Calendar No. 414

104th CONGRESS
2d Session

H. R. 3230

AN ACT

To authorize appropriations for fiscal year 1997 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.

May 17, 1996

Received; read twice and placed on the calendar

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U.S. GOVERNMENT
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IN THE SENATE OF THE UNITED STATES

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AN ACT

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 1997''.

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. Defense Inspector General.

Sec. 107. Chemical Demilitarization Program.
Sec. 108. Defense health programs.

Subtitle B—Army Programs

Sec. 111. Repeal of limitation on procurement of certain aircraft.
Sec. 112. Multiyear procurement authority for Army programs.

Subtitle C—Navy Programs

Sec. 121. Nuclear attack submarine programs.
Sec. 122. Cost limitations for Seawolf submarine program.
Sec. 123. Pulse Doppler Radar modification.
Sec. 124. Reduction in number of vessels excluded from limit on purchase of vessels built in foreign shipyards.
Sec. 125. T–39N trainer aircraft for the Navy.

Subtitle D—Air Force Programs

Sec. 141. Repeal of limitation on procurement of F–15E aircraft.
Sec. 142. C–17 aircraft procurement.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
Sec. 203. Dual-use technology programs.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Space launch modernization.
Sec. 212. Live-fire survivability testing of V–22 aircraft.
Sec. 213. Live-fire survivability testing of F–22 aircraft.
Sec. 214. Demilitarization of conventional munitions, rockets, and explosives.
Sec. 215. Research activities of the Defense Advanced Research Projects Agency relating to chemical and biological warfare defense technology.
Sec. 216. Limitation on funding for F–16 tactical manned reconnaissance aircraft.
Sec. 217. Unmanned aerial vehicles.
Sec. 218. Hydra–70 rocket product improvement program.
Sec. 219. Space-Based Infrared System program.
Sec. 220. Joint Advanced Strike Technology (JAST) program.
Sec. 221. Joint United States-Israeli Nautilus Laser/Theater High Energy Laser program.
Sec. 222. Nonlethal weapons research and development program.
Sec. 223. High altitude endurance unmanned aerial reconnaissance system.
Sec. 224. Certification of capability of United States to prevent illegal importation of nuclear, biological, or chemical weapons.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. Funding for Ballistic Missile Defense programs for fiscal year 1997.

Sec. 232. Certification of capability of United States to defend against single ballistic missile.
Sec. 233. Policy on compliance with the ABM Treaty.
Sec. 234. Requirement that multilateralization of the ABM Treaty be done only through treaty-making power.
Sec. 235. Report on ballistic missile defense and proliferation.
Sec. 236. Revision to annual report on Ballistic Missile Defense programs.
Sec. 237. ABM Treaty defined.
Sec. 238. Capability of National Missile Defense system.

Subtitle D—Other Matters

Sec. 241. Uniform procedures and criteria for maintenance and repair at Air Force installations.
Sec. 242. Requirements relating to Small Business Innovation Research Program.
Sec. 243. Extension of deadline for delivery of Enhanced Fiber Optic Guided Missile (EFOG-M) system.
Sec. 244. Amendment to University Research Initiative Support program.
Sec. 245. Amendments to Defense Experimental Program To Stimulate Competitive Research.
Sec. 246. Elimination of report on the use of competitive procedures for the award of certain contracts to colleges and universities.
Sec. 247. National Oceanographic Partnership Program.
Sec. 248. Funding increase for field emission flat panel technology.
Sec. 249. Natural resources assessment and training delivery system.

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. Transfer from National Defense Stockpile Transaction Fund.

Subtitle B—Depot-Level Activities

Sec. 311. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 312. Exclusion of large maintenance and repair projects from percentage limitation on contracting for depot-level maintenance.

Subtitle C—Environmental Provisions

Sec. 321. Repeal of report on contractor reimbursement costs.
Sec. 322. Payments of stipulated penalties assessed under CERCLA.
Sec. 323. Conservation and Readiness Program.
Sec. 324. Navy compliance with shipboard solid waste control requirements.
Sec. 325. Authority to develop and implement land use plans for Defense Environmental Restoration Program.
Sec. 326. Pilot program to test alternative technologies for limiting air emissions during shipyard blasting and coating operations.
Sec. 327. Navy program to monitor ecological effects of organotin.
Sec. 328. Agreements for services of other agencies in support of environmental technology demonstration and validation.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

Sec. 331. Repeal of prohibition on payment of lodging expenses when adequate Government quarters are available.
Sec. 332. Voluntary separation incentive pay modification.
Sec. 333. Wage-board compensatory time off.
Sec. 334. Simplification of rules relating to the observance of certain holidays.
Sec. 335. Phased retirement.
Sec. 336. Modification of authority for civilian employees of Department of Defense to participate voluntarily in reductions in force.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 341. Contracts with other agencies and instrumentalities for goods and services.
Sec. 342. Noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 343. Prohibition of sale or rental of sexually explicit material.

Subtitle F—Performance of Functions by Private-Sector Sources

Sec. 351. Extension of requirement for competitive procurement of printing and duplication services.
Sec. 352. Requirement regarding use of private shipyards for complex naval ship repair contracts.

Subtitle G—Other Matters

Sec. 360. Termination of Defense Business Operations Fund and preparation of plan regarding improved operation of working-capital funds.
Sec. 361. Increase in capital asset threshold under Defense Business Operations Fund.
Sec. 362. Transfer of excess personal property to support law enforcement activities.
Sec. 363. Storage of motor vehicle in lieu of transportation.
Sec. 364. Control of transportation systems in time of war.
Sec. 365. Security protections at Department of Defense facilities in National Capital Region.
Sec. 366. Modifications to Armed Forces Retirement Home Act of 1991.
Sec. 367. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 368. Retention of civilian employee positions at military training bases transferred to National Guard.
Sec. 369. Expansion of authority to donate unusable food.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Permanent end strength levels to support two major regional contingencies.

Sec. 403. Authorized strengths for commissioned officers on active duty in grades of major, lieutenant colonel, and colonel and Navy grades of lieutenant commander, commander, and captain.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Personnel Management

Sec. 501. Authorization for senior enlisted members to reenlist for an indefinite period of time.
Sec. 502. Authority to extend entry on active duty under the Delayed Entry Program.
Sec. 503. Permanent authority for Navy spot promotions for certain lieutenants.
Sec. 504. Reports on response to recommendations concerning improvements to Department of Defense Joint Manpower Process.
Sec. 505. Frequency of reports to Congress on Joint Officer Management Policies.
Sec. 506. Repeal of requirement that commissioned officers be initially appointed in a reserve grade.
Sec. 507. Continuation on active status for certain reserve officers of the Air Force.
Sec. 508. Clarification of applicability of certain management constraints on major range and test facility base structure.

Subtitle B—Reserve Component Matters

Sec. 511. Individual Ready Reserve activation authority.
Sec. 512. Training for reserves on active duty in support of the reserves.
Sec. 513. Clarification to definition of active status.
Sec. 514. Appointment above grade of 0–2 in the Naval Reserve.
Sec. 515. Report on number of advisers in active component support of reserves pilot program.
Sec. 516. Sense of Congress and report regarding reemployment rights for mobilized reservists employed in foreign countries.
Sec. 517. Eligibility for enrollment in Ready Reserve mobilization income insurance program.

Subtitle C—Jurisdiction and Powers of Courts-Martial for the National Guard When Not in Federal Service

Sec. 531. Composition, jurisdiction, and procedures of courts-martial.
Sec. 532. General courts-martial.
Sec. 533. Special courts-martial.
Sec. 534. Summary courts-martial.
Sec. 535. Repeal of authority for confinement in lieu of fine.
Sec. 536. Approval of sentence of bad conduct discharge or confinement.
Sec. 537. Authority of military judges.

Sec. 538. Statutory reorganization.
Sec. 539. Effective date.
Sec. 540. Conforming amendments to Uniform Code of Military Justice.

Subtitle D—Education and Training Programs

Sec. 551. Extension of maximum age for appointment as a cadet or midshipman in the Senior Reserve Officers' Training Corps and the service academies.
Sec. 552. Oversight and management of Senior Reserve Officers' Training Corps program.
Sec. 553. ROTC scholarship student participation in simultaneous membership program.
Sec. 554. Expansion of ROTC advanced training program to include graduate students.
Sec. 555. Reserve credit for members of Armed Forces Health Professions Scholarship and Financial Assistance Program.
Sec. 556. Expansion of eligibility for education benefits to include certain Reserve Officers' Training Corps (ROTC) participants.
Sec. 557. Comptroller General report on cost and policy implications of permitting up to five percent of service academy graduates to be assigned directly to reserve duty upon graduation.

Subtitle E—Other Matters

Sec. 561. Hate crimes in the military.
Sec. 562. Authority of a reserve judge advocate to act as a notary public.
Sec. 563. Authority to provide legal assistance to Public Health Service officers.
Sec. 564. Excepted appointment of certain judicial non-attorney staff in the United States Court of Appeals for the Armed Forces.
Sec. 565. Replacement of certain American theater campaign ribbons.
Sec. 566. Restoration of regulations prohibiting service of homosexuals in the Armed Forces.
Sec. 567. Reenactment and modification of mandatory separation from service for members diagnosed with HIV–1 virus.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1997.
Sec. 602. Availability of basic allowance for quarters for certain members without dependents who serve on sea duty.
Sec. 603. Establishment of minimum monthly amount of variable housing allowance for high housing cost areas.

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. Special incentives to recruit and retain dental officers.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Temporary lodging expenses of member in connection with first permanent change of station.
Sec. 622. Allowance in connection with shipping motor vehicle at government expense.
Sec. 623. Dislocation allowance at a rate equal to two and one-half months basic allowance for quarters.
Sec. 624. Allowance for travel performed in connection with leave between consecutive overseas tours.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Sec. 631. Increase in annual limit on days of inactive duty training creditable towards reserve retirement.
Sec. 632. Authority for retirement in grade in which a member has been selected for promotion when a physical disability intervenes.
Sec. 633. Eligibility for reserve disability retirement for reserves injured while away from home overnight for inactive-duty training.
Sec. 634. Retirement of reserve enlisted members who qualify for active duty retirement after administrative reduction in enlisted grade.
Sec. 635. Clarification of initial computation of retiree COLAs after retirement.
Sec. 636. Technical correction to prior authority for payment of back pay to certain persons.
Sec. 637. Amendments to the Uniformed Services Former Spouses' Protection Act.
Sec. 638. Administration of benefits for so-called minimum income widows.
Sec. 639. Nonsubstantive restatement of Survivor Benefit Plan statute.

Subtitle E—Other Matters

Sec. 651. Technical correction clarifying ability of certain members to elect not to occupy Government quarters.
Sec. 652. Technical correction clarifying limitation on furnishing clothing or allowances for enlisted National Guard technicians.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Medical and dental care for reserve component members in a duty status.
Sec. 702. Preventive health care screening for colon and prostate cancer.

Subtitle B—TRICARE Program

Sec. 711. Definition of TRICARE program.
Sec. 712. CHAMPUS payment limits for TRICARE prime enrollees.
Sec. 713. Improved information exchange between military treatment facilities and TRICARE program contractors.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Definitions.
Sec. 722. Inclusion of designated providers in uniformed services health care delivery system.
Sec. 723. Provision of uniform benefit by designated providers.
Sec. 724. Enrollment of covered beneficiaries.
Sec. 725. Application of CHAMPUS payment rules.

Sec. 726. Payments for services.
Sec. 727. Repeal of superseded authorities.

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

Sec. 731. Authority to waive CHAMPUS exclusion regarding nonmedically necessary treatment in connection with certain clinical trials.
Sec. 732. Authority to waive or reduce CHAMPUS deductible amounts for reservists called to active duty in support of contingency operations.
Sec. 733. Exception to maximum allowable payments to individual health-care providers under CHAMPUS.
Sec. 734. Codification of annual authority to credit CHAMPUS refunds to current year appropriation.
Sec. 735. Exceptions to requirements regarding obtaining nonavailability-of-health-care statements.
Sec. 736. Expansion of collection authorities from third-party payers.

Subtitle E—Other Matters

Sec. 741. Alternatives to active duty service obligation under Armed Forces Health Professions Scholarship and Financial Assistance program and Uniformed Services University of the Health Sciences.
Sec. 742. Exception to strength limitations for Public Health Service officers assigned to Department of Defense.
Sec. 743. Continued operation of Uniformed Services University of the Health Sciences.
Sec. 744. Sense of Congress regarding tax treatment of Armed Forces Health Professions Scholarship and Financial Assistance program.
Sec. 745. Report regarding specialized treatment facility program.

