act.

SEC. 560. REVISION AND CODIFICATION OF MILITARY FAMILY ACT AND MILITARY CHILD CARE ACT.

(a) IN GENERAL.—(1) Subtitle A of title 10, United States Code, is amended by inserting after chapter 87 the following new chapter:

"CHAPTER 88—MILITARY FAMILY PROGRAMS AND MILITARY CHILD CARE

"Subchapter	Sec.
"I. Military Family Programs	1781
"II. Military Child Care	1791

"SUBCHAPTER I—MILITARY FAMILY PROGRAMS

"Sec.
"1781. Office of Family Policy.
"1782. Surveys of military families.
"1783. Family members serving on advisory committees.
"1784. Employment opportunities for military spouses.
"1785. Youth sponsorship program.
"1786. Dependent student travel within the United States.
"1787. Reporting of child abuse.

"§ 1781. Office of Family Policy

"(a) ESTABLISHMENT.—There is in the Office of the Secretary of Defense an Office of Family Policy (hereinafter in this section referred to as the 'Office'). The Office shall be under the Assistant Secretary of Defense for Force Management and Personnel.

"(b) DUTIES.—The Office—

''(1) shall coordinate programs and activities of the military departments to the extent that they relate to military families; and

''(2) shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

''(c) STAFF.—The Office shall have not less than five professional staff members.

"§ 1782. Surveys of military families

''(a) AUTHORITY.—The Secretary of Defense may conduct surveys of members of the armed forces on active duty or in an active status, members of the families of such members, and retired members of the armed forces to determine the effectiveness of Federal programs relating to military families and the need for new programs.

''(b) RESPONSES TO BE VOLUNTARY.—Responses to surveys conducted under this section shall be voluntary.

''(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to such surveys, family members of members of the armed forces and reserve and retired members of the armed forces shall be considered to be employees of the United States for purposes of section 3502(4)(A) of title 44.

"§ 1783. Family members serving on advisory committees

''A committee within the Department of Defense which advises or assists the Department in the performance of any function which affects members of military families and which includes members of military families in its membership shall not be considered an advisory committee under section 3(2) of the Federal Advisory Committee Act (5 U.S.C. App.) solely because of such membership.

"§ 1784. Employment opportunities for military spouses

''(a) AUTHORITY.—The President shall order such measures as the President considers necessary to increase employment opportunities for spouses of members of the armed forces. Such measures may include—

''(1) excepting, pursuant to section 3302 of title 5, from the competitive service positions in the Department of Defense located outside of the United States to provide employment opportunities for qualified spouses of members of the armed forces in the same geographical area as the permanent duty station of the members; and

''(2) providing preference in hiring for positions in nonappropriated fund activities to qualified spouses of members of the armed forces stationed in

the same geographical area as the nonappropriated fund activity for positions in wage grade UA–8 and below and equivalent positions and for positions paid at hourly rates.

''(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations—

''(1) to implement such measures as the President orders under subsection (a);

''(2) to provide preference to qualified spouses of members of the armed forces in hiring for any civilian position in the Department of Defense if the spouse is among persons determined to be best qualified for the position and if the position is located in the same geographical area as the permanent duty station of the member;

''(3) to ensure that notice of any vacant position in the Department of Defense is provided in a manner reasonably designed to reach spouses of members of the armed forces whose permanent duty stations are in the same geographic area as the area in which the position is located; and

''(4) to ensure that the spouse of a member of the armed forces who applies for a vacant position in the Department of Defense shall, to the extent practicable, be considered for any such position lo-

cated in the same geographic area as the permanent duty station of the member.

''(c) STATUS OF PREFERENCE ELIGIBLES.—Nothing in this section shall be construed to provide a spouse of a member of the armed forces with preference in hiring over an individual who is a preference eligible.

"§ 1785. Youth sponsorship program

''(a) REQUIREMENT.—The Secretary of Defense shall require that there be at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the armed forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station.

''(b) DESCRIPTION OF PROGRAMS.—The program at each installation shall provide for involvement of dependent children of members presently stationed at the military installation and shall be directed primarily toward children in their preteen and teenage years.

"§ 1786. Dependent student travel within the United States

''Funds available to the Department of Defense for the travel and transportation of dependent students of members of the armed forces stationed overseas may be obligated for transportation allowances for travel within or between the contiguous States.

"§ 1787. Reporting of child abuse

''(a) IN GENERAL.—The Secretary of Defense shall request each State to provide for the reporting to the Secretary of any report the State receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the armed forces (or the spouse of the member).

''(b) DEFINITION.—In this section, the term 'child abuse and neglect' has the meaning provided in section 3(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5102).

''SUBCHAPTER II—MILITARY CHILD CARE

''Sec.
''1791. Funding for military child care.
''1792. Child care employees.
''1793. Parent fees.
''1794. Child abuse prevention and safety at facilities.
''1795. Parent partnerships with child development centers.
''1796. Subsidies for family home day care.
''1797. Early childhood education program.
''1798. Definitions.

"§ 1791. Funding for military child care

''It is the policy of Congress that the amount of appropriated funds available during a fiscal year for operating expenses for military child development centers and programs shall be not less than the amount of child care fee receipts that are estimated to be received by the Department of Defense during that fiscal year.

"§ 1792. Child care employees

''(a) REQUIRED TRAINING.—(1) The Secretary of Defense shall prescribe regulations implementing, a training program for child care employees. Those regulations shall apply uniformly among the military departments. Subject to paragraph (2), satisfactory completion of the training program shall be a condition of employment of any person as a child care employee.

''(2) Under those regulations, the Secretary shall require that each child care employee complete the training program not later than six months after the date on which the employee is employed as a child care employee.

''(3) The training program established under this subsection shall cover, at a minimum, training in the following:

''(A) Early childhood development.

''(B) Activities and disciplinary techniques appropriate to children of different ages.

''(C) Child abuse prevention and detection.

''(D) Cardiopulmonary resuscitation and other emergency medical procedures.

''(b) TRAINING AND CURRICULUM SPECIALISTS.—(1) The Secretary of Defense shall require that at least one employee at each military child development center be a specialist in training and curriculum development. The

Secretary shall ensure that such employees have appropriate credentials and experience.

''(2) The duties of such employees shall include the following:

''(A) Special teaching activities at the center.

''(B) Daily oversight and instruction of other child care employees at the center.

''(C) Daily assistance in the preparation of lesson plans.

''(D) Assistance in the center's child abuse prevention and detection program.

''(E) Advising the director of the center on the performance of other child care employees.

''(3) Each employee referred to in paragraph (1) shall be an employee in a competitive service position.

''(c) COMPETITIVE RATES OF PAY.—For the purpose of providing military child development centers with a qualified and stable civilian workforce, employees at a military installation who are directly involved in providing child care and are paid from nonappropriated funds—

''(1) in the case of entry-level employees, shall be paid at rates of pay competitive with the rates of pay paid to other entry-level employees at that installation who are drawn from the same labor pool; and

"(2) in the case of other employees, shall be paid at rates of pay substantially equivalent to the rates of pay paid to other employees at that installation with similar training, seniority, and experience.

"(d) EMPLOYMENT PREFERENCE PROGRAM FOR MILITARY SPOUSES.—(1) The Secretary of Defense shall conduct a program under which qualified spouses of members of the armed forces shall be given a preference in hiring for the position of child care employee in a position paid from nonappropriated funds if the spouse is among persons determined to be best qualified for the position.

"(2) A spouse who is provided a preference under this subsection at a military child development center may not be precluded from obtaining another preference, in accordance with section 1794 of this title, in the same geographic area as the military child development center.

"(e) COMPETITIVE SERVICE POSITION DEFINED.—In this section, the term 'competitive service position' means a position in the competitive service, as defined in section 2102(a)(1) of title 5.

"§ 1793. Parent fees

"(a) IN GENERAL.—The Secretary of Defense shall prescribe regulations establishing fees to be charged parents for the attendance of children at military child development centers. Those regulations shall be uniform for the

military departments and shall require that, in the case of children who attend the centers on a regular basis, the fees shall be based on family income.

''(b) LOCAL WAIVER AUTHORITY.—The Secretary of Defense may provide authority to installation commanders, on a case-by-case basis, to establish fees for attendance of children at child development centers at rates lower than those prescribed under subsection (a) if the rates prescribed under subsection (a) are not competitive with rates at local non-military child development centers.

"§ 1794. Child abuse prevention and safety at facilities

''(a) CHILD ABUSE TASK FORCE.—The Secretary of Defense shall maintain a special task force to respond to allegations of widespread child abuse at a military installation. The task force shall be composed of personnel from appropriate disciplines, including, where appropriate, medicine, psychology, and childhood development. In the case of such allegations, the task force shall provide assistance to the commander of the installation, and to parents at the installation, in helping them to deal with such allegations.

''(b) NATIONAL HOTLINE.—(1) The Secretary of Defense shall maintain a national telephone number for persons to use to report suspected child abuse or safety viola-

tions at a military child development center or family home day care site. The Secretary shall ensure that such reports may be made anonymously if so desired by the person making the report. The Secretary shall establish procedures for following up on complaints and information received over that number.

''(2) The Secretary shall publicize the existence of the number.

''(c) ASSISTANCE FROM LOCAL AUTHORITIES.—The Secretary of Defense shall prescribe regulations requiring that, in a case of allegations of child abuse at a military child development center or family home day care site, the commander of the military installation or the head of the task force established under subsection (a) shall seek the assistance of local child protective authorities if such assistance is available.

''(d) SAFETY REGULATIONS.—The Secretary of Defense shall prescribe regulations on safety and operating procedures at military child development centers. Those regulations shall apply uniformly among the military departments.

''(e) INSPECTIONS.—The Secretary of Defense shall require that each military child development center be inspected not less often than four times a year. Each such inspection shall be unannounced. At least one inspection

a year shall be carried out by a representative of the installation served by the center, and one inspection a year shall be carried out by a representative of the major command under which that installation operates.

''(f) REMEDIES FOR VIOLATIONS.—(1) Except as provided in paragraph (2), any violation of a safety, health, or child welfare law or regulation (discovered at an inspection or otherwise) at a military child development center shall be remedied immediately.

''(2) In the case of a violation that is not life threatening, the commander of the major command under which the installation concerned operates may waive the requirement that the violation be remedied immediately for a period of up to 90 days beginning on the date of the discovery of the violation. If the violation is not remedied as of the end of that 90-day period, the military child development center shall be closed until the violation is remedied. The Secretary of the military department concerned may waive the preceding sentence and authorize the center to remain open in a case in which the violation cannot reasonably be remedied within that 90-day period or in which major facility reconstruction is required.

''(3) If a military child development center is closed under paragraph (2), the Secretary of the military department concerned shall promptly submit to the Committee

on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report notifying those committees of the closing. The report shall include—

''(A) notice of the violation that resulted in the closing and the cost of remedying the violation; and

''(B) a statement of the reasons why the violation has not been remedied as of the time of the report.

"§ 1795. Parent partnerships with child development centers

''(a) PARENT BOARDS.—The Secretary of Defense shall require that there be established at each military child development center a board of parents, to be composed of parents of children attending the center. The board shall meet periodically with staff of the center and the commander of the installation served by the center for the purpose of discussing problems and concerns. The board, together with the staff of the center, shall be responsible for coordinating the parent participation program described in subsection (b).

''(b) PARENT PARTICIPATION PROGRAMS.—The Secretary of Defense shall require the establishment of a parent participation program at each military child development center. As part of such program, the Secretary of

Defense may establish fees for attendance of children at such a center, in the case of parents who participate in the parent participation program at that center, at rates lower than the rates that otherwise apply.

"§ 1796. Subsidies for family home day care

''The Secretary of Defense may use appropriated funds available for military child care purposes to provide assistance to family home day care providers so that family home day care services can be provided to members of the armed forces at a cost comparable to the cost of services provided by military child development centers. The Secretary shall prescribe regulations for the provision of such assistance.

"§ 1797. Early childhood education program

''The Secretary of Defense shall require that all military child development centers meet standards of operation necessary for accreditation by an appropriate national early childhood programs accrediting body.

"§ 1798. Definitions

''In this subchapter:

''(1) The term 'military child development center' means a facility on a military installation (or on property under the jurisdiction of the commander of a military installation) at which child care services are provided for members of the armed forces or any

other facility at which such child care services are provided that is operated by the Secretary of a military department.

''(2) The term 'family home day care' means home-based child care services that are provided for members of the armed forces by an individual who (A) is certified by the Secretary of the military department concerned as qualified to provide those services, and (B) provides those services on a regular basis for compensation.

''(3) The term 'child care employee' means a civilian employee of the Department of Defense who is employed to work in a military child development center (regardless of whether the employee is paid from appropriated funds or nonappropriated funds).

''(4) The term 'child care fee receipts' means those nonappropriated funds that are derived from fees paid by members of the armed forces for child care services provided at military child development centers.''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 87 the following new item:

''88. Military Family Programs and Military Child Care ... 1781''.

(b) REPORT ON FIVE-YEAR DEMAND FOR CHILD CARE.—(1) Not later than the date of the submission of the budget for fiscal year 1997 pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on the expected demand for child care by military and civilian personnel of the Department of Defense during fiscal years 1997 through 2001.

(2) The report shall include—

(A) a plan for meeting the expected child care demand identified in the report; and

(B) an estimate of the cost of implementing that plan.

(3) The report shall also include a description of methods for monitoring family home day care programs of the military departments.

(c) PLAN FOR IMPLEMENTATION OF ACCREDITATION REQUIREMENT.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for carrying out the requirements of section 1787 of title 10, United States Code, as added by subsection (a). The plan shall be submitted not later than April 1, 1997.

(d) CONTINUATION OF DELEGATION OF AUTHORITY WITH RESPECT TO HIRING PREFERENCE FOR QUALIFIED MILITARY SPOUSES.—The provisions of Executive Order No. 12568, issued October 2, 1986 (10 U.S.C. 113 note), shall apply as if the reference in that Executive order to section 806(a)(2) of the Department of Defense Authorization Act of 1986 refers to section 1784 of title 10, United States Code, as added by subsection (a).

(e) CONFORMING AMENDMENT.—Effective October 1, 1995, section 1782(c) of title 10, United States Code, as added by subsection (a), is amended by striking out ''section 3502(4)(A) of title 44'' and inserting in lieu thereof ''section 3502(3)(A)(i) of title 44''.

(f) REPEALER.—The following provisions of law are repealed:

(1) The Military Family Act of 1985 (title VIII of Public Law 99–145; 10 U.S.C. 113 note).

(2) The Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

SEC. 561. DISCHARGE OF MEMBERS OF THE ARMED FORCES WHO HAVE THE HIV–1 VIRUS.

(a) IN GENERAL.—(1) Section 1177 of title 10, United States Code, is amended to read as follows:

"§ 1177. Members infected with HIV–1 virus: mandatory discharge or retirement

''(a) MANDATORY SEPARATION.—A member of the armed forces who is HIV-positive shall be separated. Such separation shall be made on a date determined by the Secretary concerned, which shall be as soon as practicable after the date on which the determination is made that the member is HIV-positive and not later than the last day of the sixth month beginning after such date.

''(b) FORM OF SEPARATION.—If a member to be separated under this section is eligible to retire under any provision of law or to be transferred to the Fleet Reserve or Fleet Marine Corps Reserve, the member shall be so retired or so transferred. Otherwise, the member shall be discharged. The characterization of the service of the member shall be determined without regard to the determination that the member is HIV-positive.

''(c) DEFERRAL OF SEPARATION FOR MEMBERS IN 18-YEAR RETIREMENT SANCTUARY.—In the case of a member to be discharged under this section who on the date on which the member is to be discharged is within two years of qualifying for retirement under any provision of law, or of qualifying for transfer to the Fleet Reserve or Fleet Marine Corps Reserve under section 6330 of this title, the member may, as determined by the Secretary concerned, be retained on active duty until the member

is qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve, as the case may be, and then be so retired or transferred, unless the member is sooner retired or discharged under any other provision of law.

''(d) SEPARATION TO BE CONSIDERED INVOLUNTARY.—A separation under this section shall be considered to be an involuntary separation for purposes of any other provision of law.

''(e) COUNSELING ABOUT AVAILABLE MEDICAL CARE.—A member to be separated under this section shall be provided information, in writing, before such separation of the available medical care (through the Department of Veterans Affairs and otherwise) to treat the member's condition. Such information shall include identification of specific medical locations near the member's home of record or point of discharge at which the member may seek necessary medical care.

''(f) HIV-POSITIVE MEMBERS.—A member shall be considered to be HIV-positive for purposes of this section if there is serologic evidence that the member is infected with the virus known as Human Immunodeficiency Virus–1 (HIV–1), the virus most commonly associated with the acquired immune deficiency syndrome (AIDS) in the United States. Such serologic evidence shall be considered to

exist if there is a reactive result given by an enzyme-linked immunosorbent assay (ELISA) serologic test that is confirmed by a reactive and diagnostic immunoelectrophoresis test (Western blot) on two separate samples. Any such serologic test must be one that is approved by the Food and Drug Administration.''.

(2) The item relating to such section in the table of sections at the beginning of chapter 59 of such title is amended to read as follows:

''1177. Members infected with HIV–1 virus: mandatory discharge or retirement.''.

(b) EFFECTIVE DATE.—Section 1177 of title 10, United States Code, as amended by subsection (a), applies with respect to members of the Armed Forces determined to be HIV-positive before, on, or after the date of the enactment of this Act. In the case of a member of the Armed Forces determined to be HIV-positive before such date, the deadline for separation of the member under subsection (a) of such section, as so amended, shall be determined from the date of the enactment of this Act (rather than from the date of such determination).

SEC. 562. AUTHORITY TO APPOINT BRIGADIER GENERAL CHARLES E. YEAGER, UNITED STATES AIR FORCES (RETIRED) TO THE GRADE OF MAJOR GENERAL ON THE RETIRED LIST.

The President is authorized to appoint, by and with the advice and consent of the Senate, Brigadier General Charles E. Yeager, United States Air Force (retired), to the grade of major general on the retired list of the Air Force. Any such appointment shall not affect the retired pay or other benefits of Charles E. Yeager or any benefits to which any other person is or may become entitled based upon his service.

SEC. 563. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) PURPOSE.—The purpose of this section is to ensure that any member of the Armed Forces, and any civilian employee of the United States or contractor of the United States who serves with or accompanies the Armed Forces in the field under orders, is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

"CHAPTER 76—MISSING PERSONS

''Sec.
''1501. System for accounting for missing persons.
''1502. Missing persons: initial report.
''1503. Initial board inquiry; actions of theater component commander and head of the agency.
''1504. Subsequent board inquiry; actions of head of the agency.
''1505. Further review.
''1506. Personnel files.
''1507. Recommendation of status of death.
''1508. Judicial review.
''1509. Persons previously declared dead.
''1510. Procedures applicable in case of civilians.
''1511. Return alive of person declared missing or dead.
''1512. Effect on State law.
''1513. Definitions.

"§ 1501. System for accounting for missing persons

''(a) OFFICE FOR MISSING PERSONNEL.—(1) The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to have responsibility for Department of Defense policy relating to missing persons. Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the office shall include—

''(A) policy, control, and oversight within the Department of Defense of the entire process for investigation and recovery (including search and rescue) related to missing persons; and

''(B) coordination for the Department of Defense with other departments and agencies of the

United States on all matters concerning missing persons.

''(2) In carrying out the responsibilities of the office established under this subsection, the head of the office shall coordinate the efforts of that office with those of other departments and agencies and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

''(3) The office shall establish policies, which shall apply uniformly through the Department of Defense, for personnel recovery (including search and rescue).

''(4) The office shall establish procedures to be followed by Department of Defense boards of inquiry, and by officers reviewing the reports of such boards, under this chapter.

''(b) OTHER DEPARTMENTS AND AGENCIES.—(1) The Secretary of State shall designate an officer of the Department of State to have responsibility within that Department for matters relating to missing persons.

''(2) The Secretary of Transportation shall designate an officer of the Department of Transportation to have

responsibility within that Department for matters relating to missing persons.

''(3) The Director of Central Intelligence shall designate an officer of the Central Intelligence Agency to have responsibility within that Agency for matters relating to missing persons.

''(4) The President shall direct the heads of such other departments and agencies as the President considers appropriate to make a similar designation for their respective departments and agencies.

''(c) UNIFORM DOD PROCEDURES.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly through the Department of Defense, for—

''(A) the determination of the status of persons described in subsection (d); and

''(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

''(2) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense.

''(3) As part of such procedures, the Secretary may provide for the extension, on a case-by-case basis, of any time limit specified in section 1502, 1503, or 1504 of this

title. Any such extension may not be for a period in excess of one-half of the period with respect to which the extension is provided. Subsequent extensions may be provided on the same basis.

''(d) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

''(1) Any member of the armed forces on active duty who disappears as a result of a hostile action, or under circumstances suggesting that the disappearance is a result of a hostile action, and whose status is undetermined or who is unaccounted for (except under circumstances suggesting that the disappearance is voluntary).

''(2) Any civilian employee of the United States or employee of a contractor of the United States who, while serving with or accompanying the armed forces in the field, disappears under circumstances described in paragraph (1) and whose status is undetermined or who is unaccounted for (except under circumstances suggesting that the disappearance is voluntary).

''(e) PRIMARY NEXT OF KIN.—The individual who is primary next of kin of a person described in subsection (d) may for purposes of this chapter designate another individual to act on behalf of that individual as primary

next of kin. The Secretary of Defense shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

''(f) TERMINATION OF APPLICABILITY OF PROCEDURES WHEN MISSING PERSON IS ACCOUNTED FOR.—The provisions of this chapter relating to boards of inquiry and to actions by the Secretary concerned on the reports of those boards shall cease to apply in the case of a missing person upon that person becoming accounted for or otherwise being determined to be in a status other than the status of missing or missing in action.

"§ 1502. Missing persons: initial report by unit commander

''(a) PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.—After receiving information that the whereabouts or status of a person described in section 1501(d) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

''(1) recommend that the person be placed in a missing status; and

''(2) not later than 48 hours after receiving such information, transmit that recommendation to the theater component commander with jurisdiction over the missing person in accordance with procedures prescribed under section 1501(c) of this title.

''(b) FORWARDING OF RECORDS.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501(c) of this title) safeguard and forward for official use any information relating to the whereabouts or status of the person that result from the preliminary assessment or from actions taken to locate the person.

"§ 1503. Initial board inquiry; actions of theater component commander and head of the agency

''(a) APPOINTMENT OF BOARD.—Not later than ten days after receiving notification under section 1502(a)(2) of this title that a person has been recommended for placement in a missing status, the theater component commander to whom the notification is transmitted shall appoint a board to conduct an inquiry into the whereabouts and status of the person.

"(b) INQUIRIES INVOLVING MORE THAN ONE MISSING PERSON.—If it appears to the commander who appoints a board under this section that the absence or missing status of two or more persons is factually related, the commander may appoint a single board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(c) COMPOSITION.—(1) A board appointed under this section shall consist of at least one individual described in paragraph (2) who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

"(2) An individual referred to in paragraph (1) is the following:

"(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

"(B) A civilian, in the case of an inquiry with respect to a civilian employee of the United States or of a contractor of the United States.

"(3) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the member access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

"(d) DUTIES OF BOARD.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

"(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of that person;

"(2) collect appropriate documentation of the facts and evidence covered by the investigation;

"(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

"(4) with respect to each person covered by the inquiry, recommend to the commander who appointed the board that—

"(A) the person be placed in a missing status; or

"(B) the person be declared to have deserted, to be absent without leave, or to be dead.

"(e) INQUIRY PROCEEDINGS.—(1) During the proceedings of an inquiry under this section, a board shall—

"(A) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other informa-

tion (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

''(B) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

''(C) maintain a record of its proceedings.

''(2) The commander who appoints a board under this section may request the commander of the combatant command to provide such assistance as the board or the commander may require for purposes of this section.

''(f) COUNSEL FOR MISSING PERSON.—(1) The commander appointing a board to conduct an inquiry under this section shall appoint counsel to represent each person covered by the inquiry, or, in the case described by 1503(c) of this title, one counsel to represent all persons covered by the inquiry. Counsel appointed under this paragraph may be referred to as 'missing person's counsel'.

''(2) To be appointed as a missing person's counsel, a person must—

''(A) have the qualifications specified in section 827(b) of this title (article 27(b) of the Uniform Code of Military Justice) for trial counsel or defense counsel detailed for a general court-martial; and

''(B) have a security clearance that affords the counsel access to all information relating to the whereabouts or status of the person or persons covered by the inquiry.

''(3) A missing person's counsel—

''(A) shall have access to all facts and evidence considered by the board during the proceedings under the inquiry for which the counsel is appointed;

''(B) shall observe all official activities of the board during such proceedings;

''(C) may question witnesses before the board; and

''(D) shall monitor the deliberations of the board.

''(4) A missing person's counsel shall review the report of the board under subsection (i) and submit to the commander who appointed the board an independent review of that report. That review shall be made an official part of the record of the board.

''(g) ACCESS TO PROCEEDINGS.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to any missing person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other

previously designated person designated under section 655 of this title).

''(h) RECOMMENDATION ON STATUS OF MISSING PERSONS.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the commander who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts were covered by the inquiry.

''(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

''(B) In this paragraph, the term 'conclusive proof of death' means evidence establishing that death is the only credible explanation for the absence of the person.

''(i) REPORT.—(1) A board appointed under this section shall submit to the commander who appointed it a report on the inquiry carried out by the board. The report shall include—

''(A) a discussion of the facts and evidence considered by the board in the inquiry;

''(B) the recommendation of the board under subsection (h) with respect to each person covered by the report; and

"(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

"(2) A report under this subsection with respect to a missing person shall be submitted not later than 45 days after the date on which that person is first reported missing.

"(3) A report submitted under this subsection may not be made public until one year after the date on which the report is submitted.

"(j) REVIEW AND DETERMINATION OF STATUS BY COMPONENT COMMANDER.—(1) Not later than 15 days after the date of the receipt of a report under subsection (i), the commander who appointed the board shall review—

"(A) the report; and

"(B) the review of that report submitted under subsection (f)(4) by the missing person's counsel.

"(2) In reviewing a report under paragraph (1), the commander receiving the report shall determine whether or not the report is complete and free of administrative error. If the commander determines that the report is incomplete, or that the report is not free of administrative

error, the commander may return the report to the board for further action on the report by the board.

''(3) Upon a determination by the commander reviewing a report under this subsection that the report is complete and free of administrative error, the commander shall make a determination of the status of each person covered by the report.

''(4) The report, together with the determination under paragraph (3), shall be promptly forwarded to the commander of the combatant command for the geographic area in which the missing person disappeared.

''(k) REVIEW BY CINC.—(1) The commander of the combatant command shall review a report received under subsection (j)(4). Not later than 30 days after receiving such report, that commander shall forward that report to the Secretary concerned. In the case of a missing person who is a member of the Army, Navy, Air Force, or Marine Corps, the report shall be forwarded to or through the Secretary of Defense in accordance with procedures prescribed under section 1501(c) of this title.

''(2) The review under paragraph (1) shall be conducted in accordance with procedures prescribed under section 1501(a)(3) of this title.

''(l) DETERMINATION BY SECRETARY.—(1) The Secretary of Defense (or the Secretary of the military depart-

ment concerned acting under delegation of authority from the Secretary of Defense) shall review the determinations of a theater component commander in a report forwarded under this section.

''(2) After conducting such review, the Secretary shall make a determination, with respect to each person whose status is covered by the report, whether to leave unchanged the status of such person as determined by the theater component commander under subsection (j)(3) or whether to change that status to another appropriate status, as determined by the Secretary.

''(3) In making such determination, the Secretary may convene a board in accordance with section 1504 of this title.

''(m) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 30 days after the date on which the Secretary makes a determination under subsection (k), the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall—

''(1) provide an unclassified summary of the report of the board (including the name of the missing person's counsel for the inquiry, the names of the members of the board, and the name of the commander who convened the board) to the primary

next of kin, to the other members of the immediate family, and to any other previously designated person of the missing person; and

''(2) inform each individual to whom such summary is provided that the United States will conduct a subsequent inquiry into the whereabouts or status of the person not earlier than one year after the date of the first official notice of the disappearance of the missing person, unless information becomes available sooner that would result in a substantial change in the determination of the status of the person.

"§ 1504. Subsequent board inquiry; actions of head of the agency

''(a) ADDITIONAL BOARD.—If information on the whereabouts or status of a person covered by an inquiry under section 1503 of this title becomes available within one year after the date of the submission of the report submitted under section 1502 of this title, the Secretary of Defense, acting through the head of the office established under section 1501(a) of this title, shall appoint a board under this section to conduct an inquiry into the information.

"(b) AUTHORITY FOR INQUIRY.—The Secretary of Defense may delegate authority over such subsequent inquiry to the Secretary concerned.

"(c) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned', in the case of a civilian employee of the United States or contractor of the United States, means the Secretary of the executive department or head of the agency employing the employee or contracting with the contractor, as the case may be.

"(d) DATE OF APPOINTMENT.—The Secretary shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the report concerning that person submitted under section 1502 of this title.

"(e) COMBINED INQUIRIES.—If it appears to the Secretary that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of all such persons.

"(f) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of the following:

"(A) In the case of a board appointed to inquire into the whereabouts or status of a member of the armed forces, not less than three officers having

the grade of major or lieutenant commander or above.

''(B) In the case of a board appointed to inquire into the whereabouts or status of a civilian employee of the United States or an employee of a contractor of the United States—

''(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

''(ii) such members of the armed forces as the Secretary of Defense considers advisable.

''(2) The Secretary shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

''(3)(A) One member of each board appointed under this subsection shall be an attorney or judge advocate who has expertise in the public law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

''(B) One member of each board appointed under this subsection shall be an individual who—

''(i) has an occupational specialty similar to that of one or more of the persons covered by the inquiry; and

''(ii) has an understanding of and expertise in the official activities of one or more such persons at the time such person or persons disappeared.

''(g) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

''(1) review the report under subsection (i) of section 1503 of this title of the board appointed to conduct the inquiry into the status or whereabouts of the person under section 1503 of this title and the recommendation under subsection (j)(3) of that section of the commander who appointed the board under that subsection as to the status of the person;

''(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the completion of the inquiry under section 1503 of this title;

''(3) draw conclusions as to the whereabouts or status of the person;

"(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

"(5) submit to the Secretary of Defense a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

"(h) COUNSEL FOR MISSING PERSONS.—(1) When the Secretary appoints a board to conduct an inquiry under this section, the Secretary shall appoint counsel to represent each person covered by the inquiry.

"(2) A person appointed as counsel under this subsection shall meet the qualifications and have the duties set forth in section 1503(f) of this title for a missing person's counsel appointed under that section.

"(3) The review of the report of a board on an inquiry that is submitted by such counsel shall be made an official part of the record of the board with respect to the inquiry.

"(i) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by an inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated person of the missing person may attend the pro-

ceedings of the board during the inquiry in accordance with this section.

''(2) The Secretary shall notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

''(3) An individual who receives a notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not less than 21 days after the date on which the individual receives the notice.

''(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

''(A) in the case of an individual who is the primary next of kin or the previously designated person, may attend the proceedings of the board with private counsel;

''(B) shall have access to the personnel file of the missing person, to unclassified reports (if any) of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents relating to the whereabouts and status of the person;

"(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

"(D) subject to paragraph (5), shall be given the opportunity to submit in writing objection to any recommendation of the board under subsection (k) as to the status of the missing person.

"(5) Objections under paragraph (4)(D) to any recommendation of the board shall be submitted to the president of the board not later than 30 days after the date on which the recommendations are made. The president shall include any such objections in the report of the board under subsection (k).

"(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

"(j) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the

board considers necessary in order to conduct the proceedings.

''(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

''(A) declassify to an appropriate degree classified information; or

''(B) release the information in a manner not requiring the removal of markings indicating the classified nature of the information.

''(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to president of the board making the request and the counsel for the missing person appointed under subsection (f).

''(B) The president of a board shall close to persons who do not have appropriate security clearances those portions of the proceeding of the Board during which classified information is discussed. Participants at a proceeding

of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

''(k) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

''(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

''(A) proof of death is established by the board; and

''(B) in making the recommendation, the board complies with section 1507 of this title.

''(l) REPORT.—A board appointed under this section shall submit to the Secretary of Defense a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

''(m) ACTIONS BY SECRETARY.—(1) Not later than 30 days after the receipt of a report from a board under subsection (k), the Secretary shall review—

''(A) the report;

''(B) the review of the report submitted to the Secretary under subsection (f)(3) by the counsel for each person covered by the report; and

''(C) the objections, if any, to the report submitted to the president of the board under subsection (g)(6).

''(2) In reviewing a report under paragraph (1) (including the review and objections described in subparagraphs (A) and (B) of that paragraph), the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

''(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

''(n) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 90 days after the date on which a board submits a report on a person under subsection (l), the Secretary of Defense shall—

''(1) with respect to each missing person whose status or whereabouts are covered by the report, provide an unclassified summary of the report to the primary next of kin, the other members of the immediate family, and any other previously designated person; and

''(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct a further investigation into the whereabouts or status of the person not later than three years after the date of the official notice of the disappearance of the person, unless information becomes available within that time that would result in a substantial change in the official status of the person.

''§ 1505. Further review

''(a) SUBSEQUENT REVIEW.—The Secretary shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

''(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) Subject to paragraph (3), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

"(A) on or about three years after the date of the official notice of the disappearance of the person; and

"(B) not later than every three years thereafter.

"(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection upon receipt of information that could result in a change or revision of status of a missing person. Whenever the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

"(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

"(A) more than 30 years after the first notice of the disappearance of the missing person; or

"(B) if, before the end of such 30-year period, the missing person is accounted for.

"(c) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504

of this title with respect to a board appointed under that section.

"§ 1506. Personnel files

''(a) INFORMATION IN FILES.—Except as provided in subsection (b), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

''(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

''(2) If the Secretary concerned withholds classified information from the personnel file of a person, the Secretary shall ensure that the file contains the following:

''(A) A notice that the withheld information exists.

''(B) A notice of the date of the most recent review of the classification of the withheld information.

''(c) WRONGFUL WITHHOLDING.—Any person who knowingly and willfully withholds from the personnel file of a missing person any information (other than classified information) relating to the disappearance or whereabouts

or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

''(d) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the missing person's primary next of kin, the other members of the missing person's immediate family, or any other previously designated person of the missing person.

"§ 1507. Recommendation of status of death

''(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

''(1) credible evidence exists to suggest that the person is dead;

''(2) the United States possesses no credible evidence that suggests that the person is alive;

''(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

''(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was

last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

''(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall include in the report of the board with respect to the person under such section the following:

''(1) A detailed description of the location where the death occurred.

''(2) A statement of the date on which the death occurred.

''(3) A description of the location of the body, if recovered.

''(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

"§ 1508. Judicial review

''(a) IN GENERAL.—(1) A person referred to in paragraph (2) may obtain review of a finding described in paragraph (3) by the court of appeals of the United States for the circuit in which the person resides or in which the

finding was made. Judicial review under this section shall be as provided in section 706 of title 5.

''(2) Paragraph (1) applies to any of the following persons with respect to a missing person subject to a finding described in paragraph (3):

''(A) The primary next of kin of the person.

''(B) A member of the immediate family of the person.

''(C) A dependent of the person.

''(D) A person previously designated by the person.

''(3) Paragraph (1) applies to the following findings:

''(A) A finding by a board appointed under section 1504 or 1505 of this title that a missing person is dead.

''(B) A finding by a board appointed under section 1509 of this title that confirms that a missing person formerly declared dead is in fact dead.

''(4) A person referred to in paragraph (2) shall request review of a finding under this subsection by filing with the appropriate court a written petition requesting that the finding be set aside.

''(b) FINALITY.—The decision of the court of appeals on a petition for review under subsection (a) is final, except that such decision is subject to review by the Supreme

Court upon certiorari, as provided in section 1254 of title 28.

''(c) ADDITIONAL REVIEW.—(1) Subject to paragraph (2), upon request by a person referred to in subsection (a)(2), the Secretary concerned shall appoint a board to review the status of a person covered by a finding described in subsection (a)(3) if the court of appeals sets aside the finding and—

''(A) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed;

''(B) the petition for certiorari has been denied; or

''(C) the decision of the court of appeals has been affirmed by the Supreme Court.

''(2) A person referred to in paragraph (1) shall make a request referred to in that paragraph not later than three years after the date of the event under that paragraph that entitles the person to request the appointment of a board.

"§ 1509. Persons previously declared dead

''(a) REVIEW OF STATUS.—(1) Not later than three years after the date of the enactment of this chapter, a person referred to in paragraph (2) may submit a request for appointment of a board to review the status of a person

previously declared dead while in a missing status, in a case in which the death is declared to have occurred on or after December 7, 1941.

''(2) A board shall be appointed under this section with respect to the death of any person based on the request of any of the following persons:

''(A) The primary next of kin of such person.

''(B) An adult member of the immediate family of the person previously declared dead.

''(C) An adult dependent of such person.

''(D) A person previously designated by such person.

''(3) A request under this section shall be submitted to the Secretary of the executive department or head of the agency of the United States that had jurisdiction over the person covered by the request at the time of the person's disappearance.

''(b) APPOINTMENT OF BOARD.—Upon receiving a request under subsection (a), the official to whom the request is submitted shall appoint a board to review the status of the person covered by the request.

''(c) DUTIES OF BOARD.—A board appointed under this section to review the status of a person previously declared dead shall—

''(1) conduct an investigation to determine the status of the person; and

''(2) issue a report describing the findings of the board under the investigation and the recommendations of the board as to the status of the person.

''(d) EFFECT OF CHANGE IN STATUS.—If a board appointed under this section recommends placing in a missing status a person previously declared dead, such person shall accrue no pay or allowances as a result of the placement of the person in such status.

''(e) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall, to the extent practicable, be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§ 1510. Procedures applicable in case of civilians

''(a) IN GENERAL.—In applying the procedures specified in this chapter in the case of a person described in section 1501(d)(2) of this title—

''(1) any reference to the commander of the unit, facility, or area to which the missing person is assigned shall be treated as referring to the local authority or supervisor of the department or agency of the United States under whom the missing person

was directly operating or to whom the missing person was responsible;

''(2) any reference to the theater component commander shall be treated as referring to the senior official in the region in which the missing person disappeared of the department or agency of the United States with jurisdiction over the missing person (or, if there is no such official, such other person (including the appropriate theater component commander) as may be designated by the head of that department of agency);

''(3) any reference to the Secretary concerned shall be treated as referring to the head of the department or agency of the United States with jurisdiction over the missing person.

''(b) CINC REVIEW NOT TO APPLY.—The provisions of section 1503(k) shall not apply in the case of a person described in section 1501(d)(2) of this title. In such a case, the report under section 1503(j)(4) of this title shall be submitted directly to the head of the department or agency of the United States with jurisdiction over the missing person.

''(c) RULE FOR DEPARTMENT OF DEFENSE CIVILIANS.—In the case of a person described in section 1501(d)(2) of this title who is an employee of the Depart-

ment of Defense, or an employee of a contractor of the Department of Defense, the head of the department or agency of the United States with jurisdiction over that person—

"(1) if the person is an employee of, or an employee of a contractor of, a military department, shall be considered to be the Secretary of that military department; and

"(2) otherwise shall be considered to be the Secretary of Defense.

"§ 1511. Return alive of person declared missing or dead

"(a) PAY AND ALLOWANCES.—Any person in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or chapter 10 of title 37 or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead under the law and regulations relating to the pay and allowances of persons returning from a missing status.

"(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other payment from the United States

on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.

"§ 1512. Effect on State law

''(a) NONPREEMPTION OF STATE AUTHORITY.—Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of the laws of such State or political subdivision.

''(b) STATE DEFINED.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"§ 1513. Definitions

''In this chapter:

''(1) The term 'missing person' means—

''(A) a member of the armed forces on active duty who is in a missing status; or

''(B) a civilian employee of the United States or of a contractor of the United States who is serving with or accompanying the armed forces under orders and who is in a missing status.

''(2) The term 'missing status' means the status of a missing person who is determined to be absent in a status of—

''(A) missing;

''(B) missing in action;

''(C) interned in a foreign country;

''(D) captured, beleaguered, or besieged by a hostile force; or

''(E) detained in a foreign country against that person's will.

''(3) The term 'accounted for', with respect to a person in a missing status, means that—

''(A) the person is returned to United States control alive;

''(B) the remains of the person are returned to the United States; or

''(C) credible evidence exists to support another determination of the person's status.

''(4) The term 'member of the immediate family', in the case of a missing person, means the spouse or a child, parent, or sibling of the person.

''(5) The term 'previously designated person', in the case of a missing person, means an individual designated by the missing person under section 655 of this title for purposes of this chapter.

''(6) The term 'classified information' means any information the unauthorized disclosure of which (as determined under applicable law and regulations) could reasonably be expected to damage the national security.

''(7) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

"76. Missing Persons ..... 1501".