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

Subtitle A—Acquisition Management

Sec. 801. Authority to waive certain requirements for defense acquisition pilot programs.
Sec. 802. Exclusion from certain post-education duty assignments for members of Acquisition Corps.
Sec. 803. Extension of authority to carry out certain prototype projects.
Sec. 804. Increase in threshold amounts for major systems.
Sec. 805. Revisions in information required to be included in Selected Acquisition Reports.
Sec. 806. Increase in simplified acquisition threshold for humanitarian or peacekeeping operations.
Sec. 807. Expansion of audit reciprocity among Federal agencies to include post-award audits.
Sec. 808. Extension of pilot mentor-protege program.

Subtitle B—Other Matters

Sec. 821. Amendment to definition of national security system under Information Technology Management Reform Act of 1995.

Sec. 822. Prohibition on release of contractor proposals under Freedom of Information Act.
Sec. 823. Repeal of annual report by advocate for competition.
Sec. 824. Repeal of biannual report on procurement regulatory activity.
Sec. 825. Repeal of multiyear limitation on contracts for inspection, maintenance, and repair.
Sec. 826. Streamlined notice requirements to contractors and employees regarding termination or substantial reduction in contracts under major defense programs.
Sec. 827. Repeal of notice requirements for substantially or seriously affected parties in downsizing efforts.
Sec. 828. Testing of defense acquisition programs.
Sec. 829. Dependency of national technology and industrial base on supplies available only from foreign countries.
Sec. 830. Sense of Congress regarding treatment of Department of Defense cable television franchise agreements.
Sec. 831. Extension of domestic source limitation for valves and machine tools.
Sec. 832. Demonstration project for purchase of fire, security, police, public works, and utility services from local government agencies.
Sec. 833. Study of effectiveness of defense mergers.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Additional required reduction in defense acquisition workforce.
Sec. 902. Reduction of personnel assigned to Office of the Secretary of Defense.
Sec. 903. Report on military department headquarters staffs.
Sec. 904. Extension of effective date for charter for Joint Requirements Oversight Council.
Sec. 905. Removal of Secretary of the Army from membership on the Foreign Trade Zone Board.
Sec. 906. Membership of the Ammunition Storage Board.
Sec. 907. Department of Defense disbursing official check cashing and exchange transactions.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authority for obligation of certain unauthorized fiscal year 1996 defense appropriations.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1996.
Sec. 1005. Format for budget requests for Navy/Marine Corps and Air Force ammunition accounts.
Sec. 1006. Format for budget requests for Defense Airborne Reconnaissance program.

Subtitle B—Reports and Studies

Sec. 1021. Annual report on Operation Provide Comfort and Operation Enhanced Southern Watch.
Sec. 1022. Report on protection of national information infrastructure.

Sec. 1023. Report on witness interview procedures for Department of Defense criminal investigations.

Subtitle C—Other Matters

Sec. 1031. Information systems security program.
Sec. 1032. Aviation and vessel war risk insurance.
Sec. 1033. Aircraft accident investigation boards.
Sec. 1034. Authority for use of appropriated funds for recruiting functions.
Sec. 1035. Authority for award of Medal of Honor to certain African American soldiers who served during World War II.
Sec. 1036. Compensation for persons awarded prisoner of war medal who did not previously receive compensation as a prisoner of war.
Sec. 1037. George C. Marshall European Center for Strategic Security Studies.
Sec. 1038. Participation of members, dependents, and other persons in crime prevention efforts at installations.
Sec. 1039. Technical and clerical amendments.
Sec. 1040. Prohibition on carrying out SR–71 strategic reconnaissance program during fiscal year 1997.
Sec. 1041. Defense burdensharing.
Sec. 1042. Authority to transport health professionals seeking to provide health-related humanitarian relief services.
Sec. 1043. Treatment of excess defense articles of Coast Guard under Foreign Assistance Act of 1961.
Sec. 1044. Forfeiture of retired pay of members who are absent from the United States to avoid prosecution.
Sec. 1045. Chemical stockpile emergency preparedness program.
Sec. 1046. Quarterly reports regarding coproduction agreements.
Sec. 1047. Failure to comply with veterans' preference requirements to be treated as a prohibited personnel practice.
Sec. 1048. Sense of Congress and Presidential report regarding nuclear weapons proliferation and policies of the People's Republic of China.
Sec. 1049. Transfer of U.S.S. Drum to City of Vallejo, California.
Sec. 1050. Evaluation of digital video network equipment used in Olympic games.
Sec. 1051. Mission of the White House Communications Agency.
Sec. 1052. Transfer of naval vessels to certain foreign countries.
Sec. 1053. Annual report relating to Buy American Act.
Sec. 1054. Sense of Congress concerning assisting other countries to improve security of fissile material.
Sec. 1055. Southwest Border States Anti-Drug Information System.

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

Sec. 1101. Specification of Cooperative Threat Reduction programs.
Sec. 1102. Fiscal year 1997 funding allocations.
Sec. 1103. Prohibition on use of funds for specified purposes.
Sec. 1104. Limitation on use of funds until specified reports are submitted.
Sec. 1105. Availability of funds.

TITLE XII—RESERVE FORCES REVITALIZATION

Sec. 1201. Short title.
Sec. 1202. Purpose.

Subtitle A—Reserve Component Structure

Sec. 1211. Reserve component commands.
Sec. 1212. Reserve component chiefs.
Sec. 1213. Review of active duty and reserve general and flag officer authorizations.
Sec. 1214. Guard and Reserve technicians.
Sec. 1215. Technical amendment reflecting prior revision to National Guard Bureau charter.

Subtitle B—Reserve Component Accessibility

Sec. 1231. Report to Congress on measures to improve National Guard and Reserve ability to respond to emergencies.
Sec. 1232. Report to Congress concerning tax incentives for employers of members of reserve components.
Sec. 1233. Report to Congress concerning income insurance program for activated reservists.
Sec. 1234. Report to Congress concerning small business loans for members released from reserve service during contingency operations.

Subtitle C—Reserve Forces Sustainment

Sec. 1251. Report concerning tax deductibility of nonreimbursable expenses.
Sec. 1252. Codification of annual authority to pay transient housing charges or provide lodging in kind for members performing active duty for training or inactive-duty training.
Sec. 1253. Sense of Congress concerning quarters allowance during service on active duty for training.
Sec. 1254. Sense of Congress concerning military leave policy.
Sec. 1255. Commendation of Reserve Forces Policy Board.
Sec. 1256. Report on parity of benefits for active duty service and reserve service.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

Subtitle A—Miscellaneous Matters

Sec. 1301. One-year extension of counterproliferation authorities.
Sec. 1302. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1303. Certification required before observance of moratorium on use by Armed Forces of antipersonnel landmines.
Sec. 1304. Department of Defense demining program.
Sec. 1305. Report on military capabilities of People's Republic of China.
Sec. 1306. United States-People's Republic of China Joint Defense Conversion Commission.
Sec. 1307. Authority to accept services from foreign governments and international organizations for defense purposes.
Sec. 1308. Review by Director of Central Intelligence of National Intelligence Estimate 95–19

Subtitle B—Commission to Assess the Ballistic Missile Threat to the United States

Sec. 1321. Establishment of Commission.
Sec. 1322. Duties of Commission.
Sec. 1323. Report.
Sec. 1324. Powers.

Sec. 1325. Commission procedures.
Sec. 1326. Personnel matters.
Sec. 1327. Miscellaneous administrative provisions.
Sec. 1328. Funding.
Sec. 1329. Termination of the Commission.

TITLE XIV—SIKES ACT IMPROVEMENT

Sec. 1401. Short title.
Sec. 1402. Definition of Sikes Act for purposes of amendments.
Sec. 1403. Codification of short title of Act.
Sec. 1404. Integrated natural resource management plans.
Sec. 1405. Review for preparation of integrated natural resource management plans.
Sec. 1406. Annual reviews and reports.
Sec. 1407. Transfer of wildlife conservation fees from closed military installations.
Sec. 1408. Federal enforcement of integrated natural resource management plans and enforcement of other laws.
Sec. 1409. Natural resource management services.
Sec. 1410. Definitions.
Sec. 1411. Cooperative agreements.
Sec. 1412. Repeal of superseded provision.
Sec. 1413. Clerical amendments.
Sec. 1414. Authorizations of appropriations.

TITLE XV—DEFENSE AND SECURITY ASSISTANCE

Subtitle A—Military and Related Assistance

Sec. 1501. Terms of loans under the foreign military financing program.
Sec. 1502. Additional requirements under the foreign military financing program.
Sec. 1503. Drawdown special authorities.
Sec. 1504. Transfer of excess defense articles.
Sec. 1505. Excess defense articles for certain European countries.

Subtitle B—International Military Education and Training.

Sec. 1511. Assistance for Indonesia.
Sec. 1512. Additional requirements.

Subtitle C—Antiterrorism Assistance.

Sec. 1521. Antiterrorism training assistance.
Sec. 1522. Research and development expenses.

Subtitle D—Narcotics Control Assistance.

Sec. 1531. Additional requirements.
Sec. 1532. Notification requirement.
Sec. 1533. Waiver of restrictions for narcotics-related economic assistance.

Subtitle E—Other Provisions.

Sec. 1541. Standardization of Congressional review procedures for arms transfers.

Sec. 1542. Increased standardization, rationalization, and interoperability of assistance and sales programs.
Sec. 1543. Definition of significant military equipment.
Sec. 1544. Elimination of annual reporting requirement relating to the special defense acquisition fund.
Sec. 1545. Cost of leased defense articles that have been lost or destroyed.
Sec. 1546. Designation of major non-NATO allies.
Sec. 1547. Certification thresholds.
Sec. 1548. Depleted uranium ammunition.
Sec. 1549. End-use monitoring of defense articles and defense services.
Sec. 1550. Brokering activities relating to commercial sales of defense articles and services.
Sec. 1551. Return and exchanges of defense articles previously transferred pursuant to the Arms Export Control Act.
Sec. 1552. National security interest determination to waive reimbursement of depreciation for leased defense articles.
Sec. 1553. Eligibility of Panama under Arms Export Control Act.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Correction in authorized uses of funds, Fort Irwin, California.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Beach replenishment, Naval Air Station, North Island, California.
Sec. 2206. Lease to facilitate construction of reserve center, Naval Air Station, Meridian, Mississippi.

TITLE XXIII—AIR FORCE

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

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing planning and design.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Military housing improvement program.
Sec. 2405. Energy conservation projects.
Sec. 2406. Authorization of appropriations, Defense Agencies.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Naming of range at Camp Shelby, 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 1994 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2704. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2705. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction and Military Family Housing

Sec. 2801. North Atlantic Treaty Organization Security Investment Program.
Sec. 2802. Authority to demolish excess facilities.
Sec. 2803. Improvements to family housing units.

Subtitle B—Defense Base Closure and Realignment

Sec. 2811. Restoration of authority for certain intragovernment transfers under 1988 base closure law.
Sec. 2812. Contracting for certain services at facilities remaining on closed installations.
Sec. 2813. Authority to compensate owners of manufactured housing.
Sec. 2814. Additional purpose for which adjustment and diversification assistance is authorized.
Sec. 2815. Payment of stipulated penalties assessed under CERCLA in connection with Loring Air Force Base, Maine.
Sec. 2816. Plan for utilization, reutilization, or disposal of Mississippi Army Ammunization Plant.

Subtitle C—Land Conveyances

Part I—Army Conveyances

Sec. 2821. Transfer and exchange of jurisdiction, Arlington National Cemetery, Arlington, Virginia.
Sec. 2822. Land conveyance, Army Reserve Center, Rushville, Indiana.
Sec. 2823. Land conveyance, Army Reserve Center, Anderson, South Carolina.
Sec. 2824. Reaffirmation of land conveyances, Fort Sheridan, Illinois.

Part II—Navy Conveyances

Sec. 2831. Release of condition on reconveyance of transferred land, Guam.

Sec. 2832. Land exchange, St. Helena Annex, Norfolk Naval Shipyard, Virginia.
Sec. 2833. Land conveyance, Calverton Pine Barrens, Naval Weapons Industrial Reserve Plant, Calverton, New York.

PART III—AIR FORCE CONVEYANCES

Sec. 2841. Conveyance of primate research complex, Holloman Air Force Base, New Mexico.
Sec. 2842. Land conveyance, Radar Bomb Scoring Site, Belle Fourche, South Dakota.

PART IV—OTHER CONVEYANCES

Sec. 2851. Land conveyance, Tatum Salt Dome Test Site, Mississippi.
Sec. 2852. Land conveyance, William Langer Jewel Bearing Plant, Rolla, North Dakota.

Subtitle D—Other Matters

Sec. 2861. Easements for rights-of-way.
Sec. 2862. Authority to enter into cooperative agreements for the management of cultural resources on military installations.
Sec. 2863. Demonstration project for installation and operation of electric power distribution system at Youngstown Air Reserve Station, Ohio.
Sec. 2864. Designation of Michael O'Callaghan Military Hospital.

TITLE XXIX—MILITARY LAND WITHDRAWALS

Subtitle A—Fort Carson-Pinon Canyon Military Lands Withdrawal

Sec. 2901. Short title.
Sec. 2902. Withdrawal and reservation of lands at Fort Carson Military Reservation.
Sec. 2903. Withdrawal and reservation of lands at Pinon Canyon Maneuver Site.
Sec. 2904. Maps and legal descriptions.
Sec. 2905. Management of withdrawn lands.
Sec. 2906. Management of withdrawn and acquired mineral resources.
Sec. 2907. Hunting, fishing, and trapping.
Sec. 2908. Termination of withdrawal and reservation.
Sec. 2909. Determination of presence of contamination and effect of contamination.
Sec. 2910. Delegation.
Sec. 2911. Hold harmless.
Sec. 2912. Amendment to Military Lands Withdrawal Act of 1986.
Sec. 2913. Authorization of appropriations.

Subtitle B—El Centro Naval Air Facility Ranges Withdrawal

Sec. 2921. Short title and definitions.
Sec. 2922. Withdrawal and reservation of lands for El Centro.
Sec. 2923. Maps and legal descriptions.
Sec. 2924. Management of withdrawn lands.
Sec. 2925. Duration of withdrawal and reservation.
Sec. 2926. Continuation of ongoing decontamination activities.

Sec. 2927. Requirements for extension.
Sec. 2928. Early relinquishment of withdrawal.
Sec. 2929. Delegation of authority.
Sec. 2930. Hunting, fishing, and trapping.
Sec. 2931. Hold harmless.

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. Defense fixed asset acquisition.
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. Stockpile stewardship program.
Sec. 3132. Manufacturing infrastructure for nuclear weapons stockpile.
Sec. 3133. Production of high explosives.
Sec. 3134. Limitation on use of funds by laboratories for laboratory-directed research and development.
Sec. 3135. Prohibition on funding nuclear weapons activities with People's Republic of China.
Sec. 3136. International cooperative stockpile stewardship programs.
Sec. 3137. Temporary authority relating to transfers of defense environmental management funds.
Sec. 3138. Management structure for nuclear weapons production facilities and nuclear weapons laboratories.

Subtitle D—Other Matters

Sec. 3141. Report on nuclear weapons stockpile memorandum.
Sec. 3142. Report on plutonium pit production and remanufacturing plans.
Sec. 3143. Amendments relating to baseline environmental management reports.
Sec. 3144. Requirement to develop future use plans for environmental management program.

Sec. 3145. Worker health and safety improvements at Defense Nuclear Complex, Miamisburg, Ohio.

Subtitle E—Defense Nuclear Environmental Cleanup and Management

Sec. 3151. Purpose.
Sec. 3152. Covered defense nuclear facilities.
Sec. 3153. Site manager.
Sec. 3154. Department of Energy orders.
Sec. 3155. Deployment of technology for remediation of defense nuclear waste.
Sec. 3156. Performance-based contracting.
Sec. 3157. Designation of defense nuclear facilities as national environmental cleanup demonstration areas.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Subtitle A—Authorization of Disposals and Use of Funds

Sec. 3301. Definitions.
Sec. 3302. Authorized uses of stockpile funds.

Subtitle B—Programmatic Change

Sec. 3311. Biennial report on stockpile requirements.
Sec. 3312. Notification requirements.
Sec. 3313. Importation of strategic and critical materials.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1997.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

Sec. 3501. Short title.
Sec. 3502. Authorization of expenditures.
Sec. 3503. Purchase of vehicles.
Sec. 3504. Expenditures only in accordance with treaties.

Subtitle B—Amendments to Panama Canal Act of 1979

Sec. 3521. Short title; references.
Sec. 3522. Definitions and recommendation for legislation.
Sec. 3523. Administrator.
Sec. 3524. Deputy Administrator and Chief Engineer.
Sec. 3525. Office of Ombudsman.
Sec. 3526. Appointment and compensation; duties.
Sec. 3527. Applicability of certain benefits.
Sec. 3528. Travel and transportation expenses.
Sec. 3529. Clarification of definition of agency.

Sec. 3530. Panama Canal Employment System; merit and other employment requirements.
Sec. 3531. Employment standards.
Sec. 3532. Repeal of obsolete provision regarding interim application of Canal Zone Merit System.
Sec. 3533. Repeal of provision relating to recruitment and retention remuneration.
Sec. 3534. Benefits based on basic pay.
Sec. 3535. Vesting of general administrative authority of Commission.
Sec. 3536. Applicability of certain laws.
Sec. 3537. Repeal of provision relating to transferred or reemployed employees.
Sec. 3538. Administration of special disability benefits.
Sec. 3539. Panama Canal Revolving Fund.
Sec. 3540. Printing.
Sec. 3541. Accounting policies.
Sec. 3542. Interagency services; reimbursements.
Sec. 3543. Postal service.
Sec. 3544. Investigation of accidents or injury giving rise to claim.
Sec. 3545. Operations regulations.
Sec. 3546. Miscellaneous repeals.
Sec. 3547. Exemption.
Sec. 3548. Miscellaneous conforming amendments to title 5, United States Code.
Sec. 3549. Repeal of Panama Canal Code.
Sec. 3550. Miscellaneous clerical and conforming amendments.

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 1997 for procurement for the Army as follows:

(1) For aircraft, $1,556,615,000.

(2) For missiles, $1,027,829,000.

(3) For weapons and tracked combat vehicles, $1,334,814,000.

(4) For ammunition, $1,160,728,000.

(5) For other procurement, $2,812,240,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Navy as follows:

(1) For aircraft, $6,668,952,000.

(2) For weapons, including missiles and torpedoes, $1,305,308,000.

(3) For shipbuilding and conversion, $5,479,930,000.

(4) For other procurement, $2,871,495,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Marine Corps in the amount of $546,748,000.

(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 $599,239,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Air Force as follows:

(1) For aircraft, $7,271,928,000.

(2) For missiles, $4,341,178,000.

(3) For ammunition, $303,899,000.

(4) For other procurement, $6,117,419,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1997 for Defense-wide procurement in the amount of $1,890,212,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1997 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, $118,000,000.

(2) For the Air National Guard, $158,000,000.

(3) For the Army Reserve, $106,000,000.

(4) For the Naval Reserve, $192,000,000.

(5) For the Air Force Reserve, $148,000,000.

(6) For the Marine Corps Reserve, $83,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated for fiscal year 1997 the amount of $799,847,000 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) AMOUNT FOR ALTERNATIVE TECHNOLOGY AND APPROACHES PROJECT.—Of the amount specified in subsection (a), $21,000,000 shall be available for the Alternative Technology and Approaches Project.

SEC. 108. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $269,470,000.

Subtitle B—Army Programs

SEC. 111. REPEAL OF LIMITATION ON PROCUREMENT OF CERTAIN AIRCRAFT.

(a) APACHE HELICOPTERS.—Section 132 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) is repealed.

(b) OH–58D ARMED KIOWA WARRIOR HELICOPTERS.—Section 133 the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) is repealed.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR ARMY PROGRAMS.

(a) AVENGER AIR DEFENSE MISSILE SYSTEM.—Notwithstanding the limitation in subsection (k) of section

2306b of title 10, United States Code, relating to the maximum duration of a multiyear contract under the authority of that section, the Secretary of the Army may extend the multiyear contract in effect during fiscal year 1996 for the Avenger Air Defense Missile system through fiscal year 1997 and may award such an extension.

(b) ARMY TACTICAL MISSILE SYSTEM.—The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract, beginning with the fiscal year 1997 program year, for procurement of the Army Tactical Missile System (Army TACMS).

Subtitle C—Navy Programs

SEC. 121. NUCLEAR ATTACK SUBMARINE PROGRAMS.

(a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—Of the amount authorized by section 102 to be appropriated for Shipbuilding and Conversion, Navy, for fiscal year 1997—

(1) $699,071,000 is available for continued construction of the third vessel (designated SSN–23) in the Seawolf attack submarine class, which shall be the final vessel in that class;

(2) $296,186,000 is available for long-lead and advance construction and procurement of components for construction of a submarine (previously

designated by the Navy as the New Attack Submarine) beginning in fiscal year 1998 to be built by Electric Boat Division; and

(3) $504,000,000 is available for long-lead and advance construction and procurement of components for construction of a second submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1999 to be built by Newport News Shipbuilding.

(b) AMOUNTS AUTHORIZED FROM NAVY RDT&E ACCOUNT.—(1) Of the amount authorized to be appropriated by section 201 for Research, Development, Test, and Evaluation, Navy, $489,443,000 is available for the design of the submarine previously designated by the Navy as the New Attack Submarine. Such funds shall be available for obligation and expenditure under contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the ''Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine'', dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, updated design base, and other research and development initiatives related to the design of such submarine.

(2)(A) Of the amount authorized to be appropriated by section 201(2), $60,000,000 is available to address the inclusion on future nuclear attack submarines of the specific advanced technologies that are identified by the Secretary of Defense (in the report of the Secretary entitled ''Report on Nuclear Attack Submarine Procurement and Submarine Technology'', submitted to Congress on March 26, 1996) as those technologies the maturation of which the Submarine Technology Assessment Panel recommended be addressed in its March 15, 1996, final report to the Assistant Secretary of the Navy for Research, Development, and Acquisition, as follows: hydrodynamics, alternative sail designs, advanced arrays, electric drive, external weapons and active controls and mounts.

(B) Of the amount referred to in subparagraph (A), $20,000,000 shall be equally divided between the two shipyards for the purpose of ensuring that the shipyards are principal participants in the process of addressing the inclusion of technologies referred to in subparagraph (A). The Secretary of the Navy shall ensure that those shipyards have access for such purpose (under procedures prescribed by the Secretary) to the Navy laboratories and the Office of Naval Intelligence and (in accordance with arrangements to be made by the Secretary) to the Defense Advanced Research Projects Agency.

(3) Of the amount authorized to be appropriated by section 201(2), $38,000,000 is available to begin funding those Category I and Category II advanced technologies described in Appendix C of the report of the Secretary of Defense referred to in paragraph (2).

(4) Of the amount authorized to be appropriated by section 201(2), $40,000,000 is available to provide funds for the design improvements in accordance with subsection (f), to be equally divided between the two shipyards.

(5)(A) Of the amount authorized to be appropriated by section 201(2), $50,000,000 is available to initiate the design of a new, next-generation nuclear attack submarine, the design of which is not intended to be an outgrowth of the submarine program described in section 131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 208). Those funds shall be equally divided between the two shipyards and shall provide alternatives to the design or designs to be derived in accordance with subsection (f). The Secretary of the Navy shall compete those alternative designs with the design or designs to be derived in accordance with subsection (f) for serial production beginning not earlier than fiscal year 2003.

(B) The design under subparagraph (A) should proceed from, but not be limited to, the technology specified

in paragraph (2)(A), especially with respect to hydrodynamics concepts and technologies. The Secretary shall require the two shipyards to submit to the Secretary an annual report on the progress of the design work under subparagraph (A) and shall transmit each such report to the committees specified in subsection (d)(1).

(c) CONTRACTS AUTHORIZED.—(1) The Secretary of the Navy is authorized, using funds available pursuant to paragraphs (2) and (3) of subsection (a), to enter into contracts with Electric Boat Division and Newport News Shipbuilding, and suppliers of components, during fiscal year 1997 for—

(A) the procurement of long-lead components for the fiscal year 1998 submarine and the fiscal year 1999 submarine under this section; and

(B) advance construction of such components and other components for such submarines.

(2) The Secretary may enter into a contract or contracts under this section with the shipbuilder of the fiscal year 1998 submarine only if the Secretary enters into a contract or contracts under this section with the shipbuilder of the fiscal year 1999 submarine.

(d) LIMITATIONS.—(1) Of the amounts specified in subsection (a), not more than $50,000,000 may be obligated until the Secretary of Defense certifies in writing

to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that procurement of nuclear attack submarines to be constructed after four submarines are procured as provided for in the plan described in section 131(c) of the National Defense Authorization Act for fiscal year 1996 will be under one or more contracts that are entered into after competition between Electric Boat Division and Newport News Shipbuilding in which the Secretary of the Navy solicits competitive proposals and awards the contract or contracts on the basis of best value to the Government.