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1) Section 555 is amended—

(A) in subsection (a), by striking out ''When a member'' and inserting in lieu thereof ''Except as provided in subsection (d), when a member''; and

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

''(d) This section does not apply in a case to which section 1502 of title 10 applies.''.

(2) Section 552 is amended—

(A) in subsection (a), by striking out ''for all purposes,'' in the second sentence of the matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof ''for all purposes.'';

(B) in subsection (b), by inserting ''or is determined under chapter 76 title 10'' before the period at the end; and

(C) in subsection (e), by inserting ''or under chapter 76 of title 10'' after ''section 555 of this title''.

(3) Section 553 is amended—

(A) in subsection (f), by striking out ''the date the Secretary concerned receives evidence that'' and inserting in lieu thereof ''the date on which, in a case covered by section 555 of this title, the Secretary concerned receives evidence, or, in a case covered by chapter 76 of title 10 the Secretary concerned determines pursuant to that chapter, that''; and

(B) in subsection (g), by inserting ''or under chapter 76 of title 10'' after ''section 555 of this title''.

(4) Section 556 is amended—

(A) in subsection (a), by inserting after paragraph (7) the following:

''Paragraphs (1), (5), (6), and (7) shall only apply with respect to a case to which section 555 of this title applies.'';

(B) in subsection (b), by inserting '', in a case to which section 555 of this title applies,'' after ''When the Secretary concerned''; and

(C) in subsection (h)—

(i) in the first sentence, by striking out ''status'' and inserting in lieu thereof ''pay''; and

(ii) in the second sentence, by inserting ''in a case to which section 555 of this title applies'' after ''under this section''.

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 655. Designation of persons having interest in status of member as a missing person

''(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the armed forces, require that the person specify in writing the person (if any), other than that person's primary next of kin, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

''(b) The Secretary concerned shall, upon the request of a member, permit the member to change the person or persons specified by the member under subsection (a) at any time. Any such change shall be in writing.''.

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

''655. Designation of persons having interest in status of member as a missing person.''.

SEC. 564. NOMINATIONS TO SERVICE ACADEMIES FROM COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS.

(a) MILITARY ACADEMY.—Section 4342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

''(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.''.

(b) NAVAL ACADEMY.—Section 6954(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

''(10) One from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.''.

(c) AIR FORCE ACADEMY.—Section 9342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

''(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.''.

SEC. 565. REPORT ON THE CONSISTENCY OF REPORTING OF FINGERPRINT CARDS AND FINAL DISPOSITION FORMS TO THE FEDERAL BUREAU OF INVESTIGATION.

(a) REPORT.—The Secretary of Defense shall submit to Congress a report on the consistency with which fingerprint cards and final disposition forms, as described in Criminal Investigations Policy Memorandum 10 issued by the Defense Inspector General on March 25, 1987, are reported by the Defense Criminal Investigative Organizations to the Federal Bureau of Investigation for inclusion in the Bureau's criminal history identification files.

(b) MATTERS TO BE INCLUDED.—In the report, the Secretary shall—

(1) survey fingerprint cards and final disposition forms filled out in the past 24 months by each investigative organization;

(2) compare the fingerprint cards and final disposition forms filled out to all judicial and nonjudicial procedures initiated as a result of actions taken by each investigative service in the past 24 months;

(3) account for any discrepancies between the forms filled out and the judicial and nonjudicial procedures initiated;

(4) compare the fingerprint cards and final disposition forms filled out with the information held by the Federal Bureau of Investigation criminal history identification files;

(5) identify any weaknesses in the collection of fingerprint cards and final disposition forms and in the reporting of that information to the Federal Bureau of Investigation; and

(6) determine whether or not other law enforcement activities of the military services collect and report such information or, if not, should collect and report such information.

(c) SUBMISSION OF REPORT.—The report shall be submitted not later than 180 days after the date of the enactment of this Act.

(d) DEFINITION.—For the purposes of this section, the term ''criminal history identification files'', with respect to the Federal Bureau of Investigation, means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification and any other method of positive identification.

SEC. 566. SEPARATION BENEFITS DURING FORCE REDUCTION FOR OFFICERS OF COMMISSIONED CORPS OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

(a) SEPARATION BENEFITS.—Subsection (a) of section 3 of the Act of August 10, 1956 (33 U.S.C. 857a), is amended by adding at the end the following new paragraph:

''(15) Section 1174a, special separation benefits (except that benefits under subsection (b)(2)(B) of such section are subject to the availability of appropriations for such purpose and are provided at the discretion of the Secretary of Commerce).''.

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

(1) by striking out ''Coast and Geodetic Survey'' in subsections (a) and (b) and inserting in lieu thereof ''commissioned officer corps of the National Oceanic and Atmospheric Administration''; and

(2) in subsection (a), by striking out ''including changes in those rules made after the effective date of this Act'' in the matter preceding paragraph (1) and inserting in lieu thereof ''as those provisions are in effect from time to time''.

(c) TEMPORARY EARLY RETIREMENT AUTHORITY..—Section 4403 (other than subsection (f)) of the Na-

tional Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2702; 10 U.S.C. 1293 note) shall apply to the commissioned officer corps of the National Oceanic and Atmospheric Administration in the same manner and to the same extent as that section applies to the Department of Defense. The Secretary of Commerce shall implement the provisions of that section with respect to such commissioned officer corps and shall apply the provisions of that section to the provisions of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 relating to the retirement of members of such commissioned officer corps.

(d) EFFECTIVE DATE.—This section shall apply only to members of the commissioned officer corps of the National Oceanic and Atmospheric Administration who are separated after September 30, 1995.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1996 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective on January 1, 1996, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 2.4 percent.

(c) INCREASE IN BAQ.—Effective on January 1, 1996, the rates of basic allowance for quarters of members of the uniformed services are increased by 5.2 percent.

(d) UNIFORMED SERVICES DEFINED.—For purposes of this section, the term ''uniformed services'' does not include the National Oceanic and Atmospheric Administration.

SEC. 602. LIMITATION ON BASIC ALLOWANCE FOR SUBSISTENCE FOR MEMBERS WITHOUT DEPENDENTS RESIDING IN GOVERNMENT QUARTERS.

(a) PERCENTAGE LIMITATION.—Subsection (b) of section 402 of title 37, United States Code, is amended by adding after the last sentence the following new paragraph:

''(4) In the case of members of the Army, Navy, Air Force, or Marine Corps who, when present at their permanent duty station, reside without dependents in Government quarters, the Secretary concerned may not provide a basic allowance for subsistence to more than 12 percent of such members under the jurisdiction of the Secretary concerned. The Secretary concerned may exceed such per-

centage during a fiscal year if the Secretary determines that compliance would increase costs to the Government, would impose financial hardships on members otherwise entitled to a basic allowance for subsistence, or would reduce the quality of life for such members. This paragraph shall not apply to members described in the first sentence when the members are not residing at their permanent duty station. The percentage limitation specified in this paragraph shall be achieved as soon as possible after the date of the enactment of this paragraph, but in no case later than September 30, 1996.''.

(b) STYLISTIC AMENDMENTS.—Such subsection is further amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C);

(2) by inserting ''(1)'' after ''(b)'';

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

(4) by designating the fifth sentence as paragraph (3).

(c) CONFORMING AMENDMENTS.—(1) Subsection (e) of such section is amended—

(A) in paragraph (1), by striking out ''the third sentence of subsection (b)'' and inserting in lieu thereof ''subsection (b)(2)''; and

(B) in paragraph (2), by striking out ''subsection (b)'' and inserting in lieu thereof ''subsection (b)(2)''.

(2) Section 1012 of title 37, United States Code, is amended by striking out ''the last sentence of section 402(b)'' and inserting in lieu thereof ''section 402(b)(3)''.

(d) REPORT REQUIRED.—Not later than March 31, 1996, the Secretary of Defense shall submit to Congress a report identifying, for the Army, Navy, Air Force, and the Marine Corps—

(1) the number of members without dependents who reside in Government quarters at their permanent duty stations and receive a basic allowance for subsistence under section 402 of title 37, United States Code;

(2) such number as a percentage of the total number of members without dependents who reside in Government quarters;

(3) a recommended maximum percentage of members without dependents who reside in Government quarters at their permanent duty station and should receive a basic allowance for subsistence; and

(4) the reasons such maximum percentage was selected.

SEC. 603. AUTHORIZATION OF PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO ADDITIONAL MEMBERS ASSIGNED TO SEA DUTY.

(a) EXPANSION OF ELIGIBLE MEMBERS.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out ''E–7'' and inserting in lieu thereof ''E–6''; and

(2) in the second sentence, by striking out ''E–6'' and inserting in lieu thereof ''E–5''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on July 1, 1996.

SEC. 604. ESTABLISHMENT OF MINIMUM AMOUNTS OF VARIABLE HOUSING ALLOWANCE FOR HIGH HOUSING COST AREAS AND ADDITIONAL LIMITATION ON REDUCTION OF ALLOWANCE FOR CERTAIN MEMBERS.

(a) MINIMUM AMOUNTS OF VHA.—Subsection (c) of section 403a of title 37, United States Code, is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

''(1) The monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area is equal to the greater of the following:

''(A) An amount equal to the difference between—

''(i) the median monthly cost of housing in that area for members of the uniformed services serving in the same pay grade and with the same dependency status as that member; and

''(ii) 80 percent of the median monthly cost of housing in the United States for members of the uniformed services serving in the same pay grade and with the same dependency status as that member.

''(B) An amount determined by the Secretary of Defense as the minimum necessary to meet the cost of adequate housing in that area, as determined by the Secretary, for all residents in that area with an appropriate income level selected by the Secretary.''.

(b) LIMITATION ON REDUCTION IN VHA.—Paragraph (3) of such subsection is amended by adding at the end the following new sentence: ''However, on and after January 1, 1996, the monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area may not be reduced so long as the member retains uninterrupted eligibility to receive a variable housing allowance within that area and the member's certified housing costs are not reduced, as

indicated by certifications provided by the member under subsection (b)(4).''.

(c) EFFECT ON TOTAL AMOUNT AVAILABLE FOR VHA.—Subsection (d)(3) of such section is amended by inserting after the first sentence the following new sentence: ''In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional variable housing allowance necessary as a result of paragraph (1)(B) and the requirements of the second sentence of paragraph (3).''

(d) CONFORMING AMENDMENTS.—Subsection (c) of such section is further amended—

(1) in paragraph (3), as amended by subsection (b), by striking out ''this subsection'' and inserting in lieu thereof ''paragraph (1)(A) or minimum levels of variable housing allowances under paragraph (1)(B)''; and

(2) in paragraph (5), by inserting ''or minimum levels of variable housing allowances'' after ''costs of housing''.

(e) DELAYED IMPLEMENTATION OF MINIMUM AMOUNTS OF VHA.—Subsection (c)(1)(B) of section 403a of title 37, United States Code, as added by subsection (a), shall be used to determine the monthly amount of a

variable housing allowance under such section for members of the uniformed services only for months beginning after June 30, 1996.

(f) REPORT ON IMPLEMENTATION.—Not later than June 1, 1996, the Secretary of Defense shall submit to Congress a report describing the procedures to be used to implement the amendments made by this section and the costs of such amendments.

SEC. 605. CLARIFICATION OF LIMITATION ON RECEIPT OF FAMILY SEPARATION ALLOWANCE.

Section 427(b)(4) of title 37, United States Code, is amended by inserting before the period at the end of the first sentence the following: ''unless such entitlement is based on paragraph (1)(B)''.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking out ''Sep-

tember 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is

amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1998''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of such title are each amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended

by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(e) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(f) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1998''.

(g) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking out ''October 1, 1996' and inserting in lieu thereof ''October 1, 1998''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out ''October 1, 1996'' and inserting in lieu thereof ''October 1, 1998''.

SEC. 614. CODIFICATION AND EXTENSION OF SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.

(a) SPECIAL PAY AUTHORIZED.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 302f the following new section:

"§ 302g. Special pay: Selected Reserve health care professionals in critically short wartime specialties

''(a) SPECIAL PAY AUTHORIZED.—An officer of a reserve component of the armed forces described in subsection (b) who executes a written agreement under which the officer agrees to serve in the Selected Reserve of an armed force for a period of not less than one year nor more than three years, beginning on the date the officer accepts the award of special pay under this section, may be paid special pay at an annual rate not to exceed $10,000.

''(b) ELIGIBLE OFFICERS.—An officer referred to in subsection (a) is an officer in a health care profession who is qualified in a specialty designated by regulations as a critically short wartime specialty.

''(c) TIME FOR PAYMENT.—Special pay under this section shall be paid annually at the beginning of each twelve-month period for which the officer has agreed to serve.

"(d) REFUND REQUIREMENT.—An officer who voluntarily terminates service in the Selected Reserve of an armed force before the end of the period for which a payment was made to such officer under this section shall refund to the United States the full amount of the payment made for the period on which the payment was based.

"(e) INAPPLICABILITY OF DISCHARGE IN BANKRUPTCY.—A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the person receiving special pay under the agreement from the debt arising under the agreement.

"(f) TERMINATION OF AGREEMENT AUTHORITY.—No agreement under this section may be entered into after September 30, 1998.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 302f the following new item:

"302g. Special pay: Selected Reserve health care professionals in critically short wartime specialties.".

(b) CONFORMING AMENDMENT.—Section 303a of title 37, United States Code is amended by striking out "302, 302a, 302b, 302c, 302d, 302e," each place it appears and inserting in lieu thereof "302 through 302g,".

(c) CONFORMING REPEAL.—(1) Section 613 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note) is repealed.

(2) The repeal of section 613 of the National Defense Authorization Act, Fiscal Year 1989, by paragraph (1) shall not affect the validity or terms of any agreement entered into under such section before the date of the enactment of this Act.

SEC. 615. CHANGE IN ELIGIBILITY REQUIREMENTS FOR CONTINUOUS MONTHLY AVIATION INCENTIVE PAY.

(a) LOWER INCENTIVE PAY GATE.—Section 301a(a)(4) of title 37, United States Code, is amended by striking out ''9'' in the first sentence and inserting in lieu thereof ''8''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1995.

SEC. 616. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY FOR CREWMEMBERS OF SHIPS DESIGNATED AS TENDERS.

(a) CONTINUOUS ENTITLEMENT.—Section 305a(d)(1)(A) of title 37, United States Code, is amended—

(1) by striking out ''or'' after ''under way'' and inserting in lieu thereof a comma; and

(2) by inserting before the semicolon at the end the following: ‘‘, or while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer)’’.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 617. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY FOR ENLISTED MEMBERS SERVING AS RECRUITERS.

(a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—Section 307(a) of title 37, United States Code, is amended by adding at the end the following new sentence: ‘‘In the case of a member who is serving as a military recruiter and is eligible for special duty assignment pay under this subsection on account of such duty, the Secretary concerned may increase the monthly rate of special duty assignment pay for the member to not more than $375.’’.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1996.

Subtitle C—Travel and Transportation Allowances

SEC. 621. AUTHORIZATION OF RETURN TO UNITED STATES OF FORMERLY DEPENDENT CHILDREN OF MEMBERS.

(a) RETURN AT GOVERNMENT EXPENSE.—Section 406(h)(1) of title 37, United States Code, is amended in the last sentence—

(1) by striking out ''who became 21 years of age'' and inserting in lieu thereof ''who, by reason of age or graduation from (or cessation of enrollment in) an institution of higher education, would otherwise cease to be a dependent of the member''; and

(2) by inserting ''still'' after ''shall''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 622. AUTHORIZATION OF DISLOCATION ALLOWANCE FOR MOVES IN CONNECTION WITH BASE REALIGNMENTS AND CLOSURES.

(a) DISLOCATION ALLOWANCE AUTHORIZED.—Subsection (a) of section 407 of title 37, United States Code, is amended—

(1) by striking out ''or'' at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4)(B) and inserting in lieu thereof ''; or''; and

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

''(5) the member's dependents actually make an authorized move in connection with the member's directed order to move as a result of the closure or realignment of a military installation.''.

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

(1) in the sentence following subsection (a)(4)—

(A) by striking out ''clause (3) or (4)(B)'' and inserting in lieu thereof ''paragraph (3) or (4)(B)''; and

(B) by striking out ''clause (1)'' and inserting in lieu thereof ''paragraph (1) or (5)'';

(2) in subsection (b)—

(A) by striking out ''subsection (a)(3) or (a)(4)(B)'' and inserting in lieu thereof ''paragraph (3) or (4)(B) of subsection (a)''; and

(B) by striking out ''subsection (a)(1)'' and inserting in lieu thereof ''paragraph (1) or (5) of subsection (a)''.

SEC. 623. REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.

(a) REPEAL.—Section 1589 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1589.

Subtitle D—Other Matters

SEC. 631. ELIMINATION OF UNNECESSARY ANNUAL REPORTING REQUIREMENTS REGARDING COMPENSATION MATTERS.

(a) REPORT ON TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS.—(1) Section 406 of title 37, United States Code, is amended—

(A) by striking out subsection (i); and

(B) by redesignating subsections (j), (k), (l), (m), and (n) as subsections (i), (j), (k), (l), and (m), respectively.

(2) Section 2634(d) of title 10, United States Code, is amended by striking out ''section 406(l) of title 37'' and inserting in lieu thereof ''section 406(k) of title 37''.

(b) ANNUAL REVIEW OF PAY AND ALLOWANCES.—Subsection (a) of section 1008 of title 37, United States Code, is amended to read as follows:

''(a) Not later than March 31 of each year, the President shall submit to Congress such recommendations (if any) as the President considers appropriate for adjustments in the rates of pay and allowances authorized by this title for members of the uniformed services.''.

SEC. 632. STUDY REGARDING JOINT PROCESS FOR DETERMINING LOCATION OF RECRUITING STATIONS.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study regarding the feasibility of—

(1) using a joint process among the Armed Forces for determining the location of recruiting stations and the number of military personnel required to operate such stations; and

(2) basing such determinations on market research and analysis conducted jointly by the Armed Forces.

(b) REPORT.—Not later than March 31, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study. The report shall include a recommended method for measuring the efficiency of individual recruiting stations, such as cost per accession or other efficiency standard, as determined by the Secretary.

SEC. 633. ELIMINATION OF DISPARITY BETWEEN EFFECTIVE DATES FOR MILITARY AND CIVILIAN RETIREE COST-OF-LIVING ADJUSTMENTS FOR FISCAL YEAR 1996.

(a) IN GENERAL.—The fiscal year 1996 increase in military retired pay shall (notwithstanding subparagraph (B) of section 1401a(b)(2) of title 10, United States Code) first be payable as part of such retired pay for the month of March 1996.

(b) DEFINITIONS.—For the purposes of subsection (a):

(1) The term ''fiscal year 1996 increase in military retired pay'' means the increase in retired pay that, pursuant to paragraph (1) of section 1401a(b) of title 10, United States Code, becomes effective on December 1, 1995.

(2) The term ''retired pay'' includes retainer pay.

(c) LIMITATION.—Subsection (a) shall be effective only if there is appropriated to the Department of Defense Military Retirement Fund (in an Act making appropriations for the Department of Defense for fiscal year 1996 that is enacted before March 1, 1996) such amount as is necessary to offset increased outlays to be made from that fund during fiscal year 1996 by reason of the provisions of subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1996 to the Department of Defense Military Retirement Fund the sum of $403,000,000 to offset increased outlays to be made from that fund during fiscal year 1996 by reason of the provisions of subsection (a).

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

SEC. 701. MODIFICATION OF REQUIREMENTS REGARDING ROUTINE PHYSICAL EXAMINATIONS AND IMMUNIZATIONS UNDER CHAMPUS.

Section 1079(a) of title 10, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) consistent with such regulations as the Secretary of Defense may prescribe regarding the content of health promotion and disease prevention visits, the schedule of pap smears and mammograms, and the types and schedule of immunizations—

''(A) for dependents under six years of age, both health promotion and disease prevention visits and immunizations may be provided; and

''(B) for dependents six years of age or older, health promotion and disease prevention visits may be provided in connection with immunizations or with diagnostic or preventive pap smears and mammograms;''.

SEC. 702. CORRECTION OF INEQUITIES IN MEDICAL AND DENTAL CARE AND DEATH AND DISABILITY BENEFITS FOR CERTAIN RESERVISTS.

(a) MEDICAL AND DENTAL CARE.—Section 1074a(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) Each member of the armed forces who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.''.

(b) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2) of title 10, United States Code, is amended—

(1) in subparagraph (C), by striking out ''or'' at the end of the subparagraph;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

''(D) remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence; or''.

(c) ENTITLEMENT TO BASIC PAY.—(1) Subsection (g)(1) of section 204 of title 37, United States Code, is amended—

(A) in subparagraph (B), by striking out ''or'' at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof ''; or''; and

(C) by inserting after subparagraph (C) the following new subparagraph:

''(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.''.

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

(A) in subparagraph (B), by striking out ''or'' at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof ''; or''; and

(C) by inserting after subparagraph (C) the following new subparagraph:

''(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.''.

(d) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking out ''or'' at the end of clause (ii);

(2) in subparagraph (B), by striking out the period at the end of the subparagraph and inserting in lieu thereof ''; or''; and

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of

the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence.''.

SEC. 703. MEDICAL AND DENTAL CARE FOR MEMBERS OF THE SELECTED RESERVE.

(a) MEMBERS OF EARLY DEPLOYING UNITS OF THE ARMY SELECTED RESERVE.—Section 1074a of title 10, United States Code, is amended—

(1) in subsection (c), by striking out ''this section'' and inserting in lieu thereof ''subsection (b)''; and

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

''(d)(1) The Secretary of the Army shall provide to members of the Selected Reserve of the Army who are assigned to units scheduled for deployment within 75 days after mobilization the following medical and dental services:

''(A) An annual medical screening.

''(B) For members who are over 40 years of age, a full physical examination not less often than once every two years.

''(C) An annual dental screening.

''(D) The dental care identified in an annual dental screening as required to ensure that a mem-

ber meets the dental standards required for deployment in the event of mobilization.

''(2) The services provided under this subsection shall be provided at no cost to the member.''.

(b) VOLUNTARY DEMONSTRATION PROGRAM TO IMPROVE DENTAL READINESS OF SELECTED RESERVE.—(1) For members of the Selected Reserve who are not covered by subsection (a), the Secretary of Defense shall conduct a demonstration program to offer such members affordable dental care for the purpose of ensuring that such members meet the dental standards required for deployment in the event of mobilization. The Secretary shall determine the geographical scope of the demonstration program and the number of members of the Selected Reserve who will be invited to participate in the program. However, participation in the demonstration program shall be offered to the members of at least one ground combat maneuver unit of the Selected Reserve of the Army scheduled for deployment within 90 days after mobilization.

(2) The Secretary may model the dental demonstration program after the dependents' dental program authorized under section 1076a of title 10, United States Code, except that participants in the demonstration program shall be responsible for all costs incurred to provide dental care under the program. The Secretary shall pro-

vide for allotment or deduction from the military pay of participants as a means to pay any premiums required under the demonstration program.

(3) The authority to carry out the dental demonstration program under this subsection shall expire on September 30, 1997.

(c) EVALUATION OF DEMONSTRATION PROGRAM.—Not later than March 1, 1997, the Secretary shall submit to Congress a report evaluating the success of the dental demonstration program conducted under subsection (b) in improving the dental readiness of the Selected Reserve. The Secretary shall submit a revised report under this subsection not later than 30 days after the expiration of the demonstration program.

(d) CONFORMING REPEALS.—Sections 1117 and 1118 of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484; 10 U.S.C. 3077 note) are repealed.

Subtitle B—TRICARE Program

SEC. 711. PRIORITY USE OF MILITARY TREATMENT FACILITIES FOR PERSONS ENROLLED IN MANAGED CARE INITIATIVES.

Section 1097(c) of title 10, United States Code, is amended in the third sentence by striking out ''However, the Secretary may'' and inserting in lieu thereof ''Notwith-

standing the preferences established by sections 1074(b) and 1076 of this title, the Secretary shall''.

SEC. 712. STAGGERED PAYMENT OF ENROLLMENT FEES FOR TRICARE.

Section 1097(e) of title 10, United States Code, is amended by adding at the end the following new sentence: ''Without imposing additional costs on covered beneficiaries who participate in contracts for health care services under this section or health care plans offered under section 1099 of this title, the Secretary shall permit such covered beneficiaries to pay, on a monthly or quarterly basis, any enrollment fee required for such participation.''.

SEC. 713. REQUIREMENT OF BUDGET NEUTRALITY FOR TRICARE TO BE BASED ON ENTIRE PROGRAM.

(a) CHANGE IN BUDGET NEUTRALITY REQUIREMENTS.—Subsection (c) of section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073 note) is amended—

(1) by striking out ''each managed health care initiative that includes the option'' and inserting in lieu thereof ''the TRICARE program''; and

(2) by striking out ''covered beneficiaries who enroll in the option'' and inserting in lieu thereof ''members of the uniformed services and covered

beneficiaries who participate in the TRICARE program''.

(b) ADDITION OF DEFINITION OF TRICARE PROGRAM.—Subsection (d) of such section is amended to read as follows:

''(d) DEFINITIONS.—For purposes of this section:

''(1) The term 'covered beneficiary' means a beneficiary under chapter 55 of title 10, United States Code, other than a beneficiary under section 1074(a) of such title.

''(2) The term 'TRICARE program' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.''.

SEC. 714. TRAINING IN HEALTH CARE MANAGEMENT AND ADMINISTRATION FOR TRICARE LEAD AGENTS.

(a) PROVISION OF TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall implement a professional edu-

cational program to provide appropriate training in health care management and administration to each commander of a military medical treatment facility of the Department of Defense who is selected to serve as a lead agent to coordinate the delivery of health care by military and civilian providers under the TRICARE program.

(b) TRICARE PROGRAM DEFINED.—For purposes of this section, the term ''TRICARE program'' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(c) REPORT ON IMPLEMENTATION.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the professional educational program implemented pursuant to this section.

SEC. 715. EVALUATION AND REPORT ON TRICARE EFFECTIVENESS.

(a) EVALUATION REQUIRED.—The Secretary of Defense shall arrange for an on-going evaluation of the effectiveness of the TRICARE program in meeting the goals

of increasing the access of covered beneficiaries under chapter 55 of title 10, United States Code, to health care and improving the quality of health care provided to covered beneficiaries, without increasing the costs incurred by the Government or covered beneficiaries. The evaluation shall specifically address the impact of the TRICARE program on military retirees with regard to access, costs, and quality of health care services and identify noncatchment areas in which the HMO option of the TRICARE program will be available. The Secretary shall use a federally funded research and development center to conduct the evaluation required by this section.

(b) ANNUAL REPORT.—Not later than March 1 of each year, the center conducting the evaluation under subsection (a) shall submit to Congress a report describing the results of the evaluation during the preceding year.

(c) TRICARE PROGRAM DEFINED.—For purposes of this section, the term ''TRICARE program'' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. LIMITATION ON EXPENDITURES TO SUPPORT UNIFORMED SERVICES TREATMENT FACILITIES AND LIMITATION ON NUMBER OF PARTICIPANTS IN USTF MANAGED CARE PLANS.

Subsection (f) of section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended to read as follows:

''(f) LIMITATION ON EXPENDITURES AND PARTICIPANTS.—(1) The total amount of expenditures by the Secretary of Defense to carry out this section and section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c), for fiscal year 1996 may not exceed $300,000,000, adjusted by the Secretary to reflect the inflation factor used by the Department of Defense for such year.

''(2) During fiscal year 1996, the number of covered beneficiaries under chapter 55 of title 10, United States Code (including covered beneficiaries described in section 1086(d)(1) of such title), who are enrolled in managed care plans offered by facilities described in subsection (a) and designated under subsection (c) may not exceed the number of such covered beneficiaries so enrolled as of October 1, 1994.''.

SEC. 722. APPLICATION OF FEDERAL ACQUISITION REGULATION TO PARTICIPATION AGREEMENTS WITH UNIFORMED SERVICES TREATMENT FACILITIES.

(a) Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended—

(1) in the second sentence of paragraph (1), by striking out ''A participation agreement'' and inserting in lieu thereof ''Except as provided in paragraph (4), a participation agreement'';

(2) by redesignating paragraph (4) as paragraph (6); and

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

''(4) APPLICATION OF FEDERAL ACQUISITION REGULATION.—On and after the date of the enactment of this paragraph, Uniformed Services Treatment Facilities and any participation agreement between Uniformed Services Treatment Facilities and the Secretary of Defense shall be subject to the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) notwithstanding any provision to the contrary in such a participation agreement. The requirements regarding competition in

the Federal Acquisition Regulation shall apply with regard to the negotiation of any new participation agreement between the Uniformed Services Treatment Facilities and the Secretary of Defense under this subsection or any other provision of law.''.

(b) SENSE OF CONGRESS.—(1) Congress finds that the Uniformed Services Treatment Facilities provide quality health care to the 120,000 Department of Defense beneficiaries enrolled in the Uniformed Services Family Health Plan provided by these facilities.

(2) In light of such finding, it is the sense of Congress that the Uniformed Services Family Health Plan provided by the Uniformed Services Treatment Facilities should not be terminated for convenience under provisions of the Federal Acquisition Regulation by the Secretary of Defense before the expiration of the current participation agreements.

SEC. 723. DEVELOPMENT OF PLAN FOR INTEGRATING UNIFORMED SERVICES TREATMENT FACILITIES IN MANAGED CARE PROGRAMS OF DEPARTMENT OF DEFENSE.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended by inserting after paragraph (4), as added by section 722, the following new paragraph:

"(5) PLAN FOR INTEGRATING FACILITIES.—(A) Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a plan under which Uniformed Services Treatment Facilities, on or before September 30, 1997, shall be included in the exclusive health care provider networks established by the Secretary for the geographic regions in which the facilities are located. The Secretary shall address in the plan the feasibility of implementing the managed care plan of the Uniformed Services Treatment Facilities, known as Option II, on a mandatory basis for all USTF Medicare-eligible beneficiaries and the potential cost savings to the Military Health Care Program that could be achieved under such option.

"(B) The plan developed under this paragraph shall be consistent with the requirements specified in paragraph (4). If the plan is not submitted to Congress by the expiration date of the participation agreements entered into under this section, the participation agreements shall remain in effect, at the option of the Uniformed Services Treatment Facilities, until the end of the 180-day period beginning on the date the plan is finally submitted.

"(C) For purposes of this paragraph, the term 'USTF Medicare-eligible beneficiaries' means cov-

ered beneficiaries under chapter 55 of title 10, United States Code, who are enrolled in a managed health plan offered by the Uniformed Services Treatment Facilities and entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).''.

SEC. 724. EQUITABLE IMPLEMENTATION OF UNIFORM COST SHARING REQUIREMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.

(a) TIME FOR FEE IMPLEMENTATION.—The uniform managed care benefit fee and copayment schedule developed by the Secretary of Defense for use in all managed care initiatives of the military health service system, including the managed care program of the Uniformed Services Treatment Facilities, shall be extended to the managed care program of a Uniformed Services Treatment Facility only after the later of—

(1) the implementation of the TRICARE regional program covering the service area of the Uniformed Services Treatment Facility; or

(2) the end of the 180-day period beginning on the date of the enactment of this Act.

(b) SUBMISSION OF ACTUARIAL ESTIMATES.—Paragraph (2) of subsection (a) shall operate as a condition on the extension of the uniform managed care benefit fee

and copayment schedule to the Uniformed Services Treatment Facilities only if the Uniformed Services Treatment Facilities submit to the Comptroller General of the United States, within 30 days after the date of the enactment of this Act, actuarial estimates in support of their contention that the extension of such fees and copayments will have an adverse effect on the operation of the Uniformed Services Treatment Facilities and the enrollment of participants.

(c) EVALUATION.—Except as provided in paragraph (2), not later than 90 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress the results of an evaluation of the effect on the Uniformed Services Treatment Facilities of the extension of the uniform benefit fee and copayment schedule to the Uniformed Services Treatment Facilities. The evaluation shall include an examination of whether the benefit fee and copayment schedule may—

(A) cause adverse selection of enrollees;

(B) be inappropriate for a fully at-risk program similar to civilian health maintenance organizations; or

(C) result in an enrolled population dissimilar to the general beneficiary population.

(2) The Comptroller General shall not be required to prepare or submit the evaluation under paragraph (1) if the Uniformed Services Treatment Facilities fail to satisfactorily comply with subsection (b), as determined by the Comptroller General.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. MAXIMUM ALLOWABLE PAYMENTS TO INDIVIDUAL HEALTH-CARE PROVIDERS UNDER CHAMPUS.

(a) MAXIMUM PAYMENT.—Subsection (h) of section 1079 of title 10, United States Code, is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

''(1) Payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) may not exceed the lesser of—

''(A) an amount equivalent to the 80th percentile of billed charges made for similar services in the same locality during a 12-month base period; or

''(B) an amount determined to be appropriate, to the extent practicable, in accordance with the

same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).''.

(b) COMPARISON TO MEDICARE PAYMENTS.—Such subsection is further amended by adding at the end the following new paragraph:

''(3) For the purposes of paragraph (1)(B), the appropriate payment amount shall be determined by the Secretary of Defense, in consultation with the other administering Secretaries.''.

(c) EXCEPTIONS AND LIMITATIONS.—Such subsection is further amended by inserting after paragraph (3), as added by subsection (b), the following new paragraphs:

''(4) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to provide for such exceptions to the payment limitations under paragraph (1) as the administering Secretaries determine to be necessary to assure that covered beneficiaries retain adequate access to health care services. Such exceptions may include the payment of amounts greater than the amount allowed under paragraph (1) when enrollees in managed care programs obtain covered emergency services from nonparticipating providers. To transition from the payment methods in effect before the

date of the enactment of this paragraph to the methodology required by paragraph (1), the amount allowable for any service may not be reduced by more than 15 percent from the amount allowed for the same service during the immediately preceding 12-month period (or other period as established by the Secretary of Defense).

''(5) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to establish limitations (similar to those limitations established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).''.

(d) CONFORMING AMENDMENT.—Paragraph (2) of such subsection is amended by striking out ''paragraph (1)'' and inserting in lieu thereof ''paragraph (1)(A)''.

(e) REPORT ON EFFECT OF AMENDMENTS.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report analyzing the effect of the amendments made by this section on the ability or willingness of individual health care professionals and other noninstitutional health care providers to participate in the Civilian Health and Medical Program of the Uniformed Services.

SEC. 732. EXPANSION OF EXISTING RESTRICTION ON USE OF DEFENSE FUNDS FOR ABORTIONS.

(a) INCLUSION OF DEFENSE FACILITIES.—Section 1093 of title 10, United States Code, is amended by inserting after ''Department of Defense'' the following: '', and medical treatment facilities or other facilities of the Department of Defense,''.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended by inserting ''**or facilities**'' after ''**funds**''.

(2) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

''1093. Restriction on use of funds or facilities for abortions.''.

SEC. 733. IDENTIFICATION OF THIRD-PARTY PAYER SITUATIONS.

Section 1095 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(k)(1) To improve the administration of this section and sections 1079(j)(1) and 1086(d) of this title, the Secretary of Defense, in consultation with the other administering Secretaries, may prescribe regulations to collect information regarding insurance, medical service, or health plans of third-party payers held by covered beneficiaries.

1 ''(2) The collection of information under regulations
2 issued under paragraph (1) shall be conducted in the same
3 manner as provided in section 1862(b)(5) of the Social
4 Security Act (42 U.S.C. 1395y(b)(5)). The Secretary may
5 provide for obtaining from the Commissioner of Social Se-
6 curity employment information comparable to the infor-
7 mation provided to the Administrator of the Health Care
8 Financing Administration pursuant to such section. Such
9 regulations may require the mandatory disclosure of social
10 security account numbers for all covered beneficiaries.
11 ''(3) The Secretary of Defense may disclosure rel-
12 evant employment information collected under this sub-
13 section to fiscal intermediaries or other designated con-
14 tractors.
15 ''(4) The Secretary of Defense may provide for con-
16 tacting employers of covered beneficiaries to obtain group
17 health plan information comparable to the information au-
18 thorized to be obtained under section 1862(b)(5)(C) of the
19 Social Security Act (42 U.S.C. 1395y(b)(5)(C)). Clause
20 (ii) of such section regarding the imposition of civil money
21 penalties shall apply to the collection of information under
22 this paragraph.
23 ''(5) Information obtained under this subsection may
24 not be disclosed for any purpose other than to carry out

the purpose of this section and sections 1079(j)(1) and 1086(d) of this title.''.

SEC. 734. REDESIGNATION OF MILITARY HEALTH CARE ACCOUNT AS DEFENSE HEALTH PROGRAM ACCOUNT AND TWO-YEAR AVAILABILITY OF CERTAIN ACCOUNT FUNDS.

(a) REDESIGNATION.—Section 1100 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out ''Military Health Care Account'' and inserting in lieu thereof ''Defense Health Program Account''; and

(B) by striking out ''the Civilian Health and Medical Program of the Uniformed Services'' and inserting in lieu thereof ''medical and health care programs of the Department of Defense''; and

(2) in subsection (b)—

(A) by striking out ''entering into a contract'' and inserting in lieu thereof ''conducting programs and activities under this chapter, including contracts entered into''; and

(B) by inserting a comma after ''title''.

(b) TWO YEAR AVAILABILITY OF CERTAIN APPROPRIATIONS.—Subsection (a)(2) of such section is amended to read as follows:

''(2) Three percent of the funds appropriated annually for the operation and maintenance of the programs and activities authorized by this chapter shall remain available for obligation until the end of the fiscal year following the fiscal year for which the funds were appropriated. This paragraph shall not apply for a fiscal year to the extent that a provision of law specifically refers to this paragraph and specifies that this paragraph shall not apply for that fiscal year.''.

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

(1) by striking out subsections (c), (d), and (f); and

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

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

''§ 1100. Defense Health Program Account''.

(2) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

''1100. Defense Health Program Account.''.

SEC. 735. EXPANSION OF FINANCIAL ASSISTANCE PROGRAM FOR HEALTH-CARE PROFESSIONALS IN RESERVE COMPONENTS TO INCLUDE DENTAL SPECIALTIES.

Section 16201(b) of title 10, United States Code, is amended—

(1) in the subsection heading, by inserting ''AND DENTISTS'' after ''PHYSICIANS'';

(2) in paragraph (1)(A), by inserting ''or dental school'' after ''medical school'';

(3) in paragraphs (1)(B) and (2)(B), by inserting ''or dental officer'' after ''medical officer''; and

(4) in paragraph (1)(C), by striking out ''physicians in a medical specialty'' and inserting in lieu thereof ''physicians or dentists in a medical or dental specialty''.

SEC. 736. ELIMINATION OF UNNECESSARY ANNUAL REPORTING REQUIREMENTS REGARDING MILITARY HEALTH CARE.

Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended by striking out subsection (d).

Subtitle E—Other Matters

SEC. 741. TERMINATION OF PROGRAM TO TRAIN AND UTILIZE MILITARY PSYCHOLOGISTS TO PRESCRIBE PSYCHOTROPIC MEDICATIONS.

(a) TERMINATION.—Immediately after the date of the enactment of this Act, the Secretary of Defense shall terminate the demonstration pilot program for training and utilizing military psychologists in the prescription of psychotropic medications, which is referred to in section 8097 of the Department of Defense Appropriations Act, 1991 (Public Law 101–511; 104 Stat. 1897). None of the funds appropriated to the Department of Defense for a fiscal year after fiscal year 1995 may be used to train psychologists to be able to prescribe psychotropic medications.

(b) EFFECT ON AUTHORITY TO PRESCRIBE PSYCHOTROPIC MEDICATIONS.—Psychologists who participated in the demonstration pilot training program regarding the prescription of psychotropic medications shall not be authorized to prescribe such medications despite the completion of training under the program.

SEC. 742. WAIVER OF COLLECTION OF PAYMENTS DUE FROM CERTAIN PERSONS UNAWARE OF LOSS OF CHAMPUS ELIGIBILITY.

(a) AUTHORITY TO WAIVE COLLECTION.—The administering Secretaries may waive the collection of pay-

ments otherwise due from a person described in subsection (b) as a result of the receipt by the person of health benefits under section 1086 of title 10, United States Code, after the termination of the person's eligibility for such benefits.

(b) PERSONS ELIGIBLE FOR WAIVER.—A person shall be eligible for relief under subsection (a) if the person—

(1) is a person described in paragraph (1) of subsection (d) of section 1086 of title 10, United States Code;

(2) in the absence of such paragraph, would have been eligible for health benefits under such section; and

(3) at the time of the receipt of such benefits, satisfied the criteria specified in subparagraphs (A) and (B) of paragraph (2) of such subsection.

(c) EXTENT OF WAIVER AUTHORITY.—The authority to waive the collection of payments pursuant to this section shall apply with regard to health benefits provided under section 1086 of title 10, United States Code, to persons described in subsection (b) during the period beginning on January 1, 1967, and ending on the later of—

(1) the termination date of any special enrollment period provided under title XVIII of the Social

Security Act (42 U.S.C. 1395c et seq.) specifically for such persons; and

(2) July 1, 1996.

(d) DEFINITIONS.—For purposes of this section, the term ''administering Secretaries'' has the meaning given such term in section 1072(3) of title 10, United States Code.

SEC. 743. NOTIFICATION OF CERTAIN CHAMPUS COVERED BENEFICIARIES OF LOSS OF CHAMPUS ELIGIBILITY.

Section 1086(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) The administering Secretaries shall develop a mechanism by which persons described in paragraph (1) who satisfy only the criteria specified in subparagraphs (A) and (B) of paragraph (2), but not subparagraph (C) of such paragraph, are promptly notified of their ineligibility for health benefits under this section. The administering Secretaries shall consult with the Secretary of Health and Human Services and the Health Care Financing Administration regarding a method to promptly identify persons requiring notice under this subsection.''.

SEC. 744. DEMONSTRATION PROGRAM TO TRAIN MILITARY MEDICAL PERSONNEL IN CIVILIAN SHOCK TRAUMA UNITS.

(a) DEMONSTRATION PROGRAM.—Not later than April 1, 1996, the Secretary of Defense shall implement a demonstration program to evaluate the feasibility of providing shock trauma training for military medical personnel through the use of civilian hospitals. Pursuant to an agreement between the Secretary and one or more public or nonprofit hospitals, the Secretary shall assign military medical personnel participating in the demonstration program to temporary duty in shock trauma units operated by the hospitals that are parties to the agreement. As consideration for the services provided by military medical personnel under the agreement, the agreement shall require the hospitals to provide appropriate care to members of the Armed Forces and to other persons whose care in the hospital would otherwise require reimbursement by the Secretary. The value of the services provided by the hospitals shall be at least equal to the value of the services provided by military medical personnel under the agreement.

(b) TERMINATION OF PROGRAM.—The authority of the Secretary of Defense to conduct the demonstration program under this section, and any agreement entered

into under the demonstration program, shall expire on March 31, 1998.

(c) REPORT AND EVALUATION OF PROGRAM.—(1) Not later than March 1 of each year in which the demonstration program is conducted under this section, the Secretary of Defense shall submit to Congress a report describing the scope and activities of the demonstration program during the preceding year.

(2) Not later than May 1, 1998, the Comptroller General of the United States shall submit to Congress a report evaluating the effectiveness of the demonstration program in providing shock trauma training for military medical personnel.

SEC. 745. STUDY REGARDING DEPARTMENT OF DEFENSE EFFORTS TO DETERMINE APPROPRIATE FORCE LEVELS OF WARTIME MEDICAL PERSONNEL.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to evaluate the reasonableness of the models used by each military department for determining the appropriate wartime force level for medical personnel in the department. The study shall include the following:

(1) An assessment of the modeling techniques used by each department.

(2) An analysis of the data used in the models to identify medical personnel requirements.

(3) An identification of the ability of the models to integrate personnel of reserve components to meet department requirements.

(4) An evaluation of the ability of the Secretary of Defense to integrate the various modeling efforts into a comprehensive, coordinated plan for obtaining the optimum force level for wartime medical personnel.

(b) REPORT OF STUDY.—Not later than June 30, 1996, the Comptroller General shall report to Congress on the results of the study conducted under subsection (a).

SEC. 746. STUDY REGARDING EXPANDED MENTAL HEALTH SERVICES FOR CERTAIN COVERED BENEFICIARIES.

(a) STUDY REQUIRED.—In connection with the mental health services already available for covered beneficiaries under chapter 55 of title 10, United States Code, who are children and require residential treatment, the Secretary of Defense shall conduct a study regarding the feasibility of expanding such services to include a program of individualized continued care following completion of the residential treatment to compliment the residential treatment and prevent recidivism.

(b) REPORT OF STUDY.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the results of the study conducted under subsection (a).

SEC. 747. REPORT ON IMPROVED ACCESS TO MILITARY HEALTH CARE FOR COVERED BENEFICIARIES ENTITLED TO MEDICARE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report evaluating the feasibility, costs, and consequences for the military health care system of improving access to the system for covered beneficiaries under chapter 55 of title 10, United States Code, who have limited access to military medical treatment facilities and are ineligible for the Civilian Health and Medical Program of the Uniformed Services under section 1086(d)(1) of such title. The alternatives the Secretary shall consider to improve access for such covered beneficiaries shall include—

(1) whether CHAMPUS should serve as a second payer for covered beneficiaries who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(2) whether such covered beneficiaries should be offered enrollment in the Federal Employees Health

Benefits program under chapter 89 of title 5, United States Code.

SEC. 748. SENSE OF CONGRESS ON CONTINUITY OF HEALTH CARE SERVICES FOR COVERED BENEFICIARIES ADVERSELY AFFECTED BY CLOSURES OF MILITARY MEDICAL TREATMENT FACILITIES.

(a) FINDING.—Congress finds the following:

(1) Military installations selected for closure in the 1991 and 1993 rounds of the base closure process are approaching their closing dates.

(2) Additional military installations are being selected for closure in the 1995 round of the base closure process.

(3) As a result of these base closures, tens of thousands of covered beneficiaries under chapter 55 of title 10, United States Code, who reside in the vicinity of affected installations will be left without immediate access to military medical treatment facilities.

(b) SENSE OF CONGRESS.—In light of the findings specified in subsection (a), it is the sense of Congress that the Secretary of Defense should take all appropriate steps necessary to ensure the continuation of medical and phar-

maceutical benefits to covered beneficiaries adversely affected by the closure of military installations.

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

Subtitle A—Competition

SEC. 801. COMPETITION PROVISIONS.

(a) CONFERENCE BEFORE SUBMISSION OF BIDS OR PROPOSALS.—(1) Section 2305(a) of title 10, United States Code, is amended by adding at the end the following paragraph:

''(6) To the extent practicable, for each procurement of property or services by an agency, the head of the agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the agency and the qualifications considered necessary by the agency to compete successfully in the procurement.''.

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended by adding at the end the following new subsection:

''(f) To the extent practicable, for each procurement of property or services by an agency, an executive agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the executive agency and the qualifications considered necessary by the executive agency to compete successfully in the procurement.''.

(b) DESCRIPTION OF SOURCE SELECTION PLAN IN SOLICITATION.—(1) Section 2305(a) of title 10, United States Code, is further amended in paragraph (2)—

(A) by striking out ''and'' after the semicolon at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; and''; and

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

''(C) a description, in as much detail as is practicable, of the source selection plan of the agency, or a notice that such plan is available upon request.''.

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is further amended in subsection (b)—

(A) by striking out ''and'' after the semicolon at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ''; and''; and

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

''(3) a description, in as much detail as is practicable, of the source selection plan of the executive agency, or a notice that such plan is available upon request.''.

(c) DISCUSSIONS NOT NECESSARY WITH EVERY OFFEROR.—(1) Section 2305(b)(4)(A)(i) of title 10, United States Code, is amended by inserting before the semicolon the following: ''and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal''.

(2) Section 303B(d)(1)(A) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by inserting before the semicolon the following: ''and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal''.

(d) PRELIMINARY ASSESSMENTS OF COMPETITIVE PROPOSALS.—(1) Section 2305(b)(2) of title 10, United States Code, is amended by adding at the end the following: ''With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.''.

(2) Section 303B(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(b)) is amended by adding at the end the following: ''With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.''.

(e) FEDERAL ACQUISITION REGULATION.—The Federal Acquisition Regulation shall be revised to reflect the amendments made by subsections (a), (b), (c), and (d).

SEC. 802. PREAWARD DEBRIEFINGS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305(b) of title 10, United States Code, is amended—

(1) by striking out subparagraph (F) of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

''(6)(A) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within three days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

''(B) The contracting officer is required to debrief an excluded offeror in accordance with paragraph (5) of this section only if that offeror requested and was refused a preaward debriefing under subparagraph (A) of this paragraph.

''(C) The debriefing conducted under this subsection shall include—

''(i) the executive agency's evaluation of the significant elements in the offeror's offer;

''(ii) a summary of the rationale for the offeror's exclusion; and

''(iii) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

''(D) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors' proposals.

''(7) The contracting officer shall include a summary of any debriefing conducted under paragraph (5) or (6) in the contract file.''.

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) by striking out paragraph (6) of subsection (e);

(2) by redesignating subsections (f), (g), (h), and (i) as subsections (h), (i), (j), and (k), respectively; and

(3) by inserting after subsection (e) the following new subsections:

''(f)(1) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within 3 days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

''(2) The contracting officer is required to debrief an excluded offeror in accordance with subsection (e) of this section only if that offeror requested and was refused a preaward debriefing under paragraph (1) of this subsection.

''(3) The debriefing conducted under this subsection shall include—

''(A) the executive agency's evaluation of the significant elements in the offeror's offer;

''(B) a summary of the rationale for the offeror's exclusion; and

''(C) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

''(4) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors' proposals.

''(g) The contracting officer shall include a summary of the any debriefing conducted under subsection (e) or (f) in the contract file.''.

SEC. 803. CONTRACT TYPES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Section 2306 of title 10, United States Code, is amended—

(A) by inserting before the period at the end of subsection (a) the following: '', based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment'';

(B) by striking out subsections (b), (d), (e), (f), and (h); and

(C) by redesignating subsection (g) as subsection (b).

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

"§ 2306. Contract types".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 304 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254) is amended—

(A) by inserting before the period at the end of the first sentence of subsection (a) the following: '', based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment''; and

(B) by striking out ''Every contract award'' in the second sentence of subsection (a) and all that follows through the end of the section.

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

"SEC. 304. CONTRACT TYPES.".

(c) CONFORMING REPEALS.—(1) Sections 4540, 7212, and 9540 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 433 of such title is amended by striking out the item relating to section 4540.

(3) The table of sections at the beginning of chapter 631 of such title is amended by striking out the item relating to section 7212.

(4) The table of sections at the beginning of chapter 933 of such title is amended by striking out the item relating to section 9540.

(d) CIVIL WORKS AUTHORITY.—(1) Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2332. Contracts for architectural and engineering services and construction design

''The Secretary of Defense and the Secretaries of the military departments may enter into contracts for architectural and engineering services in connection with a military construction or family housing project or for other Department of Defense or military department purposes. Such contracts shall be awarded in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).''.

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding at the end the following new item:

''2332. Contracts for architectural and engineering services and construction design.''.

(3) Section 2855 of such title is repealed. The table of sections at the beginning of chapter 169 of such title is amended by striking out the item relating to such section.

Subtitle B—Commercial Items

SEC. 811. COMMERCIAL ITEM EXCEPTION TO REQUIREMENT FOR COST OR PRICING DATA AND INFORMATION LIMITATIONS.

(a) ARMED SERVICES ACQUISITIONS.—(1) Subsections (b), (c), and (d) of section 2306a of title 10, United States Code, are amended to read as follows:

''(b) EXCEPTIONS.—

''(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or modification of a contract or subcontract—

''(A) for which the price agreed upon is based on—

''(i) adequate price competition; or

''(ii) prices set by law or regulation;

''(B) for the acquisition of a commercial item; or

''(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section

may be waived and justifies in writing the reasons for such determination.

''(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

''(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

''(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

''(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or sub-

contract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

''(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

''(3) The head of a procuring activity may not delegate functions under this paragraph.

''(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

''(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information

on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

''(2) Reasonable limitations on requests for sales data relating to commercial items.

''(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

''(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.''.

(2) Section 2306a of such title is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

(3) Section 2375 of title 10, United States Code, is amended by striking out subsection (c).

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Subsections (b), (c) and (d) of section 304A of the Federal

Property and Administrative Services Act of 1949 (41 U.S.C. 254b) are amended to read as follows:

''(b) EXCEPTIONS.—

''(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or a modification of a contract or subcontract—

''(A) for which the price agreed upon is based on—

''(i) adequate price competition; or

''(ii) prices set by law or regulation;

''(B) for the acquisition of a commercial item; or

''(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

''(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

"(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

"(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

"(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of

the procuring activity shall justify in writing the reason for such requirement.

''(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

''(3) The head of a procuring activity may not delegate the functions under this paragraph.

''(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

''(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

''(2) Reasonable limitations on requests for sales data relating to commercial items.

''(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the

scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

''(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.''.

(2) Section 304A of such Act is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

SEC. 812. APPLICATION OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEMS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304(e) of title 10, United States Code, as added by section 801(a), is amended—

(1) in paragraph (1), by inserting after ''special simplified procedures'' the following: ''for purchases of commercial items and''; and

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

''(4) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition

threshold, the head of an agency may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation.

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303(e) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), as added by section 801(b), is amended—

(1) in paragraph (1), by inserting after ''special simplified procedures'' the following: ''for purchases of commercial items and''; and

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

''(5) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition threshold, an executive agency may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation.''.

(c) SIMPLIFIED NOTICE.—Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended in subsection (a)(5) (as redesignated by section 801(d))—

(1) by striking out ''limited''; and

(2) by inserting before ''submission'' the following: ''issuance of solicitations and the''.

SEC. 813. AMENDMENT TO DEFINITION OF COMMERCIAL ITEMS.

Section 4(12)(F) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(F)) is amended by striking out ''catalog''.

SEC. 814. INAPPLICABILITY OF COST ACCOUNTING STANDARDS TO CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.

Subparagraph (B) of section 26(f)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(2)) is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

''(i) Contracts or subcontracts for the acquisition of commercial items.''; and

(2) by striking out clause (iii).

Subtitle C—Additional Reform Provisions

SEC. 821. REPEALS OF CERTAIN PROCUREMENT PROVISIONS.

(a) POST-EMPLOYMENT RESTRICTIONS.—Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code, are repealed.

(b) LIMITATION ON EXPENDITURE OF APPROPRIATIONS.—Section 2207 of such title is repealed.

(c) CERTAIN DELEGATION AUTHORITY.—Section 2356 of such title is repealed.

(d) SPARE PARTS CONTROL.—Section 2383 of such title is repealed.

(e) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 131 of title 10, United States Code, is amended by striking out the item relating to section 2207.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2356.

(3) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by striking out the items relating to sections 2383, 2397, 2397a, 2397b, and 2397c.

SEC. 822. FEES FOR CERTAIN TESTING SERVICES.

Section 2539b(c) of title 10, United States Code, is amended by inserting ''and indirect'' after ''recoup the direct''.

SEC. 823. TESTING OF DEFENSE ACQUISITION PROGRAMS.

(a) IN GENERAL.—Section 2366 to title 10, United States Code, is amended—

(1) by striking out ''survivability'' each place it appears (including in the section heading) and inserting in lieu thereof ''vulnerability''; and

(2) in subsection (b)—

(A) by striking out ''Survivability'' and inserting in lieu thereof ''Vulnerability''; and

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

''(3) Testing should begin at the component, subsystem, and subassembly level, culminating with tests of the complete system configured for combat.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 139 of such title is amended to read as follows:

''2366. Major systems and munitions programs: vulnerability testing and lethality testing required before full-scale production.''.

SEC. 824. COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out ''milestone O, milestone I, and milestone II'' and inserting in lieu thereof ''acquisition program''; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

''(2) The term 'acquisition program decisions' has the meaning prescribed by the Secretary of Defense in regulations.''.

SEC. 825. ADDITION OF CERTAIN ITEMS TO DOMESTIC SOURCE LIMITATION.

(a) LIMITATION.—(1) Paragraph (3) of section 2534(a) of title 10, United States Code, is amended to read as follows:

''(3) VESSEL COMPONENTS FOR ALL BRANCHES OF THE ARMED FORCES.—(A) The following components of vessels:

''(i) Air circuit breakers.

''(ii) Vessel propellers with a diameter of six feet or more, if the propellers incorporate only castings poured and finished in the United States.

''(iii) Welded shipboard anchor and mooring chain with a diameter of four inches or less.

''(B) The following components of vessels, to the extent they are unique to marine applications: cable assemblies, hose assemblies, hydraulics and pumps for steering, gyrocompasses, marine autopilots, electronic navigation chart systems, navigators, attitude and heading reference units, power supplies, radars, steering controls, pumps, engines,

turbines, reduction gears, motors, refrigeration systems, generators, propulsion and machinery control systems, and totally enclosed lifeboards, including associated davits and winches.''.

(2) Section 2534 of such title is amended by adding at the end the following new subsection:

''(h) IMPLEMENTATION OF MARINE VESSEL COMPONENT LIMITATION.—In implementing subsection (a)(3)(B), the Secretary of Defense—

''(1) may not use contract clauses or certifications; and

''(2) shall use management and oversight techniques that achieve the objective of the subsection without imposing a significant management burden on the Government or the contractor involved.''.

(b) EXTENSION OF LIMITATION RELATING TO BALL BEARINGS AND ROLLER BEARINGS.—Section 2534(c)(3) of such title is amended by striking out ''October 1, 1995'' and inserting in lieu thereof ''October 1, 2000''.

(c) INAPPLICABILITY OF SIMPLIFIED ACQUISITION LIMITATION TO CONTRACTS FOR BALL BEARINGS AND ROLLER BEARINGS.—Section 2534(g) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''This section''; and

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

''(2) Paragraph (1) does not apply to contracts for items described in subsection (a)(5) (relating to ball bearings and roller bearings), notwithstanding section 33 of the Office of Federal Procurement Policy Act (41 U.S.C. 429).''.

SEC. 826. REVISIONS TO PROCUREMENT NOTICE PROVISIONS.

Section 18(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)) is amended—

(1) in subparagraph (B) of paragraph (1)—

(A) by striking out ''subsection (f)—'' and all that follows through the end of the subparagraph and inserting in lieu thereof ''subsection (b); and''; and

(B) by inserting after ''property or services'' the following: ''for a price expected to exceed $10,000 but not to exceed $25,000'';

(2) by striking out paragraph (4); and

(3) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

SEC. 827. ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"§ 2317. Equipment leasing

''The Secretary of Defense shall authorize and encourage the use of leasing in the acquisition of equipment whenever such leasing is practicable and otherwise authorized by law.''.

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

''2317. Equipment leasing.''.

(b) 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 setting forth changes in legislation that would be required in order to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

SEC. 828. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

(a) GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by inserting after section 16 the following new section:

"SEC. 17. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

''It is the policy of the Federal Government to rely on the private sector to supply the products and services the Federal Government needs.''.

(b) CLERICAL AMENDMENT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by inserting after the item relating to section 16 the following new item:

''Sec. 17. Government reliance on the private sector.''.

SEC. 829. ELIMINATION OF CERTAIN CERTIFICATION REQUIREMENTS.

(a) ELIMINATION OF CERTAIN STATUTORY CERTIFICATION REQUIREMENTS.—(1)(A) Section 2410 of title 10, United States Code, is amended—

(i) in the heading, by striking out ''**: certification**''; and

(ii) in subsection (a)—

(I) in the heading, by striking out ''CERTIFICATION'';

(II) by striking out ''unless'' and all that follows through ''that—'' and inserting in lieu thereof ''unless—''; and

(III) in paragraph (2), by striking out ''to the best of that person's knowledge and belief''.

(B) The item relating to section 2410 in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

''Sec. 2410. Requests for equitable adjustment or other relief.''.

(2) Section 2410b of title 10, United States Code, is amended in paragraph (2) by striking out ''certification and''.

(3) Section 1352(b)(2) of title 31, United States Code, is amended—

(A) by striking out subparagraph (C); and

(B) by inserting ''and'' after the semicolon at the end of subparagraph (A).

(4) Section 5152 of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701) is amended—

(A) in subsection (a)(1), by striking out ''has certified to the contracting agency that it will'' and inserting in lieu thereof ''agrees to'';

(B) in subsection (a)(2), by striking out ''contract includes a certification by the individual'' and inserting in lieu thereof ''individual agrees''; and

(C) in subsection (b)(1)—

(i) by striking out subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (A) and in that subparagraph by striking out ''such certification by failing to carry out''; and

(iii) by redesignating subparagraph (C) as subparagraph (B).

(b) ELIMINATION OF CERTAIN REGULATORY CERTIFICATION REQUIREMENTS.—

(1) CURRENT CERTIFICATION REQUIREMENTS.—Not later than 210 days after the date of the enactment of this Act, any certification required of contractors or offerors by the Federal Acquisition Regulation or an executive agency procurement regulation that is not specifically imposed by statute shall be removed by the Administrator for Federal Procurement Policy from the Federal Acquisition Regulation or such agency regulation unless—

(A) written justification for such certification is provided to the Administrator (i) by the Federal Acquisition Regulatory Council (in the case of a certification in the Federal Acquisition Regulation), or (ii) by the head of an executive agency (in the case of a certification in an executive agency procurement regulation); and

(B) the Administrator approves in writing the retention of such certification.

(2) FUTURE CERTIFICATION REQUIREMENTS.—(A) Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is amended—

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

"SEC. 22. CONTRACT CLAUSES AND CERTIFICATIONS.";

(ii) by inserting ''(a) NONSTANDARD CONTRACT CLAUSES.—'' before ''The Federal Acquisition''; and

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

''(b) PROHIBITION ON CERTIFICATION REQUIREMENTS.—A requirement for a certification by a contractor or offeror may not be included in the Federal Acquisition Regulation or an executive agency procurement regulation unless—

''(1) the certification is specifically imposed by statute; or

''(2) written justification for such certification is provided to the Administrator for Federal Procurement Policy (A) by the Federal Acquisition Regulatory Council (in the case of a certification in the Federal Acquisition Regulation), or (B) the head of an executive agency (in the case of a certification in an executive agency procurement regulation), and

the Administrator approves in writing the inclusion of such certification.''.

(B) The item relating to section 29 in the table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) (41 U.S.C. 401 note) is amended to read as follows:

''Sec. 29. Contract clauses and certifications.''.

SEC. 830. AMENDMENT TO COMMENCEMENT AND EXPIRATION OF AUTHORITY TO CONDUCT CERTAIN TESTS OF PROCUREMENT PROCEDURES.

Subsection (j) of section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note) is amended to read as follows:

''(j) COMMENCEMENT AND EXPIRATION OF AUTHORITY.—The authority to conduct a test under subsection (a) in an agency and to award contracts under such a test shall take effect on August 1, 1995, and shall expire on August 1, 2000. Contracts entered into before such authority expires in an agency pursuant to a test shall remain in effect, notwithstanding the expiration of the authority to conduct the test under this section.''.

SEC. 831. PROCUREMENT INTEGRITY.

(a) AMENDMENT OF PROCUREMENT INTEGRITY PROVISION.—Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended to read as follows:

"SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING CONTRACTOR BID OR PROPOSAL INFORMATION OR SOURCE SELECTION INFORMATION.

''(a) PROHIBITION ON DISCLOSING PROCUREMENT INFORMATION.—(1) A person described in paragraph (2) shall not, other than as provided by law, knowingly disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

''(2) Paragraph (1) applies to any person who—

''(A) is a present or former officer or employee of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and

''(B) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information.

''(b) PROHIBITION ON OBTAINING PROCUREMENT INFORMATION.—A person shall not, other than as provided by law, knowingly obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

''(c) PROHIBITION ON DISCLOSING OR OBTAINING PROCUREMENT INFORMATION IN CONNECTION WITH A

PROTEST.—(1) A person shall not, other than as provided by law, knowingly violate the terms of a protective order described in paragraph (2) by disclosing or obtaining contractor bid or proposal information or source selection information related to the procurement contract concerned.

''(2) Paragraph (1) applies to any protective order issued by the the United States Board of Contract Appeals in connection with a protest against the award or proposed award of a Federal agency procurement contract.

''(d) PENALTIES AND ADMINISTRATIVE ACTIONS.—

''(1) CRIMINAL PENALTIES.—

''(A) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) shall be imprisoned for not more than one year or fined as provided under title 18, United States Code, or both.

''(B) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) for the purpose of either—

''(i) exchanging the information covered by such subsection for anything of value, or

''(ii) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract,

shall be imprisoned for not more than 15 years or fined as provided under title 18, United States Code, or both.

''(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), or (c). Upon proof of such conduct by a preponderance of the evidence, the person is subject to a civil penalty. An individual who engages in such conduct is subject to a civil penalty of not more than $50,000 for each violation plus twice the amount of compensation which the individual received or offered for the prohibited conduct. An organization that engages in such conduct is subject to a civil penalty of not more than $500,000 for each violation plus twice the amount of compensation which the organization received or offered for the prohibited conduct.

''(3) ADMINISTRATIVE ACTIONS.—(A) If a Federal agency receives information that a contractor or a person has engaged in conduct constituting an offense under subsection (a), (b), or (c), the Federal agency shall consider taking one or more of the following actions, as appropriate:

''(i) Cancellation of the Federal agency procurement, if a contract has not yet been awarded.

''(ii) Rescission of a contract with respect to which—

''(I) the contractor or someone acting for the contractor has been convicted for an offense under subsection (a), (b), or (c), or

''(II) the head of the agency that awarded the contract has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting such an offense.

''(iii) Initiation of suspension or debarment proceedings for the protection of the Government in accordance with procedures in the Federal Acquisition Regulation.

''(iv) Initiation of adverse personnel action, pursuant to the procedures in chapter 75 of title 5, United States Code, or other applicable law or regulation.

''(B) If a Federal agency rescinds a contract pursuant to subparagraph (A)(ii), the United States

is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

''(C) For purposes of any suspension or debarment proceedings initiated pursuant to subparagraph (A)(iii), engaging in conduct constituting an offense under subsection (a), (b), or (c) affects the present responsibility of a Government contractor or subcontractor.

''(e) DEFINITIONS.—As used in this section:

''(1) The term 'contractor bid or proposal information' means any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

''(A) Cost or pricing data (as defined by section 2306a(h) of title 10, United States Code, with respect to procurements subject to that section, and section 304A(h) of Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h), with respect to procurements subject to that section).

''(B) Indirect costs and direct labor rates.

''(C) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

''(D) Information marked by the contractor as 'contractor bid or proposal information', in accordance with applicable law or regulation.

''(2) The term 'source selection information' means any of the following information prepared for use by a Federal agency for the purpose of evaluating a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

''(A) Bid prices submitted in response to a Federal agency solicitation for sealed bids, or lists of those bid prices before public bid opening.

''(B) Proposed costs or prices submitted in response to a Federal agency solicitation, or lists of those proposed costs or prices.

''(C) Source selection plans.

''(D) Technical evaluation plans.

''(E) Technical evaluations of proposals.

''(F) Cost or price evaluations of proposals.

''(G) Competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract.

''(H) Rankings of bids, proposals, or competitors.

''(I) The reports and evaluations of source selection panels, boards, or advisory councils.

''(J) Other information marked as 'source selection information' based on a case-by-case determination by the head of the agency, his designee, or the contracting officer that its disclosure would jeopardize the integrity or successful completion of the Federal agency procurement to which the information relates.

''(3) The term 'Federal agency' has the meaning provided such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

''(4) The term 'Federal agency procurement' means the acquisition (by using competitive procedures and awarding a contract) of goods or services

(including construction) from non-Federal sources by a Federal agency using appropriated funds.

''(5) The term 'contracting officer' means a person who, by appointment in accordance with applicable regulations, has the authority to enter into a Federal agency procurement contract on behalf of the Government and to make determinations and findings with respect to such a contract.

''(6) The term 'protest' means a written objection by an interested party to the award or proposed award of a Federal agency procurement contract, pursuant to title IV of the Federal Acquisition Reform Act of 1995.

''(f) LIMITATION ON PROTESTS.—No person may file a protest against the award or proposed award of a Federal agency procurement contract alleging an offense under subsection (a), (b), or (c), of this section, nor may the United States Board of Contract Appeals consider such an allegation in deciding a protest, unless that person reported to the Federal agency responsible for the procurement information that the person believed constituted evidence of the offense no later than 14 days after the person first discovered the possible offense.

''(g) SAVINGS PROVISIONS.—This section does not—

''(1) restrict the disclosure of information to, or its receipt by, any person or class of persons authorized, in accordance with applicable agency regulations or procedures, to receive that information;

''(2) restrict a contractor from disclosing its own bid or proposal information or the recipient from receiving that information;

''(3) restrict the disclosure or receipt of information relating to a Federal agency procurement after it has been canceled by the Federal agency before contract award unless the Federal agency plans to resume the procurement;

''(4) prohibit individual meetings between a Federal agency employee and an offeror or potential offeror for, or a recipient of, a contract or subcontract under a Federal agency procurement, provided that unauthorized disclosure or receipt of contractor bid or proposal information or source selection information does not occur;

''(5) authorize the withholding of information from, nor restrict its receipt by, Congress, a committee or subcommittee of Congress, the Comptroller General, a Federal agency, or an inspector general of a Federal agency;

"(6) authorize the withholding of information from, nor restrict its receipt by, any board of contract appeals of a Federal agency or the Comptroller General in the course of a protest against the award or proposed award of a Federal agency procurement contract; or

"(7) limit the applicability of any requirements, sanctions, contract penalties, and remedies established under any other law or regulation.".

(b) REPEALS.—The following provisions of law are repealed:

(1) Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code.

(2) Section 33 of the Federal Energy Administration Act of 1974 (15 U.S.C. 789).

(3) Section 281 of title 18, United States Code.

(4) Subsection (c) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(5) The first section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5918).

(c) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 141 of title 10, United States Code, is

amended by striking out the items relating to sections 2397, 2397a, 2397b, and 2397c.

(2) The table of sections at the beginning of chapter 15 of title 18, United States Code, is amended by striking out the item relating to section 281.

(3) Section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

SEC. 832. FURTHER ACQUISITION STREAMLINING PROVISIONS.

(a) PURPOSE OF OFFICE OF FEDERAL PROCUREMENT POLICY.—(1) Section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404) is amended to read as follows:

''(a) To promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government, there shall be an Office of Federal Procurement Policy (hereinafter referred to as the 'Office') in the Office of Management and Budget to provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies.''.

(2) Sections 2 and 3 of such Act (41 U.S.C. 401 and 402) are repealed.

(b) REPEAL OF REPORT REQUIREMENT.—Section 8 of the Office of Federal Procurement Policy Act (41 U.S.C. 407) is repealed.

(c) REPEAL OF OBSOLETE PROVISIONS.—(1) Sections 10 and 11 of the Office of Federal Procurement Policy Act (41 U.S.C. 409 and 410) are repealed.

(d) CLERICAL AMENDMENTS.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by striking out the items relating to sections 2, 3, 8, 10, and 11.

SEC. 833. JUSTIFICATION OF MAJOR DEFENSE ACQUISITION PROGRAMS NOT MEETING GOALS.

Section 2220(b) of title 10, United States Code, is amended by adding at the end the following: ''In addition, the Secretary shall include in such annual report a justification for the continuation of any program that—

''(1) is more than 50 percent over the cost goal established for the development, procurement, or operational phase of the program;

''(2) fails to achieve at least 50 percent of the performance capability goals established for the development, procurement, or operational phase of the program; or

''(3) is more than 50 percent behind schedule, as determined in accordance with the schedule goal established for the development, procurement, or operational phase of the program.''.

SEC. 834. ENHANCED PERFORMANCE INCENTIVES FOR ACQUISITION WORKFORCE.

(a) ARMED SERVICES ACQUISITIONS.—Subsection (b) of section 5001 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350; 10 U.S.C. 2220 note) is amended—

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

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

(3) by inserting ''(1)'' after ''(b) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—''; and

(4) by adding at the end the following:

''(3) The Secretary shall include in the enhanced system of incentives the following:

''(A) Pay bands.

''(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the

performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

''(C) Provisions for pay incentives and promotion incentives to be awarded under the system.''.

(b) CIVILIAN AGENCY ACQUISITIONS.—Subsection (c) of section 5051 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3351; 41 U.S.C. 263 note) is amended—

(1) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii); respectively;

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

(3) by inserting ''(1)'' after ''(c) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—''; and

(4) by adding at the end the following:

''(2) The Deputy Director shall include in the enhanced system of incentives under paragraph (1)(B) the following:

''(A) Pay bands.

''(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the

performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

''(C) Provisions for pay incentives and promotion incentives to be awarded under the system.''.

SEC. 835. RESULTS ORIENTED ACQUISITION PROGRAM CYCLE.

Section 5002(a) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350) is amended—

(1) by inserting ''(1)'' before ''to ensure''; and

(2) by striking out the period at the end and inserting in lieu thereof the following: ''; (2) to ensure that the regulations compress the time periods associated with developing, procuring, and making operational new systems; and (3) to ensure that Department of Defense directives relating to development and procurement of information systems (numbered in the 8000 series) and the Department of Defense directives numbered in the 5000 series are consolidated into one series of directives that is consistent with such compressed time periods.''.

SEC. 836. RAPID CONTRACTING GOAL.

(a) GOAL.—The Office of Federal Procurement Policy Act is amended by adding at the end the following new section:

"SEC. 35. RAPID CONTRACTING GOAL.

The Administrator for Federal Procurement Policy shall establish a goal of reducing by 50 percent the time necessary for executive agencies to acquire an item for the user of that item.''.

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

''Sec. 35. Rapid contracting goal.''.

SEC. 837. ENCOURAGEMENT OF MULTIYEAR CONTRACTING.

(a) ARMED SERVICES ACQUISITIONS.—Section 2306b(a) of title 10, United States Code, is amended in the matter preceding paragraph (1) by striking out ''may'' and inserting in lieu thereof ''shall, to the maximum extent possible,''.

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 304B(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c(a)) is amended in the matter preceding paragraph (1) by striking out ''may'' and inserting in lieu thereof ''shall, to the maximum extent possible,''.

SEC. 838. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2306b the following new section:

"§ 2306c. Contractor share of gains and losses from cost, schedule, and performance experience

''The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment 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 2306b the following new item:

''2306c. Contractor share of gains and losses from cost, schedule, and performance experience.''.

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 304C the following new section:

"SEC. 304D. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

''The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment of the United States.''.

(2) The table of contents for such Act, contained in section 1(b), is amended by inserting after the item relating to section 304C the following new item:

''Sec. 304D. Contractor share of gains and losses from cost, schedule, and performance experience.''.

SEC. 839. PHASE FUNDING OF DEFENSE ACQUISITION PROGRAMS.

Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2221. Funding for results oriented acquisition program cycle

''Before initial funding is made available for the development, procurement, or operational phase of an acquisition program for which an authorization of appropriations is required by section 114 of this title, the Secretary

of Defense shall submit to Congress information about the objectives and plans for the conduct of that phase and the funding requirements for the entire phase. The information shall identify the intended user of the system to be acquired under the program and shall include objective, quantifiable criteria for assessing the extent to which the objectives and goals determined pursuant to section 2435 of this title are achieved.''.

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

''2221. Funding for results oriented acquisition program cycle.''.

SEC. 840. IMPROVED DEPARTMENT OF DEFENSE CONTRACT PAYMENT PROCEDURES.

(a) REVIEW AND IMPROVEMENT OF PROCEDURES.—The Comptroller General of the United States shall review commercial practices regarding accounts payable and, considering the results of the review, develop standards for the Secretary of Defense to consider using for improving the contract payment procedures and financial management systems of the Department of Defense.

(b) GAO REPORT.—Not later than September 30, 1996, the Comptroller General shall submit to Congress a report containing the following matters:

(1) The weaknesses in the financial management processes of the Department of Defense.

(2) Deviations of the Department of Defense payment procedures and financial management systems from the standards developed pursuant to subsection (a), expressed quantitatively.

(3) The officials of the Department of Defense who are responsible for resolving the deviations.

SEC. 841. CONSIDERATION OF PAST PERFORMANCE IN ASSIGNMENT TO ACQUISITION POSITIONS.

(a) REQUIREMENT.—Section 1701(a) of title 10, United States Code, is amended by adding at the end the following: ''The policies and procedures shall provide that education and training in acquisition matters, and past performance of acquisition responsibilities, are major factors in the selection of personnel for assignment to acquisition positions in the Department of Defense.''.

(b) PERFORMANCE REQUIREMENTS FOR ASSIGNMENT.—(1) Section 1723(a) of title 10, United States Code, is amended by inserting '', including requirements relating to demonstrated past performance of acquisition duties,'' in the first sentence after ''experience requirements''.

(2) Section 1724(a)(2) of such title is amended by inserting before the semicolon at the end the following: ''and have demonstrated proficiency in the performance of

acquisition duties in the contracting position or positions previously held''.

(3) Section 1735 of such title is amended—

(A) in subsection (b)—

(i) by striking out ''and'' at the end of paragraph (2);

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ''; and''; and

(iii) by adding at the end the following:

''(4) must have demonstrated proficiency in the performance of acquisition duties.'';

(B) in subsection (c)—

(i) by striking out ''and'' at the end of paragraph (2);

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ''; and''; and

(iii) by adding at the end the following:

''(4) must have demonstrated proficiency in the performance of acquisition duties.'';

(C) in subsection (d), by inserting before the period at the end the following: '', and have demonstrated proficiency in the performance of acquisition duties''; and

(D) in subsection (e), by inserting before the period at the end the following: ‘‘, and have demonstrated proficiency in the performance of acquisition duties’’.

SEC. 842. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) USE OF VALUE ENGINEERING.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 837, is further amended by adding at the end the following new section:

“SEC. 37. VALUE ENGINEERING.

‘‘(a) IN GENERAL.—Each executive agency shall establish and maintain effective value engineering procedures and processes.

‘‘(b) THRESHOLD.—The procedures and processes established pursuant to subsection (a) shall be applied to those programs, projects, systems, and products of an executive agency that, in a ranking of all programs, projects, systems, and products of the agency according to greatest dollar value, are within the highest 20th percentile.

‘‘(c) DEFINITION.—As used in this section, the term ‘value engineering’ means a team effort, performed by qualified agency or contractor personnel, directed at analyzing the functions of a program, project, system, product, item of equipment, building, facility, service, or supply for the purpose of achieving the essential functions at the

lowest life-cycle cost that is consistent with required or improved performance, reliability, quality, and safety.''.

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

''Sec. 37. Value engineering.''.

SEC. 843. ACQUISITION WORKFORCE.

(a) ACQUISITION WORKFORCE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 843, is further amended by adding at the end the following new section:

''SEC. 38. ACQUISITION WORKFORCE.

''(a) APPLICABILITY.—This section does not apply to an executive agency that is subject to chapter 87 of title 10, United States Code.

''(b) MANAGEMENT POLICIES.—

''(1) POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator for Federal Procurement Policy, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency. The development of acquisition workforce policies under this section shall be carried out consistent with the merit system principles set forth in paragraphs (1)

and (2) of section 2301(b) of title 5, United States Code.

''(2) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, acquisition workforce policies and procedures established are uniform in their implementation throughout the agency.

''(3) GOVERNMENTWIDE POLICIES AND EVALUATION.—The Administrator shall issue policies to promote uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Administrator shall coordinate with the Deputy Director for Management of the Office of Management and Budget to ensure that such policies are consistent with the policies and procedures established and enhanced system of incentives provided pursuant to section 5051(c) of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 263 note). The Administrator shall evaluate the implementation of the provisions of this section by executive agencies.

''(c) SENIOR PROCUREMENT EXECUTIVE AUTHORITIES AND RESPONSIBILITIES.—Subject to the authority,

direction, and control of the head of an executive agency, the senior procurement executive of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The senior procurement executive shall ensure that the policies of the head of the executive agency established in accordance with this section are implemented throughout the agency.

''(d) MANAGEMENT INFORMATION SYSTEMS.—The Administrator shall ensure that the heads of executive agencies collect and maintain standardized information on the acquisition workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

''(e) ACQUISITION WORKFORCE.—The programs established by this section shall apply to all employees in the General Schedule Contracting series (GS–1102) and the General Schedule Purchasing series (GS–1105), and to any employees regardless of series who have been appointed as contracting officers whose authority exceeds the micro-purchase threshold, as that term is defined in section 32(g). The head of each executive agency may include

employees in other series who perform acquisition or acquisition-related functions.

''(f) CAREER DEVELOPMENT.—

''(1) CAREER PATHS.—The head of each executive agency shall ensure that appropriate career paths for personnel who desire to pursue careers in acquisition are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior acquisition positions. The head of each executive agency shall make information available on such career paths.

''(2) CRITICAL DUTIES AND TASKS.—For each career path, the head of each executive agency shall identify the critical acquisition-related duties and tasks in which, at minimum, employees of the agency in the career path shall be competent to perform at full performance grade levels. For this purpose, the head of the executive agency shall provide appropriate coverage of the critical duties and tasks identified by the Director of the Federal Acquisition Institute.

''(3) MANDATORY TRAINING AND EDUCATION.—For each career path, the head of each executive agency shall establish requirements for the completion of course work and related on-the-job

training in the critical acquisition-related duties and tasks of the career path. The head of each executive agency shall also encourage employees to maintain the currency of their acquisition knowledge and generally enhance their knowledge of related acquisition management disciplines through academic programs and other self-developmental activities.

''(4) PERFORMANCE INCENTIVES.—The head of each executive agency, acting through the senior procurement executive for the agency, shall provide for an enhanced system of incentives for the encouragement of excellence in the acquisition workforce which rewards performance of employees that contribute to achieving the agency's performance goals. The system of incentives shall include provisions that—

''(A) relate pay to performance;

''(B) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel contributed to achieving the agency's performance goals; and

''(C) provide pay and promotion incentives to be awarded, and unfavorable personnel actions to be imposed, under the system on the

basis of the contributions of personnel to achieving the agency's performance goals.