(2) Of the amounts specified in subsection (a), not more than $50,000,000 may be obligated until the Under Secretary of Defense for Acquisition and Technology submits to the congressional committees specified in paragraph (1) a report in writing detailing the following:

(A) The Under Secretary's oversight activities to date, and plans for the future, for the development and improvement of the nuclear attack submarine program of the Navy as required by section 131(b)(2)(C) of the National Defense Authorization Act for Fiscal Year 1996.

(B) The implementation of, and activities conducted under, the program required to be estab-

lished by the Director of the Defense Advanced Research Projects Agency by section 131(i) of the National Defense Authorization Act for Fiscal Year 1996 for the development and demonstration of advanced submarine technologies and a rapid prototype acquisition strategy for both land-based and at-sea subsystem and system demonstrations of such technologies.

(C) A description of all research, development, test, and evaluation programs, projects, or activities within the Department of Defense which are designed to or which could, in the opinion of the Under Secretary, contribute to the development and demonstration of advanced submarine technologies leading to a more capable, more affordable nuclear attack submarine, specifically identifying ongoing involvement, and plans for future involvement, in any such program, project or activity by either Electric Boat Division, Newport News Shipbuilding, or both.

(3) Of the amount specified in subsection (b)(1), not more than $50,000,000 may be obligated or expended until the Under Secretary of Defense (Comptroller) certifies in writing to the congressional committees specified in paragraph (1) that the Department has complied with section 132 of the National Defense Authorization Act for

Fiscal Year 1996 and that the funds specified in paragraphs (2), (3), and (4) of subsection (b), have been obligated.

(e) ACQUISITION SIMPLIFICATION.—(1) In furtherance of the direction provided by subsection (d) of section 131 of the National Defense Authorization Act for Fiscal Year 1996 to the Secretary of Defense regarding the application of acquisition reform policies and procedures to the submarine program under that section, the Secretary shall direct the Secretary of the Navy to implement for the submarine programs of the Navy the acquisition reform initiatives begun by the Secretary of the Air Force in May 1995 referred to as the ''Lightning Bolt'' initiatives. The Secretary of the Navy shall, not later than March 31, 1997, submit to the congressional committees specified in subsection (d)(1) a report on the results of the implementation of such initiatives.

(f) DESIGN RESPONSIBILITY.—(1) The Secretary of the Navy shall carry out the submarine program described in section 131 of the National Defense Authorization Act for Fiscal Year 1996 in a manner that ensures that neither of the two shipyards has the lead responsibility for submarine design under the program. Each of the two shipyards involved in the design and construction of the four submarines described in that section shall be allowed

to propose to the Secretary any design improvement that shipyard considers appropriate for the submarines to be built at that shipyard as part of those four submarines. Control of the configuration of each of the four submarines shall be separately maintained, and there shall be no single design to compete for serial production with those designs derived from the design work under subsection (b)(5), such competition to occur not earlier than fiscal year 2003.

(2) The Secretary of the Navy shall submit an annual report to the committees specified in subsection (d)(1) on the design improvements proposed by the two shipyards under paragraph (1) for incorporation on any of the four submarines using the funds specified in subsection (b)(4). Each annual report shall set forth each design improvement proposed and whether that proposal was—

(A) reviewed, approved, and funded by the Navy;

(B) reviewed and approved, but not funded; or

(C) not approved, in which case the report shall include the reasons therefor and any views of the shipyard making the proposal.

SEC. 122. COST LIMITATIONS FOR SEAWOLF SUBMARINE PROGRAM.

(a) FIRST TWO SUBMARINES.—The total amount obligated or expended for procurement of the first two Seawolf-class submarines (designated as SSN–21 and SSN–22) may not exceed $4,793,557,000.

(b) THIRD SUBMARINE.—The total amount obligated or expended for procurement of the third Seawolf-class submarine (designated as SSN–23) may not exceed $2,430,102,000.

(c) AUTOMATIC INCREASE IN SSN–21 AND SSN–22 LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (a) is increased by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in that subsection.

(2) The amounts of increases in costs for those submarines attributable to economic inflation after September 30, 1995.

(3) The amounts of increases in costs for those submarines attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1995.

(d) AUTOMATIC INCREASE IN SSN–23 LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (b) is increased by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarine referred to in that subsection.

(2) The amounts of increases in costs for that submarine attributable to economic inflation after September 30, 1995.

(3) The amounts of increases in costs for that submarine attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1995.

(e) REPEAL OF SUPERSEDED PROVISION.—Section 133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) is repealed.

SEC. 123. PULSE DOPPLER RADAR MODIFICATION.

The Secretary of the Navy shall, to the extent specifically provided in an appropriations Act enacted after the date of the enactment of this Act, spend $29,000,000 solely for development and procurement of the Pulse Doppler Upgrade modification to the AN/SPS–48E radar system, to be derived by the Secretary from amounts appropriated for Other Procurement, Navy, for fiscal years before fiscal

year 1997 that are unobligated and remain available for obligation.

SEC. 124. REDUCTION IN NUMBER OF VESSELS EXCLUDED FROM LIMIT ON PURCHASE OF VESSELS BUILT IN FOREIGN SHIPYARDS.

Section 1023 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2838) is amended by striking out ''three ships'' and inserting in lieu thereof ''one ship''.

SEC. 125. T–39N TRAINER AIRCRAFT FOR THE NAVY.

(a) PROCUREMENT.—The Secretary of the Navy shall, using funds appropriated for fiscal year 1996 for procurement of T–39N trainer aircraft for the Navy that remain available for obligation for such purpose, enter into a contract only for the acquisition of not less than 17 T–39N aircraft for naval flight officer training that are suitable for low-level training flights. The Secretary shall use procurement procedures authorized under section 2304(c) of title 10, United States Code, for a contract under subsection (a). The Secretary shall enter into such a contract not later than 15 days after the date of the enactment of this Act.

(b) CONFORMING REPEAL.—Subsection (a) of section 137 of the National Defense Authorization Act for Fiscal

Year 1996 (Public Law 104–106; 110 Stat. 212) is repealed.

Subtitle D—Air Force Programs

SEC. 141. REPEAL OF LIMITATION ON PROCUREMENT OF F–15E AIRCRAFT.

Section 134 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) is repealed.

SEC. 142. C–17 AIRCRAFT PROCUREMENT.

The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract under the C–17 aircraft program for the procurement of a total of not more than 80 aircraft. Such a contract may (notwithstanding subsection (k) of such section 2306b) be entered into for a period of six program years, beginning with fiscal year 1997.

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 1997 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,669,979,000.

(2) For the Navy, $8,189,957,000.

(3) For the Air Force, $13,271,087,000.

(4) For Defense-wide activities, $9,406,377,000, of which—

(A) $252,038,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $21,968,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 1997.—Of the amounts authorized to be appropriated by section 201, $4,088,043,000 shall be available for basic research and applied research projects.

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

SEC. 203. DUAL-USE TECHNOLOGY PROGRAMS.

(a) DESIGNATION OF OFFICIAL FOR DUAL-USE PROGRAMS.—The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense whose sole responsibility is developing policy relating to, and en-

suring effective implementation of, dual-use programs and the integration of commercial technologies into current and future military systems for the period beginning on October 1, 1996, and ending on September 30, 2000. Such official shall report directly to the Under Secretary of Defense for Acquisition and Technology.

(b) FUNDING REQUIREMENT.—Of the amounts appropriated for the Department of Defense for science and technology programs for each of fiscal years 1997 through 2000, at least the following percentages of such amounts shall be available in the applicable fiscal year only for dual-use programs of the Department of Defense:

(1) For fiscal year 1997, five percent.

(2) For fiscal year 1998, seven percent.

(3) For fiscal year 1999, 10 percent.

(4) For fiscal year 2000, 15 percent.

(c) LIMITATION ON OBLIGATIONS.—(1) Except as provided in paragraph (2), funds made available pursuant to subsection (b) may not be obligated until the senior official designated under subsection (a) approves the obligation.

(2) Paragraph (1) does not apply with respect to funds made available pursuant to subsection (b) to the Department of the Air Force or to the Defense Advanced Research Projects Agency.

(3) Funds made available pursuant to subsection (b) may be used for a dual-use program only if the contract, cooperative agreement, or other transaction by which the program is carried out is entered into through the use of competitive procedures.

(d) TRANSFER AUTHORITY.—The Secretary of Defense may transfer funds made available pursuant to subsection (b) for a dual-use program from a military department or defense agency to another military department or defense agency to ensure efficient implementation of the program. The Secretary may delegate the authority provided in the preceding sentence to the senior official designated under subsection (a).

(e) FEDERAL COST SHARE.—(1) The share contributed by the Secretary of a military department for the cost of a dual-use program during the fiscal years 1997, 1998, 1999, and 2000 may not be greater than 50 percent.

(2) In calculating the share of the costs of a dual-use program contributed by a military department or a non-Government entity, the Secretaries of the military departments may not consider in-kind contributions.

(f) DEFINITIONS.—In this section:

(1) The term ''dual-use program'' means a program of a military department—

(A) under which research or development of a dual-use technology (as defined in section 2491 of title 10, United States Code) is carried out; and

(B) the costs of which are shared between the Department of Defense and non-Government entities.

(2) The term ''science and technology program'' means a program of a military department under which basic research, applied research, or advanced technology development is carried out.

(g) REPEAL.—Section 2371(e) of title 10, United States Code, is amended—

(1) by inserting ''and'' after the semicolon at the end of paragraph (1);

(2) by striking out ''; and'' at the end of paragraph (2) and inserting in lieu thereof a period; and

(3) by striking out paragraph (3).

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),

$50,000,000 shall be available for a competitive reusable launch vehicle technology program (PE 63401F).

(b) LIMITATION.—Funds made available pursuant to subsection (a)(1) may be obligated only to the extent that the fiscal year 1997 current operating plan of the National Aeronautics and Space Administration allocates at least an equal amount for its Reusable Space Launch Vehicle program.

SEC. 212. LIVE-FIRE SURVIVABILITY TESTING OF V–22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may exercise the waiver authority in section 2366(c) of title 10, United States Code, with respect to the application of survivability testing to the V–22 aircraft system, notwithstanding that such system has entered engineering and manufacturing development.

(b) REPORT TO CONGRESS.—In exercising the waiver authority in section 2366(c), the Secretary shall submit to Congress a report explaining how the Secretary plans to evaluate the survivability of the V–22 aircraft system and assessing possible alternatives to realistic survivability testing of the system.

(c) ALTERNATIVE SURVIVABILITY TESTING REQUIREMENTS.—If the Secretary of Defense submits a certification under section 2366(c)(2) of such title that live-

fire testing of the V–22 aircraft system under such section would be unreasonably expensive and impractical, the Secretary shall require that sufficiently large and realistic components and subsystems that could affect the survivability of the V–22 aircraft system be made available for any alternative live-fire testing of such system.

(d) FUNDING.—The funds required to carry out any alternative live-fire testing of the V–22 aircraft system shall be made available from amounts appropriated for the V–22 program.

SEC. 213. LIVE-FIRE SURVIVABILITY TESTING OF F–22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may exercise the waiver authority in section 2366(c) of title 10, United States Code, with respect to the application of survivability testing to the F–22 aircraft system, notwithstanding that such system has entered engineering and manufacturing development.

(b) ALTERNATIVE SURVIVABILITY TESTING REQUIREMENTS.—If the Secretary of Defense submits a certification under section 2366(c)(2) of such title that live-fire testing of the F–22 aircraft system under such section would be unreasonably expensive and impractical, the Secretary of Defense shall require that sufficiently large and realistic components and subsystems that could affect the

survivability of the F–22 aircraft system be made available for any alternative live-fire testing of such system.

(c) FUNDING.—The funds required to carry out any alternative live-fire testing of the F–22 aircraft system shall be made available from amounts appropriated for the F–22 program.

SEC. 214. DEMILITARIZATION OF CONVENTIONAL MUNITIONS, ROCKETS, AND EXPLOSIVES.

(a) ESTABLISHMENT OF CONVENTIONAL MUNITIONS, ROCKETS, AND EXPLOSIVES DEMILITARIZATION PROGRAM.—The Secretary of Defense shall establish an integrated program for the development and demonstration of technologies for the demilitarization and disposal of conventional munitions, rockets, and explosives in a manner that complies with applicable environmental laws.

(b) DURATION OF PROGRAM.—The program established pursuant to subsection (a) shall be in effect for a period of at least five years, beginning with fiscal year 1997.

(c) FUNDING.—Of the amount authorized to be appropriated in section 201, $15,000,000 is authorized to be appropriated for the program established pursuant to subsection (a). The funding request for the program shall be set forth separately in the budget justification docu-

ments for the budget of the Department of Defense for each fiscal year during which the program is in effect.