''(g) QUALIFICATION REQUIREMENTS.—

''(1) GENERAL SCHEDULE CONTRACTING SERIES (GS–1102).—

''(A) ENTRY LEVEL QUALIFICATIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1102 occupational series unless the person—

''(i) has received a baccalaureate degree from an accredited educational institution authorized to grant baccalaureate degrees,

''(ii) has completed at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education in any of the following disciplines: accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management, or

"(iii) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

"(B) QUALIFICATIONS FOR SENIOR CONTRACTING POSITIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, persons may be appointed to positions at and above full performance grade levels in the GS–1102 occupational series only if those persons—

"(i) have satisfied the educational requirement either of subsection (g)(1)(A)(i) or subsection (g)(1)(A)(ii),

"(ii) have successfully completed all training required for the position under subsection (f)(3), and

"(iii) have satisfied experience and other requirements established by the Director for such positions.

However, this requirement shall apply to persons employed on October 1, 1996, in GS–1102

positions at those grade levels only as a prerequisite for promotion to a GS–1102 position at a higher grade.

''(2) GENERAL SCHEDULE PURCHASING SERIES (GS–1105).—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1105 occupational series unless the person—

''(A) has successfully completed 2 years of course work from an accredited educational institution authorized to grant degrees, or

''(B) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

''(3) CONTRACTING OFFICERS.—The head of each executive agency shall require that, beginning after October 1, 1996, a person may be appointed as a contracting officer with authority to award or administer contracts for amounts above the micro-purchase threshold, as that term is defined in section 32(g), only if the person—

''(A) has successfully completed all mandatory training required of an employee in an equivalent GS–1102 or 1105 position under subsection (f)(3); and

''(B) meets experience and other requirements established by the head of the agency, based on the dollar value and complexity of the contracts that the employee will be authorized to award or administer under the appointment as a contracting officer.

''(4) EXCEPTIONS.—(A) The requirements set forth in subsection (g)(1) and (2), as applicable, shall not apply to any person employed in the GS–1101 or GS–1105 series on October 1, 1996.

''(B) Employees of an executive agency who do not satisfy the full qualification requirements for appointment as a contracting officer under subsection (g)(3) may be appointed as a contracting officer for a temporary period of time under procedures established by the agency head. The procedures shall—

''(i) require that the person have completed a significant portion of the required training,

''(ii) require a plan be established for the balance of the required training,

''(iii) specify a period of time for completion of the training, and

''(iv) include provisions for withdrawing or terminating the appointment prior to the scheduled expiration date, where appropriate.

''(5) WAIVER.—The senior procurement executive for an executive agency may waive any or all of the qualification requirements of subsections (g)(1) and (2) for a person if the person possesses significant potential for advancement to levels of greater responsibility and authority, based on demonstrated job performance and qualifying experience. This authority may not be redelegated by the senior procurement executive. With respect to each waiver granted under this subsection, the senior procurement executive shall set forth in writing the rationale for the decision to waive such requirements.

''(h) PROGRAM ESTABLISHMENT AND IMPLEMENTATION.—

''(1) FUNDING LEVELS.—(A) The head of an executive agency shall request in the budget for a fiscal year for the agency—

''(i) for education and training under this section, an amount equal to no less than 2.5 percent of the base aggregate salary cost of the

acquisition workforce subject to this section for that fiscal year; and

''(ii) for salaries of the acquisition workforce, an amount equal to no more than 97.5 percent of such base aggregate salary cost.

''(B) The head of the executive agency shall set forth separately the funding levels requested in the budget justification documents submitted in support of the President's budget submitted to Congress under section 1105 of title 31, United States Code.

''(C) Funds appropriated for education and training under this section may not be obligated or used for any other purpose.

''(2) INTERAGENCY AGREEMENTS.—The head of an executive agency may enter into a written agreement with another agency to participate in programs established under this section on a reimbursable basis.

''(3) TUITION ASSISTANCE.—Notwithstanding the prohibition in section 4107(b) of title 5, United States Code, the head of each executive agency may provide for tuition reimbursement and education (including a full-time course of study leading to a degree) for acquisition personnel in the agency related to the purposes of this section.

"(4) INTERN PROGRAMS.—The head of each executive agency may establish intern programs in order to recruit highly qualified and talented individuals and provide them with opportunities for accelerated promotions, career broadening assignments, and specified training for advancement to senior acquisition positions. For such programs, the head of an executive agency, without regard to the provisions of title 5, United States Code, may appoint individuals to competitive GS–5, GS–7, or GS–9 positions in the General Schedule Contracting series (GS–1102) who have graduated from baccalaureate or master's programs in purchasing or contracting from accredited educational institutions authorized to grant baccalaureate and master's degrees.

"(5) COOPERATIVE EDUCATION PROGRAM.—The head of each executive agency may establish an agencywide cooperative education credit program for acquisition positions. Under the program, the head of the executive agency may enter into cooperative arrangements with one or more accredited institutions of higher education which provide for such institutions to grant undergraduate credit for work performed in such position.

"(6) SCHOLARSHIP PROGRAM.—

"(A) ESTABLISHMENT.—Where deemed appropriate, the head of each executive agency may establish a scholarship program for the purpose of qualifying individuals for acquisition positions in the agency.

"(B) ELIGIBILITY.—To be eligible to participate in a scholarship program established under this paragraph by an executive agency, an individual must—

"(i) be accepted for enrollment or be currently enrolled as a full-time student at an accredited educational institution authorized to grant baccalaureate or graduate degrees (as appropriate);

"(ii) be pursuing a course of education that leads toward completion of a bachelor's, master's, or doctor's degree (as appropriate) in a qualifying field of study, as determined by the head of the agency;

"(iii) sign an agreement described in subparagraph (C) under which the participant agrees to serve a period of obligated service in the agency in an acquisition position in return for payment of educational

assistance as provided in the agreement; and

''(iv) meet such other requirements as the head of the agency prescribes.

''(C) AGREEMENT.—An agreement between the head of an executive agency and a participant in a scholarship program established under this paragraph shall be in writing, shall be signed by the participant, and shall include the following provisions:

''(i) The agreement of the head of the agency to provide the participant with educational assistance for a specified number of school years, not to exceed 4, during which the participant is pursuing a course of education in a qualifying field of study. The assistance may include payment of tuition, fees, books, laboratory expenses, and a stipend.

''(ii) The participant's agreement—

''(I) to accept such educational assistance,

''(II) to maintain enrollment and attendance in the course of education until completed,

"(III) while enrolled in such course, to maintain an acceptable level of academic standing (as prescribed by the head of the agency), and

"(IV) after completion of the course of education, to serve as a full-time employee in an acquisition position in the agency for a period of time of one calendar year for each school year or part thereof for which the participant was provided a scholarship under the program.

"(D) REPAYMENT.—(i) Any person participating in a program established under this paragraph shall agree to pay to the United States the total amount of educational assistance provided to the person under the program if the person is voluntarily separated from the agency or involuntarily separated for cause from the agency before the end of the period for which the person has agreed to continue in the service of the agency in an acquisition position.

"(ii) If an employee fails to fulfill the agreement to pay to the Government the total amount of educational assistance provided to

the person under the program, a sum equal to the amount of the educational assistance may be recovered by the Government from the employee (or the estate of the employee) by setoff against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the Government; and by such other method as is provided by law for the recovery of amounts owing to the Government.

''(iii) The head of an executive agency may waive in whole or in part a repayment required under this paragraph if the head of the agency determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(E) TERMINATION OF AGREEMENT.—There shall be no requirement that a position be offered to a person after such person successfully completes a course of education required by an agreement under this paragraph. If no position is offered, the agreement shall be considered terminated.''.

(2) The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

''Sec. 38. Acquisition workforce.''.

(b) FEDERAL ACQUISITION INSTITUTE.—Section 6 of the Office of Federal Procurement Policy Act (41 U.S.C. 405), is amended—

(1) in subsection (d) by amending paragraph (5) to read as follows:

''(5) providing for and directing the activities of the Federal Acquisition Institute (including recommending to the Administrator of General Services a sufficient budget for such activities), which shall be located in the General Services Administration;''; and

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

''(l) The Federal Acquisition Institute shall—

''(1) recommend policies, procedures, and guidelines to the Administrator, for—

''(A) fostering and promoting the development of a professional acquisition workforce governmentwide, and

''(B) administering the provisions of section 35;

''(2) collect data and analyze acquisition workforce data from the Office of Personnel Management, the heads of executive agencies, and, through periodic surveys, from individual employees;

''(3) periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge;

''(4) coordinate and assist agencies in identifying and recruiting highly qualified candidates for acquisition fields;

''(5) develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities;

''(6) evaluate the effectiveness of training and career development programs for acquisition personnel;

''(7) promote the establishment and utilization of academic programs by colleges and universities in acquisition fields;

''(8) promote, coordinate, or conduct governmentwide research and studies to improve the acquisition process and the laws, policies, methods, regulations, procedures, and forms relating to acquisition by the executive agencies;

''(9) facilitate, to the extent requested by agencies, interagency intern and training programs; and

''(10) perform other career management or research functions as directed by the Administrator.''.

(c) REPEAL OF SUPERSEDED PROVISION.—Section 502 of the Small Business and Federal Procurement Competition Enhancement Act of 1984 (41 U.S.C. 414a) is repealed.

SEC. 844. COST REIMBURSEMENT RULES FOR INDIRECT COSTS ATTRIBUTABLE TO PRIVATE SECTOR WORK OF DEFENSE CONTRACTORS.

(a) DEFENSE CAPABILITY PRESERVATION AGREEMENT.—The Secretary of Defense may enter into an agreement, to be known as a ''defense capability preservation agreement'', with a defense contractor under which the cost reimbursement rules described in subsection (b) shall be applied. Such an agreement may be entered into in any case in which the Secretary determines that the application of such cost reimbursement rules would facilitate the achievement of the policy set forth in section 2501(c) of title 10, United States Code.

(b) COST REIMBURSEMENT RULES.—(1) The cost reimbursement rules applicable under an agreement entered into under subsection (a) are as follows:

(A) The Department of Defense shall, in determining the reimbursement due a contractor for its indirect costs of performing a defense contract, allow the contractor to allocate indirect costs to its private sector work only to the extent of the contractor's al-

locable indirect private sector costs, subject to subparagraph (C).

(B) For purposes of subparagraph (A), the allocable indirect private sector costs of a contractor are those costs of the contractor that are equal to the amount by which the revenue attributable to the private sector work of the contractor exceeds the sum of—

(i) the direct costs attributable to such work, and

(ii) the incremental indirect costs attributable to such work.

(C) The total amount of allocable indirect private sector costs for a contract in any year of the agreement may not exceed the amount of indirect costs that a contractor would have allocated to its private sector work during that year in accordance with the contractor's accounting practices.

(2) The cost reimbursement rules set forth in paragraph (1) may be modified if the Secretary of Defense determines that modifications are appropriate to the particular situation to facilitate achievement of the policy set forth in section 2501(c) of title 10, United States Code.

(c) RELATIONSHIP TO ACCOUNTING PRACTICE CHANGE.—The use of the cost reimbursement rules de-

scribed in subsection (b) under such an agreement with a contractor and the implementation of such an agreement does not constitute a change in cost accounting practices of the contractor within the meaning of section 26(h)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(h)(1)(B)).

(d) CONTRACTS COVERED.—An agreement entered into with a contractor under subsection (a) shall apply to all Department of Defense contracts with the contractor either existing on the date on which the agreement was entered into or awarded during the term of the agreement.

Subtitle D—Streamlining of Dispute Resolution

PART I—GENERAL PROVISIONS

SEC. 850. DEFINITIONS.

In this subtitle:

(1) The term ''Board'' means the United States Board of Contract Appeals.

(2) The term ''Board judge'' means a member of the United States Board of Contract Appeals.

(3) The term ''Chairman'' means the Chairman of the United States Board of Contract Appeals.

(4) The term ''executive agency'' has the meaning given by section 2(2) of the Contract Disputes Act of 1978 (41 U.S.C. 601(2)).

(5) The term ''alternative means of dispute resolution'' has the meaning given by section 571(3) of title 5, United States Code.

(6) The term ''protest'' means a written objection by an interested party to any of the following:

(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

(B) The cancellation of such a solicitation or other request.

(C) An award or proposed award of such a contract.

(D) A termination or cancellation of an award of such a contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract.

(7) The term ''interested party'', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

(8) The term ''prevailing party'', with respect to a determination of the Board under section 864(b) that a decision of a contracting officer violates a statute or regulation, means a party that demonstrated such violation.

PART II—ESTABLISHMENT OF THE UNITED STATES BOARD OF CONTRACT APPEALS

SEC. 851. ESTABLISHMENT.

There is established in the executive branch of the Government an independent establishment to be known as the United States Board of Contract Appeals.

SEC. 852. MEMBERSHIP.

(a) APPOINTMENT.—(1) The Board shall consist of Board judges appointed by the Chairman, without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Board judge, from a register of applicants maintained by the Board.

(2) The members of the Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years' experience in public contract law.

(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

(A) Any full-time member of an agency board of contract appeals serving as such on the day before the effective date of this subtitle.

(B) Any person serving on the day before the date of the enactment of this Act in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

(b) REMOVAL.—Members of the Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

(c) COMPENSATION.—Compensation for the Chairman and all other members of the Board shall be determined under section 5273a of title 5, United States Code.

SEC. 853. CHAIRMAN.

(a) DESIGNATION.—(1) The Chairman shall be designated by the President to serve for a term of five years. The President shall select the Chairman from among sitting Board judges each of whom has had at least five years of service—

(A) as a member of an agency board of contract appeals; or

(B) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this subtitle).

(2) A Chairman may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

(b) RESPONSIBILITIES.—The Chairman shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

(3) The response to any request that may be made by Congress or the Office of Management and Budget.

(4) The allocation of funds among the various functions of the Board.

(5) The entering into and performance of such contracts, leases, cooperative agreements, or other similar transactions with public agencies and private organizations and persons, and the making of such payments, as the Chairman considers necessary or appropriate to carry out functions vested in the Board.

(6) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

(7) The acquisition, operation, and maintenance of such automatic data processing resources as may be needed by the Board.

(8) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

(c) VICE CHAIRMEN.—The Chairman may designate up to four other Board judges as Vice Chairmen. The

Chairman may divide the Board into two or more divisions, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.

SEC. 854. RULEMAKING AUTHORITY.

(a) IN GENERAL.—The Board may establish—

(1) such procedural rules and regulations as are necessary to the exercise of its functions, including internal rules for the assignment of cases; and

(2) statements of policy of general applicability with respect to its functions.

(b) PROHIBITION ON REVIEW BY OTHER AGENCY OR PERSON.—Rules and regulations established by the Board (including forms which are a part thereof) shall not be subject to review by any other agency or person (including the Administrator of Information and Regulatory Affairs, pursuant to chapter 35 of title 44, United States Code) in advance of publication.

SEC. 855. LITIGATION AUTHORITY.

Except as provided in section 518 of title 28, United States Code, relating to litigation before the Supreme Court, attorneys designated by the Chairman may appear

for, and represent the Board in, any civil action brought in connection with any function carried out by the Board.

SEC. 856. SEAL OF BOARD.

The Chairman shall cause a seal of office to be made for the Board of such design as the Board shall approve. Judicial notice shall be taken of such seal.

SEC. 857. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this subtitle and to enable the Board to perform its functions. Funds appropriate pursuant to this section shall remain available until expended.

PART III—FUNCTIONS OF UNITED STATES BOARD OF CONTRACT APPEALS

SEC. 861. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Board shall provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board shall be considered to be qualified to act for the purpose of con-

ducting alternative means of dispute resolution under this section.

(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board or any Board judge or employee pursuant to this section shall be provided without charge.

(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before the Board, any Board judge or employee who was involved in the alternative means shall, if requested by any party to the formal proceeding, take no part in that proceeding.

SEC. 862. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARD.

With reasonable promptness after the submission to the Board of a contract dispute under section 863 or a bid protest under section 864, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall

then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.

SEC. 863. CONTRACT DISPUTES.

The Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613).

SEC. 864. PROTESTS.

(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by any executive agency, the Board shall review, as provided in this section, any decision by a contracting officer alleged to violate a statute or regulation. The authority of the Board to conduct such review shall include the authority to review regulations to determine their consistency with applicable statutes. A decision or order of the Board pursuant to this section shall not be subject to interlocutory appeal or review.

(b) STANDARD OF REVIEW.—In deciding a protest, the Board may consider all evidence that is relevant to the decision under protest. It shall accord a presumption of correctness to all facts found and determinations made by the contracting officer whose decision is being protested. The protester may rebut this presumption by show-

ing, by a preponderance of the evidence, that a finding or determination was incorrect. The Board may find that a decision by a contracting officer violates a statute or regulation for any of the reasons stated in section 706(2) of title 5, United States Code.

(c) DETERMINATION OF WHETHER TO SUSPEND AUTHORITY TO CONDUCT PROCUREMENT IN PROTEST FILED BEFORE CONTRACT AWARD.—(1) When a protest under this section is filed before the award of a contract in a protested procurement, the Board, at the request of an interested party and within 10 days after the submission of the protest, shall hold a hearing to determine whether the Board should suspend the authority of the executive agency involved (or its head) to conduct such procurement until the Board can decide the protest.

(2) The Board shall suspend the authority of the executive agency (or its head) unless the agency concerned establishes that—

(A) absent action by the Board, contract award is likely to occur within 30 days after the hearing; and

(B) urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board.

(3) A suspension under paragraph (2) shall not preclude the executive agency concerned from continuing the procurement process up to but not including award of the contract unless the Board determines such action is not in the best interests of the United States.

(d) DETERMINATION OF WHETHER TO SUSPEND AUTHORITY TO CONDUCT PROCUREMENT IN PROTEST FILED AFTER CONTRACT AWARD.—(1) If, with respect to an award of a contract, the Board receives notice of a protest under this section within the period described in paragraph (2), the Board shall, at the request of an interested party, hold a hearing to determine whether the Board should suspend the authority of the executive agency involved (or its head) to conduct such procurement until the Board can decide the protest.

(2) The period referred to in paragraph (1) is the period beginning on the date on which the contract is awarded and ending at the end of the later of—

(A) the tenth day after the date of contract award; or

(B) the fifth day after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

(3) The Board shall hold the requested hearing within 5 days after the date of the filing of the protest or,

in the case of a request for debriefing, within 5 days after the later of the date of the filing of the protest or the date of the debriefing.

(4) The Board shall suspend the procurement authority of the executive agency involved (or its head) to acquire any goods or services under the contract which are not previously delivered and accepted unless such agency establishes that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board.

(e) PROCEDURES.—

(1) PROCEEDINGS AND DISCOVERY.—The Board shall conduct proceedings and allow such discovery as may be required for the expeditious, fair, and reasonable resolution of the protest. The Board shall limit discovery to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

(2) PRIORITY.—The Board shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines

that the specific and unique circumstances of the protest require a longer period, in which case the Board shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

(3) THRESHOLD.—Any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $1,000,000 shall be considered under simplified rules of procedure. These rules shall provide that discovery in such protests shall be in writing only. Such protests shall be decided by a single Board judge, whose decision shall be final and conclusive and shall not be set aside except in cases of fraud. The Board shall issue its final decision in each such protest within 35 days after the date of the filing of the protest.

(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute

resolution, up to a maximum of 20 days, shall not be counted.

(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board may dismiss a protest that the Board determines is frivolous or which, on its face, does not state a valid basis for protest.

(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board expressly finds that a protest or a portion of a protest is frivolous or does not state on its face a valid basis for protest, the Board shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

(i) special circumstances would make such payment unjust; or

(ii) the protester obtains documents or other information after the protest is filed with the Board that establishes that the protest or a portion of the protest is frivolous or does not state on its face a valid basis for protest, and the protester then promptly withdraws the protest or portion of the protest.

(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of

reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

(f) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

(2) If the Board determines that a decision of a contracting officer violates a statute or regulation, the Board may order the agency (or its head) to take such corrective action as the Board considers appropriate. Corrective action includes requiring that the Federal agency—

(A) refrain from exercising any of its options under the contract;

(B) recompete the contract immediately;

(C) issue a new solicitation;

(D) terminate the contract;

(E) award a contract consistent with the requirements of such statute and regulation;

(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

(G) implement such other actions as the Board determines necessary.

(3) If the Board orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board and shall be made a part of the public record (subject to any protective order considered appropriate by the Board) before dismissal of the protest.

(g) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board determines that a decision of a contracting officer violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

(ii) bid and proposal preparation.

(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business

Act)) may be declared entitled under this paragraph to costs for—

(i) consultants and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

(ii) attorneys' fees that exceed $150 per hour unless the Board, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (e)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

(h) APPEALS.—Except as provided in subsection (e)(3), a final decision of the Board may be appealed as set forth in section 8(d)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

(i) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board to order any additional relief which it is authorized to provide under any statute or regulation.

(j) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.

SEC. 865. APPLICABILITY TO CONTRACTS FOR COMMERCIAL ITEMS.

Notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430), the authority conferred on the Board by this subtitle is applicable to contracts for the procurement of commercial items.

PART IV—REPEAL OF OTHER STATUTES AUTHORIZING ADMINISTRATIVE PROTESTS

SEC. 871. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551-3556) is repealed.

PART V—TRANSFERS AND TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

SEC. 881. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFER.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code, and in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act), shall be transferred to the Board for appropriate allocation by the Chairman.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this subtitle shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Board shall prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 882. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—On the effective date of this subtitle, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date of this Act) shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—The provisions of this subtitle shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date of this Act before any board of contract appeals described in subsection (a). Such proceedings shall be continued by the Board, and orders which were issued in any such proceeding by any board of contract appeals shall continue in effect until modified, terminated, superseded, or revoked by the Board, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date of this Act.

(2) The provisions repealed by section 871 shall continue to apply to proceedings pending on the effective date of this subtitle before the board of contract appeals of the General Services Administration and the Comptroller General pursuant to those provisions, until the board or the Comptroller General determines such proceedings have been completed.

SEC. 883. CONTRACT DISPUTE AUTHORITY OF BOARD.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended by striking out paragraph (6) and inserting in lieu thereof the following:

> ''(6) the term 'Board' means the United States Board of Contract Appeals; and''.

(b) Section 6(c) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)) is amended—

(1) in paragraph (4)—

(A) by striking out ''the agency board of contract appeals'' and inserting in lieu thereof

''the United States Board of Contract Appeals''; and

(B) by striking out ''the board'' and inserting in lieu thereof ''the Board''; and

(2) in paragraph (6)—

(A) by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the United States Board of Contract Appeals''; and

(B) by striking out ''agency board'' and inserting in lieu thereof ''the Board''.

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the United States Board of Contract Appeals''.

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) is amended—

(1) by amending the heading to read as follows: ''UNITED STATES BOARD OF CONTRACT APPEALS'';

(2) by striking out subsections (a), (b), and (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following: ''The United States Board of Contract Appeals shall have jurisdiction to decide any appeal from a decision of a con-

tracting officer of any executive agency relative to a contract made by that agency.''; and

(B) in the second sentence, by striking out ''the agency board'' and inserting in lieu thereof ''the Board'';

(4) in subsection (e), by striking out ''An agency board'' and inserting in lieu thereof ''The United States Board of Contract Appeals'';

(5) in subsection (f), by striking out ''each agency board'' and inserting in lieu thereof ''the United States Board of Contract Appeals'';

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the United States Board of Contract Appeals'';

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2);

(7) by striking out subsections (h) and (i); and

(8) by redesignating subsections (d), (e), (f), and (g) (as amended) as subsections (a), (b), (c), and (d), respectively.

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out ''each agency board'' and inserting in lieu thereof ''the United States Board of Contract Appeals''; and

(2) in subsection (b), by striking out ''the agency board'' and inserting in lieu thereof ''the Board''.

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out ''Except as provided in paragraph (2), and in'' and inserting in lieu thereof ''In''; and

(ii) by striking out ''an agency board'' and inserting in lieu thereof ''the United States Board of Contract Appeals'';

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph, by striking out ''or (2)'';

(2) in subsection (b), by striking out ''any agency board'' and ''the agency board'' and inserting in lieu of each ''the Board'';

(3) in subsection (c), by striking out ''an agency board'' and ''the agency board'' and inserting in lieu of each ''the Board''; and

(4) in subsection (d), by striking out ''one or more agency boards'' and ''or among the agency boards involved'' and inserting in lieu of each ''the Board''.

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the United States Board of Contract Appeals''; and

(2) in the second sentence, by striking out ''the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority'' and inserting in lieu thereof ''the Board''.

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out ''an agency board of contract appeals'' and inserting in lieu thereof ''the United States Board of Contract Appeals''; and

(2) in subsection (d)(2), by striking out ''by the board of contract appeals for'' and inserting in lieu thereof ''by the Board from''.

SEC. 884. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

Any reference to an agency board of contract appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the United States Board of Contract Appeals.

SEC. 885. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out ''an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978'' and inserting in lieu thereof ''the United States Board of Contract Appeals'';

(2) in subsection (a)(2), by striking out ''an agency board of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978'' and inserting in lieu thereof ''the United States Board of Contract Appeals''; and

(3) in subsection (b), by striking out ''an appeals board'' each place it appears and inserting in lieu thereof ''the appeals board''.

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31'' and inserting in lieu thereof ''title IV of the Federal Acquisition Reform Act of 1995''; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out ''in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31'' and inserting in lieu thereof ''section 424(f)(2) of the Federal Acquisition Reform Act of 1995''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of title 31'' and inserting in lieu thereof ''section 424(g)(1)(A) of the Federal Acquisition Reform Act of 1995''.

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(h) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out ''subchapter V of chapter 35 of title 31'' and inserting in lieu thereof ''title IV of the Federal Acquisition Reform Act of 1995''; and

(B) by striking out paragraph (3).

(2) Section 303B(i) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out ''in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31'' and inserting in lieu thereof ''section 424(f)(2) of the Federal Acquisition Reform Act of 1995''; and

(B) in paragraph (2), by striking out ''paragraph (1) of section 3554(c) of title 31'' and inserting in lieu thereof ''section 424(g)(1)(A) of the Federal Acquisition Reform Act of 1995''.

PART VI—EFFECTIVE DATE; INTERIM APPOINTMENT AND RULES

SEC. 891. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1996.

SEC. 892. INTERIM APPOINTMENT.

The Board judge serving as chairman of the board of contract appeals of the General Services Administration on the date of the enactment of this Act shall serve as Chairman during the two-year period beginning on the effective date of this subtitle, unless such individual resigns such position or the position otherwise becomes vacant before the expiration of such period. The authority vested in the President by section 853 shall take effect upon the

expiration of such two-year period or on the date such position is vacated, whichever occurs earlier.

SEC. 893. INTERIM RULES.

(a) RULES OF PROCEDURE.—Until such date as the Board promulgates rules of procedure, the rules of procedure of the board of contract appeals of the General Services Administration, as in effect on the effective date of this Act, shall be the rules of procedure of the Board.

(b) RULES REGARDING BOARD JUDGES.—Until such date as the Board promulgates rules governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, the rules of the Armed Services Board of Contract Appeals governing the establishment and maintenance of a register of eligible applicants and the selection of board members shall be the rules of the Board governing the establishment and maintenance of a register of eligible applicants and the selection of Board judges, except that any provisions of the rules of the Armed Services Board of Contract Appeals that authorize any individual other than the chairman of such board to select a Board judge shall have no effect.

Subtitle E—Effective Dates and Implementation

SEC. 895. EFFECTIVE DATE AND APPLICABILITY.

(a) EFFECTIVE DATE.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) APPLICABILITY OF AMENDMENTS.—(1) An amendment made by this title shall apply, in the manner prescribed in the final regulations promulgated pursuant to section 896 to implement such amendment, with respect to any solicitation that is issued, any unsolicited proposal that is received, and any contract entered into pursuant to such a solicitation or proposal, on or after the date described in paragraph (3).

(2) An amendment made by this title shall also apply, to the extent and in the manner prescribed in the final regulations promulgated pursuant to section 896 to implement such amendment, with respect to any matter related to—

(A) a contract that is in effect on the date described in paragraph (3);

(B) an offer under consideration on the date described in paragraph (3); or

(C) any other proceeding or action that is ongoing on the date described in paragraph (3).

(3) The date referred to in paragraphs (1) and (2) is the date specified in such final regulations. The date so specified shall be October 1, 1996, or any earlier date that is not within 30 days after the date on which such final regulations are published.

SEC. 896. IMPLEMENTING REGULATIONS.

(a) PROPOSED REVISIONS.—Proposed revisions to the Federal Acquisition Regulation and such other proposed regulations (or revisions to existing regulations) as may be necessary to implement this title shall be published in the Federal Register not later than 210 days after the date of the enactment of this Act.

(b) PUBLIC COMMENT.—The proposed regulations described in subsection (a) shall be made available for public comment for a period of not less than 60 days.

(c) FINAL REGULATIONS.—Final regulations shall be published in the Federal Register not later than 330 days after the date of enactment of this Act.

(d) MODIFICATIONS.—Final regulations promulgated pursuant to this section to implement an amendment made by this title may provide for modification of an existing contract without consideration upon the request of the contractor.

(e) SAVINGS PROVISIONS.—(1) Nothing in this title shall be construed to affect the validity of any action taken or any contract entered into before the date specified in the regulations pursuant to section 895(b)(3) except to the extent and in the manner prescribed in such regulations.

(2) Except as specifically provided in this title, nothing in this title shall be construed to require the renegotiation or modification of contracts in existence on the date of the enactment of this Act.

(3) Except as otherwise provided in this title, a law amended by this title shall continue to be applied according to the provisions thereof as such law was in effect on the day before the date of the enactment of this Act until—

(A) the date specified in final regulations implementing the amendment of that law (as promulgated pursuant to this section); or

(B) if no such date is specified in regulations, October 1, 1996.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REORGANIZATION OF OFFICE OF THE SECRETARY OF DEFENSE.

(a) REORGANIZATION.—The Secretary of Defense shall carry out in accordance with this section a reorganization of the Office of the Secretary of Defense. The reorganization shall include a substantial streamlining and reduction in size of that office, as provided in this section.

(b) PLAN FOR REORGANIZATION.—The Secretary shall submit to Congress a report setting forth a comprehensive plan by which the Secretary will carry out the reorganization of the Office of the Department of Defense required by this section. The Secretary shall include in the report identification of all provisions of law (or other congressional directives) that preclude or inhibit any proposed reorganization or streamlining of the Office of the Secretary of Defense set forth in the plan. The report shall be submitted when the budget of the President for fiscal year 1997 is submitted to Congress.

(c) CONTENT OF PLAN.—The plan required by subsection (b) shall enable the Secretary to accomplish the following:

(1) Reduce the number of military and civilian personnel assigned to, or employed in, the Office of the Secretary of Defense by 25 percent over a period of four years, as required by subsection (e).

(2) Increase organizational efficiency and civilian control.

(3) Eliminate (or substantially reduce) duplication of functions between the Office of the Secretary of Defense and the military departments.

(4) Eliminate (or substantially reduce) duplication of functions between the Office of the Secretary of Defense and the Joint Chiefs of Staff.

(d) DEVELOPMENT OF PLAN.—In developing the plan required by subsection (b), the Secretary shall—

(1) reassess the appropriate function and mission of the Office of the Secretary of Defense;

(2) reassess whether the current organization of the Office of the Secretary of Defense provides the most efficient and effective organization to support the Secretary in carrying out the Secretary's responsibilities;

(3) examine alternative organizational structures for that office and alternative allocations of functional responsibilities within that office, including—

(A) a reduction in the number of Under Secretaries of Defense;

(B) a reduction in the number of Deputy Assistant Secretaries of Defense and Deputy Under Secretaries of Defense; and

(C) decentralizing functions of the Office of the Secretary of Defense; and

(4) reassess the size, number, and functional allocation of the Defense Agencies and other Department of Defense support organizations.

(e) PERSONNEL REDUCTION.—(1) The number of military and civilian personnel of the Department of Defense who as of October 1, 1998, are assigned to, or employed in, functions in the Office of the Secretary of Defense (including Direct Support Activities of that Office and the Washington Headquarters Services of the Department of Defense) may not exceed 75 percent of the number of such personnel as of October 1, 1994.

(2) In carrying out reductions under paragraph (1), the Secretary may not reassign functions solely in order to evade the requirement contained in that paragraph.

(f) REDUCTION IN NUMBER AND SPECIFICATION OF ASSISTANT SECRETARY OF DEFENSE POSITIONS.—(1) Section 138 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out ''eleven'' and inserting in lieu thereof ''nine''; and

(B) by striking out subsection (b) and inserting in lieu thereof the following:

''(b) The Assistant Secretaries shall perform such duties and exercise such powers as the Secretary of Defense may prescribe.''.

(2) Section 5315 of title 5, United States Code, is amended by striking out ''(11)'' after ''Assistant Secretaries of Defense'' and inserting in lieu thereof ''(9)''.

(g) REPEAL OF STATUTORY ESTABLISHMENT OF VARIOUS OSD POSITIONS.—(1)(A) The following sections of chapter 4 of title 10, United States Code, are repealed: sections 133a, 134a, 137, 139, and 142.

(B) The table of sections at the beginning of such chapter is amended by striking out the items relating to the sections specified in paragraph (1).

(2) Section 1056 is amended by striking out subsection (d).

(h) SENIOR STAFF FLOOR FOR SPECIFIED ASSISTANT SECRETARY OF DEFENSE.—Section 355 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1540) is repealed.

(i) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 131(b) is amended—

(A) by striking out paragraphs (6) and (8); and

(B) by redesignating paragraphs (7), (9), (10), and (11), as paragraphs (6), (7), (8), and (9), respectively.

(2) Section 138(d) is amended by striking out ''the Under Secretaries of Defense, and the Director of Defense Research and Engineering'' and inserting in lieu thereof ''and the Under Secretaries of Defense''.

(3) Section 176(a)(3) is amended—

(A) by striking out ''Assistant Secretary of Defense for Health Affairs'' and inserting in lieu thereof ''official in the Department of Defense with principal responsibility for health affairs''; and

(B) by striking out ''Chief Medical Director of the Department of Veterans Affairs'' and inserting in lieu thereof ''Under Secretary for Health of the Department of Veterans Affairs''.

(4) Section 1216(d) is amended by striking out ''Assistant Secretary of Defense for Health Affairs'' and inserting in lieu thereof ''official in the Department of Defense with principal responsibility for health affairs''.

(5) Section 1587(d) is amended by striking out ''Assistant Secretary of Defense for Manpower and Logistics'' and inserting in lieu thereof ''official in the Department of Defense with principal responsibility for personnel and readiness''.

(6) The text of section 10201 is amended to read as follows:

''The official in the Department of Defense with responsibility for overall supervision of reserve component affairs of the Department of Defense is the official designated by the Secretary of Defense to have that responsibility.''.

(j) CONFORMING AMENDMENTS RELATING TO OPERATIONAL TEST AND EVALUATION AUTHORITY.—Section 2399 of such title is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) by inserting ''a conventional weapons system that'' after ''means'' in the matter preceding subparagraph (A); and

(ii) in subparagraph (A), by striking out ''a conventional weapons system that''; and

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

''(3) The Secretary of Defense shall designate an official of the Department of Defense to perform the duties of the position referred to in this section as the 'designated OT&E official'.'';

(2) in subsection (b)—

(A) by striking out ''Director of Operational Test and Evaluation of the Department of Defense'' in paragraph (1) and inserting in lieu thereof ''designated OT&E official''; and

(B) by striking out ''Director'' each place it appears in paragraphs (2) and (3) and inserting in lieu thereof ''designated OT&E official'';

(3) in subsection (c), by striking out ''Director of Operational Test and Evaluation of the Department of Defense'' and inserting in lieu thereof ''designated OT&E official'';

(4) in subsection (e), by striking out ''Director'' each place it appears and inserting in lieu thereof ''designated OT&E official'';

(5) by striking out subsection (g); and

(6) by redesignating subsection (h) as subsection (g).

(k) OTHER CONFORMING AMENDMENT.—Section 1211(b)(2) of the National Defense Authorization Act for Fiscal Year 1988 and 1989 (P.L. 100–180; 101 Stat 1155; 10 U.S.C. 167 note) is amended by striking out ''the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict'' and inserting in lieu thereof ''the official designated by the Secretary of Defense to have principal responsibility for matters relating to special operations and low intensity conflict''.

SEC. 902. RESTRUCTURING OF DEPARTMENT OF DEFENSE ACQUISITION ORGANIZATION AND WORKFORCE.

(a) RESTRUCTURING REPORT.—Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report on the acquisition organization and workforce of the Department of Defense. The report shall include—

(1) the plan described in subsection (b); and

(2) the assessment of streamlining and restructuring options described in subsection (c).

(b) PLAN FOR RESTRUCTURING.—(1) The Secretary shall include in the report under subsection (a) a plan on how to restructure the current acquisition organization of

the Department of Defense in a manner that would enable the Secretary to accomplish the following:

(A) Reduce the number of military and civilian personnel assigned to, or employed in, acquisition organizations of the Department of Defense by 25 percent over a period of four years, as required by subsection (d).

(B) Eliminate duplication of functions among existing acquisition organizations of the Department of Defense.

(C) Maximize opportunity for consolidation among acquisition organizations of the Department of Defense to reduce management overhead.

(2) In the report, the Secretary shall also identify any statutory requirement or congressional directive that inhibits any proposed restructuring plan or reduction in the size of the defense acquisition organization.

(3) In designing the plan under paragraph (1), the Secretary shall give full consideration to the process efficiencies expected to be achieved through the implementation of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and other ongoing initiatives to increase the use of commercial practices and reduce contract overhead in the defense procurement system.

(c) ASSESSMENT OF SPECIFIED RESTRUCTURING OPTIONS.—The Secretary shall include in the report under subsection (a) a detailed assessment of each of the following options for streamlining and restructuring the existing defense acquisition organization, together with a specific recommendation as to whether each such option should be implemented:

(1) Consolidation of certain functions of the Defense Contract Audit Agency and the Defense Contract Management Command.

(2) Contracting for performance of a significant portion of the workload of the Defense Contract Audit Agency and other Defense Agencies that perform acquisition functions.

(3) Consolidation or selected elimination of Department of Defense acquisition organizations.

(4) Any other defense acquisition infrastructure streamlining or restructuring option the Secretary may determine.

(d) REDUCTION OF ACQUISITION WORKFORCE.—(1) Effective as of October 1, 1998, the total number of defense acquisition personnel may not exceed 75 percent of the total number of defense acquisition personnel as of October 1, 1994.

(2) In carrying out paragraph (1), the Secretary of Defense shall exempt personnel who possess technical competence in trade-skill maintenance and repair positions involved in performing depot maintenance functions for the Department of Defense.

(3) In carrying out paragraph (1), the Secretary of Defense shall accomplish reductions in defense acquisition personnel positions during fiscal year 1996 so that the total number of such personnel as of October 1, 1996, is less than the total number of such personnel as of October 1, 1995, by at least 30,000.

(4) For purposes of this section, the term ''defense acquisition personnel'' means military and civilian personnel of the Department of Defense assigned to, or employed in, acquisition organizations of the Department of Defense.

(e) ACQUISITION ORGANIZATION DEFINED.—For purposes of this section, acquisition organizations of the Department of Defense are those organizations specified in Department of Defense Instruction Numbered 5000.58, dated January 14, 1992.

SEC. 903. PLAN FOR INCORPORATION OF DEPARTMENT OF ENERGY NATIONAL SECURITY FUNCTIONS IN DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report setting forth the Secretary's plan for the incorporation into the Department of Defense of the national security programs of the Department of Energy. The plan submitted shall be one which could be implemented if the Department of Energy is abolished and the national security programs of that department are transferred to the Department of Defense and consolidated with programs of the Department of Defense.

(b) MATTERS TO BE INCLUDED.—The plan submitted in the report under subsection (a) shall include the following:

(1) A detailed plan for the integration into the Department of Defense of the offices and laboratories of the Department of Energy which could be anticipated to be transferred to the Department of Defense as part of such a transfer of functions.

(2) An assessment of the personnel end-strength reductions estimated to be achieved as a result of such a transfer of functions.

(3) An assessment of costs, or savings, associated with the various transfer of function options.

(4) An identification of all applicable provisions of law that may inhibit or preclude such a transfer of functions.

(c) PRESERVATION OF INTEGRITY OF DOE NATIONAL SECURITY PROGRAMS.—In developing the plan under subsection (a), the Secretary shall make every effort to ensure that the mission and functioning of the national security programs of the Department of Energy are not unduly affected adversely during the transfer of those functions to the Department of Defense and the consolidation of those functions into activities of the Department.

(d) SUBMISSION OF REPORT.—The report required under subsection (a) shall be submitted not later than February 1, 1996.

SEC. 904. CHANGE IN TITLES OF CERTAIN MARINE CORPS GENERAL OFFICER BILLETS RESULTING FROM REORGANIZATION OF THE HEADQUARTERS, MARINE CORPS.

(a) HEADQUARTERS, MARINE CORPS, FUNCTION; COMPOSITION.—Subsection (b) of section 5041 of title 10, United States Code, is amended by striking out paragraphs (2) through (5) and inserting in lieu thereof the following:

''(2) The Vice Commandant of the Marine Corps.

''(3) The Director of the Marine Corps Staff.

''(4) The Deputy Commandants of the Marine Corps.

''(5) The Assistant Commandants of the Marine Corps.''.

(b) VICE COMMANDANT.—(1) Section 5044 of such title is amended by striking out ''Assistant Commandant'' each place it appears and inserting in lieu thereof ''Vice Commandant''.

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

''§ 5044. Vice Commandant of the Marine Corps''.

(c) DIRECTOR OF THE MARINE CORPS STAFF; DEPUTY AND ASSISTANT COMMANDANTS.—Section 5045 of such title is amended to read as follows:

''§ 5045. Director of the Marine Corps Staff; Deputy and Assistant Commandants

''(a) There are in the Headquarters, Marine Corps, the following:

''(1) A Director of the Marine Corps Staff.

''(2) Not more than five Deputy Commandants of the Marine Corps.

''(3) Not more than three Assistant Commandants of the Marine Corps.

''(b) The officers specified in subsection (a) shall be detailed by the Secretary of the Navy from officers on the active-duty list of the Marine Corps.''.

(d) CLERICAL AMENDMENT.—The items relating to sections 5044 and 5045 in the table of sections at the beginning of chapter 506 of such title are amended to read as follows:

''5044. Vice Commandant of the Marine Corps.
''5045. Director of the Marine Corps Staff; Deputy and Assistant Commandants.''.

SEC. 905. INCLUSION OF INFORMATION RESOURCES MANAGEMENT COLLEGE IN THE NATIONAL DEFENSE UNIVERSITY.

(a) TECHNICAL AMENDMENT AND ADDITION OF INFORMATION RESOURCES MANAGEMENT COLLEGE TO THE DEFINITION OF THE NATIONAL DEFENSE UNIVERSITY.—Section 1595(d)(2) of title 10, United States Code, is amended by striking out ''the Institute for National Strategic Study,'' and inserting in lieu thereof ''the Institute for National Strategic Studies, the Information Resources Management College,''.

(b) CONFORMING AMENDMENT.—Section 2162(d)(2) of such title is amended by inserting ''the Institute for National Strategic Studies, the Information Resources Management College,'' after ''the Armed Forces Staff College,''.

SEC. 906. EMPLOYMENT OF CIVILIANS AT THE ASIA-PACIFIC CENTER FOR SECURITY STUDIES.

Section 1595 of title 10, United States Code, is amended—

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

''(4) The Asia-Pacific Center for Security Studies.''; and

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

''(f) APPLICATION TO DIRECTOR AND DEPUTY DIRECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.''.

SEC. 907. CONTINUED OPERATION OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE PROHIBITED.—In light of the important role of the Uniformed Services University of the Health Sciences in providing trained health care providers for the uniformed services, Congress reaffirms the requirement contained in section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat 2829) that the Uniformed Services University of the Health Sciences may not be closed.

(b) BUDGETARY COMMITMENT TO CONTINUATION.—It is the sense of Congress that the Secretary of Defense should budget for the operation of the Uniformed Services University of the Health Sciences during fiscal year 1997 at a level at least equal to the level of operations conducted at the University during fiscal year 1995.

SEC. 908. REDESIGNATION OF ADVANCED RESEARCH PROJECTS AGENCY.

(a) REDESIGNATION.—The agency in the Department of Defense known as the Advanced Research Projects Agency shall after the date of the enactment of this Act be designated as the Defense Advanced Research Projects Agency.

(b) REFERENCES.—Any reference in any law, regulation, document, record, or other paper of the United States to the Advanced Research Projects Agency shall be considered to be a reference to the Defense Advanced Research Projects Agency.

SEC. 909. NAVAL NUCLEAR PROPULSION PROGRAM.

No department or agency may regulate or direct any change in function for facilities under the Naval Nuclear Propulsion Program unless otherwise permitted or specified by law.

SEC. 910. AVIATION TESTING CONSOLIDATION.

(a) LIMITATION.—The Secretary of the Army may not consolidate the Aviation Technical Test Center, Fort Rucker, Alabama, with any other aviation testing facility until 60 days after the date on which a report containing the results of the evaluation of such consolidation described in subsection (b) is received by the congressional defense committees.

(b) INDEPENDENT EVALUATION.—The Secretary of the Army shall provide for an evaluation by the Institute for Defense Analyses (a Federal contract research center) of the proposal of the Test and Evaluation Command of the Army to relocate the Aviation Technical Test Center to Yuma Proving Ground, Arizona. The evaluation of such proposal shall include consideration of the following:

(1) A review and validation of studies conducted by the Army Materiel Command and the Army Test and Evaluation Command of the proposed relocation.

(2) The effect on, and cost of, maintenance and logistics capability (including maintenance of a parts inventory) to support the test evaluation fleet.

(3) The availability of facilities and infrastructure necessary to conduct the aviation testing mission at Yuma Proving Ground.

(4) The availability of engineers and maintenance technicians to support the aviation testing mission at Yuma Proving Ground.

(5) The effect on current and planned aircraft programs.

(6) Consistency with the efforts of the Army to become the Department of Defense leader for rotary-wing aircraft.

(7) Potential savings, including the time period over which such savings could be realized.

(8) Comparison of live-fire testing with computer-simulated testing.

(c) TIME REQUIREMENT FOR COMPLETION OF EVALUATION.—The evaluation under subsection (b) shall be completed not later than 120 days after the date of the enactment of this Act.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 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 of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on National Security of the House of Representatives to accompany the bill

H.R. 1530 of the One Hundred Fourth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. IMPROVED FUNDING MECHANISMS FOR UNBUDGETED OPERATIONS.

(a) REVISION OF FUNDING MECHANISM.—(1) Chapter 3 of title 10, United States Code, is amended by striking out section 127a and inserting in lieu thereof the following:

"§ 127a. Operations for which funds are not provided in advance: funding mechanisms

''(a) IN GENERAL.—(1) The Secretary of Defense shall use the procedures prescribed by this section with respect to any operation of the Department of Defense—

''(A) that involves the deployment (other than for a training exercise) of elements of the armed forces for a purpose other than a purpose for which funds have been specifically provided in advance; or

''(B) that involves humanitarian assistance, disaster relief, or support for law enforcement (including immigration control) for which funds have not been specifically provided in advance.

''(2) Whenever any operation described in paragraph (1) is commenced, the Secretary of Defense shall designate and identify that operation for the purposes of this section and shall promptly notify Congress of that designation (and of the identification of the operation).

''(3) This section does not provide authority for the President or the Secretary of Defense to carry out any operation, but establishes mechanisms for the Department of Defense by which funds are provided for operations that the armed forces are required to carry out under some other authority.

''(b) WAIVER OF REQUIREMENT TO REIMBURSE SUPPORT UNITS.—(1) The Secretary of Defense shall di-

rect that, when a unit of the armed forces participating in an operation described in subsection (a) receives services from an element of the Department of Defense that operates through the Defense Business Operations Fund (or a successor fund), such unit of the armed forces may not be required to reimburse that element for the incremental costs incurred by that element in providing such services, notwithstanding any other provision of law or any Government accounting practice.

''(2) The amounts which but for paragraph (1) would be required to be reimbursed to an element of the Department of Defense (or a fund) shall be recorded as an expense attributable to the operation and shall be accounted for separately.

''(c) TRANSFER AUTHORITY.—(1) Whenever there is an operation of the Department of Defense described in subsection (a), the Secretary of Defense may, subject to the provisions of appropriations Acts, transfer amounts described in paragraph (3) to accounts from which incremental expenses for that operation were incurred in order to reimburse those accounts for those incremental expenses. Amounts so transferred shall be merged with and be available for the same purposes as the accounts to which transferred.

''(2) The total amount that the Secretary of Defense may transfer under the authority of this section in any fiscal year is $200,000,000.

''(3) Transfers under this subsection may only be made from amounts appropriated to the Department of Defense for any fiscal year that remain available for obligation from any of the following accounts:

''(A) Environmental Restoration, Defense.

''(B) Cooperative Threat Reduction programs.

''(C) Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs.

''(D) Operations and Maintenance, Defense-Wide (but only from funds available for administration and service-wide activities).

''(4) The authority provided by this subsection is in addition to any other authority provided by law authorizing the transfer of amounts available to the Department of Defense. However, the Secretary may not use any such authority under another provision of law for a purpose described in paragraph (1) if there is authority available under this subsection for that purpose.

''(5) The authority provided by this subsection to transfer amounts may not be used to provide authority for an activity that has been denied authorization by Congress.

"(6) A transfer made from one account to another under the authority of this subsection 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) FINANCIAL PLAN.—(1) Within 30 days after the beginning of an operation described in subsection (a), the Secretary of Defense shall submit to Congress a financial plan for the operation that sets forth the manner by which the Secretary proposes to obtain funds for the cost to the United States of the operation. The plan shall specify in detail how the Secretary proposes to restore balances in the Defense Business Operations Fund (or a successor fund) to the levels that would have been anticipated but for the provisions of subsection (b). The Secretary may not include in such a plan a means to restore such balances that is prohibited by paragraph (2) or (4).

"(2) The Secretary may not restore (or propose in a plan under paragraph (1) to restore) balances in the Defense Business Operations Fund through increases in rates charged by that fund in order to compensate for costs incurred and not reimbursed due to subsection (b).

"(3) If the Secretary of Defense transfers funds under subsection (c), the Secretary shall submit to Congress, within 30 days of such transfer, a plan for the res-

toration of the balance in the each account from which the transfer was made to the level that would have been the case but for the transfer.

''(4) The Secretary may not restore (or propose in a plan under paragraph (1) or (3) to restore) balances in any the Defense Business Operations Fund or any other fund or account through the use of unobligated amounts in an appropriation made for operation and maintenance that are available within that appropriation for an account (known as a budget activity 1 account) that is specified as being for operating forces.

''(e) SUBMISSION OF REQUESTS FOR SUPPLEMENTAL APPROPRIATIONS.—(1) Whenever there is an operation described in subsection (a), the President shall submit to Congress a request for the enactment of supplemental appropriations for the then-current fiscal year, to be designated as an emergency supplemental appropriations, in order to provide funds to replenish the Defense Business Operations Fund or any other fund or account of the Department of Defense from which funds for the incremental expenses of that operation were derived under this section.

''(2) A request under paragraph (1) shall be submitted not later than the earlier of (A) the time at which incremental expenses for the operation exceed $10,000,000, or (B) 90 days after the date on which the

operation begins. The request shall be submitted as a separate request from any other legislative proposal.

''(f) INCREMENTAL COSTS.—For purposes of this section, incremental costs of the Department of Defense with respect to an operation are the costs of the Department that are directly attributable to the operation (and would not have been incurred but for the operation).

''(g) RELATIONSHIP TO WAR POWERS RESOLUTION.—This section may not be construed as altering or superseding the War Powers Resolution. This section does not provide authority to conduct any military operation.

''(h) GAO COMPLIANCE REVIEWS.—The Comptroller General of the United States shall from time to time, and when requested by a committee of Congress, conduct a review of the defense funding structure under this section to determine whether the Department of Defense is complying with the requirements and limitations of this section.

"§ 127b. Budgeting for ongoing operations

''(a) REQUIREMENT FOR INCLUSION IN BUDGET.—In the case of an operation of the Department of Defense described in subsection (c), the President shall include with the budget submitted to Congress pursuant to section 1105 of title 31 for the next fiscal year a specific request for enactment of legislation to provide for the provision

of funds for such operation for that fiscal year in a manner that will result in there not being a lower amount of funds available to the Department of Defense for that fiscal year than would be the case if that operation were not carried out during that year. Such a request shall include one or more of the following:

''(1) A request for enactment of appropriation of funds for the incremental costs for that operation that are expected to be incurred by the Department of Defense during the fiscal year for which the budget is submitted, with such funds to be provided in, and charged to, a budget function other than the national defense budget function (function 050).

''(2) A request for enactment of appropriation of funds for the incremental costs for that operation that are expected to be incurred by the Department of Defense during the fiscal year for which the budget is submitted, with such designations or waivers as may be necessary to ensure that (if enacted) such appropriations are not counted against the total amount of funds for the Department of Defense, or for the national defense budget function, for purpose of any statutory limitation or restriction.

''(3) A request for enactment of rescissions.

''(b) LIMITATION.—In the case of any operation to which the requirement of subsection (a) applies, no funds may be obligated or expended for that operation after the beginning of the fiscal year for which the budget is submitted if the requirement in subsection (a) is not complied with.

''(c) COVERED OPERATIONS.—This section applies with respect to any operation of the Department of Defense involving the use of the Armed Forces that—

''(1) is ongoing in the first quarter of a fiscal year;

''(2) is not expected to end during the current fiscal year;

''(3) for which appropriations were not specifically provided in advance for the current fiscal year.

''(d) WAIVER AUTHORITY.—The President may waive the provisions of this section for any fiscal year—

''(1) during which there is in effect a declaration of war; or

''(2) during which authority is in effect pursuant to section 12302 of this title to order units and members of the Ready Reserve to active duty without the consent of the persons concerned.''.

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 127a and inserting in lieu thereof the following:

''127a. Operations for which funds are not provided in advance: funding mechanisms.
''127b. Budgeting for ongoing operations.''.

(b) EFFECTIVE DATE.—The amendment to section 127a of title 10, United States Code, made by subsection (a) shall take effect on October 1, 1995, and shall apply to any operation of the Department of Defense, whether begun before, on, or after such date. In the case of any operation begun before such date, any reference in such section to the date of the beginning of such operation shall be treated as referring to the effective date under the preceding sentence.

SEC. 1004. DESIGNATION AND LIABILITY OF DISBURSING AND CERTIFYING OFFICIALS.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) The Department of Defense.

''(3) The Coast Guard (when not operating as a service in the Navy).''.

(2) Section 2773 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out ''With the approval of the Secretary of a military department when the Secretary considers it necessary, a disbursing official of the military department'' and inserting in lieu thereof ''Subject to paragraph (3), a disbursing official of the Department of Defense''; and

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

''(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Defense or, in the case of a disbursing official of a military department, the Secretary of that military department.''; and

(B) in subsection (b)(1)—

(i) by striking out ''any military department'' and inserting in lieu thereof ''the Department of Defense''; and

(ii) by striking out ''2d month'' and inserting in lieu thereof ''second month''.

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—(1) Section 3325(b) of title 31, United States Code, is amended to read as follows:

''(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, the Secretary of Defense and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) may authorize, in writing, members of the armed forces under their jurisdiction to certify vouchers.''.

(2) Section 3528(d) of title 31, United States Code, is repealed.

(c) RELIEF OF ACCOUNTABLE OFFICIALS AND AGENTS FROM LIABILITY.—Section 3527(b)(1) of title 31, United States Code, is amended—

(1) by striking out ''armed forces'' in the matter preceding subparagraph (A) and inserting in lieu thereof ''Department of Defense or the Coast Guard''; and

(2) in subparagraph (A), by striking out ''appropriate Secretary of the military department of the Department of Defense'' and inserting in lieu thereof ''Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy)''.

(d) CONFORMING AMENDMENTS.—(1) Section 1012 of title 37, United States Code, is amended by striking

out ''Secretary concerned'' both places it appears and inserting in lieu thereof ''Secretary of Defense''.

(2)(A) Section 7863 of title 10, United States Code, is amended—

(i) in the first sentence, by striking out ''disbursements of public moneys or'' and ''the money was paid or''; and

(ii) in the second sentence, by striking out ''disbursement or''.

(B)(i) The heading of such section is amended to read as follows:

''§ 7863. Disposal of public stores by order of commanding officer''.

(ii) The item relating to such section in the table of sections at the beginning of chapter 661 of such title is amended to read as follows:

''7863. Disposal of public stores by order of commanding officer.''.

SEC. 1005. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1995 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1995 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs,

projects, and activities of the Department of Defense in fiscal year 1995 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1995 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1995 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1995 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1995 in the Department of Defense Appropriations Act, 1995 (Public Law 103–335).

(2) FISCAL YEAR 1995 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1995 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337).

SEC. 1006. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1995.

(a) ADJUSTMENT TO PREVIOUS AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) are hereby adjusted, with respect to any such author-

ized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (Public Law 104–6).

(b) NEW AUTHORIZATION.—The appropriation provided in section 104 of such Act is hereby authorized.

SEC. 1007. PROHIBITION OF INCREMENTAL FUNDING OF PROCUREMENT ITEMS.

Section 114 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) No funds may be appropriated, or authorized to be appropriated, for any fiscal year for a purpose named in paragraph (1), (3), (4), or (5) of subsection (a) using incremental funding.

''(2) In the budget submitted by the President for any fiscal year, the President may not request appropriations, or authorization of appropriations, on the basis of incremental funding for a purpose specified in paragraph (1).

''(3) In this subsection, the term 'incremental funding' means the provision of funds for a fiscal year for a

procurement in less than the full amount required for procurement of a complete and usable product, with the expectation (or plan) for additional funding to be made for subsequent fiscal years to complete the procurement of a complete and usable product.

''(4) This subsection does not apply with respect to funding classified as advance procurement funding.''.

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. CONTRACT OPTIONS FOR LMSR VESSELS.

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

(1) A requirement for the Department of the Navy to acquire 19 large, medium-speed, roll-on/roll-off (LMSR) vessels was established by the Secretary of Defense in the Mobility Requirements Study conducted after the Persian Gulf War pursuant to section 909 of the National Defense Authorization Act for Fiscal Year 1991 (Public law 101–510; 104 Stat. 1623) and was revalidated by the Secretary of Defense in the report entitled ''Mobility Requirements Study Bottom-Up Review Update'', submitted to Congress in April 1995.

(2) The Strategic Sealift Program is a vital element of the national military strategy calling for the

Nation to be able to fight and win two nearly simultaneous major regional contingencies.

(3) The Secretary of the Navy has entered into contracts with shipyards covering acquisition of a total of 17 such LMSR vessels, of which five are vessel conversions and 12 are new construction vessels. Under those contracts, the Secretary has placed orders for the acquisition of 11 vessels and has options for the acquisition of six more, all of which would be new construction vessels. The options allow the Secretary to place orders for one vessel to be constructed at each of two shipyards for award before December 31, 1995, December 31, 1996, and December 31, 1997, respectively.

(4) Acquisition of an additional two such LMSR vessels, for a total of 19 vessels (the requirement described in paragraph (1)) would contribute to preservation of the industrial base of United States shipyards capable of building auxiliary and sealift vessels.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Navy should plan for, and budget to provide for, the acquisition as soon as possible of a total of 19 large, medium-speed, roll-on/roll-off (LMSR) vessels (the number determined to be required

in the Mobility Requirements Study referred to in subsection (a)(1)), rather than only 17 such vessels (the number of vessels under contract as of May 1995).

(c) ADDITIONAL NEW CONSTRUCTION CONTRACT OPTION.—The Secretary of the Navy should negotiate with each of the two shipyards holding new construction contracts referred to in subsection (a)(3) (Department of the Navy contracts numbered N00024–93–C–2203 and N00024–93–C–2205) for an option under each such contract for construction of one additional such LMSR vessel, with such option to be available to the Secretary for exercise during 1995, 1996, or 1997.

(d) REPORT.—The Secretary of the Navy shall submit to the congressional defense committees, by March 31, 1996, a report stating the intentions of the Secretary regarding the acquisition of options for the construction of two additional LMSR vessels as described in subsection (c).

SEC. 1022. VESSELS SUBJECT TO REPAIR UNDER PHASED MAINTENANCE CONTRACTS.

(a) IN GENERAL.—(1) Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7315. Phased maintenance contracts: vessels covered

''In any case in which the Secretary of the Navy enters into a contract for the phased maintenance of a class of vessels or vessels of an identified type, the Secretary shall ensure that—

''(1) any vessel that is covered by the contract when it is entered into remains covered by the contract, regardless of operating command to which the vessel is subsequently assigned, unless the vessel is taken out of service for the Department of the Navy; and

''(2) any vessel of a class or type covered by the contract that is delivered to the Navy while the contract is in effect is covered by the contract.''.

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

''7315. Phased maintenance contracts: vessels covered.''.

(b) EFFECTIVE DATE.—Section 7315 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date of the enactment of this Act.

SEC. 1023. CLARIFICATION OF REQUIREMENTS RELATING TO REPAIRS OF VESSELS.

Section 7310(a) of title 10, United States Code, is amended by inserting ''or Guam'' after ''the United States'' the second place it appears.

SEC. 1024. NAMING OF NAVAL VESSEL.

It is the sense of Congress that the Secretary of the Navy should name an appropriate ship of the United States Navy the U.S.S. Joseph Vittori, in honor of Marine Corporal Joseph Vittori (1929–1951) of Beverly, Massachusetts, who was posthumously awarded the Medal of Honor for actions against the enemy in Korea on September 15–16, 1951.

SEC. 1025. TRANSFER OF RIVERINE PATROL CRAFT.

(a) AUTHORITY TO TRANSFER VESSEL.—Notwithstanding subsections (a) and (d) of section 7306 of title 10, United States Code, but subject to subsections (b) and (c) of that section, the Secretary of the Navy may transfer a vessel described in subsection (b) to Tidewater Community College, Portsmouth, Virginia, for scientific and educational purposes.

(b) VESSEL.—The authority under subsection (a) applies in the case of a riverine patrol craft of the U.S.S. Swift class.

(c) LIMITATION.—The transfer authorized by subsection (a) may be made only if the Secretary determines

that the vessel to be transferred is of no further use to the United States for national security purposes.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the transfer authorized by this section as the Secretary considers appropriate.

Subtitle C—Other Matters

SEC. 1031. TERMINATION AND MODIFICATION OF AUTHORITIES REGARDING NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND DEFENSE CONVERSION PROGRAMS.

(a) CONGRESSIONAL DEFENSE POLICY.—Section 2501 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out paragraph (5); and

(2) in subsection (b)—

(A) by striking out ''DEFENSE REINVESTMENT, DIVERSIFICATION, AND CONVERSION'' in the subsection heading and inserting in lieu thereof ''TECHNOLOGY DEVELOPMENT FOR NATIONAL SECURITY'';

(B) by striking out '', during a period of reduction in defense expenditures,'' in the matter preceding paragraph (1);

(C) by striking out ''of reinvestment, diversification, and conversion of defense resources'' in the matter preceding paragraph (1); and

(D) in paragraph (5), by striking out ''defense economic reinvestment'' and inserting in lieu thereof ''economic investment''.

(b) NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE COUNCIL.—Section 2502(c) of such title is amended—

(1) in paragraph (1)(B), by striking out '', during a period of reduction in defense expenditures, the defense reinvestment, diversification, and conversion objectives'' and inserting in lieu thereof ''the objectives'';

(2) by striking out paragraph (2); and

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

(c) MODIFICATION OF DEFENSE DUAL-USE CRITICAL TECHNOLOGY PARTNERSHIPS PROGRAM.—(1) Subsection (a) of section 2511 of such title is amended—

(A) by striking out ''PARTNERSHIPS'' in the subsection heading and inserting in lieu thereof ''PROGRAM'';

(B) in the first sentence, by striking out '', by providing for the establishment'' and all that follows

through ''encourage and provide'' and inserting in lieu thereof ''by encouraging and providing'';

(C) in the second sentence, by striking out ''in order to establish the partnerships'' and inserting in lieu thereof ''in furtherance of the program''; and

(D) by adding at the end the following new sentence: ''The Secretary shall identify projects to be conducted as part of the program.''.

(2) Such section is further amended by striking out subsections (b), (c), and (d) and inserting in lieu thereof the following new subsection:

''(b) ASSISTANCE AUTHORIZED.—The Secretary of Defense may provide technical and other assistance to facilitate the achievement of the purposes of projects conducted under the program. In providing such assistance, the Secretary may make available, as appropriate for the work to be performed, equipment and facilities of Department of Defense laboratories (including the scientists and engineers at those laboratories) for purposes of projects selected by the Secretary.''.

(3) Such section is further amended—

(A) by redesignating subsections (e), (f), and (g), as subsections (c), (d), and (e), respectively;

(B) in subsection (c), as so redesignated, by striking out ''establishment of partnerships'' and in-

serting in lieu thereof ''conduct of the program''; and

(C) in subsection (d), as so redesignated—

(i) by striking out ''proposed partnerships for establishment under this section'' in the matter preceding paragraph (1) and inserting in lieu thereof ''projects under the program'';

(ii) in paragraphs (1) and (2), by striking out ''program proposed to be conducted by the partnership'' both places it appears and inserting in lieu thereof ''proposed project'';

(iii) in paragraph (3), by striking out ''partnership's'' and inserting in lieu thereof ''proposed project's''; and

(iv) in paragraphs (4) through (7), by striking out ''partnership'' each place it appears and inserting in lieu thereof ''project''.

(d) REPEAL OF COMMERCIAL-MILITARY INTEGRATION PARTNERSHIPS PROGRAM.—Section 2512 of such title is repealed.

(e) REPEAL OF REGIONAL TECHNOLOGY ALLIANCES ASSISTANCE PROGRAM.—Section 2513 of such title is repealed.

(f) MILITARY-CIVILIAN INTEGRATION AND TECHNOLOGY TRANSFER ADVISORY BOARD.—Section 2516(b) of such title is amended—

(1) by inserting ''and'' at the end of paragraph (2);

(2) by striking out ''; and'' at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(g) FEDERAL DEFENSE LABORATORY DIVERSIFICATION PROGRAM.—Section 2519 of such title is amended—

(1) in subsection (b), by striking out ''referred to in section 2511(b) of this title'';

(2) in subsection (d)—

(A) by striking out ''(1)'' before ''The Secretary shall''; and

(B) by striking out paragraph (2); and

(3) in subsection (f), by striking out ''section 2511(f)'' and inserting in lieu thereof ''section 2511(d)''.

(h) REPEAL OF NAVY REINVESTMENT PROGRAM.—Section 2520 of such title is repealed.

(i) REPEAL OF NATIONAL DEFENSE MANUFACTURING TECHNOLOGY PROGRAM.—Section 2521 of such title is repealed.

(j) REPEAL OF DEFENSE ADVANCED MANUFACTURING TECHNOLOGY PARTNERSHIPS PROGRAM.—Section 2522 of such title is repealed.

(k) REPEAL OF MANUFACTURING EXTENSION PROGRAM.—Section 2523 of such title is repealed.

(l) REPEAL OF DEFENSE DUAL-USE ASSISTANCE EXTENSION PROGRAM.—Section 2524 of such title is repealed.

(m) CLERICAL AMENDMENTS.—(1) The heading of section 2511 of such title is amended to read as follows:

"§ 2511. Defense dual-use critical technology program".

(2) The table of sections at the beginning of subchapter III of chapter 148 of such title is amended—

(A) by striking out the item relating to section 2511 and inserting in lieu thereof the following new item:

''2511. Defense dual-use critical technology program.''; and

(B) by striking out the items relating to sections 2512, 2513, and 2520.

(3) The table of sections at the beginning of subchapter IV of such chapter is amended by striking out the items relating to sections 2521, 2522, 2523, and 2524.

SEC. 1032. REPEAL OF MISCELLANEOUS PROVISIONS OF LAW.

(a) VOLUNTEERS INVESTING IN PEACE AND SECURITY PROGRAM.—(1) Chapter 89 of title 10, United States Code, is repealed.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of such title are amended by striking out the item relating to chapter 89.

(b) SECURITY AND CONTROL OF SUPPLIES.—(1) Chapter 171 of such title is repealed.

(2) The tables of sections at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are each amended by striking out the item relating to chapter 171.

(c) ANNUAL AUTHORIZATION OF MILITARY TRAINING STUDENT LOADS.—Section 115 of such title is amended—

(1) in subsection (a), by striking out paragraph (3);

(2) in subsection (b)—

(A) by inserting ''or'' at the end of paragraph (1);

(B) by striking out ''; or'' at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraph (3); and

(3) by striking out subsection (f).

(d) PORTIONS OF ANNUAL MANPOWER REQUIREMENTS REPORT.—Section 115a of such title is amended—

(1) in subsection (b)(2), by striking out subparagraph (C);

(2) by striking out subsection (d);

(3) by redesignating subsection (e) as subsection (d) and striking out paragraphs (4) and (5) thereof;

(4) by striking out subsection (f); and

(5) by redesignating subsection (g) as subsection (e).

(e) OBSOLETE AUTHORITY FOR PAYMENT OF STIPENDS FOR MEMBERS OF CERTAIN ADVISORY COMMITTEES AND BOARDS OF VISITORS OF SERVICE ACADEMIES.—(1) The second sentence of each of sections 173(b) and 174(b) of such title is amended to read as follows: ''Other members and part-time advisers shall (except as otherwise specifically authorized by law) serve without compensation for such service.''.

(2) Sections 4355(h), 6968(h), and 9355(h) of such title are amended by striking out ''is entitled to not more than $5 a day and''.

(f) ANNUAL BUDGET INFORMATION CONCERNING RECRUITING COSTS.—(1) Section 227 of such title is repealed.

(2) The table of sections at the beginning of chapter 9 of such title is amended by striking out the item relating to section 227.

(g) EXPIRED AUTHORITY RELATING TO PEACEKEEPING ACTIVITIES.—(1) Section 403 of such title is repealed.

(2) The table of sections at the beginning of subchapter I of chapter 20 of such title is amended by striking out the item relating to section 403.

(h) MANAGEMENT TRAINING PROGRAM IN JAPANESE LANGUAGE AND CULTURE.—(1) Section 2198 of such title is repealed.

(2) The table of sections at the beginning of chapter 111 of such title is amended by striking out the item relating to section 2198.

(i) PROCUREMENT OF GASOHOL FOR DEPARTMENT OF DEFENSE MOTOR VEHICLES.—(1) Subsection (a) of section 2398 of such title is repealed.

(2) Such section is further amended—

(A) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(B) in subsection (b), as so redesignated, by striking out ''subsection (b)'' and inserting in lieu thereof ''subsection (a)''.

(j) REQUIREMENT OF NOTICE OF CERTAIN DISPOSALS AND GIFTS BY SECRETARY OF NAVY.—Section 7545 of such title is amended by striking out subsection (c).

(k) ANNUAL REPORT ON BIOLOGICAL DEFENSE RESEARCH PROGRAM.—(1) Section 2370 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to such section.

(l) REPORTS AND NOTIFICATIONS RELATING TO CHEMICAL AND BIOLOGICAL AGENTS.—(1) Subsection (a) of section 409 of Public Law 91–121 (50 U.S.C. 1511) is repealed.

(2) Subsection (b) of such section (50 U.S.C. 1512) is amended—

(A) by inserting ''and'' at the end of paragraph (2);

(B) by striking out ''; and'' at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(3) Subsection (c) of such section (50 U.S.C. 1513) is amended by striking out the second sentence of paragraph (1).

(m) PROVISION GIVING PERMANENT STATUS TO EXECUTIVE ORDER RELATING TO NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization, 1985 (Public Law 98–525; 98 Stat. 2649; 42 U.S.C. 7158 note), is repealed.

(n) ANNUAL REPORT ON BALANCED TECHNOLOGY INITIATIVE.—Subsection (e) of section 211 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1394) is repealed.

(o) OBSOLETE AUTHORITY REGARDING ANNISTON ARMY DEPOT, ALABAMA.—Section 352 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1539) is repealed.

(p) REPORT ON ENVIRONMENTAL RESTORATION COSTS FOR INSTALLATIONS TO BE CLOSED UNDER 1990 BASE CLOSURE LAW.—Section 2827 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2687 note) is amended by striking out subsection (b).

(q) LIMITATION ON AMERICAN DIPLOMATIC FACILITIES IN GERMANY.—Section 1432 of the National Defense

Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1833) is repealed.

(r) REQUIREMENT RELATING TO ATHLETIC DIRECTOR OF NAVAL ACADEMY.—Section 556(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2774) (including the section of title 10, United States Code, added by that section effective January 1, 1996, and the table of sections item added by that section) is repealed.

SEC. 1033. POLICY CONCERNING EXCESS DEFENSE INDUSTRIAL CAPACITY.

(a) FINDINGS.—Congress finds as follows:

(1) The Base Closure and Realignment Commissions have recommended that certain Government-owned defense industrial facilities which produce goods and services that were required during the Cold War, but which are no longer required for the national security, be closed.

(2) The Secretary of Defense has determined that the maintenance of certain other Government-owned defense industrial facilities is necessary to support the research, development, and manufacture of goods and services that are still required to protect the security of the United States.

(3) These Government-owned defense industrial facilities are critical to the security of the Nation and should remain under Government control.

(4) Current work requirements at some of these Government-owned defense industrial facilities have fallen below a reasonably economic level of operation, increasing the cost of producing required goods and services.

(5) Existing law and policy have failed to address adequately the supplemental requirements necessary to operate these Government-owned defense industrial facilities in a cost-efficient manner and, thereby, to maintain appropriate readiness for future national security needs.

(6) The security interests of the United States would be served by the establishment under law of a policy that requires the best-value operation of Government-owned defense industrial facilities.

(7) Such a policy should include, but not necessarily be limited to, requirements that—

(A) the required capability and capacity not being fully used at such Government-owned facilities be maintained with separate funding so as to stabilize operational costs; and

(B) those facilities not be limited by workyear/end strength hiring constraints.

(b) PROHIBITION.—No funds appropriated pursuant to an authorization of appropriations in this Act may be used for capital investment in, or the development and construction of, a Government-owned, Government-operated defense industrial facility unless the Secretary of Defense certifies to the Congress that no similar capability or minimally used capacity exists in any other Government-owned, Government-operated defense industrial facility.

SEC. 1034. ROTC ACCESS TO CAMPUSES.

(a) IN GENERAL.—Chapter 49 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 983. Institutions of higher education that prohibit Senior ROTC units: denial of Department of Defense grants and contracts

''(a) DENIAL OF DEPARTMENT OF DEFENSE GRANTS AND CONTRACTS.—(1) No funds appropriated or otherwise available to the Department of Defense may be made obligated by contract or by grant (including a grant of funds to be available for student aid) to any institution of higher education that, as determined by the Secretary of Defense, has an anti-ROTC policy and at which, as de-

termined by the Secretary, the Secretary would otherwise maintain or seek to establish a unit of the Senior Reserve Officer Training Corps or at which the Secretary would otherwise enroll or seek to enroll students for participation in a unit of the Senior Reserve Officer Training Corps at another nearby institution of higher education.

''(2) In the case of an institution of higher education that is ineligible for Department of Defense grants and contracts by reason of paragraph (1), the prohibition under that paragraph shall cease to apply to that institution upon a determination by the Secretary that the institution no longer has an anti-ROTC policy.

''(b) NOTICE OF DETERMINATION.—Whenever the Secretary makes a determination under subsection (a) that an institution has an anti-ROTC policy, or that an institution previously determined to have an anti-ROTC policy no longer has such a policy, the Secretary—

''(1) shall transmit notice of that determination to the Secretary of Education and to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives; and

''(2) shall publish in the Federal Register notice of that determination and of the effect of that determination under subsection (a)(1) on the eligibility of

that institution for Department of Defense grants and contracts.

''(c) SEMIANNUAL NOTICE IN FEDERAL REGISTER.—The Secretary shall publish in the Federal Register once every six months a list of each institution of higher education that is currently ineligible for Department of Defense grants and contracts by reason of a determination of the Secretary under subsection (a).

''(d) ANTI-ROTC POLICY.—In this section, the term 'anti-ROTC policy' means a policy or practice of an institution of higher education that—

''(1) prohibits, or in effect prevents, the Secretary of Defense from maintaining or establishing a unit of the Senior Reserve Officer Training Corps at that institution, or

''(2) prohibits, or in effect prevents, a student at that institution from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.''.

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

''983. Institutions of higher education that prohibit Senior ROTC units: denial of Department of Defense grants and contracts.''.

SEC. 1035. APPLICATION OF BUY AMERICAN ACT PRINCIPLES.

(a) REINSTATEMENT OF PRINCIPLES.—(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) REPORT.—The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1996. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.),

or any international agreement to which the United States is a party.

(c) DEFINITION.—For purposes of this section, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

TITLE XI—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

SEC. 1101. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) IN GENERAL.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in subsection (b).

(b) SPECIFIED PROGRAMS.—The programs referred to in subsection (a) are the following:

(1) Programs to facilitate the elimination, and the safe and secure transportation and storage, of nuclear, chemical, and other weapons and their delivery vehicles.

(2) Programs to facilitate the safe and secure storage of fissile materials derived from the elimination of nuclear weapons.

(3) Programs to prevent the proliferation of weapons, weapons components, and weapons-related technology and expertise.

(4) Programs to expand military-to-military and defense contacts.

SEC. 1102. FISCAL YEAR 1996 AUTHORIZATION.

Of the amount authorized in section 301 for Cooperative Threat Reduction programs, not more than the following amounts shall be available for the purposes specified:

(1) $50,000,000 for elimination of Russian strategic offensive weapons.

(2) $20,000,000 for elimination of Ukraine strategic nuclear weapons.

(3) $15,000,000 for elimination of Kazakhstan strategic nuclear weapons.

(4) $5,000,000 for elimination of Belarus strategic nuclear weapons.

(5) $6,000,000 for design of a storage facility for Russian fissile material.

(6) $42,500,000 for weapons security in Russia.

(7) $35,000,000 for nuclear infrastructure elimination in Ukraine, Belarus, and Kazakhstan.

(8) $10,000,000 for activities designated as Defense and Military Contacts/General Support/Training in Russia, Ukraine, Belarus, and Kazakhstan.

(9) $16,500,000 for activities designated as Other Assessments/Support.

SEC. 1103. REPEAL OF DEMILITARIZATION ENTERPRISE FUND AUTHORITY.

Section 1204 of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5953) is repealed.

SEC. 1104. PROHIBITION ON USE OF FUNDS FOR PEACEKEEPING EXERCISES AND RELATED ACTIVITIES WITH RUSSIA.

None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended for the purpose of conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

SEC. 1105. REVISION TO AUTHORITY FOR ASSISTANCE FOR WEAPONS DESTRUCTION.

Section 211(b) of Public Law 102–228 (105 Stat. 1694) is amended by striking out ''committed to'' in the matter preceding paragraph (1).

SEC. 1106. PRIOR NOTICE TO CONGRESS OF OBLIGATION OF FUNDS.

(a) ANNUAL REQUIREMENT.—(1) Not less than 15 days before any obligation of any funds appropriated for any fiscal year for a program specified under section 1101 as a Cooperative Threat Reduction program, the Secretary of Defense shall submit to the congressional committees specified in paragraph (2) a report on that proposed obligation for that program for that fiscal year.

(2) The congressional committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

(B) The Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.

(b) MATTERS TO BE SPECIFIED IN REPORTS.—Each such report shall specify—

(1) the activities and forms of assistance for which the Secretary of Defense plans to obligate funds;

(2) the amount of the proposed obligation; and

(3) the projected involvement (if any) of any department or agency of the United States (in addition

to the Department of Defense) and of the private sector of the United States in the activities and forms of assistance for which the Secretary of Defense plans to obligate such funds.

SEC. 1107. REPORT ON ACCOUNTING FOR UNITED STATES ASSISTANCE.

(a) REPORT.—(1) The Secretary of Defense shall submit to Congress an annual report on the efforts made by the United States (including efforts through the use of audits, examinations, and on-site inspections) to ensure that assistance provided under Cooperative Threat Reduction programs is fully accounted for and that such assistance is being used for its intended purposes.

(2) A report shall be submitted under this section not later than January 31 of each year until the Cooperative Threat Reduction programs are completed.

(b) INFORMATION TO BE INCLUDED.—Each report under this section shall include the following:

(1) A list of cooperative threat reduction assistance that has been provided before the date of the report.

(2) A description of the current location of the assistance provided and the current condition of such assistance.

(3) A determination of whether the assistance has been used for its intended purpose.

(4) A description of the activities planned to be carried out during the next fiscal year to ensure that cooperative threat reduction assistance provided during that fiscal year is fully accounted for and is used for its intended purpose.

(c) COMPTROLLER GENERAL ASSESSMENT.—Not later than 30 days after the date on which a report of the Secretary under subsection (a) is submitted to Congress, the Comptroller General of the United States shall submit to Congress a report giving the Comptroller General's assessment of the report and making any recommendations that the Comptroller General considers appropriate.

SEC. 1108. LIMITATION ON COOPERATIVE THREAT REDUCTION PROGRAM RELATING TO OFFENSIVE BIOLOGICAL WEAPONS PROGRAM IN RUSSIA.

None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended for programs or activities with Russia unless and until the President submits to Congress a certification in writing that Russia has terminated its offensive biological weapons program.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Peacekeeping Provisions

SEC. 1201. LIMITATION ON EXPENDITURE OF DEPARTMENT OF DEFENSE FUNDS FOR UNITED STATES FORCES PLACED UNDER UNITED NATIONS COMMAND OR CONTROL.