(d) REPORTS.—The Secretary of Defense shall submit to Congress a report on the plan for the program established pursuant to subsection (a) at the same time the President submits to Congress the budget for fiscal year 1998. The Secretary shall submit an updated version of such report, setting forth in detail the progress of the program, at the same time the President submits the budget for each fiscal year after fiscal year 1998 during which the program is in effect.

SEC. 215. RESEARCH ACTIVITIES OF THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY RELATING TO CHEMICAL AND BIOLOGICAL WARFARE DEFENSE TECHNOLOGY.

(a) AUTHORITY.—Section 1701(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1853; 50 U.S.C. 1522) is amended—

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

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

''(2) The Director of the Defense Advanced Research Projects Agency may conduct a program of basic and ap-

plied research and advanced technology development on chemical and biological warfare defense technologies and systems. In conducting such program, the Director shall seek to avoid unnecessary duplication of the activities under the program with chemical and biological warfare defense activities of the military departments and defense agencies and shall coordinate the activities under the program with those of the military departments and defense agencies.''.

(b) FUNDING.—Section 1701(d) of such Act is amended—

(1) in paragraph (1), by striking out ''military departments'' and inserting in lieu thereof ''Department of Defense'';

(2) in paragraph (2), by inserting after ''requests for the program'' in the first sentence the following: ''(other than for activities under the program conducted by the Defense Advanced Research Projects Agency under subsection (c)(2))'';

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

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

''(3) The program conducted by the Defense Advanced Research Projects Agency under subsection (c)(2)

shall be set forth as a separate program element in the budget of that agency.''.

SEC. 216. LIMITATION ON FUNDING FOR F–16 TACTICAL MANNED RECONNAISSANCE AIRCRAFT.

(a) LIMITATION.—Effective on the date of the enactment of this Act, not more than $50,000,000 (in fiscal year 1997 constant dollars) may be obligated or expended for—

(1) research, development, test, and evaluation for, and acquisition and modification of, the F–16 tactical manned reconnaissance aircraft program; and

(2) costs associated with the termination of such program.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to obligations required for improvements planned before the date of the enactment of this Act to incorporate the common data link into the F–16 tactical manned reconnaissance aircraft.

SEC. 217. UNMANNED AERIAL VEHICLES.

(a) PROHIBITION.—(1) The Secretary of Defense may not enter into a contract for the Joint Tactical Unmanned Aerial Vehicle project, and no funds authorized to be appropriated by this Act may be obligated for such project, until a period of 30 days has expired after the

date on which the Secretary of Defense submits to Congress a certification that the reconnaissance programs of the Department of Defense—

(A) are justified on the basis of the projected national security threat;

(B) have been subjected to a roles and missions determination;

(C) are supported by an overall national, joint, and tactical reconnaissance plan;

(D) are affordable within the budget of the Department of Defense as projected by the future-years defense program; and

(E) are fully programmed for in the future-years defense program.

(2) In this subsection, the term 'reconnaissance programs of the Department of Defense' means programs for tactical unmanned aerial vehicles, endurance unmanned aerial vehicles, airborne reconnaissance, manned reconnaissance, and distributed common ground systems that—

(A) are described in the budget justification documents of the Defense Airborne Reconnaissance Office;

(B) are included in the funding request for the Department of Defense; or

(C) are certified as acquisition reconnaissance requirements by the Joint Requirements Oversight Council for the future-years defense program.

(b) PROCUREMENT FUNDING REQUEST.—The funding request for procurement for unmanned aerial vehicles for any fiscal year shall be set forth under the funding requests for the military departments in the budget of the Department of Defense.

(c) TRANSFER OF PROGRAM MANAGEMENT.—Program management for the Predator Unmanned Aerial Vehicle, and programmed funding for such vehicle for fiscal years 1998, 1999, 2000, 2001, and 2002 (as set forth in the future-years defense program), shall be transferred to the Department of the Air Force, effective October 1, 1996, or the date of the enactment of this Act, whichever is later.

(d) PROHIBITION ON PROVIDING OPERATING CAPABILITY FROM NAVAL VESSELS.—No funds authorized to be appropriated by this Act may be obligated for purposes of providing the capability of the Predator Unmanned Aerial Vehicle to operate from naval vessels.

(e) FUNDING.—Of the amounts authorized to be appropriated by section 201 for program element 35154D, $10,000,000 shall be available only for an advanced concepts technology demonstration of air-to-surface precision

guided munitions employment using a Predator, Hunter, or Pioneer unmanned aerial vehicle and a nondevelopmental laser target designator.

SEC. 218. HYDRA–70 ROCKET PRODUCT IMPROVEMENT PROGRAM.

(a) FUNDING AUTHORIZATION.—Of the amount authorized to be appropriated under section 201(1) for the Army for Other Missile Product Improvement Programs, $15,000,000 is authorized as specified in subsection (b) for completion of the Hydra–70 product improvement program authorized for fiscal year 1996.

(b) AUTHORIZED ACTIONS.—Funding is authorized to be appropriated for the following:

(1) Procurement for test and flight qualification of at least one nondevelopmental item 2.75-inch composite rocket motor type, along with other nondevelopmental item candidate motors that use composite propellent as the propulsion component and that have passed initial insensitive munition criteria tests.

(2) Platform integration, including additional quantities of the motor chosen for operational certification on the Apache attack helicopter.

(c) DEFINITION.—In this section, the term ''nondevelopmental item'' has the meaning provided in section

4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) and also includes an item the flight capability of which has been demonstrated from a current Hydra–70 rocket launcher.

SEC. 219. SPACE-BASED INFRARED SYSTEM PROGRAM.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for the Space-Based Infrared System program for purposes and in amounts as follows:

(1) For Space Segment High, $180,390,000.

(2) For Space Segment Low (the Space and Missile Tracking System), $247,221,000.

(3) For Cobra Brass, $6,930,000.

(b) LIMITATION.—None of the funds authorized under subsection (a) to be made available for the Space-Based Infrared System program may be obligated or expended until the Secretary of Defense certifies to Congress that the requirements of section 216(a) of Public Law 104–106 (110 Stat. 220) have been carried out.

(c) PROGRAM MANAGEMENT.—Before the submission of the President's budget for fiscal year 1998, the Secretary of Defense shall conduct a review of the appropriate management responsibilities for the Space and Missile Tracking System, including whether transferring such

management responsibility from the Air Force to the Ballistic Missile Defense Organization would result in improved program efficiencies and support.

SEC. 220. JOINT ADVANCED STRIKE TECHNOLOGY (JAST) PROGRAM.

(a) ALLOCATION OF FUNDS.—Of the amounts authorized to be appropriated pursuant to the authorizations in section 201, $589,069,000 shall be available only for advanced technology development for the Joint Advanced Strike Technology (JAST) program. Of that amount—

(1) $246,833,000 shall be available only for program element 63800N in the budget of the Department of Defense for fiscal year 1997;

(2) $263,836,000 shall be available only for program element 63800F in the budget of the Department of Defense for fiscal year 1997; and

(3) $78,400,000 shall be available only for program element 63800E in the budget of the Department of Defense for fiscal year 1997.

(b) LIMITATION.—None of the funds authorized to be appropriated pursuant to the authorizations in section 201 may be used for Advanced Short Takeoff and Vertical Landing aircraft development.

(c) FORCE STRUCTURE ANALYSIS.—Of the amount made available under subsection (a), up to $10,000,000

shall be available for the conduct of an analysis by the Institutes of Defense Analysis of the following:

(1) The weapons systems force structure requirements to meet the projected threat for the period beginning on January 1, 2000, and ending on December 31, 2025.

(2) Alternative force structures, including, at a minimum, JAST derivative aircraft; remanufactured AV–8 aircraft; F–18C/D, F–18E/F, AH–64, AH–1W, F–14, F–16, F–15, F–117, and F–22 aircraft; and air-to-surface and surface-to-surface weapons systems.

(3) Affordability, effectiveness, commonality, and roles and missions alternatives related to the alternative force structures analyzed under paragraph (2).

(d) COST REVIEW.—The cost analysis and improvement group of the Office of the Secretary of Defense shall review cost estimates made under the analysis conducted under subsection (c) and shall provide a sensitivity analysis for the alternatives evaluated under paragraphs (2) and (3) of subsection (c).

(e) DEADLINE.—The Secretary of Defense shall submit to the congressional defense committees a copy of the analysis conducted under subsection (c) and the review

conducted under subsection (d) not later than February 1, 1997.

SEC. 221. JOINT UNITED STATES-ISRAELI NAUTILUS LASER/THEATER HIGH ENERGY LASER PROGRAM.

The Congress strongly supports the Joint United States-Israeli Nautilus Laser/Theater High Energy Laser programs and encourages the Secretary of Defense to request authorization to develop these programs as agreed to on April 28, 1996, in the statement of intent signed by the Secretary of Defense and the Prime Minister of the State of Israel.

SEC. 222. NONLETHAL WEAPONS RESEARCH AND DEVELOPMENT PROGRAM.

Of the amounts authorized to be appropriated by section 201 for program element 63640M, $3,000,000 shall be available for the Nonlethal Weapons Research and Development Program.

SEC. 223. HIGH ALTITUDE ENDURANCE UNMANNED AERIAL RECONNAISSANCE SYSTEM.

Any funds authorized to be appropriated under this title to develop concepts for an improved Tier III Minus (High Altitude Endurance Unmanned Aerial Reconnaissance System) that would increase the unit flyaway cost above the established contracted for amount must be awarded through competitive acquisition procedures.

SEC. 224. CERTIFICATION OF CAPABILITY OF UNITED STATES TO PREVENT ILLEGAL IMPORTATION OF NUCLEAR, BIOLOGICAL, OR CHEMICAL WEAPONS.

Not later than 15 days after the date of the enactment of this Act, the President shall submit to Congress a certification in writing stating specifically whether or not the United States has the capability (as of the date of the certification) to prevent the illegal importation of nuclear, biological, or chemical weapons into the United States and its possessions.

Subtitle C—Ballistic Missile Defense Programs

SEC. 231. FUNDING FOR BALLISTIC MISSILE DEFENSE PROGRAMS FOR FISCAL YEAR 1997.

Of the amount appropriated pursuant to section 201(4), not more than $3,258,982,000 may be obligated for programs managed by the Ballistic Missile Defense Organization.

SEC 232. CERTIFICATION OF CAPABILITY OF UNITED STATES TO DEFEND AGAINST SINGLE BALLISTIC MISSILE.

Not later than 15 days after the date of the enactment of this Act, the President shall submit to Congress a certification in writing stating specifically whether or not the United States has the military capability (as of the

time of the certification) to intercept and destroy a single ballistic missile launched at the territory of the United States.

SEC. 233. 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. 234. REQUIREMENT THAT MULTILATERALIZATION OF THE ABM TREATY BE DONE ONLY THROUGH TREATY-MAKING POWER.

Any addition of a new signatory party to the ABM Treaty (in addition to the United States and the Russian

Federation) constitutes an amendment to the treaty that can only be agreed to by the United States through the treaty-making power of the United States. No funds appropriated or otherwise available for any fiscal year may be obligated or expended for the purpose of implementing or making binding upon the United States the participation of any additional nation as a party to the ABM Treaty unless that nation is made a party to the treaty by an amendment to the Treaty that is made in the same manner as the manner by which a treaty is made.

SEC. 235. REPORT ON BALLISTIC MISSILE DEFENSE AND PROLIFERATION.

The Secretary of Defense shall submit to Congress a report on ballistic missile defense and the proliferation of weapons of mass destruction, including nuclear, chemical, and biological weapons, and the missiles that can be used to deliver them. The report shall be submitted not later than December 31, 1996, and shall include the following:

(1) An assessment of how United States theater missile defenses contribute to United States efforts to prevent proliferation, including an evaluation of the specific effect United States theater missile defense systems can have on dissuading other states from acquiring ballistic missiles.

(2) An assessment of how United States national missile defenses contribute to United States efforts to prevent proliferation.

(3) An assessment of the effect of the lack of national missile defenses on the desire of other states to acquire ballistic missiles and an evaluation of the types of missiles other states might seek to acquire as a result.

(4) A detailed review of the linkages between missile defenses (both theater and national) and each of the categories of counterproliferation activities identified by the Secretary of Defense as part of the Defense Counterproliferation Initiative announced by the Secretary in December 1993.

(5) A description of how theater and national ballistic missile defenses can augment the effectiveness of other counterproliferation tools.

SEC. 236. REVISION TO ANNUAL REPORT ON BALLISTIC MISSILE DEFENSE PROGRAM.

Section 224(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431 note) is amended—

(1) by striking out paragraphs (3), (4), and (10);

(2) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively;

(3) by redesignating paragraph (7) as paragraph (5) and in that paragraph by striking out ''of the Soviet Union'' and ''for the Soviet Union'';

(4) by redesignating paragraph (8) as paragraph (6); and

(5) by redesignating paragraph (9) as paragraph (7) and in that paragraph—

(A) by striking out ''of the Soviet Union'' in subparagraph (A);

(B) by striking out subparagraphs (C) through (F); and

(C) by redesignating subparagraph (G) as subparagraph (C).

SEC. 237. ABM TREATY DEFINED.

For purposes of this subtitle, the term ''ABM Treaty'' means the Treaty Between the United States of America 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 the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 238. CAPABILITY OF NATIONAL MISSILE DEFENSE SYSTEM.

The Secretary of Defense shall ensure that any National Missile Defense system deployed by the United States is capable of defeating the threat posed by the Taepo Dong II missile of North Korea.

Subtitle D—Other Matters

SEC. 241. UNIFORM PROCEDURES AND CRITERIA FOR MAINTENANCE AND REPAIR AT AIR FORCE INSTALLATIONS.

The Secretary of the Air Force shall apply uniform procedures and criteria to allocate funds authorized to be appropriated pursuant to this title and title III of this Act for maintenance and repair of real property at military installations of the Department of the Air Force.

SEC. 242. REQUIREMENTS RELATING TO SMALL BUSINESS INNOVATION RESEARCH PROGRAM.

(a) MANAGEMENT AND EXECUTION BY PROGRAM MANAGER.—The Secretary of Defense, in conducting within the Department of Defense the Small Business Innovation Research Program (as defined by section 2491(13) of title 10, United States Code), shall ensure that the Program is managed and executed, for each program element for research and development for which $20,000,000 or more is authorized for a fiscal year, by the program manager for that element.

(b) REPORT.—Not later than March 30, 1997, the Comptroller General shall submit to Congress and to the Secretary of Defense a report setting forth an assessment of whether there has been a demonstrable reduction in the quality of research performed under funding agreements awarded by the Department of Defense under the Small Business Innovation Research Program since fiscal year 1995.

SEC. 243. EXTENSION OF DEADLINE FOR DELIVERY OF ENHANCED FIBER OPTIC GUIDED MISSILE (EFOG–M) SYSTEM.

Section 272(a)(2) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 239) is amended by striking out ''September 30, 1998,'' and inserting in lieu thereof ''September 30, 1999,''.

SEC. 244. AMENDMENT TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701; 10 U.S.C. 2358 note) is amended by striking out ''fiscal years before the fiscal year in which the institution submits a proposal'' and inserting in lieu thereof ''most recent fiscal years for which complete statistics are available when proposals are requested''.

SEC. 245. AMENDMENTS TO DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Section 257(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2705; 10 U.S.C. 2358 note) is amended—

(1) in paragraph (1)—

(A) by striking out ''Director of the National Science Foundation'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''; and

(B) by striking out ''and shall notify the Director of Defense Research and Engineering of the States so designated''; and

(2) in paragraph (2)—

(A) by striking out ''Director of the National Science Foundation'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology'';

(B) by striking out ''as determined by the Director'' and inserting in lieu thereof ''as determined by the Under Secretary'';

(C) in subparagraph (A), by striking out ''(to be determined in consultation with the Secretary of Defense);'' and inserting in lieu thereof ''; and'';

(D) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(E) by striking out subparagraph (C).

SEC. 246. ELIMINATION OF REPORT ON THE USE OF COMPETITIVE PROCEDURES FOR THE AWARD OF CERTAIN CONTRACTS TO COLLEGES AND UNIVERSITIES.

Section 2361 of title 10, United States Code, is amended by striking out subsection (c).

SEC. 247. NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) The oceans and coastal areas of the United States are among the Nation's most valuable natural resources, making substantial contributions to economic growth, quality of life, and national security.

(2) Oceans drive global and regional climate. Hence, they contain information affecting agriculture, fishing, and the prediction of severe weather.

(3) Understanding of the oceans through basic and applied research is essential for using the oceans wisely and protecting their limited resources. Therefore, the United States should maintain its

world leadership in oceanography as one key to its competitive future.

(4) Ocean research and education activities take place within Federal agencies, academic institutions, and industry. These entities often have similar requirements for research facilities, data, and other resources (such as oceanographic research vessels).

(5) The need exists for a formal mechanism to coordinate existing partnerships and establish new partnerships for the sharing of resources, intellectual talent, and facilities in the ocean sciences and education, so that optimal use can be made of this most important natural resource for the well-being of all Americans.

(b) PROGRAM REQUIRED.—(1) Subtitle C of title 10, United States Code, is amended by adding after chapter 663 the following new chapter:

"CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

"Sec.
"7901. National Oceanographic Partnership Program.
"7902. National Ocean Research Leadership Council.
"7903. Ocean Research Partnership Coordinating Group.
"7904. Ocean Research Advisory Panel.

"§ 7901. National Oceanographic Partnership Program

''(a) ESTABLISHMENT.—The Secretary of the Navy shall establish a program to be known as the 'National Oceanographic Partnership Program'.

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

''(1) To promote the national goals of assuring national security, advancing economic development, protecting quality of life, and strengthening science education and communication through improved knowledge of the ocean.

''(2) To coordinate and strengthen oceanographic efforts in support of those goals by—

''(A) identifying and carrying out partnerships among Federal agencies, academia, industry, and other members of the oceanographic scientific community in the areas of data, resources, education, and communication; and

''(B) reporting annually to Congress on the program.

"§ 7902. National Ocean Research Leadership Council

''(a) COUNCIL.—There is a National Ocean Research Leadership Council (hereinafter in this chapter referred to as the 'Council').

"(b) MEMBERSHIP.—The Council is composed of the following members:

"(1) The Secretary of the Navy, who shall be the Chairman of the Council.

"(2) The Administrator of the National Oceanic and Atmospheric Administration, who shall be the Vice Chairman of the Council.

"(3) The Director of the National Science Foundation.

"(4) The Administrator of the National Aeronautics and Space Administration.

"(5) The Deputy Secretary of Energy.

"(6) The Administrator of the Environmental Protection Agency.

"(7) The Commandant of the Coast Guard.

"(8) The Director of the Geological Survey of the Department of the Interior.

"(9) The Director of the Defense Advanced Research Projects Agency.

"(10) The Director of the Minerals Management Service of the Department of the Interior.

"(11) The President of the National Academy of Sciences, the President of the National Academy of Engineering, and the President of the Institute of Medicine.

"(12) The Director of the Office of Science and Technology.

"(13) The Director of the Office of Management and Budget.

"(14) One member appointed by the Chairman from among individuals who will represent the views of ocean industries.

"(15) One member appointed by the Chairman from among individuals who will represent the views of State governments.

"(16) One member appointed by the Chairman from among individuals who will represent the views of academia.

"(17) One member appointed by the Chairman from among individuals who will represent such other views as the Chairman considers appropriate.

"(c) TERM OF OFFICE.—The term of office of a member of the Council appointed under paragraph (14), (15), (16), or (17) of subsection (b) shall be two years, except that any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(d) RESPONSIBILITIES.—The Council shall have the following responsibilities:

"(1) To establish the Ocean Research Partnership Coordinating Group as provided in section 7903.

"(2) To establish the Ocean Research Advisory Panel as provided in section 7904.

"(3) To submit to Congress an annual report pursuant to subsection (e).

"(e) ANNUAL REPORT.—Not later than March 1 of each year, the Council shall submit to Congress a report on the National Oceanographic Partnership Program. The report shall contain the following:

"(1) A description of activities of the program carried out during the fiscal year before the fiscal year in which the report is prepared. The description also shall include a list of the members of the Ocean Research Partnership Coordinating Group, the Ocean Research Advisory Panel, and any working groups in existence during the fiscal year covered.

"(2) A general outline of the activities planned for the program during the fiscal year in which the report is prepared.

"(3) A summary of projects continued from the fiscal year before the fiscal year in which the report is prepared and projects expected to be started dur-

ing the fiscal year in which the report is prepared and during the following fiscal year.

''(4) A description of the involvement of the program with Federal interagency coordinating entities.

''(5) The amounts requested, in the budget submitted to Congress pursuant to section 1105(a) of title 31 for the fiscal year following the fiscal year in which the report is prepared, for the programs, projects, and activities of the program and the estimated expenditures under such programs, projects, and activities during such following fiscal year.

"§ 7903. Ocean Research Partnership Coordinating Group

''(a) ESTABLISHMENT.—The Council shall establish an entity to be known as the 'Ocean Research Partnership Coordinating Group' (hereinafter in this chapter referred to as the 'Coordinating Group').

''(b) MEMBERSHIP.—The Coordinating Group shall consist of members appointed by the Council, with one member appointed from each Federal department or agency having an oceanographic research or development program.

''(c) CHAIRMAN.—The Council shall appoint the Chairman of the Coordinating Group.

"(d) RESPONSIBILITIES.—Subject to the authority, direction, and control of the Council, the Coordinating Group shall have the following responsibilities:

"(1) To prescribe policies and procedures to implement the National Oceanographic Partnership Program.

"(2) To review, select, and identify and allocate funds for partnership projects for implementation under the program, based on the following criteria:

"(A) Whether the project addresses critical research objectives or operational goals, such as data accessibility and quality assurance, sharing of resources, education, or communication.

"(B) Whether the project has broad participation within the oceanographic community.

"(C) Whether the partners have a long-term commitment to the objectives of the project.

"(D) Whether the resources supporting the project are shared among the partners.

"(E) Whether the project has been subjected to adequate peer review.

"(3) To promote participation in partnership projects by each Federal department and agency involved with oceanographic research and development

by publicizing the program and by prescribing guidelines for participation in the program.

"(4) To submit to the Council an annual report pursuant to subsection (i).

"(e) PARTNERSHIP PROGRAM OFFICE.—The Coordinating Group shall establish, using competitive procedures, and oversee a partnership program office to carry out such duties as the Chairman of the Coordinating Group considers appropriate to implement the National Oceanographic Partnership Program, including the following:

"(1) To establish and oversee working groups to propose partnership projects to the Coordinating Group and advise the Group on such projects.

"(2) To manage peer review of partnership projects proposed to the Coordinating Group and competitions for projects selected by the Group.

"(3) To submit to the Coordinating Group an annual report on the status of all partnership projects and activities of the office.

"(f) CONTRACT AND GRANT AUTHORITY.—The Coordinating Group may authorize one or more of the departments or agencies represented in the Group to enter into contracts and make grants, using funds appropriated pursuant to an authorization for the National Oceano-

graphic Partnership Program, for the purpose of implementing the program and carrying out the Coordinating Group's responsibilities.

"(g) FORMS OF PARTNERSHIP PROJECTS.—Partnership projects selected by the Coordinating Group may be in any form that the Coordinating Group considers appropriate, including memoranda of understanding, demonstration projects, cooperative research and development agreements, and similar instruments.

"(h) ANNUAL REPORT.—Not later than February 1 of each year, the Coordinating Group shall submit to the Council a report on the National Oceanographic Partnership Program. The report shall contain, at a minimum, copies of any recommendations or reports to the Coordinating Group by the Ocean Research Advisory Panel.

"§ 7904. Ocean Research Advisory Panel

"(a) ESTABLISHMENT.—The Council shall appoint an Ocean Research Advisory Panel (hereinafter in this chapter referred to as the 'Advisory Panel') consisting of not less than 10 and not more than 18 members.

"(b) MEMBERSHIP.—Members of the Advisory Panel shall be appointed from among persons who are eminent in the fields of marine science or marine policy, or related fields, and who are representative, at a minimum, of the interests of government, academia, and industry.

"(c) RESPONSIBILITIES.—(1) The Coordinating Group shall refer to the Advisory Panel, and the Advisory Panel shall review, each proposed partnership project estimated to cost more than $500,000. The Advisory Panel shall make any recommendations to the Coordinating Group that the Advisory Panel considers appropriate regarding such projects.

"(2) The Advisory Panel shall make any recommendations to the Coordinating Group regarding activities that should be addressed by the National Oceanographic Partnership Program that the Advisory Panel considers appropriate.".

(2) The tables of chapters at the beginning of subtitle C of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 663 the following:

"665. National Oceanographic Partnership Program ..... 7901".

(c) INITIAL APPOINTMENTS OF COUNCIL MEMBERS.—The Secretary of the Navy shall make the appointments required by section 7902(b) of title 10, United States Code, as added by subsection (b)(1), not later than December 1, 1996.

(d) INITIAL APPOINTMENTS OF ADVISORY PANEL MEMBERS.—The National Ocean Research Leadership Council established by section 7902 of title 10, United

States Code, as added by subsection (b)(1), shall make the appointments required by section 7904 of such title not later than January 1, 1997.