(a) IN GENERAL.—(1) Chapter 20 of title 10, United States Code, is amended by inserting after section 404 the following new section:

"§ 405. Placement of United States forces under United Nations command or control: limitation

''(a) LIMITATION.—Except as provided in subsections (b) and (c), funds appropriated or otherwise made available for the Department of Defense may not be obligated or expended for activities of any element of the Armed Forces that after the date of the enactment of this section is placed under United Nations command or control, as defined in subsection (f).

''(b) EXCEPTION FOR PRESIDENTIAL CERTIFICATION.—(1) Subsection (a) shall not apply in the case of a proposed placement of an element of the Armed Forces under United Nations command or control if the

President, not less than 15 days before the date on which such United Nations command or control is to become effective (or as provided in paragraph (2)), meets the requirements of subsection (d).

''(2) If the President certifies to Congress that an emergency exists that precludes the President from meeting the requirements of subsection (d) 15 days before placing an element of the Armed Forces under United Nations command or control, the President may place such forces under such command or control and meet the requirements of subsection (d) in a timely manner, but in no event later than 48 hours after such command or control becomes effective.

''(c) ADDITIONAL EXCEPTIONS.—

''(1) EXCEPTION FOR AUTHORIZATION BY LAW.—Subsection (a) shall not apply in the case of a proposed placement of any element of the Armed Forces under United Nations command or control if the Congress specifically authorizes by law that particular placement of United States forces under United Nations command or control.

''(2) EXCEPTION FOR NATO OPERATIONS.—Subsection (a) shall not apply in the case of a proposed placement of any element of the armed forces

in an operation conducted by the North Atlantic Treaty Organization.

''(d) PRESIDENTIAL CERTIFICATIONS.—The requirements referred to in subsection (b)(1) are that the President submit to Congress the following:

''(1) Certification by the President that—

''(A) such a United Nations command or control arrangement is necessary to protect national security interests of the United States;

''(B) the commander of any unit of the Armed Forces proposed for placement under United Nations command or control will at all times retain the right—

''(i) to report independently to superior United States military authorities; and

''(ii) to decline to comply with orders judged by the commander to be illegal, militarily imprudent, or beyond the mandate of the mission to which the United States agreed with the United Nations, until such time as that commander receives direction from superior United States military authorities with respect to the orders that the commander has declined to comply with;

''(C) any element of the Armed Forces proposed for placement under United Nations command or control will at all times remain under United States administrative command for such purposes as discipline and evaluation; and

''(D) the United States will retain the authority to withdraw any element of the Armed Forces from the proposed operation at any time and to take any action it considers necessary to protect those forces if they are engaged.

''(2) A report setting forth the following:

''(A) A description of the national security interests that require the placement of United States forces under United Nations command or control.

''(B) The mission of the United States forces involved.

''(C) The expected size and composition of the United States forces involved.

''(D) The incremental cost to the United States of participation in the United Nations operation by the United States forces which are proposed to be placed under United Nations command or control.

"(E) The precise command and control relationship between the United States forces involved and the United Nations command structure.

"(F) The precise command and control relationship between the United States forces involved and the commander of the United States unified command for the region in which those United States forces are to operate.

"(G) The extent to which the United States forces involved will rely on non-United States forces for security and self-defense and an assessment on the ability of those non-United States forces to provide adequate security to the United States forces involved.

"(H) The timetable for complete withdrawal of the United States forces involved.

"(e) CLASSIFICATION OF REPORT.—A report under subsection (d) shall be submitted in unclassified form and, if necessary, in classified form.

"(f) UNITED NATIONS COMMAND OR CONTROL.—For purposes of this section, an element of the Armed Forces shall be considered to be placed under United Nations command or control if—

''(1) that element is under the command or operational control of an individual acting on behalf of the United Nations for the purpose of international peacekeeping, peacemaking, peace-enforcing, or similar activity that is authorized by the Security Council under chapter VI or VII of the Charter of the United Nations; and

''(2) the senior military commander of the United Nations force or operation—

''(A) is a foreign national or is a citizen of the United States who is not a United States military officer serving on active duty; or

''(B) is a United States military officer serving on active duty but—

''(i) that element of the armed forces is under the command or operational control of a subordinate commander who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty; and

''(ii) that senior military commander does not have the authority—

''(I) to dismiss any subordinate officer in the chain of command who is exercising command or operational

control over United States forces and who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty;

''(II) to establish rules of engagement for United States forces involved; and

''(III) to establish criteria governing the operational employment of United States forces involved.

''(g) INTERPRETATION.—Nothing in this section may be construed—

''(1) as authority for the President to use any element of the armed forces in any operation;

''(2) as authority for the President to place any element of the armed forces under the command or operational control of a foreign national; or

''(3) as an unconstitutional infringement on the authority of the President as commander-in-chief.''.

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

''405. Placement of United States forces under United Nations command or control: limitation.''.

(b) REPORT RELATING TO CONSTITUTIONALITY.—No certification may be submitted by the President under section 405(d)(1) of title 10, United States Code, as added by subsection (a), until the President has submitted to the Congress (after the date of the enactment of this Act) a memorandum of legal points and authorities explaining why the placement of elements of United States Armed Forces under the command or operational control of a foreign national acting on behalf of the United Nations does not violate the Constitution.

(c) EXCEPTION FOR ONGOING OPERATIONS IN MACEDONIA AND CROATIA.—Section 405 of title 10, United States Code, as added by subsection (a), does not apply in the case of activities of the Armed Forces as part of the United Nations force designated as the United Nations Protection Force (UNPROFOR) that are carried out—

(1) in Macedonia pursuant to United Nations Security Council Resolution 795, adopted December 11, 1992, and subsequent reauthorization Resolutions; or

(2) in Croatia pursuant to United Nations Security Council Resolution 743, adopted February 21, 1992, and subsequent reauthorization Resolutions.

SEC. 1202. LIMITATION ON USE OF DEPARTMENT OF DEFENSE FUNDS FOR UNITED STATES SHARE OF COSTS OF UNITED NATIONS PEACEKEEPING ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 20 of title 10, United States Code, is amended by inserting after section 405, as added by section 1201, the following new section:

"§ 406. Use of Department of Defense funds for United States share of costs of United Nations peacekeeping activities: limitation

''(a) PROHIBITION ON USE OF FUNDS.—Funds available to the Department of Defense may not be used to make a financial contribution (directly or through another department or agency of the United States) to the United Nations—

''(1) for the costs of a United Nations peacekeeping activity; or

''(2) for any United States arrearage to the United Nations.

''(b) APPLICATION OF PROHIBITION.—The prohibition in subsection (a) applies to voluntary contributions, as well as to contributions pursuant to assessment by the United Nations for the United States share of the costs of a peacekeeping activity.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating

to section 405, as added by section 1201, the following new item:

''406. Use of Department of Defense funds for United States share of costs of United Nations peacekeeping activities: limitation.''.

(b) EFFECTIVE DATE.—Section 406 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1995.

Subtitle B—Humanitarian Assistance Programs

SEC. 1211. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

For purposes of section 301 and other provisions of this Act, programs of the Department of Defense designated as Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs are the programs provided by sections 401, 402, 404, 2547, and 2551 of title 10, United States Code.

SEC. 1212. HUMANITARIAN ASSISTANCE.

Section 2551 of title 10, United States Code is amended—

(1) by striking out subsections (b) and (c);

(2) by redesignating subsection (d) as subsection (b);

(3) by striking out subsection (e) and inserting in lieu thereof the following:

"(c) STATUS REPORTS.—(1) The Secretary of Defense shall submit to the congressional committees specified in subsection (f) an annual report on the provision of humanitarian assistance pursuant to this section for the prior fiscal year. The report shall be submitted each year at the time of the budget submission by the President for the next fiscal year.

"(2) Each report required by paragraph (1) shall cover all provisions of law that authorize appropriations for humanitarian assistance to be available from the Department of Defense for the purposes of this section.

"(3) Each report under this subsection shall set forth the following information regarding activities during the previous fiscal year:

"(A) The total amount of funds obligated for humanitarian relief under this section.

"(B) The number of scheduled and completed transportation missions for purposes of providing humanitarian assistance under this section.

"(C) A description of any transfer of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of this title. The description shall include the date of the transfer, the entity to

whom the transfer is made, and the quantity of items transferred.''; (4) by redesignating subsection (f) as subsection (d) and in that subsection striking out ''the Committees on'' and all that follows through ''House of Representatives of the'' and inserting in lieu thereof ''the congressional committees specified in subsection (f) and the Committees on Appropriations of the Senate and House of Representatives of the''; (5) by redesignating subsection (g) as subsection (e); and (6) by adding at the end the following new subsection:

''(f) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in subsections (c)(1) and (d) are the following:

''(1) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

''(2) The Committee on National Security and the Committee on International Relations of the House of Representatives.''.

SEC. 1213. LANDMINE CLEARANCE PROGRAM.

(a) INCLUSION IN GENERAL HUMANITARIAN ASSISTANCE PROGRAM.—Subsection (e) of section 401 of title 10, United States Code, is amended—

(1) by striking out ''means—'' and inserting in lieu thereof ''means:'';

(2) by revising the first word in each of paragraphs (1) through (4) so that the first letter of such word is upper case;

(3) by striking out the semicolon at the end of paragraphs (1) and (2) and inserting in lieu thereof a period;

(4) by striking out ''; and'' at the end of paragraph (3) and inserting in lieu thereof a period; and

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

''(5) Detection and clearance of landmines, including activities relating to the furnishing of education, training, and technical assistance with respect to the detection and clearance of landmines.''.

(b) LIMITATION ON LANDMINE ASSISTANCE BY MEMBERS OF ARMED FORCES.—Subsection (a) of such section is amended by adding at the end the following new paragraph:

''(4) The Secretary of Defense shall ensure that no member of the armed forces, while providing assistance under this section that is described in subsection (e)(5)—

''(A) engages in the physical detection, lifting, or destroying of landmines (unless the member does

so for the concurrent purpose of supporting a United States military operation); or

''(B) provides such assistance as part of a military operation that does not involve the armed forces.''.

(c) REPEAL.—Section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note) is repealed.

Subtitle C—Other Matters

SEC. 1221. REVISION OF DEFINITION OF LANDMINE FOR PURPOSES OF LANDMINE EXPORT MORATORIUM.

Section 1423(d)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1831) is amended by striking out ''by remote control or'' .

SEC. 1222. EXTENSION AND AMENDMENT OF COUNTERPROLIFERATION AUTHORITIES.

(a) ONE-YEAR EXTENSION OF PROGRAM.—Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 102–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (a), by striking out ''during fiscal years 1994 and 1995'';

(2) in subsection (e)(1), by striking out ''fiscal years 1994 and 1995'' and inserting in lieu thereof ''a fiscal year during which the authority of the Secretary of Defense to provide assistance under this section is in effect''; and

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

''(f) TERMINATION OF AUTHORITY.—The authority of the Secretary of Defense to provide assistance under this section terminates at the close of fiscal year 1996.''.

(b) PROGRAM AUTHORITIES.—(1) Subsections (b)(2) and (d)(3) of such section are amended by striking out ''the On-Site Inspection Agency'' and inserting in lieu thereof ''the Department of Defense''.

(2) Subsection (c)(3) of such section is amended by striking out ''will be counted'' and all that follows and inserting in lieu thereof ''will be counted as discretionary spending in the national defense budget function (function 050).''.

(c) AMOUNT OF ASSISTANCE.—Subsection (d) of such section is amended—

(1) in paragraph (1)—

(A) by striking out ''for fiscal year 1994'' the first place it appears and all that follows through the period at the end of the second

sentence and inserting in lieu thereof ''for any fiscal year shall be derived from amounts made available to the Department of Defense for that fiscal year.''; and

(B) by striking out ''referred to in this paragraph''; and

(2) in paragraph (3)—

(A) by striking out ''may not exceed'' and all that follows through ''1995''; and

(B) by inserting before the period at the end the following: '', may not exceed $25,000,000 for fiscal year 1994, $20,000,000 for fiscal year 1995, or $15,000,000 for fiscal year 1996''.

SEC. 1223. PROHIBITION ON USE OF FUNDS FOR ACTIVITIES ASSOCIATED WITH THE UNITED STATES-PEOPLE'S REPUBLIC OF CHINA JOINT DEFENSE CONVERSION COMMISSION.

Funds appropriated to the Department of Defense for fiscal year 1996 may not be obligated or expended for any activity associated with the United States-People's Republic of China Joint Defense Conversion Commission.

SEC. 1224. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

''Sec.
''2540. Establishment of loan guarantee program.
''2540a. Transferability.
''2540b. Limitations.
''2540c. Fees charged and collected.
''2540d. Definitions.

''§ 2540. Establishment of loan guarantee program

''(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

''(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

''(1) A member nation of the North Atlantic Treaty Organization (NATO).

''(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

''(3) A country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of March 31, 1995.

''(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATION ACTS.—The Secretary may guarantee a loan under this subchapter only to such extent or in such amounts as may be provided in advance in appropriations Acts.

''§ 2540a. Transferability

''A guarantee issued under this subchapter shall be fully and freely transferable.

''§ 2540b. Limitations

''(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

''(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guaran-

tee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

''(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

"§ 2540c. Fees charged and collected

''(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

''(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount sufficient to meet potential liabilities of the United States under the loan guarantee.

''(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

"§ 2540d. Definitions

''In this subchapter:

''(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

''(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).''.

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

''VI. Defense Export Loan Guarantees ..... 2540''.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a). The report shall include—

(1) an analysis of the costs and benefits of the loan guarantee program; and

(2) any recommendations for modification of the program that the President considers appropriate, including—

(A) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(B) any proposed legislation necessary to authorize a recommended modification.

SEC. 1225. ACCOUNTING FOR BURDENSHARING CONTRIBUTIONS.

(a) AUTHORITY TO MANAGE CONTRIBUTIONS IN LOCAL CURRENCY, ETC.—Subsection (b) of section 2350j of title 10, United States Code, is amended to read as follows:

''(b) ACCOUNTING.—Contributions accepted under subsection (a) which are not related to security assistance may be accepted, managed, and expended in dollars or in the currency of the host nation (or, in the case of a contribution from a regional organization, in the currency in which the contribution was provided). Any such contribution shall be placed in an account established for such purpose and shall remain available until expended for the purposes specified in subsection (c). The Secretary of Defense shall establish a separate account for such purpose for each country or regional organization from which such contributions are accepted under subsection (a).''.

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking out ''credited under

subsection (b) to an appropriation account of the Department of Defense'' and inserting in lieu thereof ''placed in an account established under subsection (b)''.

(c) TECHNICAL AMENDMENT.—Such section is further amended—

(1) in subsection (e)(1), by striking out ''a report to the congressional defense committees'' and inserting in lieu thereof ''to the congressional committees specified in subsection (g) a report''; and

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

''(g) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in subsection (e)(1) are—

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

''(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

SEC. 1226. AUTHORITY TO ACCEPT CONTRIBUTIONS FOR EXPENSES OF RELOCATION WITHIN HOST NATION OF UNITED STATES ARMED FORCES OVERSEAS.

(a) IN GENERAL.—(1) Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350k. Relocation within host nation of elements of armed forces overseas

''(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The Secretary of Defense may accept contributions from any nation because of or in support of the relocation of elements of the armed forces from or to any location within that nation. Such contributions may be accepted in dollars or in the currency of the host nation. Any such contribution shall be placed in an account established for such purpose and shall remain available until expended for the purposes specified in subsection (b). The Secretary shall establish a separate account for such purpose for each country from which such contributions are accepted.

''(b) USE OF CONTRIBUTIONS.—The Secretary may use a contribution accepted under subsection (a) only for payment of costs incurred in connection with the relocation concerning which the contribution was made. Those costs include the following:

''(1) Design and construction services, including development and review of statements of work, master plans and designs, acquisition of construction, and supervision and administration of contracts relating thereto.

''(2) Transportation and movement services, including packing, unpacking, storage, and transportation.

''(3) Communications services, including installation and deinstallation of communications equipment, transmission of messages and data, and rental of transmission capability.

''(4) Supply and administration, including acquisition of expendable office supplies, rental of office space, budgeting and accounting services, auditing services, secretarial services, and translation services.

''(5) Personnel costs, including salary, allowances and overhead of employees whether full-time or part-time, temporary or permanent (except for military personnel), and travel and temporary duty costs.

''(6) All other clearly identifiable expenses directly related to relocation.

''(c) METHOD OF CONTRIBUTION.—Contributions may be accepted in any of the following forms:

''(1) Irrevocable letter of credit issued by a financial institution acceptable to the Treasurer of the United States.

''(2) Drawing rights on a commercial bank account established and funded by the host nation, which account is blocked such that funds deposited

cannot be withdrawn except by or with the approval of the United States.

''(3) Cash, which shall be deposited in a separate trust fund in the United States Treasury pending expenditure and which shall accrue interest in accordance with section 9702 of title 31.

''(d) ANNUAL REPORT TO CONGRESS.—Not later than 30 days after the end of each fiscal year, the Secretary shall submit to Congress a report specifying—

''(1) the amount of the contributions accepted by the Secretary during the preceding fiscal year under subsection (a) and the purposes for which the contributions were made; and

''(2) the amount of the contributions expended by the Secretary during the preceding fiscal year and the purposes for which the contributions were expended.''.

(2) The table of sections at the beginning of subchapter II of chapter 138 of such title is amended by adding at the end the following new item:

''2350k. Relocation within host nation of elements of armed forces overseas.''.

(b) EFFECTIVE DATE.—Section 2350k of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1995, and shall apply to contributions for relocation of elements of the Armed Forces in or to any nation received on or after such date.

SEC. 1227. SENSE OF CONGRESS ON ABM TREATY VIOLATIONS.

(a) FINDINGS.—The Congress finds the following:

(1) The 1972 Anti-Ballistic Missile Treaty prohibits either party from deploying ballistic missile early warning radars except at locations along the periphery of its national territory and oriented outward.

(2) The 1972 Anti-Ballistic Missile Treaty prohibits either party from deploying an ABM system to defend its national territory and from providing a base for any such nationwide defense.

(3) Large phased-array radars were recognized during negotiation of the Anti-Ballistic Missile Treaty as the critical long lead-time element of a nationwide defense against ballistic missiles.

(4) In 1983 the United States discovered the construction, in the interior of the Soviet Union near the town of Krasnoyarsk, of a large phased-array radar that was judged to be for ballistic missile early warning and tracking.

(5) The Krasnoyarsk radar was certified by the Reagan Administration and previous sessions of Congress as an unequivocal violation by the Soviet Union of the Anti-Ballistic Missile Treaty.

(6) Retired Soviet General Y.V. Votintsev, Director of the Soviet National Air Defense Forces from 1967 to 1985, has publicly stated that he was directed by the Chief of the Soviet General staff to locate the large phased-array radar at Krasnoyarsk despite the recognition that its location would be a clear violation of the ABM Treaty.

(7) General Votintsev has publicly stated that Marshal D.F. Ustinov, Soviet Minister of Defense, threatened to relieve from duty any Soviet officer who continued to object to the construction of a large-phased array radar at Krasnoyarsk.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the government of the Soviet Union intentionally violated its legal obligations under the 1972 Anti-Ballistic Missile Treaty in order to advance its national security interests; and

(2) the United States should remain vigilant in ensuring compliance by Russia with its arms control obligations and should, when pursuing future arms control agreements with Russia, bear in mind violations of arms control obligations by the Soviet Union.

SEC. 1228. REDUCTION OF UNITED STATES MILITARY FORCES IN EUROPE.

(a) END STRENGTH REDUCTIONS FOR MILITARY PERSONNEL IN EUROPE.—Notwithstanding section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), but subject to subsection (d), for each of fiscal years 1996, 1997, 1998, and 1999, the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of the North Atlantic Treaty Organization (NATO) in accordance with subsection (b).

(b) REDUCTION FORMULA.—

(1) APPLICATION OF FORMULA.—For each percentage point by which, as of the end of a fiscal year, the allied contribution level determined under paragraph (2) is less than the allied contribution goal specified in subsection (c), the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO by 1,000 for the next fiscal year. The reduction shall be made from the end strength level in effect, pursuant to section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), and subsection (a) of this section

(if applicable), for the fiscal year in which the allied contribution level is less than the goal specified in subsection (c).

(2) DETERMINATION OF ALLIED CONTRIBUTION LEVEL.—To determine the allied contribution level with respect to a fiscal year, the Secretary of Defense shall calculate the aggregate amount of nonpersonnel costs for United States military installations in European member nations of NATO that are assumed during that fiscal year by such nations, except that the Secretary may consider only those cash and in-kind contributions by such nations that replace expenditures that would otherwise be made by the Secretary using funds appropriated or otherwise made available in defense appropriations Acts.

(c) ANNUAL ALLIED CONTRIBUTION GOALS.—

(1) GOALS.—In continuing efforts to enter into revised host-nation agreements as described in the provisions of law specified in paragraph (2), the President is urged to seek to have European member nations of NATO assume an increased share of the nonpersonnel costs of United States military installations in those nations in accordance with the following timetable:

(A) By September 30, 1996, 18.75 percent of such costs should be assumed by those nations.

(B) By September 30, 1997, 37.5 percent of such costs should be assumed by those nations.

(C) By September 30, 1998, 56.25 percent of such costs should be assumed by those nations.

(D) By September 30, 1999, 75 percent of such costs should be assumed by those nations.

(2) SPECIFIED LAWS.—The provisions of law referred to in paragraph (1) are—

(A) section 1301(e) of National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2545);

(B) section 1401(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1824); and

(C) section 1304 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2890),

(d) EXCEPTIONS.—

(1) MINIMUM END STRENGTH AUTHORITY.—Notwithstanding reductions required pursuant to

subsection (a), the Secretary of Defense may maintain an end strength of at least 25,000 members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO.

(2) WAIVER AUTHORITY.—The President may waive operation of this section if the President declares an emergency. The President shall immediately inform Congress of any such waiver and the reasons for the waiver.

(e) ALLOCATION OF FORCE REDUCTIONS.—To the extent that there is a reduction in end strength level for any of the Armed Forces in European member nations of NATO in a fiscal year pursuant to subsection (a)—

(1) half of the reduction shall be used to make a corresponding reduction in the authorized end strength level for active duty personnel for such Armed Force for that fiscal year; and

(2) half of the reduction shall be used to make a corresponding increase in permanent assignments or deployments of forces in the United States or other nations (other than European member nations of NATO) for each such Armed Force for that fiscal year, as determined by the Secretary of Defense.

(f) NONPERSONNEL COSTS DEFINED.—For purposes of this section, the term ''nonpersonnel costs'', with respect to United States military installations in European member nations of NATO, means costs for those installations other than costs paid from military personnel accounts.

SEC. 1229. SENSE OF CONGRESS CONCERNING UNILATERAL IMPLEMENTATION OF START II TREATY.

(a) FINDINGS.—Congress finds that—

(1) the START II Treaty has not entered into force; and

(2) the United States is nevertheless taking unilateral steps to implement the reductions in strategic forces called for by that treaty.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should not implement any reduction in strategic forces that is called for in the START II Treaty unless and until that treaty enters into force.

(c) DEFINITIONS.—For purposes of this section, the term ''START II Treaty'' means the Treaty between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms.

SEC. 1230. SENSE OF THE CONGRESS REGARDING THE CHEMICAL WEAPONS CONVENTION.

(a) FINDINGS.—The Congress finds that—

(1) events such as the March 1995 terrorist release of a chemical nerve agent in the Tokyo subway, the threatened use of chemical weapons during the 1991 Persian Gulf War, and the widespread use of chemical weapons during the Iran-Iraq War of the 1980's are all potent reminders of the menace posed by chemical weapons, of the fact that the threat of chemical weapons is unappreciated and not sufficiently addressed, and of the need to outlaw the development, production, and possession of chemical weapons;

(2) the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and on Their Destruction (hereafter in this section referred to as the ''Convention'') would establish a comprehensive ban on chemical weapons, and its negotiation has enjoyed strong bipartisan congressional support, as well as the support of the last 6 administrations, both Republican and Democratic;

(3) United States military authorities, including Chairman of the Joint Chiefs of Staff General John Shalikashvili, have stated that United States mili-

tary forces will deter and respond to chemical weapons threats with a robust chemical defense and an overwhelming superior conventional response, as demonstrated in the Persian Gulf War, and have testified in support of the Convention's ratification;

(4) the Congress in 1985 mandated the unilateral destruction of the bulk of the chemical weapons stockpile of the United States, and the Convention, which requires participating states to destroy their chemical arsenals and production facilities under international supervision, would accelerate progress toward the disarmament of chemical weapons in a majority of the states believed to harbor chemical weapons capabilities, as this majority is among the Convention's 159 signatories;

(5) the United States chemical industry was an important partner during the negotiation of the Convention, assisted in crafting a reasonable, effective verification protocol, participated in both United States and international trials to test provisions of the Convention during its negotiation, and testified in support of the Convention's ratification;

(6) the United States intelligence community has testified that the Convention will provide new and important sources of information, through regu-

lar data exchanges and routine and challenge inspections, to improve the ability of the United States to assess the chemical weapons status in countries of concern;

(7) the Convention will gradually isolate and automatically penalize states that refuse to join by preventing them from gaining access to dual-use chemicals and creating a basis for monitoring illegal diversions of those materials;

(8) the Convention has not entered into force for lack of the requisite number of ratifications;

(9) the United States played a leading role in drafting the Convention, and, as a global leader, must remain at the helm of this effort to deter further proliferation of chemical weapons and provide the legal framework that will minimize the threat posed by chemical weapons;

(10) Russia has signed the Convention, but has not yet ratified it;

(11) there have been reports by Russian sources of continued Russian production and testing of chemical weapons, including a statement by a spokesman of the Russian Ministry of Defense on December 5, 1994, that ''We cannot say that all

chemical weapons production and testing has stopped altogether.''; and

(12) the Convention will impose a legally binding obligation on Russia and other nations that possess chemical weapons to cease offensive chemical weapons activities and to destroy their chemical weapons stockpiles and production facilities.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should signify its commitment to reducing the threat posed by chemical weapons by promptly joining the 28 other nations that have ratified the Convention;

(2) both Houses of Congress should further demonstrate United States preparedness to adopt the Convention by acting expeditiously to pass the required implementing legislation as soon as the Senate gives its advice and consent to the ratification of the Convention;

(3) both Houses of Congress should continue to lend their full support for the indefinite future to programs that maintain, as the Convention allows and monitors, United States defensive preparedness against chemical weapons;

(4) the United States must be prepared to exercise fully its rights under the Convention, including the request of challenge inspections when warranted, and to exercise leadership in pursuing punitive measures against violators of the Convention, when warranted;

(5) the United States should strongly encourage full implementation at the earliest possible date of the terms and conditions of the United States - Russia bilateral chemical weapons destruction agreement signed in 1990;

(6) understanding that Western assistance would be helpful to a successful Russian chemical weapons destruction program, the United States should encourage Russia to ratify promptly the Convention and implement a plan that will ensure full compliance with the Convention, including the destruction of chemical weapons stockpiles in accordance with the Convention's time lines; and

(7) the United States should seek to encourage other nations to ratify promptly the Convention and to implement faithfully all its terms and conditions.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1996''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Fort Rucker	$5,900,000
	Redstone Arsenal	$5,000,000
Arizona	Fort Huachuca	$18,550,000
California	Fort Irwin	$25,500,000
	Presidio of San Francisco	$3,000,000
Colorado	Fort Carson	$30,850,000
District of Columbia	Fort McNair	$13,500,000
Georgia	Fort Benning	$37,900,000
	Fort Gordon	$5,750,000
	Fort Stewart	$8,400,000
Hawaii	Schofield Barracks	$15,000,000
Kentucky	Fort Knox	$5,600,000
Missouri	Fort Leonard Wood	$3,900,000
New Jersey	Picatinny Arsenal	$5,500,000

Army: Inside the United States—Continued

State	Installation or location	Amount
New Mexico	White Sands Missile Range	$2,050,000
New York	Fort Drum	$11,450,000
	United States Military Academy	$8,300,000
	Watervliet Arsenal	$680,000
North Carolina	Fort Bragg	$29,700,000
Oklahoma	Fort Sill	$14,300,000
South Carolina	Naval Weapons Station, Charleston	$25,700,000
	Fort Jackson	$32,000,000
Texas	Fort Hood	$32,500,000
	Fort Bliss	$56,900,000
	Fort Sam Houston	$7,000,000
Virginia	Fort Eustis	$16,400,000
	Fort Myer	$17,000,000
Washington	Fort Lewis	$32,100,000
CONUS Classified	Classified Location	$1,900,000
	Total:	$472,330,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2104(a)(2), the Secretary of the Army
4 may acquire real property and carry out military construc-
5 tion projects for the locations outside the United States,
6 and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Korea	Camp Casey	$4,150,000
	Camp Hovey	$13,500,000
	Camp Pelham	$5,600,000
	Camp Stanley	$6,800,000
	Yongsan	$1,450,000
Overseas Classified	Classified Location	$48,000,000
	Total:	$79,500,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Amount
Alabama	Redstone Arsenal	118 units	$12,000,000
Kentucky	Fort Knox	262 units	$19,000,000
New York	United States Military Academy, West Point	119 units	$16,500,000
Virginia	Fort Lee	135 units	$19,500,000
Washington	Fort Lewis	84 units	$10,800,000
		Total:	$77,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,000,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A),

the Secretary of the Army may improve existing military family housing in an amount not to exceed $46,600,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,167,190,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $472,330,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $79,500,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $9,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $70,778,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvements of military family housing and facilities, $126,400,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,333,596,000.

(6) For the Homeowners Assistance Program, as authorized by section 2832 of title 10, United States Code, $75,586,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$2,490,000
	Marine Corps Base, Camp Pendleton	$27,584,000
	Nav Com Control & Ocean Sur Cen RDT&E Div, San Diego	$3,170,000
	Naval Air Station, Lemoore	$7,600,000
	Naval Air Station, North Island	$99,150,000
	Naval Air Warfare Center Weapons Division, China Lake	$3,700,000
	Naval Air Warfare Center Weapons Division, Point Mugu	$1,300,000
	Naval Construction Batallion Center, Port Hueneme	$16,700,000
	Naval Station, San Diego	$19,960,000
Florida	Naval School Explosive Ordinance Disposal, Eglin Air Force Base	$16,150,000
	Naval Technical Training Center, Corry Station, Pensacola	$2,565,000
Georgia	Strategic Weapons Facility, Atlantic, Kings Bay	$2,450,000
	Marine Corps Logistics Base, Albany	$1,300,000
Hawaii	Intelligence Center Pacific, Pearl Harbor	$2,200,000
	Naval Com & Telecoms Area MASTSTA EASTPAC, Honolulu	$1,980,000
	Naval Submarine Base, Pearl Harbor	$22,500,000
Illinois	Naval Training Center, Great Lakes	$12,440,000
Indiana	Crane Naval Surface Warfare Center	$3,300,000
Maryland	Naval Academy, Annapolis	$3,600,000
	Various Maryland Locations	$1,200,000
New Jersey	Naval Air Warfare Center Aircraft Division, Lakehurst	$1,700,000
North Carolina	Marine Corps Air Station, Cherry Point	$11,430,000
	Marine Corps Air Station, New River	$14,650,000
	Marine Corps Base, Camp LeJeune	$59,300,000
Pennsylvania	Philadelphia Naval Shipyard	$6,000,000
South Carolina	Marine Corps Air Station, Beaufort	$15,000,000
Texas	Naval Air Station, Corpus Christi	$4,400,000
	Naval Air Station, Kingsville	$2,710,000
	Naval Station, Ingleside	$2,640,000
Virginia	Fleet and Industrial Supply Center, Williamsburg	$8,390,000
	Marine Corps Combat Development Command, Quantico	$3,500,000
	Naval Hospital, Portsmouth	$9,500,000
	Naval Station, Norfolk	$28,580,000
	Naval Weapons Station, Yorktown	$1,300,000
Washington	Naval Undersea Warfare Center Division, Keyport	$5,300,000
	Puget Sound Naval Shipyard, Bremerton	$19,870,000
	Total:	$445,609,000

(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 installations and 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
Guam	Naval Com & Telecoms Area MASTSTA WESTPAC	$2,250,000
	Navy Public Works Center, Guam	$16,180,000
Italy	Naval Air Station, Sigonella	$12,170,000
	Naval Support Activity, Naples	$24,950,000
Puerto Rico	Naval Security Group Activity, Sabana Seca	$2,200,000
	Naval Station, Roosevelt Roads	$11,500,000
	Total	$69,250,000

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) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
California	Marine Corps Base, Camp Pendleton	205 units	$30,080,000
	Marine Corps Base, Camp Pendleton	Community Center	$1,438,000
	Marine Corps Base, Camp Pendleton	Housing Office	$707,000

Navy: Family Housing—Continued

State	Installation	Purpose	Amount
	Naval Air Station, Lemoore	240 units	$34,900,000
	Pacific Missile Test Center, Point Mugu	Housing Office	$1,020,000
	Public Works Center, San Diego	346 units	$49,310,000
Hawaii	Naval Complex, Oahu	252 units	$48,400,000
Maryland	Naval Air Test Center, Patuxent River	Warehouse	$890,000
	US Naval Academy, Annapolis	Housing Office	$800,000
North Carolina	Marine Corps Air Station, Cherry Point	Community Center	$1,003,000
Pennsylvania	Navy Ships Parts Control Center, Mechanicsburg	Housing Office	$300,000
Puerto Rico	Naval Station, Roosevelt Roads	Housing Office	$710,000
Virginia	Naval Surface Warfare Center, Dahlgren	Housing Office	$520,000
	Public Works Center, Norfolk	320 units	$42,500,000
	Public Works Center, Norfolk	Housing Office	$1,390,000
		Total:	$230,752,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations 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 $24,390,000.

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 $292,931,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1994, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,164,861,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $445,609,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,250,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,200,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $66,184,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $531,289,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,045,329,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$3,700,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Alaska	Eielson Air Force Base	$3,850,000
	Elmendorf Air Force Base	$9,100,000
	Tin City Long Range RADAR Site	$2,500,000
Arizona	Davis-Monthan Air Force Base	$4,800,000
	Luke Air Force Base	$5,200,000
Arkansas	Little Rock Air Force Base	$2,500,000
California	Beale Air Force Base	$7,500,000
	Edwards Air Force Base	$33,800,000
	Travis Air Force Base	$26,700,000
	Vandenberg Air Force Base	$6,000,000
Colorado	Buckley Air National Guard Base	$5,500,000
	Peterson Air Force Base	$4,390,000
	US Air Force Academy	$12,874,000
Delaware	Dover Air Force Base	$5,500,000
District of Columbia	Bolling Air Force Base	$12,100,000
Florida	Cape Canaveral Air Force Station	$1,600,000
	Eglin Air Force Base	$13,500,000
	Tyndall Air Force Base	$1,200,000
Georgia	Moody Air Force Base	$19,190,000
	Robins Air Force Base	$6,900,000
Hawaii	Hickam Air Force Base	$10,700,000
Idaho	Mountain Home Air Force Base	$18,650,000
Illinois	Scott Air Force Base	$12,700,000
Kansas	McConnell Air Force Base	$15,950,000
Louisiana	Barksdale Air Force Base	$2,500,000
Maryland	Andrews Air Force Base	$12,886,000
Mississippi	Columbus Air Force Base	$1,150,000
	Keesler Air Force Base	$14,800,000
Missouri	Whiteman Air Force Base	$24,600,000
Nevada	Nellis Air Force Base	$10,500,000
New Jersey	McGuire Air Force Base	$21,500,000
New Mexico	Cannon Air Force Base	$13,420,000
	Kirtland Air Force Base	$9,156,000
North Carolina	Pope Air Force Base	$8,250,000
	Seymour Johnson Air Force Base	$7,530,000
North Dakota	Grand Forks Air Force Base	$14,800,000
	Minot Air Force Base	$1,550,000
Ohio	Wright Patterson Air Force Base	$4,100,000
Oklahoma	Altus Air Force Base	$5,200,000
	Tinker Air Force Base	$5,100,000
South Carolina	Charleston Air Force Base	$12,500,000
	Shaw Air Force Base	$1,300,000
Tennessee	Arnold Air Force Base	$5,000,000
Texas	Dyess Air Force Base	$5,400,000
	Goodfellow Air Force Base	$1,000,000
	Kelly Air Force Base	$3,244,000
	Laughlin Air Force Base	$1,400,000
	Randolph Air Force Base	$3,100,000
	Reese Air Force Base	$1,200,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
	Sheppard Air Force Base	$1,500,000
Virginia	Langley Air Force Base	$1,000,000
Washington	Fairchild Air Force Base	$15,700,000
	McChord Air Force Base	$9,900,000
Wyoming	F.E. Warren Air Force Base	$13,000,000
CONUS Classified	Classified Location	$700,000
	Total:	$479,390,000

(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 may carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	$8,380,000
	Vogelweh Annex	2,600,000
Greece	Araxos Radio Relay Site	1,950,000
Italy	Aviano Air Base	2,350,000
	Ghedi Radio Relay Site	1,450,000
Turkey	Ankara Air Station	7,000,000
	Incirlik Air Base	4,500,000
United Kingdom	Lakenheath Royal Air Force Base	1,820,000
	Mildenhall Royal Air Force Base	2,250,000
Overseas Classified	Classified Location	17,100,000
	Total:	$49,400,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of ap-

1 propriations in section 2304(a)(5)(A), the Secretary of the
2 Air Force may construct or acquire family housing units
3 (including land acquisition) at the installations, for the
4 purposes, and in the amounts set forth in the following
5 table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/ Maintenance Facility	$3,000,000
Arizona	Davis-Monthan Air Force Base	80 units	9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters	210,000
California	Beale Air Force Base	Family Housing Office	842,000
	Edwards Air Force Base	127 units	20,750,000
	Vandenberg Air Force Base	Family Housing Office	900,000
	Vandenberg Air Force Base	143 units	20,200,000
Colorado	Peterson Air Force Base	Family Housing Office	570,000
District of Columbia	Bolling Air Force Base	32 units	4,100,000
Florida	Eglin Air Force Base	Family Housing Office	500,000
	Eglin Auxiliary Field 9	Family Housing Office	880,000
	MacDill Air Force Base	Family Housing Office	646,000
	Patrick Air Force Base	70 units	7,947,000
	Tyndall Air Force Base	82 units	9,800,000
Georgia	Moody Air Force Base	1 Officer & 1 General Officer Quarter	513,000
Guam	Andersen Air Force Base	Housing Maintenance Facility	1,700,000
Idaho	Mountain Home Air Force Base	Housing Management Facility	844,000
Kansas	McConnell Air Force Base	39 units	5,193,000
Louisiana	Barksdale Air Force Base	62 units	10,299,000

Air Force: Family Housing—Continued

State/Country	Installation	Purpose	Amount
Massachusetts	Hanscom Air Force Base	32 units	4,900,000
Mississippi	Keesler Air Force Base	98 units	9,300,000
Missouri	Whiteman Air Force Base	72 units	9,948,000
Nevada	Nellis Air Force Base	143 Units	22,357,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters	225,000
	Kirtland Air Force Base	105 units	11,000,000
North Carolina	Pope Air Force Base	104 units	9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters	204,000
South Carolina	Shaw Air Force Base	Housing Maintenance Facility	715,000
Texas	Dyess Air Force Base	Housing Maintenance Facility	580,000
	Lackland Air Force Base	67 units	6,200,000
	Sheppard Air Force Base	Management Office	500,000
	Sheppard Air Force Base	Housing Maintenance Facility	600,000
Turkey	Incirlik Air Base	150 units	10,146,000
Washington	McChord Air Force Base	50 units	9,504,000
		Total:	$194,555,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(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 $8,989,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $90,959,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,727,557,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $479,390,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $49,400,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,030,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $49,021,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $294,503,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $846,213,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2305. RETENTION OF ACCRUED INTEREST ON FUNDS DEPOSITED FOR CONSTRUCTION OF FAMILY HOUSING, SCOTT AIR FORCE BASE, ILLINOIS.

(a) RETENTION OF INTEREST.—Section 2310 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1874) is amended—

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

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

''(b) RETENTION OF INTEREST.—Interest accrued on the funds transferred to the County pursuant to subsection (a) shall be retained in the same account as the transferred funds and shall be available to the County for the same purpose as the transferred funds.''.

(b) LIMITATION ON UNITS CONSTRUCTED.—Subsection (c) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following new sentence: ''The number of units constructed using the transferred funds (and interest accrued on these funds) may not exceed the number of units of military family housing authorized for Scott Air Force Base, Illinois, in section 2302(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2595).''.

(c) EFFECT OF COMPLETION OF CONSTRUCTION.—Such section is further amended by adding at the end the following new subsection:

''(d) COMPLETION OF CONSTRUCTION.—Upon the completion of the construction authorized by this section, all funds remaining from the funds transferred pursuant

to subsection (a) and the interest accrued on these funds shall be deposited in the general fund of the Treasury of the United States.''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), and, in the case of the project described in section 2405(b)(2), other amounts appropriated pursuant to authorizations enacted after this Act for that project, 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/State	Installation or location	Amount
Ballistic Missile Defense Organization		
Texas	Fort Bliss	$13,600,000
Defense Finance & Accounting Service		
Ohio	Columbus Center	$72,403,000
Defense Intelligence Agency		
District of Columbia	Bolling Air Force Base	$1,743,000
Defense Logistics Agency		
Alabama	Defense Distribution Anniston	$3,550,000
California	Defense Distribution Stockton	$15,000,000
	DFSC, Point Mugu	$750,000

Defense Agencies: Inside the United States—Continued

Agency/State	Installation or location	Amount
Delaware	DFSC, Dover Air Force Base	$15,554,000
Florida	DFSC, Eglin Air Force Base	$2,400,000
Louisiana	DFSC, Barksdale Air Force Base	$13,100,000
New Jersey	DFSC, McGuire Air Force Base	$12,000,000
Pennsylvania	Def Distribution New Cumberland—DDSP	$4,600,000
Virginia	Defense Distribution Depot—DDNV	$10,400,000
Defense Mapping Agency		
Missouri	Defense Mapping Agency Aerospace Center..	$40,300,000
Defense Medical Facility Office		
Arizona	Luke Air Force Base	$8,100,000
California	Fort Irwin	$6,900,000
	Marine Corps Base, Camp Pendleton	$1,700,000
	Vandenberg Air Force Base	$5,700,000
Delaware	Dover Air Force Base	$4,400,000
Georgia	Fort Benning	$5,600,000
Louisiana	Barksdale Air Force Base	$4,100,000
Maryland	Bethesda Naval Hospital	$1,300,000
	Walter Reed Army Institute of Research	$1,550,000
Texas	Fort Hood	$5,500,000
	Lackland Air Force Base	$6,100,000
	Reese Air Force Base	$1,000,000
Virginia	Northwest Naval Security Group Activity	$4,300,000
National Security Agency		
Maryland	Fort Meade	$18,733,000
Office of the Secretary of Defense		
Inside the United States	Classified location	$11,500,000
Department of Defense Dependents Schools		
Alabama	Maxwell Air Force Base	$5,479,000
Georgia	Fort Benning	$1,116,000
South Carolina	Fort Jackson	$576,000
Special Operations Command		
California	Naval Air Station, Miramar	$5,200,000
Florida	Duke Field	$2,400,000
	Eglin Auxiliary Field 9	$14,150,000
Louisiana	Naval Support Activity, New Orleans	$730,000

Defense Agencies: Inside the United States—Continued

Agency/State	Installation or location	Amount
North Carolina	Fort Bragg	$23,800,000
Pennsylvania	Olmstead Field, Harrisburg IAP	$1,643,000
Virginia	Dam Neck	$6,100,000
	Naval Amphibious Base, Little Creek	$4,500,000
	Total:	$357,577,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2405(a)(2), the Secretary of Defense may
4 acquire real property and carry out military construction
5 projects for the installations and locations outside the
6 United States, and in the amounts, set forth in the follow-
7 ing table:

Defense Agencies: Outside the United States

Agency/Country	Installation Name	Amount
Defense Logistics Agency		
Puerto Rico	Defense Fuel Support Point, Roosevelt Roads	$6,200,000
Spain	DFSC Rota	$7,400,000
Defense Medical Facility Office		
Italy	Naval Support Activity, Naples	$5,000,000
Department of Defense Dependents Schools		
Germany	Ramstein Air Force Base	$19,205,000
Italy	Naval Air Station, Sigonella	$7,595,000
National Security Agency		
United Kingdom	Menwith Hill Station	$677,000
Special Operations Command		
Guam	Naval Station, Guam	$8,800,000
	Total:	$54,877,000

SEC. 2402. FAMILY HOUSING PRIVATE INVESTMENT.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may enter into agreements to construct, acquire, and improve family housing units (including land acquisition) at or near military installations, for the purpose of encouraging private investments, in the amount of $22,000,000. Amounts appropriated pursuant to such section may be transferred from the Department of Defense Family Housing Improvement Fund established under section 2873 of title 10, United States Code, to the family housing accounts of the military departments for the purpose of encouraging private investments.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,772,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11), the Secretary of Defense may carry out energy conservation

projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, 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 $4,692,463,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $322,574,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $54,877,000.

(3) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $47,900,000.

(4) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military

Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $28,100,000.

(5) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $27,000,000.

(6) For military construction projects at Pine Bluff Arsenal, Arkansas, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), $40,000,000.

(7) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), $55,000,000.

(8) For unspecified minor construction projects under section 2805 of title 10, United States Code, $23,007,000.

(9) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $11,037,000.

(10) For architectural and engineering services and construction design under section 2807 of title 10, United State Code, $68,837,000.

(11) For energy conservation projects authorized by section 2404, $50,000,000.

(12) 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), $3,897,892,000.

(13) For military family housing functions:

(A) For construction and acquisition and improvement of military family housing and facilities, $25,772,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $40,467,000, of which not more than $24,874,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations 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) $35,003,000 (the balance of the amount authorized under section 2401(a) for the construction of a center of the Defense Finance and Accounting Service at Columbus, Ohio).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out ''$3,000,000'' in the amount column and inserting in lieu thereof ''$115,000,000''; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out ''$12,000,000'' in the amount column and inserting in lieu thereof ''$186,000,000''.

SEC. 2407. LIMITATION ON EXPENDITURES FOR CONSTRUCTION PROJECT AT UMATILLA ARMY DEPOT, OREGON.

None of the funds appropriated to the Department of Defense for fiscal year 1996 for the construction of a chemical munitions incinerator facility at Umatilla Army Depot may be obligated or expended before March 1, 1996.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, 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 Infrastructure program, as authorized by section 2501, in the amount of $161,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1995, 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 133 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, $72,537,000; and

(B) for the Army Reserve, $42,963,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $19,655,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $118,267,000; and

(B) for the Air Force Reserve, $31,502,000.

SEC. 2602. CORRECTION IN AUTHORIZED USES OF FUNDS FOR ARMY NATIONAL GUARD PROJECTS IN MISSISSIPPI.

Amounts appropriated pursuant to the authorization of appropriations in section 2601(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1878) for the addition or alteration of Army National Guard Armories at various locations in the State of Mississippi shall be available for the addition, alteration, or new construction of armory facilities and an operation and maintenance shop facility (including the acquisition of land for such facilities) at various locations in the State of Mississippi.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing

projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999.

(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 Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1999 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2201, 2301, or 2601 of that Act, shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility	$15,000,000
Hawaii	Schofield Barracks	Additions and Alterations Sewage Treatment Plant	$17,500,000
Virginia	Fort Pickett	Sewage Treatment Plant	$5,800,000
		Family Housing (26 Units)	$2,300,000

Navy: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Treatment Plant	$19,740,000
Maryland	Patuxent River Naval Warfare Center	Advanced Systems Integration Facility	$60,990,000

Navy: Extension of 1993 Project Authorizations—Continued

State	Installation or location	Project	Amount
Mississippi	Meridian Naval Air Station	Child Development Center	$1,100,000
Virginia	Dam Neck Fleet Combat Training Center	Land Acquisition	$4,500,000

Air Force: Extension of 1993 Project Authorization

State or country	Installation or location	Project	Amount
District of Columbia	Bolling Air Force Base	Base Engineer Complex	$1,300,000
North Carolina	Pope Air Force Base	Munitions Storage Complex	$4,300,000
Virginia	Langley Air Force Base	Civil Engineer Complex	$5,300,000
Guam	Andersen Air Force Base	Solid Waste Complex	$10,000,000
Portugal	Lajes Field	Water Wells	$865,000
		Fire Training Facility	$1,300,000

Army Reserve: Extension of 1993 Project Authorizations

State	Location	Project	Amount
West Virginia	Bluefield	Additions and Alterations Reserve Center	$1,921,000
	Clarksburg	Additions and Alterations AMSA	$1,156,000
	Grantville	Reserve Center/OMS	$2,785,000
	Jane Lew	Reserve Center	$1,566,000
	Lewisburg	Reserve Center/OMS	$1,631,000
	Weirton	Reserve Center/OMS	$3,481,000

Army National Guard: Extension of 1993 Project Authorizations

State	Location	Project	Amount
Alabama	Tuscaloosa	Additions and Alternations Armory	$800,000
	Union Springs	Additions and Alternations Armory	$300,000
New Jersey	Fort Dix	Additions and Alternations Armory	$4,750,000
Oregon	La Grande	OMS	$995,000
		Armory Addition	$3,049,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility	$3,600,000
		Ammunition Demilitarization Utilities	$7,500,000

Army Reserve: Extension of 1992 Project Authorization

State	Location	Project	Amount
Tennessee	Jackson	Joint Training Facility	$1,537,000

Army National Guard: Extension of 1992 Project Authorization

State	Location	Project	Amount
Ohio	Toledo	Armory	$3,183,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1995; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. ALTERNATIVE MEANS OF ACQUIRING AND IMPROVING MILITARY FAMILY HOUSING AND SUPPORTING FACILITIES FOR THE ARMED FORCES.

(a) FINDINGS AND PURPOSE.—(1) Congress finds the following:

(A) Adequate military family housing is essential to the retention of well-trained and professional members of the Armed Forces.

(B) Current military family housing is in many circumstances substandard, inadequately maintained, or obsolete. Of the more than 375,000 military families living on military installations, two-thirds of such families reside in unsuitable quarters.

(C) Traditional military construction techniques are frequently lengthy and more expensive than com-

mercial methods. At current appropriation levels, modernization of military family housing located on military installations could require more than 30 years to accomplish.

(D) A combination of private housing capital and commercial construction techniques could help to alleviate the shortage of suitable military family housing in a far more timely and cost effective manner.

(2) It is the purpose of this section to obtain new and improved military family housing and ancillary supporting facilities for the Armed Forces using private capital and expertise.

(b) ALTERNATIVE PROVISION OF HOUSING AND FACILITIES.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER IV—ALTERNATIVE PROVISION OF MILITARY FAMILY HOUSING

''Sec.
''2871. Definitions.
''2872. General limitations and authorities.
''2873. Department of Defense Family Housing Improvement Fund.
''2875. Housing finance and acquisition authorities.
''2876. Expiration of authority.

''§ 2871. Definitions

''In this subchapter:

''(1) The term 'construction' means the construction of additional units of military family housing and ancillary supporting facilities or the replacement or renovation of existing units or ancillary supporting facilities.

''(2) The term 'ancillary supporting facilities' means facilities related to military family housing, such as day care centers, community centers, housing offices, maintenance complexes, tot lots, and parks. Such term does not include commercial facilities that could not otherwise be constructed using funds appropriated to the Department of Defense.

''(3) The term 'contract' includes any contract, lease, or other agreement entered into under the authority of this subchapter.

''(4) The term 'Fund' means the Department of Defense Family Housing Improvement Fund established under section 2873(a) of this title.

"§ 2872. General limitations and authorities

''(a) USE OF AUTHORITIES.—The Secretary concerned may use the authorities provided by this subchapter, singly or in conjunction with other authorities provided under this chapter, to help meet the military family housing needs of members of the armed forces and the dependents of such members at military installations at

which there is a shortage of suitable housing for members and their dependents.

''(b) TERM.—Subject to section 2873(d)(2) of this title, a contract entered into under this subchapter may be for such term as the Secretary concerned considers to be in the best interests of the United States.

''(c) PHASED OCCUPANCY.—A contract under this subchapter may provide for phased occupancy of completed family housing units under one or more interim leases during the period of the construction or renovation of the housing units. In no case shall any such interim lease extend beyond the construction or renovation period.

''(d) UNIT SIZE AND TYPE.—Section 2826 of this title shall not apply to military family housing units acquired or constructed under this subchapter, except that room and floor area size of such housing units should generally be comparable to private sector housing available in the same locality. When acquiring existing family housing in lieu of construction under section 2824 of this title, the Secretary concerned may vary the number of types of units to be acquired as long as the total number of units is substantially the same as authorized by law.

''(e) LOCATION.—The Secretary concerned may use the authorities provided under this subchapter to acquire or construct military family housing units and ancillary

supporting facilities in the United States, the Commonwealth of Puerto Rico, and in any territory or possession of the United States.

''(f) NOTIFICATION REQUIRED FOR CONTRACTS.—The Secretary concerned may not enter into a contract under this subchapter until after the end of the 21-day period beginning on the date the Secretary concerned submits to the appropriate committees of Congress written notice of the nature and terms of the contract.

''(g) ASSIGNMENTS.—The Secretary concerned may assign members of the armed forces to any military family housing obtained using the authorities provided in this subchapter in accordance with section 403(b) of title 37.

''(h) ALLOTMENTS.—The Secretary concerned may require a member of the armed forces to pay rent by allotment as a condition of occupying military family housing obtained using the authorities provided in this subchapter.

''(i) SUPPORTING FACILITIES.—Any contract entered into under this subchapter may include provisions for the construction or acquisition of ancillary supporting facilities.

''(j) AUTHORITY TO LEASE OR SELL LAND, HOUSING, AND SUPPORTING FACILITIES.—(1) The Secretary concerned may lease or sell land, housing, and ancillary supporting facilities under the jurisdiction of the Secretary

for the purpose of providing additional military family housing or improving existing military family housing under this subchapter, except that the authority to lease or sell real property under this subchapter shall not extend to property located at a military installation approved for closure.

''(2) A sale or lease under this subsection may be made for such consideration and upon such terms and conditions as the Secretary concerned shall determine to be consistent with the purposes of this subchapter and the public interest. The acreage and legal description of any property leased or conveyed under this subsection shall be determined by a survey satisfactory to the Secretary concerned.

''(3) Section 2667 of this title, the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), and section 321 of the Act of June 30, 1932 (47 Stat. 412) shall not apply to leases and sales under this subsection.

''(4) As part or all of the consideration for the sale or lease of property under this subsection, the Secretary concerned shall require an ancillary agreement under which the person receiving the property agrees to give priority to military members and their dependents in the

leasing of existing or new housing units under the control or provided by the person. Such agreements may provide for the payment by the Secretary concerned of security or damage deposits.

"§ 2873. Department of Defense Family Housing Improvement Fund

''(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Family Housing Improvement Fund, which shall be administered by the Secretary of Defense as a single account. Amounts in the Fund shall be available without fiscal year limitation.

''(b) DEPOSITS.—There shall be deposited into the Fund the following:

''(1) Amounts authorized for and appropriated into the Fund.

''(2) Subject to subsection (c), any amounts that the Secretary of Defense may transfer to the Fund from amounts appropriated to the Department of Defense for construction of military family housing.

''(3) Proceeds received from the conveyance or lease of real property under section 2872(j) of this title, income from operations conducted under this subchapter, including refunds of deposits, and any

return of capital or return on investments entered into under this subchapter.

''(c) NOTIFICATION REQUIRED FOR TRANSFERS.—A transfer of appropriated amounts to the Fund under subsection (b)(2) may be made only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the transfer to the appropriate committees of Congress.

''(d) USE OF FUNDS.—(1) In such total amount as is provided in advance in appropriation Acts, the Secretary of Defense may use amounts in the Fund for alternative means of financing military family housing and ancillary supporting facilities as authorized in this subchapter.

''(2) The Secretary may not enter into a contract under this subchapter unless the Fund contains sufficient amounts, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.

''(3) The total value in budget authority of all contracts and investments undertaken using the authorities provided in the subchapter shall not exceed $1,000,000,000.

''(e) LOANS AND LOAN GUARANTEES.—Loans and loan guarantees may be entered into under this subchapter only to the extent that appropriations of budget authority

to cover their costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) are made in advance, or authority is otherwise provided in appropriations Acts.

''(f) ANNUAL REPORT.—The Secretary of Defense shall submit to the appropriate committees of Congress an annual report detailing the expenditures from and deposits into the Fund during the preceding year and the utilization and effectiveness of the authorities provided by this subchapter. The Secretary shall submit the report at the same time that the President submits the budget to Congress under section 1105 of title 31.

"§ 2875. Housing finance and acquisition authorities

''(a) GUARANTEES.—(1) The Secretary concerned may enter into contracts that provide for guarantees, insurance, or other contingent payments to owners, mortgagors, or assignees of housing units and ancillary supporting facilities that are made available for use by members of the armed forces.

''(2) Contingencies under which payments may be made under such a contract include the following:

''(A) A failure to pay interest or principal on mortgages, generally or as a result of a base closure or realignment, a reduction in force, an extended deployment of assigned forces, or similar contingencies.

''(B) A failure to achieve specified occupancy levels of, or rental income from, housing units covered by a contract.

''(3) Such contracts may be on such terms and conditions as the Secretary concerned considers necessary or desirable to induce the provision of housing and ancillary supporting facilities, whether by acquisition or construction, for use by members of the armed forces, and to protect the financial interests of the United States.

''(b) LEASES.—The Secretary concerned may enter into a contract for the lease of housing units to be acquired or constructed on or near a military installation. Such a contract may provide for the owner of the property to operate and maintain the facilities.

''(c) DIFFERENTIAL PAYMENTS.—In entering into contracts under this subchapter, the Secretary concerned may make a differential payment in addition to rental payments made by individual members.

''(d) INVESTMENTS.—(1) The Secretary concerned may make investments in nongovernmental entities involved in the acquisition or construction of housing and ancillary supporting facilities on or near a military installation for such consideration and upon such terms and conditions as the Secretary concerned determines to be

consistent with the purposes of this subchapter and the public interest.

''(2) Such investments may take the form of limited partnership interests, stock, debt instruments, or a combination thereof.

''(3) The investment made by the Secretary concerned in an acquisition or construction project under this subsection, whether the investment is in the form of cash, land or buildings under section 2872(j) of this title, or other form, may not exceed 35 percent of the capital costs of the acquisition or construction project.

''(e) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned may also enter into collateral incentive agreements in connection with investments made under subsection (d) to ensure that a suitable preference will be afforded members of the armed forces to lease or purchase, at affordable rates, a reasonable number of the housing units covered by the investment contract.

"§ 2876. Expiration of authority

''The authority of the Secretaries concerned to enter into contracts and partnerships and to make investments under this subchapter shall expire on September 30, 2000.''.

(2) The table of subchapters at the beginning of chapter 169 of title 10, United States Code, is amended

by inserting after the item relating to subchapter III the following new item:

''IV. Alternative Provision of Military Family Housing ..... 2871''.

SEC. 2802. INCLUSION OF OTHER ARMED FORCES IN NAVY PROGRAM OF LIMITED PARTNERSHIPS WITH PRIVATE DEVELOPERS FOR MILITARY HOUSING.

(a) EXPANDED AUTHORITY FOR HOUSING PARTNERSHIPS.—(1) Subchapter IV of chapter 169 of title 10, United States Code, as added by section 2801, is amended by inserting after section 2873 the following new section:

§''2874. Limited partnerships with private developers of housing

''(a) LIMITED PARTNERSHIPS.—In order to meet the housing requirements of members of the armed forces, and the dependents of such members, at a military installation described in section 2872(a) of this title, the Secretary concerned may enter into a limited partnership with one or more private developers to encourage the construction of housing and ancillary supporting facilities within commuting distance of the installation. Section 2875(d) of this title shall apply with respect to the investments the Secretary concerned may make toward development costs under a limited partnership.

''(b) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned may also enter into collateral incen-

tive agreements with private developers who enter into a limited partnership under subsection (a) to ensure that, where appropriate—

''(1) a suitable preference will be afforded members of the armed forces in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the limited partnership; or

''(2) the rental rates or sale prices, as the case may be, for some or all of such units will be affordable for such members.

''(c) SELECTION OF INVESTMENT OPPORTUNITIES.—(1) The Secretary concerned shall use publicly advertised, competitively bid or competitively negotiated, contracting procedures, as provided in chapter 137 of this title, to enter into limited partnerships under subsection (a).

''(2) When a decision is made by the Secretary concerned to enter into a limited partnership under subsection (a), the Secretary shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include the justification for the limited partnership, the terms and conditions of the limited partnership, a description of the development costs for projects under the limited partnership, and a description of the share of such costs to be incurred by the Secretary concerned. The Secretary concerned may then enter into

the limited partnership only after the end of the 21-day period beginning on the date the report is received by such committees.

''(d) HOUSING INVESTMENT BOARDS.—(1) Each Secretary concerned shall establish a housing investment board, which shall have the duties—

''(A) of advising the Secretary concerned regarding those proposed limited partnerships under subsection (a), if any, that are financially and otherwise sound investments for meeting the objectives of this section;

''(B) of administering amounts in the Account established under section 2873 of this title that are made available to the Secretary concerned to carry out this section; and

''(C) of performing such other tasks as the Secretary concerned determines to be necessary and appropriate to assist the Secretary to carry out the duties of the Secretary under this section.

''(2) A housing investment board shall be composed of seven members appointed for a two-year term by the Secretary concerned. Among such members, the Secretary concerned may appoint two persons from the private sector who have knowledge and experience in the financing

and the construction of housing. The Secretary concerned shall designate one of the members as chairperson.

''(3) Members of a housing investment board, other than those members regularly employed by the Federal Government, may be paid while attending meetings of the board or otherwise serving at the request of the Secretary concerned, compensation at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5 for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the board. Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5.

''(4) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the housing investment boards.

''(5) The housing investment boards shall terminate on September 30, 2000.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2873 the following new item:

''2874. Limited partnerships with private developers of housing.''.

(b) PROCEEDS FROM PARTICIPATION IN PARTNERSHIPS.—Section 2873(b) of title 10, United States Code, as added by section 2801, is amended by adding at the end the following new paragraph:

''(4) Proceeds received by the Secretary concerned from the repayment of investments or profits on investments of the Secretary under section 2874(a) of this title.''.

(c) CONFORMING REPEAL.—(1) Section 2837 of title 10, United States Code, is repealed. The repeal of such section shall not be construed to affect the validity or terms of any limited partnership or collateral incentive agreement entered into by the Secretary of the Navy under such section before the date of the enactment of this Act. Amounts in the Navy Housing Investment Account shall be transferred to the Department of Defense Family Housing Improvement Fund established under section 2873 of such title, as added by section 2801.

(2) The table of sections at the beginning of subchapter II of chapter 169 of title 10, United States Code, is amended by striking out the item relating to section 2837.

SEC. 2803. SPECIAL UNSPECIFIED MINOR CONSTRUCTION THRESHOLDS FOR PROJECTS TO CORRECT LIFE, HEALTH, AND SAFETY DEFICIENCIES AND CLARIFICATION OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

(a) SPECIAL THRESHOLDS.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''However, if the military construction project is intended solely to correct a life, health, or safety deficiency, a minor military construction project may have an approved cost equal to or less than $3,000,000.''; and

(2) in subsection (c)(1), by striking out ''not more than $300,000.'' and inserting in lieu thereof the following: ''not more than—

''(A) $1,000,000, in the case of an unspecified military construction project intended solely to correct a life, health, or safety deficiency; or

''(B) $300,000, in the case of other unspecified military construction projects.''.

(b) DESCRIPTION OF MINOR CONSTRUCTION.—Subsection (a)(1) of such section is further amended by striking out ''(1) that is for a single undertaking at a military installation, and (2)''.

SEC. 2804. DISPOSITION OF AMOUNTS RECOVERED AS A RESULT OF DAMAGE TO REAL PROPERTY.

(a) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2781 the following new section:

"§ 2782. Damage to real property: disposition of amounts recovered

''Except as provided in section 2775 of this title, amounts recovered for damage caused to real property under the jurisdiction of the Secretary of a military department or, with respect to the Defense Agencies, under the jurisdiction of the Secretary of Defense shall be credited to the account available for the repair or replacement of the real property at the time of recovery. In such amounts as are provided in advance in appropriation Acts, amounts so credited shall be available for use for the same purposes and under the same circumstances as other funds in the account.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2781 the following new item:

''2782. Damage to real property: disposition of amounts recovered.''.

SEC. 2805. RENTAL OF FAMILY HOUSING IN FOREIGN COUNTRIES.

Section 2828(e) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out ''300 units'' in the first sentence and inserting in lieu thereof ''450 units''; and

(B) by striking out ''220 such units'' in the second sentence and inserting in lieu thereof ''350 such units''; and

(2) in paragraph (2), by striking out ''300 units'' and inserting in lieu thereof ''450 units''.

SEC. 2806. PILOT PROGRAM TO PROVIDE INTEREST RATE BUY DOWN AUTHORITY ON LOANS FOR HOUSING WITHIN HOUSING SHORTAGE AREAS AT MILITARY INSTALLATIONS.

(a) SHORT TITLE.—This section may be cited as the ''Military Housing Assistance Act of 1995''.

(b) MORTGAGE ASSISTANCE PAYMENT AUTHORITY OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Chapter 37 of title 38, United States Code, is amended by inserting after section 3707 the following:

''§ 3708. Authority to buy down interest rates: pilot program

''(a) In order to enable the purchase of housing in areas where the supply of suitable military housing is inadequate, the Secretary may conduct a pilot program under which the Secretary may make periodic or lump sum assistance payments on behalf of an eligible veteran for the purpose of buying down the interest rate on a loan to that veteran that is guaranteed under this chapter for

a purpose described in paragraph (1), (2), (3), (6), or (10) of section 3710(a).

''(b) An individual is an eligible veteran for the purposes of this section if—

''(1) the individual is a veteran, as defined in section 3701(b)(4) of this title, or is on active Guard and Reserve duty, as defined by section 101(d) of title 10;

''(2) the individual submits an application for a loan guaranteed under this chapter within one year of an assignment of the individual to duty at a military installation in the United States designated by the Secretary of Defense as a housing shortage area;

''(3) at the time the loan referred to in subsection (a) is made, the individual is an enlisted member, warrant officer, or an officer (other than a warrant officer) at a pay grade of O–3 or below;

''(4) the individual has not previously used any of the individual's entitlement to housing loan benefits under this chapter; and

''(5) the individual receives comprehensive prepurchase counseling from the Secretary (or the designee of the Secretary) before making application for a loan guaranteed under this chapter.

''(c) Loans with respect to which the Secretary may exercise the buy down authority under subsection (a) shall—

''(1) provide for a buy down period of not more than three years in duration;

''(2) specify the maximum and likely amounts of increases in mortgage payments that the loans would require; and

''(3) be subject to such other terms and conditions as the Secretary may prescribe by regulation.

''(d) The Secretary shall promulgate underwriting standards for loans for which the interest rate assistance payments may be made under subsection (a). Such standards shall be based on the interest rate for the second year of the loan.

''(e) The Secretary or lender shall provide comprehensive prepurchase counseling to eligible veterans explaining the features of interest rate buy downs under subsection (a), including a hypothetical payment schedule that displays the increases in monthly payments to the mortgagor over the first five years of the mortgage term. For the purposes of this subsection, the Secretary may assign personnel to military installations referred to in subsection (b)(2).

"(f) There is authorized to be appropriated $3,000,000 annually to carry out this section.

"(g) The Secretary may not guarantee a loan under this chapter after September 30, 1998, on which the Secretary is obligated to make payments under this section.".

(2) The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by inserting after the item relating to section 3707 to following new item:

"3708. Authority to buy down interest rates: pilot program.".

(c) AUTHORITY OF SECRETARY OF DEFENSE.—

(1) REIMBURSEMENT FOR BUY DOWN COSTS.—The Secretary of Defense shall reimburse the Secretary of Veterans Affairs for amounts paid by the Secretary of Veterans Affairs to mortgagees under section 3708 of title 38, United States Code.

(2) DESIGNATION OF HOUSING SHORTAGE AREAS.—For purposes of section 3708 of title 38, United States Code, the Secretary of Defense may designate as a housing shortage area a military installation in the United States at which the Secretary determines there is a shortage of suitable housing to meet the military family needs of members of the Armed Forces and the dependents of such members.

(3) REPORT.—Not later than six months after September 30, 1998, the Secretary shall submit a report to Congress regarding the effectiveness in providing housing to members of the Armed Forces and their dependents through the provisions of this subsection and section 3708 of title 38, United States Code.

(4) EARMARK.—Of the amount provided in section 2405(a)(13)(B), $10,000,000 for fiscal year 1996 shall be available to carry out this subsection.

(5) SUNSET.—This subsection shall not apply with respect to housing loans guaranteed after September 30, 1998, for which assistance payments are paid under section 3708 of title 38, United States Code.

Subtitle B—Base Closure and Realignment

SEC. 2811. AUTHORITY TO TRANSFER PROPERTY AT MILITARY INSTALLATIONS TO BE CLOSED TO PERSONS WHO CONSTRUCT OR PROVIDE MILITARY FAMILY HOUSING.

(a) BASE CLOSURES UNDER 1988 ACT.—Section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–

526; 10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

''(e) TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at an installation closed or to be closed under this title with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as items essential to the reuse or redevelopment of the installation.

''(2) A transfer of real property or facilities may be made under paragraph (1) only if—

''(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

''(B) the recipient of the property or facilities agrees to pay to the Secretary the difference between the fair market values if the fair market value of the housing units is lower than the fair market value of the property or facilities to be transferred.

''(3) Notwithstanding section 207(a)(7), the Secretary shall deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

''(4) The Secretary shall submit to the appropriate committees of Congress a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 21-day period beginning on the date the appropriate committees of Congress receive the report regarding the agreement.

''(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.''.

(b) BASE CLOSURES UNDER 1990 ACT.—Section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510;

10 U.S.C. 2687 note) is amended by adding at the end the following new subsection:

''(f) TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at an installation closed or to be closed under this part with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as items essential to the reuse or redevelopment of the installation.

''(2) A transfer of real property or facilities may be made under paragraph (1) only if—

''(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

''(B) the recipient of the property or facilities agrees to pay to the Secretary the difference between the fair market values if the fair market value of the housing units is lower than the fair market value of the property or facilities to be transferred.

''(3) Notwithstanding section 2906(a)(2), the Secretary shall deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

''(4) The Secretary shall submit to the appropriate committees of Congress a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 30-day period beginning on the date the appropriate committees of Congress receive the report regarding the agreement.

''(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.''.

(c) REGULATIONS.—Not later than nine months after the date of the enactment of this Act, the Secretary of Defense shall prescribe any regulations necessary to carry

out subsection (e) of section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–526; 10 U.S.C. 2687 note), as added by subsection (a), and subsection (f) of section 2905 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 subsection (b).

SEC. 2812. DEPOSIT OF PROCEEDS FROM LEASES OF PROPERTY LOCATED AT INSTALLATIONS BEING CLOSED OR REALIGNED.

(a) EXCEPTION TO EXISTING REQUIREMENTS.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)(ii), by inserting ''or (5)'' after ''paragraph (4)''; and

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

''(5) Money rentals received by the United States from a lease under subsection (f) shall be deposited into the relevant account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) or section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

(b) CORRESPONDING AMENDMENTS TO BASE CLOSURE LAWS.—(1) Section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(A) in paragraph (2)—

(i) by striking out ''and'' at the end of subparagraph (B);

(ii) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ''; and''; and

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

''(D) proceeds from leases of property under section 2667(f) of title 10, United States Code, at a military installation to be closed or realigned under this title.''; and

(B) in paragraph (7), by striking out ''transfer or disposal'' and inserting in lieu thereof ''lease, transfer, or disposal''.

(2) Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended—

(A) in subparagraph (C), by striking out ''transfer or disposal'' and inserting in lieu thereof ''lease, transfer, or disposal''; and

(B) in subparagraph (D), by striking out ''transfer or disposal'' and inserting in lieu thereof ''lease, transfer, or disposal''.

SEC. 2813. AGREEMENTS FOR CERTAIN SERVICES AT INSTALLATIONS BEING CLOSED.

(a) CLOSURES UNDER 1988 ACT.—Section 204(b)(8) 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 out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

''(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this title if the Secretary determines that the provision of such services under such an agreement is in the best interests of the Department of Defense.''.

(b) CLOSURES UNDER 1990 ACT.—Section 2905(b)(8) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2867 note) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

''(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this part if the Secretary determines that the provision of such services under such an agreement is in the best interests of the Department of Defense.''.

SEC. 2814. REMOVAL OF BASE CLOSURE PROPERTIES FROM APPLICATION OF SECTION 501 OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.

(a) CLOSURES UNDER 1988 ACT.—(1) Section 204(b) 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 out para-

graph (6) and inserting in lieu thereof the following new paragraph:

''(6) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411) shall not apply with respect to the transfer or disposal of real property located at military installations closed or realigned under this title.''.

(b) CLOSURES UNDER 1990 ACT.—(1) Section 2905(b) 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 out paragraphs (6) and (7) and inserting in lieu thereof the following new paragraph:

''(7) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411) shall not apply with respect to the transfer or disposal of real property located at military installations closed or realigned under this part.''.

Subtitle C—Land Conveyances Generally

SEC. 2821. TRANSFER OF JURISDICTION, FORT SAM HOUSTON, TEXAS.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the

Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 53 acres and comprising a portion of Fort Sam Houston, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as a national cemetery under chapter 24 of title 38, United States Code.

(c) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real property transferred under subsection (a) is not needed for use as a national cemetery, the Secretary of Veterans Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(d) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the Secretary of Veterans Affairs.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2822. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SUMTER, SOUTH CAROLINA.

(a) LAND ACQUISITION.—By means of an exchange of property, acceptance as a gift, or other means that does not require the use of appropriated funds, the Secretary of the Air Force may acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres and located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extending to Stamey Livestock Road in Sumter County, South Carolina.

(b) LAND EXCHANGE AUTHORIZED.—For purposes of acquiring the real property described in subsection (a), the Secretary may participate in a land exchange and convey all right, title, and interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the Air Force parcel to be conveyed does not exceed the fair market value of the parcel to be acquired.

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the parcels of real property to be conveyed pursuant to subsections (a) and (b). Such determinations shall be final.

(d) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(f) REVERSION OF GIFT CONVEYANCE.—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions that require that the land be reconveyed to the donor, or the heirs of the donor, if Shaw Air Force Base ceases operations and is closed.

SEC. 2823. TRANSFER OF CERTAIN REAL PROPERTY AT NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK, FOR USE AS NATIONAL CEMETERY.

(a) TRANSFER AUTHORIZED.—Notwithstanding section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2626), the Secretary of the Navy may transfer,

without reimbursement, to the Secretary of Veterans Affairs a parcel of real property consisting of approximately 150 acres located adjacent to the Calverton National Cemetery, Calverton, New York, and comprising a portion of the buffer zone of the Naval Weapons Industrial Reserve Plant, Calverton.

(b) USE OF PROPERTY.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Calverton National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) SURVEYS.—The cost of any surveys necessary for the transfer of jurisdiction of the real property described in subsection (a) from the Secretary of the Navy to the Secretary of Veterans Affairs shall be borne by the Secretary of Veterans Affairs.

SEC. 2824. LAND CONVEYANCE, FORT ORD, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Seaside, California (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 improvements thereon) consisting of approximately 477 acres located in Monterey County, California, and comprising a portion of the former Fort Ord Military Complex. The real property to be conveyed

to the City includes the two Fort Ord Golf Courses, Black Horse and Bayonet, and the Hayes Housing Facilities.

(b) CONSIDERATION.—As consideration for the conveyance of the real property and improvements under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary under such terms and conditions as are determined to be fair and equitable to both parties.

(c) USE AND DEPOSIT OF PROCEEDS.—(1) From the funds paid by the City under subsection (b), the Secretary shall deposit in the Morale, Welfare, and Recreation Fund Account of the Department of the Army an amount equal to the portion of such funds corresponding to the fair market value of the two Fort Ord Golf Courses conveyed under subsection (a), as established under subsection (b).

(2) The Secretary shall deposit the balance of the funds paid by the City under subsection (b), after deducting the amount deposited under paragraph (1), in the Department of Defense Base Closure Account 1990.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property (including improvements thereon) to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Sec-

retary and the City. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the State of Indiana (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 any improvements thereon, that consists of approximately 1125 acres at the inactivated Indiana Army Ammunition Plant in Charlestown, Indiana, and is the subject of a 25-year lease between the Secretary and the State.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the State use the conveyed property for recreational purposes.

(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 satis-

factory to the Secretary. The cost of such survey shall be borne by the State.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL AIR STATION, PENSACOLA, FLORIDA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to West Florida Developers, Inc. (in this section referred to as ''WFD''), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 135 acres at Naval Air Station, Pensacola, Florida.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), WFD shall agree to restrict the use of all lands located within the Air Installation Compatible Use Zones of Naval Air Station Pensacola and owned by WFD at the time of the conveyance under subsection (a) in such manner as specified by the Secretary. The lands subject to such restriction shall total at least 300 acres.

(2) If the fair market value of the property conveyed under subsection (a) is more than the fair market value

of the restriction on usage under paragraph (1), WFD shall pay to the United States an amount equal to the difference between the fair market values.

(c) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the property to be conveyed under subsection (a) and the fair market value of the restriction on usage under subsection (b)(1). Such determination shall be final.

(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 such survey shall be borne by WFD.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. LAND CONVEYANCE, AVON PARK AIR FORCE RANGE, SEBRING, FLORIDA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to Highlands County, Florida (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 any

improvements thereon) located within the boundaries of the Avon Park Air Force Range near Sebring, Florida, which has previously served as the location of a support complex and recreational facilities for the Avon Park Air Force Range.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the conditions that the County—

(1) directly or through an agreement with an appropriate public or private entity, use the conveyed property, including the support complex and recreational facilities, for operation of a juvenile or other correctional facility; and

(2) enter into an agreement with the Secretary to reconvey the property to the United States if the Secretary determines that the conveyed property is necessary to accomplish the military mission of the Avon Park Air Force Range.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being used in accordance with subsection (b), all right, title, and interest in the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(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 such 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 this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2828. LAND CONVEYANCE, PARKS RESERVE FORCES TRAINING AREA, DUBLIN, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) Except as provided in paragraph (2), the Secretary of the Army may convey to the County of Alameda, California (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 consisting of approximately 31 acres, together with improvements thereon, located at Parks Reserve Forces Training Area, Dublin, California.

(2) The conveyance authorized by this section shall not include any oil, gas, or mineral interest of the United States in the real property to be conveyed.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a)(1), the County shall pro-

vide the Army with services at the portion of Parks Reserve Forces Training Area retained by the Army—

(A) to relocate the main gate of the retained Army Training Area from Dougherty Road to Dublin Boulevard across from the Bay Area Rapid Transit District East Dublin station, including the closure of the existing main gate on Dougherty Road, construction of a security facility, and construction of a roadway from the new entrance to Fifth Street;

(B) to fence and landscape the southern boundary of the retained Army Training Area installation located northerly of Dublin Boulevard;

(C) to fence and landscape the eastern boundary of the retained Army Training Area from Dublin Boulevard to Gleason Drive;

(D) to resurface roadways within the retained Army Training Area;

(E) to provide such other services in connection with the retained Army Training Area, including relocation or reconstruction of water lines, relocation or reconstruction of sewer lines, construction of drainage improvements, and construction of buildings, as the Secretary and the County may determine to be appropriate; and

(F) to provide for and fund any environmental mitigation that is necessary as a result of a change in use of the conveyed property by the County.

(2) The detailed specifications for the services to be provided under paragraph (1) may be determined and approved on behalf of the Secretary by the Commander of Parks Reserve Forces Training Area. The preparation costs of such specifications shall be borne by the County.

(3) The value of improvements and services received by the United States from the County under paragraph (1) must be equal to or exceed the appraised value of the real property to be conveyed under subsection (a)(1). The appraisal of the value of the property shall be subject to Government review and approval.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a)(1) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(d) TIME FOR TRANSFER OF TITLE.—The transfer of title to the County under subsection (a)(1) may be executed by the Secretary only upon the satisfactory guarantee by the County of completion of the services to be provided under subsection (b).

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, HOLSTON ARMY AMMUNITION PLANT, MOUNT CARMEL, TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without reimbursement, to the City of Mount Carmel, Tennessee (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 consisting of approximately 6.5 acres, together with any improvements thereon, located at Holston Army Ammunition Plant, Tennessee. The property is located adjacent to the Mount Carmel Cemetery and is intended for expansion of the cemetery.

(b) 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 such survey shall be borne by the City.

(c) 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 CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, MCGREGOR, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of McGregor, Texas (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, containing the Naval Weapons Industrial Reserve Plant in McGregor, Texas. After screening the facilities, equipment, and fixtures (including special tooling and special test equipment) located on the parcel for other uses within the Department of the Navy, the Secretary may include in the conveyance remaining facilities, equipment, and fixtures if the Secretary determines that manufacturing activities requiring the use of such facilities, equipment, and fixtures are likely to continue or be reinstated on the parcel after conveyance.

(b) LEASE AUTHORITY.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the City in exchange for security services, fire protection, and maintenance provided by the City for the property.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City, directly or through an agreement with a public or private entity, use the conveyed property (or offer the conveyed property for use) for economic redevelopment to replace all or a part of the economic activity being lost at the parcel.

(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 such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or a lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2831. TRANSFER OF JURISDICTION AND LAND CONVEYANCE, FORT DEVENS MILITARY RESERVATION, MASSACHUSETTS.