(e) FIRST ANNUAL REPORT OF NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—The first annual report required by section 7902(e) of title 10, United States Code, as added by subsection (b)(1), shall be submitted to Congress not later than March 1, 1997. The first report shall include, in addition to the information required by such section, information about the terms of office, procedures, and responsibilities of the Ocean Research Advisory Panel established by the Council.

(f) AUTHORIZATION.—Of the amount authorized to be appropriated to the Department of Defense in section 201, $30,000,000 is authorized for the National Oceanographic Partnership Program established pursuant to section 7901 of title 10, United States Code, as added by subsection (b)(1).

(g) REQUIRED FUNDING FOR PROGRAM OFFICE.—Of the amount appropriated for the National Oceanographic Partnership Program for fiscal year 1997, at least $500,000, or 3 percent of the amount appropriated, whichever is greater, shall be available for operations of the partnership program office established pursuant to

section 7903(e) of title 10, United States Code, for such fiscal year.

SEC. 248. FUNDING INCREASE FOR FIELD EMISSION FLAT PANEL TECHNOLOGY.

(a) INCREASE.—The amount authorized in section 201(1) for the Combat Vehicle Improvement Program for M1 Tank Upgrade (program element 23735A DD30) is hereby increased by $10,000,000 to assist in funding the development of field emission flat panel technology.

(b) OFFSET.—The amount authorized in section 101 is hereby decreased by $10,000,000.

SEC. 249. NATURAL RESOURCES ASSESSMENT AND TRAINING DELIVERY SYSTEM.

Of the amount authorized to be appropriated by section 201(4) for program element 65804D, funding shall be available for a proposed natural resources assessment and training delivery system to enhance the ability of the Department of Defense to mitigate the environmental impact of its operational training of forces and testing of weapons systems on military installations where problems are most acute.

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 1997 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, $18,436,929,000.

(2) For the Navy, $20,433,797,000.

(3) For the Marine Corps, $2,524,677,000.

(4) For the Air Force, $17,982,955,000.

(5) For Defense-wide activities, $10,375,368,000.

(6) For the Army Reserve, $1,155,436,000.

(7) For the Naval Reserve, $858,927,000.

(8) For the Marine Corps Reserve, $106,467,000.

(9) For the Air Force Reserve, $1,504,553,000.

(10) For the Army National Guard, $2,297,477,000.

(11) For the Air National Guard, $2,688,473,000.

(12) For the Defense Inspector General, $136,501,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,797,000.

(14) For Environmental Restoration, Defense, $1,333,016,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $682,724,000.

(16) For Medical Programs, Defense, $9,831,288,000.

(17) For Cooperative Threat Reduction programs, $302,900,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $60,544,000.

(19) For payment to Kaho'olawe Island, $10,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1997 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, $947,900,000.

(2) For the National Defense Sealift Fund, $1,123,002,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1997 from the Armed Forces Retirement Home Trust Fund the sum of $57,300,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $250,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1997 in amounts as follows:

(1) For the Army, $83,334,000.

(2) For the Navy, $83,333,000.

(3) For the Air Force, $83,333,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

Subtitle B—Depot-Level Activities

SEC. 311. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684) is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

SEC. 312. EXCLUSION OF LARGE MAINTENANCE AND REPAIR PROJECTS FROM PERCENTAGE LIMITATION ON CONTRACTING FOR DEPOT-LEVEL MAINTENANCE.

Section 2466 of title 10, United States Code, is amended by inserting after subsection (a) the following new subsection:

"(b) TREATMENT OF CERTAIN LARGE PROJECTS.—If a single maintenance or repair project contracted for performance by non-Federal Government personnel accounts for five 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.".

Subtitle C—Environmental Provisions

SEC. 321. REPEAL OF REPORT ON CONTRACTOR REIMBURSEMENT COSTS.

Section 2706 of title 10, United States Code, is amended—

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

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

SEC. 322. PAYMENTS OF STIPULATED PENALTIES ASSESSED UNDER CERCLA.

The Secretary of Defense may pay, from funds appropriated pursuant to section 301(14), the following:

(1) Stipulated civil penalties, to the Hazardous Substance Superfund established under section 9507

of the Internal Revenue Code of 1986, in amounts as follows:

(A) Not more than $34,000 assessed against the United States Army at Fort Riley, Kansas, under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(B) Not more than $55,000 assessed against the Massachusetts Military Reservation, Massachusetts, under such Act.

(C) Not more than $10,000 assessed against the F.E. Warren Air Force Base, Wyoming, under such Act.

(D) Not more than $30,000 assessed against the Naval Education and Training Center, Newport, Rhode Island, under such Act.

(E) Not more than $37,500 assessed against Lake City Army Ammunition Plant, under such Act.

(2) Not more than $500,000 to carry out two environmental restoration projects, as part of a negotiated agreement in lieu of stipulated penalties assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42

U.S.C. 9601 et seq.) against the Massachusetts Military Reservation, Massachusetts.

SEC. 323. CONSERVATION AND READINESS PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense may establish and carry out a program to be known as the ''Conservation and Readiness Program''.

(b) PURPOSE.—The purpose of the Conservation and Readiness Program is to conduct and manage in a coordinated manner those conservation and cultural activities that have regional, multicomponent, or Department of Defense-wide significance and are necessary to meet legal requirements or to support military operations. These activities include the following:

(1) The development of ecosystem-wide land management plans.

(2) The conduct of wildlife studies to ensure the safety of military operations.

(3) The identification and return of Native American human remains and cultural items in the possession or control of the Department of Defense, or discovered on land under the jurisdiction of the Department of Defense, to the appropriate Native American tribes.

(4) The control of invasive species that may hinder military activities or degrade military training ranges.

(5) The establishment of a regional curation system for artifacts found on military installations.

(c) COOPERATIVE AGREEMENTS AND GRANTS.—The Secretary of Defense may negotiate and enter into cooperative agreements with, and award grants to, public and private agencies, organizations, institutions, individuals, or other entities to carry out the Conservation and Readiness Program.

(d) EFFECT ON OTHER LAWS.—Nothing in this section shall be construed or interpreted as preempting any otherwise applicable Federal, State, or local law or regulation relating to the management of natural and cultural resources on military installations.

SEC. 324. NAVY COMPLIANCE WITH SHIPBOARD SOLID WASTE CONTROL REQUIREMENTS.

(a) AMENDMENT TO THE ACT TO PREVENT POLLUTION FROM SHIPS.—Subsection (c) of section 3 of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(c)) is amended—

(1) in paragraph (1), by inserting ", except as provided in paragraphs (4) and (5) of this subsection" before the period at the end;

(2) by striking out paragraph (4); and

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

"(4) A vessel owned or operated by the Department of the Navy for which the Secretary of the Navy determines under the compliance plan submitted under paragraph (2) that, due to unique military design, construction, manning, or operating requirements, full compliance with paragraph (1) would not be technologically feasible, would impair the vessel's operations, and would impair the vessel's operational capability, is authorized to discharge garbage consisting of either of the following:

"(A) A slurry of seawater, paper, cardboard, and food waste that does not contain more than the minimum amount practicable of plastic, if such slurry is discharged not less than 3 nautical miles from the nearest land and is capable of passing through a screen with openings of no greater than 12 millimeters.

"(B) Metal and glass garbage that has been shredded and bagged to ensure negative buoyancy and is discharged not less than 12 nautical miles from the nearest land.

"(5) Not later than December 31, 2000, the Secretary of the Navy shall publish in the Federal Register—

"(A) a list of those surface ships planned to be decommissioned between January 1, 2001, and December 31, 2005; and

"(B) standards to ensure, so far as is reasonable and practicable, without impairing the operations or operational capabilities of such ships, that such ships act in a manner consistent with the special area requirements of Regulation 5 of Annex V to the Convention.".

(b) GOAL TO ACHIEVE FULL COMPLIANCE.—It shall be the goal of the Secretary of the Navy to achieve full compliance with Annex V to the International Convention for the Prevention of Pollution from Ships, 1973, as soon as practicable.

SEC. 325. AUTHORITY TO DEVELOP AND IMPLEMENT LAND USE PLANS FOR DEFENSE ENVIRONMENTAL RESTORATION PROGRAM.

(a) AUTHORITY.—The Secretary of Defense may, to the extent possible and practical, develop and implement, as part of the Defense Environmental Restoration Program provided for in chapter 160 of title 10, United States Code, a land use plan for any defense site selected by the Secretary under subsection (b).

(b) SELECTION OF SITES.—The Secretary may select up to 10 defense sites, from among sites where the Sec-

retary is planning or implementing environmental restoration activities, for which land use plans may be developed under this section.

(c) REQUIREMENT TO CONSULT WITH REVIEW COMMITTEE OR ADVISORY BOARD.—In developing a land use plan under this section, the Secretary of Defense shall consult with a technical review committee established pursuant to section 2705(c) of title 10, United States Code, a restoration advisory board established pursuant to section 2705(d) of such title, a local land use redevelopment authority, or another appropriate State agency.

(d) 50-YEAR PLANNING PERIOD.—A land use plan developed under this section shall cover a period of at least 50 years.

(e) IMPLEMENTATION.—For each defense site for which the Secretary develops a land use plan under this section, the Secretary shall take into account the land use plan in selecting and implementing, in accordance with applicable law, environmental restoration activities at the site.

(f) DEADLINES.—For each defense site for which the Secretary of Defense intends to develop a land use plan under this section, the Secretary shall develop a draft land use plan by October 1, 1997, and a final land use plan by March 15, 1998.

(g) DEFINITION OF DEFENSE SITE.—For purposes of this section, the term ''defense site'' means (A) any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft under the jurisdiction of the Department of Defense, or (B) any site or area under the jurisdiction of the Department of Defense where a hazardous substance has been deposited, stored, disposed of, or placed, or otherwise come to be located; but does not include any consumer product in consumer use or any vessel.

(h) REPORT.—Not later than December 31, 1998, the Secretary of Defense shall submit to Congress a report on the land use plans developed under this section and the effect such plans have had on environmental restoration activities at the defense sites where they have been implemented. The report shall include recommendations on whether such land use plans should be developed and implemented throughout the Department of Defense.

(h) SAVINGS PROVISIONS.—(1) Nothing in this section or in a land use plan developed under this section with respect to a defense site shall be construed as requiring any modification to a land use plan that was developed before the date of the enactment of this Act.

(2) Nothing in this section may be construed to affect statutory requirements for an environmental restoration or waste management activity or project or to modify or otherwise affect applicable statutory or regulatory environmental restoration and waste management requirements, including substantive standards intended to protect public health and the environment, nor shall anything in this section be construed to preempt or impair any local land use planning or zoning authority or State authority.

SEC. 326. PILOT PROGRAM TO TEST ALTERNATIVE TECHNOLOGIES FOR LIMITING AIR EMISSIONS DURING SHIPYARD BLASTING AND COATING OPERATIONS.

(a) PILOT PROGRAM.—The Secretary of the Navy shall establish a pilot program to test an alternative technology designed to capture and destroy or remove particulate emissions and volatile air pollutants that occur during abrasive blasting and coating operations at naval shipyards. In conducting the test, the Secretary shall seek to demonstrate whether the technology is valid, cost effective, and in compliance with environmental laws and regulations.

(b) REPORT.—Upon completion of the test conducted under the pilot program, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate

and the Committee on National Security of the House of Representatives a report setting forth in detail the results of the test. The report shall include recommendations on whether the alternative technology merits implementation at naval shipyards and such other recommendations as the Secretary considers appropriate.

SEC. 327. NAVY PROGRAM TO MONITOR ECOLOGICAL EFFECTS OF ORGANOTIN.

(a) MONITORING REQUIREMENT.—The Secretary of the Navy shall, in consultation with the Administrator of the Environmental Protection Agency, develop and implement a program to monitor the concentrations of organotin in the water column, sediments, and aquatic organisms of representative estuaries and near-coastal waters in the United States, as described in section 7(a) of the Organotin Antifouling Paint Control Act of 1988 (33 U.S.C. 2406(a)). The program shall be designed to produce high-quality data to enable the Environmental Protection Agency to develop water quality criteria concerning organotin compounds.

(b) REPORT.—Not later than June 1, 1997, the Secretary of the Navy shall submit to Congress a report containing the following:

(1) A description of the monitoring program developed pursuant to subsection (a).

(2) An analysis of the results of the monitoring program as of the date of the submission of the report.

(3) Information about the progress of Navy programs, referred to in section 7(c) of Organotin Antifouling Paint Control Act of 1988 (33 U.S.C. 2406(c)), for evaluating the laboratory toxicity and environmental risks associated with the use of antifouling paints containing organotin.