(a) TRANSFER OF LAND FOR WILDLIFE REFUGE.—Subject to subsection (b), the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior that portion of

Fort Devens Military Reservation in the State of Massachusetts that is situated south of Massachusetts State Route 2, for inclusion in the Oxbow National Wildlife Refuge. The transfer shall be made as soon as possible after the date on which the property is determined to be excess to the needs of the Department of Defense.

(b) LAND CONVEYANCE AUTHORIZED.—The Secretary of the Army shall convey to the Town of Lancaster, Massachusetts (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 100 acres of the parcel available for transfer under subsection (a) and located adjacent to Massachusetts State Highway 70.

(c) LEGAL DESCRIPTION.—(1) The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by surveys that are mutually satisfactory to the Secretary of the Army and the Secretary of the Interior. The cost of such surveys shall be borne by the Secretary of the Interior.

(2) The exact acreage and legal description of the real property to be conveyed under subsection (b) shall be determined by surveys that are mutually satisfactory to the Secretary of the Army, the Secretary of the Interior, and

the Board of Selectman of the Town. The cost of such surveys shall be borne by the Town.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer and conveyance under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, ELMENDORF AIR FORCE BASE, ALASKA.

(a) SALE TO PRIVATE PERSON AUTHORIZED.—(1) The Secretary of the Air Force may sell to a private person all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 31.69 acres that is located at Elmendorf Air Force Base, Anchorage, Alaska, and identified in land lease W–95–507–ENG–58.

(2) The Secretary may select as purchaser of the real property such private person as the Secretary, in the sole exercise of the Secretary's discretion, considers appropriate. The conveyance shall be subject to the condition that the purchaser agree to provide appropriate maintenance for the apartment complex located on the property to be conveyed and used by members of the Armed Forces

stationed at Elmendorf Air Force Base and their dependents.

(b) CONSIDERATION.—In consideration for the conveyance under subsection (a), the purchaser shall pay to the United States an amount equal to the fair market value of the real property to be conveyed, as determined by an appraisal satisfactory to the Secretary. In determining the fair market value of the real property, the Secretary shall consider the property as encumbered by land lease W–95–507–ENG–58, with an expiration date of June 13, 2024.

(c) DEPOSIT OF PROCEEDS.—The Secretary shall deposit the amount received from the purchaser under subsection (b) in the special account established under section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 585(h)(2)).

(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 such survey shall be borne by the purchaser.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section

as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE ALTERNATIVE TO EXISTING LEASE AUTHORITY, NAVAL SUPPLY CENTER, OAKLAND, CALIFORNIA.

Section 2834(b) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2614), as amended by section 2833 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160) and section 2821 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337), is further amended by adding at the end the following new paragraphs:

''(4) In lieu of entering into a lease under paragraph (1), or in place of an existing lease under such paragraph, the Secretary may convey, without consideration, the property described in such paragraph to the City of Oakland, California, the Port of Oakland, California, or the City of Alameda, California, under such terms and conditions as the Secretary considers appropriate.

''(5) The exact acreage and legal description of any property conveyed under paragraph (4) shall be determined by a survey satisfactory to the Secretary. The cost

of each survey shall be borne by the recipient of the property.''.

SEC. 2834. LAND CONVEYANCE, ARMY RESERVE CENTER, YOUNGSTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Youngstown, Ohio, all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located at 399 Miller Street in Youngstown, Ohio, and contains the Kefurt Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City of Youngstown retain the conveyed property for the use and benefit of the Youngstown Fire Department.

(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 such survey shall be borne by the City of Youngstown.

(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. 2835. MODIFICATION OF LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK.

(a) CONDITION ON CONVEYANCE.—Subsection (b) of section 2833 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3061) is amended by striking out ''to replace all or a part of the economic activity lost at the Naval Weapons Industrial Reserve Plant''.

(b) REMOVAL OF REVERSIONARY INTEREST; ADDITION OF LEASE AUTHORITY.—Subsection (c) of such section is amended to read as follows:

''(c) LEASE AUTHORITY.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Community Development Agency in exchange for security services, fire protection, and maintenance provided by the Community Development Agency for the property.''.

(c) CONFORMING AMENDMENTS.—Subsection (e) of such section is amended by striking out ''subsection (a)'' and inserting in lieu thereof ''subsection (a) or a lease under subsection (c)''.

SEC. 2836. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Weyerhaeuser Real Estate Company, Tacoma, Washington (in this section referred to as ''WRECO''), all right, title, and interest of the United States in and to a parcel of real property at Fort Lewis, Washington, known as an unimproved portion of Tract 1000 (formerly being in the DuPont Steilacoom Road, consisting of approximately 1.23 acres), and Tract 26E, 0.03 acre.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), WRECO shall convey or cause to be conveyed to the United States by warranty deed all right, title, and interest in and to a 0.39 acre parcel of real property located within the boundaries of Fort Lewis, Washington, together with other consideration acceptable to the Secretary. The total consideration conveyed to the United States shall not be less than the fair market value of the land conveyed under subsection (a).

(c) DETERMINATION OF FAIR MARKET VALUE.—The determinations of the Secretary of the Army regarding the fair market values of the parcels of real property and improvements to be conveyed pursuant to subsections (a) and (b) shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed pursuant to subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by WRECO.

(e) EFFECT ON EXISTING REVERSIONARY INTEREST.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, under which—

(1) the existing reversionary interest of Pierce County in the lands to be conveyed by the United States under subsection (a) is extinguished; and

(2) the conveyance to the United States under subsection (b) is made subject to a similar reversionary interest in favor of Pierce County in the lands conveyed under such subsection.

(f) 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. 2837. MODIFICATION OF EXISTING LAND CONVEYANCE, HAMILTON AIR FORCE BASE.

(a) AUTHORITIES IN EVENT OF PARTIAL SALE.—In the event that the purchaser purchases only a portion of the Sale Parcel and exercises its option to withdraw from the sale as to the rest of the Sale Parcel, the portion of the Sale Parcel that is not purchased (other than Landfill 26 and an appropriate buffer area around it and the groundwater treatment facility site), together with any of the land referred to in section 9099(e) of Public Law 102–396 that is not purchased by the purchaser, may be sold to the City of Novato, in the State of California, for the sum of One Dollar as a public benefit transfer for school, classroom or other educational use, for use as a public park or recreation area or for further conveyance as provided herein, subject to the following restrictions: (1) if the City sells any portion of such land to any third party within 10 years after the transfer to the City, which sale may be made without the foregoing use restrictions, any proceeds received by the City in connection with such sale, minus the demonstrated reasonable costs of conducting the sale and of any improvements made by the City to the land following its acquisition of the land (but only to the extent such improvements increase the value of the portion sold), shall be immediately turned over to the Army in reimbursement of the withdrawal payment made

by the Army to the contract purchaser and the costs of cleaning up the Landfill and (2) until one year following completion of the cleanup of contaminated soil in the Landfill and completion of the groundwater treatment facilities, the sale must be at a per-acre price for the portion sold that is at least equal to the per-acre contract price paid by the purchaser for the portion of the Sale Parcel purchased under the Agreement and Modification, as amended, and thereafter must be at a price at least equal to the fair market value of the portion sold. The foregoing restrictions shall not apply to a transfer to another public or quasi-public agency for public uses of the kind described above. The deed to the City shall contain a clause providing that, if any of the proceeds referred to in clause (1) are not delivered to the Army within 30 days after sale, or any portion of the land not sold as provided herein is used for other than educational, park or recreational uses, title to the applicable portion of such land shall revert to the United States at the election of the Administrator of the General Services Administration. The Secretary of the Army shall agree to deliver into the applicable closing escrow an acknowledgement of receipt of any proceeds described in clause (1) above and a release of the reverter right as to the affected land, effective upon such receipt.

(b) SPECIAL CONVEYANCE REGARDING BUILDING 138 PARCEL.—The Secretary of the Army may convey the Building 138 parcel, which has been designated by the parties as Parcel A4 to the purchaser of the Sale Parcel. The per-acre price for the portion sold shall be at least equal to the per-acre contract price paid by the purchaser for the portion of the Sale Parcel purchased under the Agreement and Modification, dated September 25, 1990, as amended.

SEC. 2838. TRANSFER OF JURISDICTION, FORT BLISS, TEXAS.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 22 acres and comprising a portion of Fort Bliss, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under subsection (a) as an addition to the Fort Bliss National Cemetery and administer such real property pursuant to chapter 24 of title 38, United States Code.

(c) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real

property transferred under subsection (a) is not needed for use as a national cemetery, the Secretary of Veterans Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(d) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the Secretary of Veterans Affairs.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

Subtitle D—Land Conveyances Involving Utilities

SEC. 2841. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Burlington County, New Jersey (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 at Fort Dix, New Jersey, consisting of ap-

proximately two acres and containing a resource recovery facility, known as the Fort Dix resource recovery facility.

(b) RELATED EASEMENTS.—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) CONDITIONS ON CONVEYANCE.—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County accept the resource recovery facility in its existing condition at the time of conveyance.

(2) That the County provide refuse and steam service to Fort Dix, New Jersey, at the rate established by the appropriate Federal or State regulatory authority.

(3) That the County comply with all applicable environmental laws and regulations relating to the resource recovery facility, including any permit or license requirements.

(4) That the County assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the resource recovery facility.

(d) CONDITION ON EXPANSION.—The conveyance of the resource recovery facility under subsection (a) shall also be subject to the condition that the County may not expand the resource recovery facility without prior approval by the Secretary.

(e) ENVIRONMENTAL COMPLIANCE.—The County shall be responsible for owning, operating, and upgrading the resource recovery facility in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(f) DESCRIPTION OF THE PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements to be granted under subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the County.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the city of Augusta, Georgia (in this section referred to as the ''City''), all right, title, and interest of the United States to several parcels of real property located at Fort Gordon, Georgia, and consisting of approximately seven acres each. The parcels are improved with a water filtration plant, water distribution system with storage tanks, sewage treatment plant, and sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the conveyed facilities.

(c) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City accept the water and wastewater treatment plants and distribution and collection systems in their existing condition at the time of conveyance.

(2) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate established by

the appropriate Federal or State regulatory authority.

(3) That the City comply with all applicable environmental laws and regulations regarding the real property conveyed under subsection (a), including any permit or license requirements.

(4) That the City assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the water and wastewater treatment plants and distribution and collection systems.

(d) CONDITION ON EXPANSION.—The conveyance under subsection (a) shall also be subject to the condition that the City may not expand the water and wastewater treatment plants and distribution and collection systems without prior approval by the Secretary.

(e) ENVIRONMENTAL COMPLIANCE.—The City shall be responsible for owning, operating, and upgrading the water and wastewater treatment plants and distribution and collection systems in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easements granted under

subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. CONVEYANCE OF ELECTRICAL DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the ''Company''), all right, title, and interest of the United States in and to the electrical distribution system located at Fort Irwin, California.

(b) DESCRIPTION OF SYSTEM AND CONVEYANCE.—The electrical distribution system authorized to be conveyed under subsection (a) consists of approximately 115 miles of electrical distribution lines, including poles, switches, reclosers, transformers, regulators, switchgears, and service lines. The conveyance includes the equipment, fixtures, structures, and other improvements the Federal

Government utilizes to provide electrical services at Fort Irwin. The conveyance shall not include any real property.

(c) RELATED EASEMENTS.—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electrical distribution system conveyed under subsection (a).

(d) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company accept the electrical distribution system in its existing condition at the time of conveyance.

(2) That the Company provide electrical service to Fort Irwin, California, at a rate established by the appropriate Federal or State regulatory authority.

(3) That the Company comply with all applicable environmental laws and regulations regarding the electrical distribution system, including any permit or license requirements.

(4) That the Company assume full responsibility for ownership, operation, maintenance, repair, and all regulatory compliance requirements for the electrical distribution system.

(e) CONDITION ON EXPANSION.—The conveyance under subsection (a) shall also be subject to the condition that the Company may not expand the electrical distribution system without prior approval by the Secretary.

(f) ENVIRONMENTAL COMPLIANCE.—The Company shall be responsible for owning, operating, and upgrading the electrical distribution system in accordance with all applicable Federal, State, and municipal laws and regulations promulgated thereunder.

(g) DESCRIPTION OF EASEMENT.—The exact acreage and legal description of any easement granted under subsection (c) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the Company.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. EXPANSION OF AUTHORITY TO SELL ELECTRICITY.

(a) INCLUSION OF ADDITIONAL ENERGY PRODUCTION FACILITIES.—Subsection (a) of section 2483 of title

10, United States Code, is amended by striking out ''alternate energy and cogeneration type production facilities'' in the first sentence and inserting in lieu thereof ''energy production facilities''.

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

''§ 2483. Special sale authority regarding electricity''.

(2) The table of sections at the beginning of chapter 147 of title 10, United States Code, is amended by striking out the item relating to section 2483 and inserting in lieu thereof the following new item:

''2483. Special sale authority regarding electricity.''.

SEC. 2852. AUTHORITY FOR MISSISSIPPI STATE PORT AUTHORITY TO USE NAVY PROPERTY AT NAVAL CONSTRUCTION BATTALION CENTER, GULFPORT, MISSISSIPPI.

(a) JOINT USE AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the ''Port Authority''), under which the Port Authority may use real property comprising up to 50 acres located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the ''Center'').

(b) TERM OF AGREEMENT.—The agreement authorized under subsection (a) may be for an initial period of

not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for at least three additional periods of five years each.

(c) CONDITIONS ON USE.—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations under the agreement in the event Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with Navy operations conducted at the Center.

(d) CONSIDERATION.—(1) As consideration for the use of the property covered by the agreement under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on ac-

count of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) CONGRESSIONAL NOTIFICATION.—The Secretary may not enter into the agreement authorized by subsection (a) until the end of the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of the roads, railways, and facilities serving the Center.

(2) In such amounts as are provided in advance in appropriation Acts, the Secretary may use amounts paid under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on ac-

count of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction specified in subsection (c)(2), construct new facilities on the property for joint use by the Port Authority and the Navy.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. PROHIBITION ON JOINT CIVIL AVIATION USE OF NAVAL AIR STATION MIRAMAR, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that would provide for or permit civil aircraft to regularly use Naval Air Station Miramar, California.

SEC. 2854. REPORT REGARDING ARMY WATER CRAFT SUPPORT FACILITIES AND ACTIVITIES.

Not later than February 15, 1996, the Secretary of the Army shall submit to Congress a report describing—

(1) the location, assets, and mission of each Army facility, active or reserve component, that supports water transportation operations;

(2) an infrastructure inventory and utilization rate of each Army facility supporting water transportation operations;

(3) options for consolidating these operations to reduce overhead; and

(4) actions that can be taken to affirmatively respond to requests from the residents of Marcus Hook, Pennsylvania, to close the Army Reserve facility located in Marcus Hook and make the facility available for use by the community.

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. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appro-

priated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $3,610,914,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,189,708,000 for fiscal year 1996, to be allocated as follows:

(A) For operation and maintenance, $1,098,403,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $96,305,000, to be allocated as follows:

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,940,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $27,995,000.

(2) For inertial fusion, $240,667,000, to be allocated as follows:

(A) For operation and maintenance, $203,267,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $37,400,000 to be allocated as follows:

Project 96–D–111, national ignition facility, TBD, $37,400,000.

(3) For technology transfer, $25,000,000.

(4) For Marshall Islands, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,142,083,000, to be allocated as follows:

(1) For operation and maintenance, $2,028,458,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisi-

tion related thereto), $113,625,000, to be allocated as follows:

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96–D–123, retrofit HVAC and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96–D–126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $41,065,000.

Project 88–D–122, facilities capability assurance program, various locations, $8,660,000.

Project 88–D–123, security enhancement, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use in prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90–D–103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration in carrying out environmental restoration and waste management activities nec-

essary for national security programs in the amount of $1,575,973,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,351,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,168,994,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $182,602,000, to be allocated as follows:

Project 96–D–406, K-Basin operations program, Richland, Washington, $26,000,000.

Project 96–D–407, mixed waste low level waste treatment projects, Rocky Flats, Golden, Colorado, $2,900,000.

Project 96–D–408, waste management upgrades, various locations, $5,615,000.

Project 95–D–402, install permanent electrical service for the Waste Isolation Pilot Plant, Carlsbad, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Phase III, Y–12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate level and low activity waste vaults, Savannah River Site, Aiken, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Environmental Technology Site, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-function waste remediation facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $19,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval enclosure, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River Site, Aiken, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $390,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $10,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,514,504,000 to be allocated as follows:

(1) For operation and maintenance, $1,427,108,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $87,396,000, to be allocated as follows:

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, Idaho National Engineering Laboratory electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, CFC HVAC/chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River site, Aiken, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River site, Aiken, South Carolina, $6,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats Plant, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, Idaho National Engineering Laboratory medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River Site, Aiken, South Carolina, $7,130,000.

Project 93–D–172, Idaho National Engineering Laboratory electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarm system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, Idaho National Engineering Laboratory fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and plant annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in

carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $31,251,000, to be allocated as follows:

(1) For operation and maintenance, $16,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto):

Project 95–E–600, hazardous materials management and emergency response training center, Richland, Washington, $15,000,000.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $77,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $651,942,000, for use of prior year balances; and

(2) $37,000,000 for Savannah River Pension Refund.

SEC. 3103. PAYMENT OF PENALTIES.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) in the amount of $350,000 assessed against the Rocky Flats site, Colorado, under such Act.

SEC. 3104. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,328,841,000, to be allocated as follows:

(1) For verification and control technology, $353,200,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $163,500,000.

(B) For arms control, $147,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition assistance, $75,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For emergency management, $23,321,000.

(9) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the amount authorized to be appropriated in subsection (a) reduced by the sum of $13,000,000, for use of prior year balances.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 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 $198,400,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) 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 such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever

the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3104, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. 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 this title 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; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same time period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased

or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) 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) 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) 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 $2,000,000, or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design services (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) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and con-

struction design under sections 3101, 3102, and 3104, to perform planning, design, and construction activities for any Department of Energy defense activity construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, 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 any 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 such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title 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.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses or for plant and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. AUTHORITY TO CONDUCT PROGRAM RELATING TO FISSILE MATERIALS.

(a) AUTHORITY.—The Secretary of Energy may conduct programs designed to improve the protection, control, and accountability of fissile materials in Russia.

(b) PRIOR NOTICE TO CONGRESS OF OBLIGATION OF FUNDS.—

(1) ANNUAL REQUIREMENT.—(A) Not less than 15 days before any obligation of any funds appropriated for any fiscal year for a program described in subsection (a), the Secretary of Energy shall submit to the congressional committees specified in subparagraph (B) a report on that proposed obligation for that program for that fiscal year.

(B) The congressional committees referred to in subparagraph (A) are the following:

(i) The Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

(ii) The Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.

(2) MATTERS TO BE SPECIFIED IN REPORTS.—Each such report shall specify—

(A) the activities and forms of assistance for which the Secretary of Energy plans to obligate funds;

(B) the amount of the proposed obligation; and

(C) the projected involvement (if any) of any department or agency of the United States (in addition to the Department of Energy) and of the private sector of the United States in the activities and forms of assistance for which the Secretary of Energy plans to obligate such funds.

SEC. 3132. NATIONAL IGNITION FACILITY.

None of the funds appropriated pursuant to this title for the National Ignition Facility may be obligated until—

(1) the Secretary of Energy concludes that the construction of the National Ignition Facility will not impede the nuclear nonproliferation objectives of the United States; and

(2) the Secretary of Energy notifies the congressional defense committees of that conclusion.

SEC. 3133. TRITIUM PRODUCTION.

(a) NEW TRITIUM PRODUCTION ACTIVITIES.—

(1) Of the amounts authorized to be appropriated in section 3101(b), not more than $50,000,000 shall be available for a project to provide a long-term source of tritium, subject to paragraph (2).

(2) The amount made available under paragraph (1) may not be used until such time as the Secretary of Energy has completed a record of decision on a tritium production program and congressional hearings have been conducted to determine the appropriate option, in light of the national security needs and nonproliferation and environmental consequences, for establishing a long-term source of tritium.

(b) FISSILE MATERIALS CONTROL AND DISPOSITION.—Funds authorized to be appropriated for fiscal year 1996 for fissile materials storage and disposition activities shall be available only for completing the evaluation and beginning the implementation of the plutonium storage and disposition option, including the multipurpose advanced light water reactor, in the amount of $70,000,000, of which—

(1) $5,000,000 shall be made available to the Idaho National Engineering Laboratory for evaluation of plutonium conversion to oxide fuel material in the multipurpose advanced light water reactor; and

(2) sufficient funds shall be made available for a complete consideration of the multipurpose advanced light water reactor in the Department of Energy programmatic environmental impact statement.

Subtitle D—Other Matters

SEC. 3141. REPORT ON FOREIGN TRITIUM PURCHASES.

Not later than February 1, 1996, the President shall submit to Congress a report on the feasibility of, the cost of, and the political, legal, and other issues associated with purchasing tritium from various foreign suppliers in order to ensure an adequate supply of tritium in the United States for nuclear weapons.

SEC. 3142. STUDY ON NUCLEAR TEST READINESS POSTURES.

Not later than February 15, 1996, the Secretary of Energy shall submit to Congress a report on the cost of, and the programmatic and other issues associated with, sustaining an ability to conduct an underground nuclear test in 6, 18, and 36 months from the date on which the President determines that such a test is necessary to ensure the national security of the United States.

SEC. 3143. MASTER PLAN ON WARHEADS IN THE ENDURING STOCKPILE.

(a) MASTER PLAN.—Not later than March 15, 1996, the President shall submit to Congress a master plan that describes in detail how the Government plans to demonstrate, by 2002—

(1) the capability to refabricate and certify warheads in the enduring stockpile; and

(2) the capability to design, fabricate, and certify new warheads.

(b) FORM OF PLAN.—The plan should be submitted in classified and unclassified forms.

SEC. 3144. PROHIBITION ON INTERNATIONAL INSPECTIONS OF DEPARTMENT OF ENERGY FACILITIES UNLESS PROTECTION OF RESTRICTED DATA IS CERTIFIED.

(a) PROHIBITION ON INSPECTIONS.—The Secretary of Energy may not allow an inspection of a nuclear weapons facility by the International Atomic Energy Agency until—

(1) the Secretary certifies to Congress that no restricted data or classified information will be revealed during such inspection; and

(2) a period of 30 days has passed since the date on which such certification was made.

(b) RESTRICTED DATA DEFINED.—In this section, the term ''restricted data'' has the meaning provided by section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3145. ACCELERATED SCHEDULE FOR ENVIRONMENTAL MANAGEMENT ACTIVITIES.

(a) ACCELERATED CLEANUP.—The Secretary of Energy shall accelerate the schedule for environmental management activities and projects for any specific Department of Energy defense nuclear facility site if, in the opinion of the Secretary, such an accelerated schedule will result in substantial long-term cost savings to the Federal

Government and speed up release of land for economic development.

(b) SITE SELECTION.—In selecting sites for an accelerated schedule under subsection (a), the Secretary shall give highest priority to sites that are in close proximity to populated areas, that pose significant risk, and that have the greatest potential to result in privatization, commercialization, and economic development of unneeded facilities.

(c) ELIGIBILITY.—For purposes of subsection (a), environmental management activities and projects shall be eligible for an accelerated schedule under subsection (a) if the time for completion at the site of such activities can be reduced by 50 percent or more below the time established in the report of the Department of Energy Office of Environmental Management titled ''1995 Baseline Environmental Management Report'', March 1995.

(d) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting a specific statutory requirement for a specific project or as modifying or otherwise affecting applicable statutory or regulatory environmental restoration requirements, including substantive standards intended to protect public health and the environment.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996 $17,000,000 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. FISCAL YEAR 1996 AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to $77,100,000 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.

(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 Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. PREFERENCE FOR DOMESTIC UPGRADERS IN DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) PREFERENCE FOR DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic, the President shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term ''domestic ferroalloy upgrader'' means a company or other business entity that, as determined by the President—

(1) is engaged in (or is capable of engaging in) operations to upgrade chromite or manganese ores

of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

(c) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 3303. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR DOMESTIC UPGRADING.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a)

shall only be sold for domestic remelting in a submerged arc ferromanganese furnace.

(c) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 3304. TITANIUM INITIATIVE TO SUPPORT BATTLE TANK UPGRADE PROGRAM.

(a) TRANSFER OF TITANIUM.—During each of the fiscal years 1996 through 2003, the Secretary of Defense shall transfer from stocks of the National Defense Stockpile up to 250 short tons of titanium sponge to the Secretary of the Army for use in the weight reduction portion of the main battle tank upgrade program. Transfers under this section shall be without charge to the Army, except that the Secretary of the Army shall pay all transportation and related costs incurred in connection with the transfer.

(b) NATIONAL DEFENSE STOCKPILE DEFINED.—For purposes of this section, the term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $101,028,000 for fiscal year 1996 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1996.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1996, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1 (ELK HILLS).

(a) SALE OF ELK HILLS UNIT REQUIRED.—Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

"§ 7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills)

''(a) SALE REQUIRED.—(1) Notwithstanding any other provision of this chapter, the Secretary shall sell all right, title, and interest of the United States in and to lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912. Within one year after the effective date, the Secretary shall enter into one or more contracts for the sale of all of the interest of the United States in the reserve.

''(2) In this section:

''(A) The term 'reserve' means Naval Petroleum Reserve Numbered 1.

''(B) The term 'unit plan contract' means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

''(C) The term 'effective date' means the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

''(b) EQUITY FINALIZATION.—(1) Not later than five months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval

Petroleum Reserve Numbered 1 in the manner provided by this subsection.

''(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in the Naval Petroleum Reserve Numbered 1 in accordance with such recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

''(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, such dispute shall be resolved in the manner provided in the unit plan contract within five months after the effective date. Such resolution shall be considered final for all purposes under this section.

''(c) TIMING AND ADMINISTRATION OF SALE.—(1) Not later than two months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial

practices, of the fair market value of the interest of the United States in Naval Petroleum Reserve Numbered 1. In making their assessments, the independent experts shall consider (among other factors) all equipment and facilities to be included in the sale, the net present value of the reserve, and the net present value of the anticipated revenue stream that the Secretary determines the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold. The independent experts shall complete their assessments within five months after the effective date. In setting the minimum acceptable price for the reserve, the Secretary shall consider the average of the five assessments or, if more advantageous to the Government, the average of three assessments after excluding the high and low assessments.

''(2) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section.

''(3) Not later than five months after the effective date, the sales administrator selected under paragraph (2) shall complete a draft contract for the sale of Naval Petro-

leum Reserve Numbered 1, which shall accompany the invitation for bids and describe the terms and provisions of the sale of the interest of the United States in the reserve. The draft contract shall identify all equipment and facilities to be included in the sale. The draft contract, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget.

''(4) Not later than six months after the effective date, the Secretary shall publish an invitation for bids for the purchase of the reserve.

''(5) Not later than nine months after the effective date, the Secretary shall accept the highest responsible offer for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that meets or exceeds the minimum acceptable price determined under paragraph (1).

''(d) FUTURE LIABILITIES.—The United States shall hold harmless and fully indemnify the purchaser of the interest of the United States in Naval Petroleum Reserve Numbered 1 from and against any claim or liability as a result of ownership in the reserve by the United States.

"(e) TREATMENT OF STATE OF CALIFORNIA CLAIM.—(1) All claims against the United States by the State of California or the Teachers' Retirement Fund of the State of California with respect to land within the Naval Petroleum Reserve Numbered 1 or production or proceeds of sale from the reserve shall be resolved only as follows:

"(A) A payment from funds provided for this purpose in advance in appropriation Acts.

"(B) A grant of nonrevenue generating land in lieu of such a payment pursuant to sections 2275 and 2276 of the Revised Statutes of the United States (43 U.S.C. 851 and 852).

"(C) Any other means that would not be inconsistent with the Congressional Budget Act of 1974 (2 U.S.C. 621 et seq.).

"(D) Any combination of subparagraphs (A), (B), and (C).

"(2) The value of any payment, grant, or means (or combination thereof) under paragraph (1) may not exceed an amount equal to seven percent of the proceeds from the sale of the reserve, after deducting the costs incurred to conduct the sale.

"(f) PRODUCTION ALLOCATION FOR SALE.—(1) As part of the contract for purchase of Naval Petroleum Re-

serve Numbered 1, the purchaser of the interest of the United States in the reserve shall agree to make up to 25 percent of the purchaser's share of annual petroleum production from the purchased lands available for sale to small refiners, which do not have their own adequate sources of supply of petroleum, for processing or use only in their own refineries. None of the reserved production sold to small refiners may be resold in kind. The purchaser of the reserve may reduce the quantity of petroleum reserved under this subsection in the event of an insufficient number of qualified bids. The seller of this petroleum production has the right to refuse bids that are less than the prevailing market price of comparable oil.

''(2) The purchaser of the reserve shall also agree to ensure that the terms of every sale of the purchaser's share of annual petroleum production from the purchased lands shall be so structured as to give full and equal opportunity for the acquisition of petroleum by all interested persons, including major and independent oil producers and refiners alike.

''(g) MAINTAINING ELK HILLS UNIT PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum

economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract. The definition of maximum efficient rate in section 7420(6) of this title shall not apply to the reserve.

''(h) EFFECT ON EXISTING CONTRACTS.—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of such production shall not exceed the anticipated closing date for the sale of the reserve.

''(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE–ACO1–85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under subsection (c).

''(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit

plan contract terminates not later than the date of closing of the sale of reserve under subsection (c).

''(i) EFFECT ON ANTITRUST LAWS.—Nothing in this section shall be construed to alter the application of the antitrust laws of the United States to the purchaser of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under this section upon the completion of the sale.

''(j) PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.—Nothing in this section shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

''(k) CONGRESSIONAL NOTIFICATION.—Section 7431 of this title shall not apply to the sale of Naval Petroleum Reserve Numbered 1 under this section. However, the Secretary may not enter into a contract for the sale of the reserve until the end of the 31-day period beginning on the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives of the proposed sale.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting

after the item relating to section 7421 the following new item:

''7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).''.

SEC. 3404. STUDY REGARDING FUTURE OF NAVAL PETROLEUM RESERVES (OTHER THAN NAVAL PETROLEUM RESERVE NUMBERED 1).

(a) STUDY REQUIRED.—The Secretary of Energy shall conduct a study to determine which of the following options regarding the naval petroleum reserves represents the most cost-effective option for the United States:

(1) Retention and operation of the naval petroleum reserves by the Secretary under chapter 641 of title 10, United States Code.

(2) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of another Federal agency.

(3) Lease of the naval petroleum reserves.

(4) Sale of the interest of the United States in the naval petroleum reserves.

(b) CONDUCT OF STUDY.—The Secretary shall retain an independent petroleum consultant to conduct the study.

(c) CONSIDERATIONS UNDER STUDY.—An examination of the benefits to be derived by the United States from the sale of the naval petroleum reserves shall include an assessment and estimate, in a manner consistent with commercial practices, of the fair market value of the inter-

est of the United States in the naval petroleum reserves. An examination of the benefits to be derived by the United States from the lease of the naval petroleum reserves shall consider full exploration, development, and production of petroleum products in the naval petroleum reserves, with a royalty payment to the United States.

(d) REPORT REGARDING STUDY.—Not later than December 31, 1995, the Secretary shall submit to Congress a report describing the results of the study and containing such recommendations as the Secretary considers necessary to implement the most cost-effective option identified in the study.

(e) NAVAL PETROLEUM RESERVES DEFINED.—For purposes of this section, the term ''naval petroleum reserves'' has the meaning given that term in section 7420(2) of title 10, United States Code, except that such term does not include Naval Petroleum Reserve Numbered 1.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1996''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,741,000 for administrative expenses, of which not more than—

(1) $11,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $5,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $30,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles

built in the United States (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama). A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

SEC. 3503. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Reconstitution of Commission as Government Corporation

SEC. 3521. SHORT TITLE.

This subtitle may be cited as the ''Panama Canal Amendments Act of 1995''.

SEC. 3522. RECONSTITUTION OF COMMISSION AS GOVERNMENT CORPORATION.

Section 1101 of the Panama Canal Act of 1979 (22 U.S.C. 3611) is amended to read as follows:

''ESTABLISHMENT, PURPOSES, OFFICES, AND RESIDENCE OF THE COMMISSION

''SEC. 1101. (a) For the purposes of managing, operating, and maintaining the Panama Canal and its complementary works, installations and equipment, and of

conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission (hereinafter in this Act referred to as the 'Commission') is established as a wholly owned government corporation (as that term is used in chapter 91 of title 31, United States Code) within the executive branch of the Government of the United States. The authority of the President with respect to the Commission shall be exercised through the Secretary of Defense.

''(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish branch offices in such other places as it deems necessary or appropriate for the conduct of its business. Within the meaning of the laws of the United States relating to venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia and the eastern judicial district of Louisiana.''.

SEC. 3523. SUPERVISORY BOARD.

Section 1102 of the Panama Canal Act of 1979 (22 U.S.C. 3612) is amended by striking so much as precedes subsection (b) and inserting the following:

"SUPERVISORY BOARD

"SEC. 1102. (a) The Commission shall be supervised by a Board composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members of the Board shall be nationals of the Republic of Panama. Three members of the Board who are nationals of the United States shall hold no other office in, and shall not be employed by, the Government of the United States, and shall be chosen for the independent perspective they can bring to the Commission's affairs. Members of the Board who are nationals of the United States shall cast their votes as directed by the Secretary of Defense or a designee of the Secretary of Defense.".

SEC. 3524. INTERNATIONAL ADVISORS.

Section 1102 of the Panama Canal Act of 1979 (22 U.S.C. 3612) is amended by adding at the end the following new subsection:

"(d)(1) In order to enhance the prestige of the Commission in the world shipping community and allow for the exchange of varied perspectives between the Board and distinguished international guests in the important deliberations of the Commission, the Government of the United

States and the Republic of Panama may each invite to attend meetings of the Board, as a designated international advisor to the Board, one individual chosen for the independent perspective that individual can bring to the Commission's affairs, and who—

''(A) is not a citizen of Panama;

''(B) does not represent any user or customer of the Panama Canal, or any particular interest group or nation; and

''(C) does not have any financial interest which could constitute an actual or apparent conflict with regard to the relationship of the individual with the Board of the Commission.

''(2) Such designated international advisors may be compensated by the Commission in the same manner and under the same circumstances as apply under subsection (b) with regard to members of the Board. Such designated international advisors shall have no vote on matters pending before the Board.''.

SEC. 3525. GENERAL AND SPECIFIC POWERS OF COMMISSION.

The Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after section 1102 the following new sections:

"GENERAL POWERS OF THE COMMISSION

"SEC. 1102a. (a) The Commission, subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code, popularly known as the Government Corporation Control Act—

"(1) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

"(2) may by action of the Board of Directors adopt, amend, and repeal bylaws governing the conduct of its general business and the performance of the powers and duties granted to or imposed upon it by law;

"(3) may sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by Article VIII of the Panama Canal Treaty of 1977, section 1401 of this Act, and otherwise by law;

"(B) an attachment, garnishment, or similar process may not be issued against salaries or other moneys owed by the Commission to its employees except as provided by section 5520a of title 5, United States Code, and section 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, 662), or as otherwise specifi-

cally authorized by the laws of the United States; and

''(C) it is exempt from the payment of interest on claims and judgments;

''(4) may enter into contracts, leases, agreements, or other transactions; and

''(5) may determine the character of, and necessity for, its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, and may incur, allow, and pay them, subject to pertinent provisions of law generally applicable to Government corporations.

''(b) The Commission shall have the priority of the Government of the United States in the payment of debts out of bankrupt estates.

''SPECIFIC POWERS OF COMMISSION

''SEC. 1102b. (a) Subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code, popularly known as the Government Corporation Control Act, the Commission may—

''(1) manage, operate, and maintain the Panama Canal;

''(2) construct or acquire, establish, maintain, and operate docks, wharves, piers, shoreline facilities, shops, yards, marine railways, salvage and towing facilities, fuel-handling facilities, motor transpor-

tation facilities, power systems, water systems, a telephone system, construction facilities, living quarters and other buildings, warehouses, storehouses, a printing plant, and manufacturing, processing, or service facilities in connection therewith, recreational facilities, and other activities, facilities, and appurtenances necessary and appropriate for the accomplishment of the purposes of this Act;

''(3) use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and

''(4) take such actions as are necessary or appropriate to carry out the powers specifically conferred upon it.''.

SEC. 3526. CONGRESSIONAL REVIEW OF BUDGET.

Section 1302 of the Panama Canal Act of 1979 (22 U.S.C. 3712) is amended—

(1) in subsection (c)(1) by striking ''and subject to paragraph (2)'';

(2) by striking paragraph (2);

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

(4) by amending subsection (e) to read as follows:

''(e) In accordance with section 9104 of title 31, United States Code, the Congress shall review the annual budget of the Commission.''.

SEC. 3527. AUDITS.

Section 1313 of the Panama Canal Act of 1979 (22 U.S.C. 3723) is amended—

(1) by striking the heading for the section and inserting the following:

''AUDITS'';

(2) in subsection (a) by striking ''Financial transactions'' and inserting ''Subject to subsection (d), financial transactions'';

(3) in subsection (b) in the first sentence by striking ''The Comptroller General'' and inserting ''Subject to subsection (d), the Comptroller General''; and

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

''(d) At the discretion of the Board provided for in section 1102, the Commission may hire independent auditors to perform, in lieu of the Comptroller General, the audit and reporting functions prescribed in subsections (a) and (b).

''(e) In addition to auditing the financial statements of the Commission, the independent auditor shall, in accordance with standards for an examination of a financial

forecast established by the American Institute of Certified Public Accountants, examine and report on the Commission's financial forecast that it will be in a position to meet its financial liabilities on December 31, 1999.''.

SEC. 3528. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.

Section 1601 of the Panama Canal Act of 1979 (22 U.S.C. 3791) is amended to read as follows:

''PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS

''SEC. 1601. The Commission may, subject to the provisions of this Act, prescribe and from time to time change—

''(1) the rules for the measurement of vessels for the Panama Canal; and

''(2) the tolls that shall be levied for use of the Panama Canal.''.

SEC. 3529. PROCEDURES FOR CHANGES IN RULES OF MEASUREMENT AND RATES OF TOLLS.

Section 1604 of the Panama Canal Act of 1979 (22 U.S.C. 3794) is amended—

(1) in subsection (a) in the first sentence by striking ''1601(a)'' and inserting ''1601'';

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

''(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission may change the rules of measurement or rates of tolls, as the case may be. The Commission shall, however, publish notice of such change in the Federal Register not less than 30 days before the effective date of the change.''; and

(3) by striking subsections (d) and (e) and redesignating subsection (f) as subsection (d).

SEC. 3530. MISCELLANEOUS TECHNICAL AMENDMENTS.

The Panama Canal Act of 1979 is amended—

(1) in section 1205 (22 U.S.C. 3645) in the last sentence by striking ''appropriation'' and inserting ''fund'';

(2) in section 1303 (22 U.S.C. 3713) by striking ''The authority of this section may not be used for administrative expenses.'';

(3) in section 1321(d) (22 U.S.C. 3731(d)) in the second sentence by striking ''appropriations or'';

(4) in section 1401(c) (22 U.S.C. 3761(c)) by striking ''appropriated for or'';

(5) in section 1415 (22 U.S.C. 3775) by striking ''appropriated or''; and

(6) in section 1416 (22 U.S.C. 3776) in the third sentence by striking ''appropriated or''.

SEC. 3531. CONFORMING AMENDMENT TO TITLE 31, UNITED STATES CODE.

Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

''(P) the Panama Canal Commission.''.

Passed the House of Representatives June 15, 1995.

Attest: ROBIN H. CARLE,

Clerk.

HR 1530 RFS——2

HR 1530 RFS——3

HR 1530 RFS——4

HR 1530 RFS——5

HR 1530 RFS——6

HR 1530 RFS——7

HR 1530 RFS——8

HR 1530 RFS——9

HR 1530 RFS——10

HR 1530 RFS——11

HR 1530 RFS——12

HR 1530 RFS——13

HR 1530 RFS——14

HR 1530 RFS——15

HR 1530 RFS——16

HR 1530 RFS——17

HR 1530 RFS——18

HR 1530 RFS——19

HR 1530 RFS——20

HR 1530 RFS——21

HR 1530 RFS——22

HR 1530 RFS——23

HR 1530 RFS——24

HR 1530 RFS——25

HR 1530 RFS——26

HR 1530 RFS——27

HR 1530 RFS——28

HR 1530 RFS——29

HR 1530 RFS——30

HR 1530 RFS——31

HR 1530 RFS——32

HR 1530 RFS——33

HR 1530 RFS——34

HR 1530 RFS——35

HR 1530 RFS——36

HR 1530 RFS——37

HR 1530 RFS——38

HR 1530 RFS——39

HR 1530 RFS——40

HR 1530 RFS——41

HR 1530 RFS——42

HR 1530 RFS——43

HR 1530 RFS——44

HR 1530 RFS——45

HR 1530 RFS——46