(4) An assessment, developed in consultation with the Administrator of the Environmental Protection Agency, of the effectiveness of existing laws and rules concerning organotin compounds in ensuring protection of human health and the environment.

(c) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator of the Environmental Protection Agency, in consultation with the Secretary of the Navy, should develop, for purposes of the national pollutant discharge elimination system, a model permit for the discharge of organotin compounds at shipbuilding and ship repair facilities. For purposes of this subsection, the term ''organotin'' has the meaning provided in section 3 of the Organotin Antifouling Paint Control Act of 1988 (33 U.S.C. 2402).

SEC. 328. AGREEMENTS FOR SERVICES OF OTHER AGENCIES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY DEMONSTRATION AND VALIDATION.

(a) AUTHORITY.—The Secretary of Defense may enter into a cooperative agreement with an agency of a State or local government to obtain assistance in demonstrating, validating, and certifying environmental technologies.

(b) TYPES OF ASSISTANCE.— The types of assistance that may be obtained under subsection (a) include the following:

(1) Data collection and analysis.

(2) Technical assistance in conducting a demonstration of an environmental technology, including the implementation of quality assurance and quality control programs.

(c) SERVICE CHARGES.—The cooperative agreement may provide for the payment by the Secretary of service charges to the agency if the charges are reasonable, nondiscriminatory, and do not exceed the actual or estimated cost to the agency of providing the service.

Subtitle D—Civilian Employees and Nonappropriated Fund Instrumentality Employees

SEC. 331. 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.

SEC. 332. VOLUNTARY SEPARATION INCENTIVE PAY MODIFICATION.

(a) IN GENERAL.—Section 5597(g) of title 5, United States Code, is amended by adding at the end the following new paragraph:

''(5) If the employment is without compensation, the appointing official may waive the repayment.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to employment accepted on or after the date of the enactment of this Act.

SEC. 333. WAGE-BOARD COMPENSATORY TIME OFF.

(a) IN GENERAL.—Section 5543 of title 5, United States Code, is amended—

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

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

''(b) The head of an agency may, on request of an employee, grant the employee compensatory time off from his scheduled tour of duty instead of payment under section 5544 or section 7 of the Fair Labor Standards Act of 1938 for an equal amount of time spent in irregular or occasional overtime work.''.

(b) CONFORMING AMENDMENT.—Section 5544(c) of title 5, United States Code, is amended by inserting ''and the provisions of section 5543(b)'' before ''shall apply''.

SEC. 334. SIMPLIFICATION OF RULES RELATING TO THE OBSERVANCE OF CERTAIN HOLIDAYS.

Section 6103 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(d)(1) For purposes of this subsection—

''(A) the term 'compressed schedule' has the meaning given such term by section 6121(5); and

''(B) the term 'adverse agency impact' has the meaning given such term by section 6131(b).

''(2) An agency may prescribe rules under which employees on a compressed schedule may, in the case of a

holiday that occurs on a regularly scheduled non-workday for such employees, and notwithstanding any other provision of law or the terms of any collective bargaining agreement, be required to observe such holiday on a workday other than as provided by subsection (b), if the agency head determines that it is necessary to do so in order to prevent an adverse agency impact.''.

SEC. 335. PHASED RETIREMENT.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8344 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(m)(1) In order to promote the retention of employees having knowledge, skills, or expertise needed by the Department of Defense, in a manner consistent with ongoing downsizing efforts, the Secretary of Defense or his designee may waive the application of subsection (a), with respect to reemployed annuitants of the Department of Defense, under this subsection.

''(2) A waiver under this subsection—

''(A) may not be granted except upon appropriate written application submitted and approved not later than the date of separation on which entitlement to annuity is based;

''(B) shall be contingent on the reemployment commencing within such time as the Secretary or his

designee may require, may remain in effect for a period of not to exceed 2 years, and shall not be renewable; and

"(C) may be granted and thereafter remain in effect only if, with respect to the position in which reemployed, the number of regularly scheduled hours in each week or other period is at least ½ but not more than ¾ those last in effect for the individual before the separation referred to in subparagraph (A).

"(3)(A) In no event shall the sum of the rate of basic pay for, plus annuity allocable to, any period of service as a reemployed annuitant under this subsection exceed the rate of basic pay that would then be in effect for service performed during such period if separation had not occurred.

"(B) If the limitation under subparagraph (A) would otherwise be exceeded, an amount equal to the excess shall be deducted from basic pay for the period involved (but not to exceed total basic pay for such period), and any amount so deducted shall be deposited in the Treasury of the United States to the credit of the Fund.

"(4) The number of reemployed annuitants under this subsection at any given time may not, when taken

together with the then current number under section 8468(j), exceed a total of 50.

"(5) All waivers under this subsection shall cease to be effective after September 30, 2001.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8468 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) In order to promote the retention of employees having knowledge, skills, or expertise needed by the Department of Defense, in a manner consistent with ongoing downsizing efforts, the Secretary of Defense or his designee may waive the application of subsections (a) and (b), with respect to reemployed annuitants of the Department of Defense, under this subsection.

"(2) A waiver under this subsection—

"(A) may not be granted except upon appropriate written application submitted and approved not later than the date of separation on which entitlement to annuity is based;

"(B) shall be contingent on the reemployment commencing within such time as the Secretary or his designee may require, may remain in effect for a period of not to exceed 2 years, and shall not be renewable; and

"(C) may be granted and thereafter remain in effect only if, with respect to the position in which reemployed, the number of regularly scheduled hours in each week or other period is at least ½ but not more than ¾ those last in effect for the individual before the separation referred to in subparagraph (A).

"(3)(A) In no event shall the sum of the rate of basic pay for, plus annuity allocable to, any period of service as a reemployed annuitant under this subsection exceed the rate of basic pay that would then be in effect for service performed during such period if separation had not occurred.

"(B) If the limitation under subparagraph (A) would otherwise be exceeded, an amount equal to the excess shall be deducted from basic pay for the period involved (but not to exceed total basic pay for such period), and any amount so deducted shall be deposited in the Treasury of the United States to the credit of the Fund.

"(4) The number of reemployed annuitants under this subsection at any given time may not, when taken together with the then current number under section 8344(m), exceed a total of 50.

"(5) All waivers under this subsection shall cease to be effective after September 30, 2001.".

(c) REPORTING REQUIREMENT.—Not later than December 31, 2000, the Secretary of Defense shall submit to each House of Congress and the Office of Personnel Management a written report on the operation of sections 8344(m) and 8468(j) of title 5, United States Code, as amended by this section. Such report shall include—

(1) recommendations as to whether or not those provisions of law should be continued beyond September 30, 2001, and, if so, under what conditions or constraints; and

(2) any other information which the Secretary of Defense may consider appropriate.

SEC. 336. MODIFICATION OF AUTHORITY FOR CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502(f) of title 5, United States Code, is amended to read as follows:

''(f)(1) The Secretary of Defense or the Secretary of a military department may—

''(A) separate from service any employee who volunteers to be separated under this subparagraph even though the employee is not otherwise subject to separation due to a reduction in force; and

"(B) for each employee voluntarily separated under subparagraph (A), retain an employee in a similar position who would otherwise be separated due to a reduction in force.

"(2) The separation of an employee under paragraph (1)(A) shall be treated as an involuntary separation due to a reduction in force.

"(3) An employee with critical knowledge and skills (as defined by the Secretary concerned) may not participate in a voluntary separation under paragraph (1)(A) if the Secretary concerned determines that such participation would impair the performance of the mission of the Department of Defense or the military department concerned.

"(4) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

"(5) No authority under paragraph (1) may be exercised after September 30, 2001.".

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 341. CONTRACTS WITH OTHER AGENCIES AND INSTRUMENTALITIES FOR GOODS AND SERVICES.

(a) CONTRACTS TO PROMOTE EFFICIENT OPERATION AND MANAGEMENT.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2490b. Contracts with other agencies and instrumentalities for goods and services

''An agency or instrumentality of the Department of Defense that supports the operation of the exchange or morale, welfare, and recreation systems of the Department of Defense may enter into a contract or other agreement with another department, agency, or instrumentality of the Department of Defense or another Federal agency to provide goods and services beneficial to the efficient management and operation of the exchange or morale, welfare, and recreation systems.''.

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

''2490b. Contracts with other agencies and instrumentalities for goods and services.''.

SEC. 342. NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

(a) CLARIFICATION OF EXCEPTION TO COMPETITIVE PROCUREMENT.—Section 2486 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) The Secretary of Defense may not use the exception provided in section 2304(c)(5) of this title regarding the procurement of a brand-name commercial item for resale in commissary stores unless the commercial item is regularly sold outside of commissary stores under the same brand name as the name by which the commercial item will be sold in commissary stores.''.

(b) EFFECT ON EXISTING CONTRACTS.—The amendment made by subsection (a) shall not affect the terms, conditions, or duration of any contract entered into by the Secretary of Defense before the date of the enactment of this Act for the procurement of commercial items for resale in commissary stores.

SEC. 343. PROHIBITION OF SALE OR RENTAL OF SEXUALLY EXPLICIT MATERIAL.

(a) IN GENERAL—(1) Chapter 147 of title 10, United States Code, is amended by adding after section 2490b, as added by section 341, the following new section:

"§ 2490c. Sale or rental of sexually explicit material prohibited

''(a) PROHIBITION OF SALE OR RENTAL.—The Secretary of Defense may not permit the sale or rental of sexually explicit written or videotaped material on property under the jurisdiction of the Department of Defense.

''(b) PROHIBITION OF OFFICIALLY PROVIDED SEXUALLY EXPLICIT MATERIAL.—A member of the armed forces or a civilian officer or employee of the Department of Defense acting in an official capacity for sale, remuneration, or rental may not provide sexually explicit material to another person.

''(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to implement this section.

''(d) DEFINITIONS.—In this section:

''(1) The term 'sexually explicit material' means an audio recording, a film or video recording, or a periodical with visual depictions, produced in any medium, the dominant theme of which depicts or describes nudity, including sexual or excretory activities or organs, in a lascivious way.

''(2) The term 'property under the jurisdiction of the Department of Defense' includes commissaries, all facilities operated by the Army and Air Force Exchange Service, the Navy Exchange Service

Command, the Navy Resale and Services Support Office, Marine Corps exchanges, and ship stores.''.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2490b, as added by section 341, the following new item:

''2490c. Sale or rental of sexually explicit material prohibited.''.

(b) EFFECTIVE DATE.—Subsection (a) of section 2490c of title 10, United States Code, as added by subsection (a) of this section, shall take effect 90 days after the date of the enactment of this Act.

Subtitle F—Performance of Functions by Private-Sector Sources

SEC. 351. EXTENSION OF REQUIREMENT FOR COMPETITIVE PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

(a) EXTENSION.—Section 351(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 266) is amended by striking out ''fiscal year 1996'' and inserting in lieu thereof ''fiscal years 1996 and 1997''.

(b) REPORTING REQUIREMENTS.—Such section is further amended by adding at the end the following new subsection:

''(c) REPORTING REQUIREMENTS.—(1) Not later than 90 days after the end of each fiscal year in which

the requirement of subsection (a) applies, the Secretary of Defense shall submit to Congress a report—

"(A) describing the extent of the compliance of the Secretary with the requirement during that fiscal year;

"(B) specifying the total volume of printing and duplication services procured by Department of Defense during that fiscal year—

"(i) from sources within the Department of Defense;

"(ii) from private-sector sources; and

"(iii) from other sources in the Federal Government; and

"(C) specifying the total volume of printed and duplicated material during that fiscal year covered by the exception in subsection (b).

"(2) The report required for fiscal year 1996 shall also include the plans of the Secretary for further implementation of the requirement of subsection (a) during fiscal year 1997.".

SEC. 352. REQUIREMENT REGARDING USE OF PRIVATE SHIPYARDS FOR COMPLEX NAVAL SHIP REPAIR 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. Use of private shipyards for complex ship repair work: limitation to certain shipyards

"(a) LIMITATION ON REPAIR LOCATIONS.—Whenever a naval vessel (other than a submarine) is to undergo complex ship repairs and the Secretary of the Navy determines that a private shipyard contractor is to be used for the work required, such work—

"(1) may be performed only by a qualifying shipyard contractor; and

"(2) shall be performed at the shipyard facility of the contractor selected unless the Secretary determines that the work should be conducted elsewhere in the interest of national security.

"(b) QUALIFYING SHIPYARD CONTRACTOR.—For the purposes of this section, a qualifying shipyard contractor, with respect to the award of any contract for ship repair work, is a private shipyard that—

"(1) is capable of performing the repair and overhaul of ships with a displacement of 800 tons or more;

"(2) performs at least 55 percent of repairs with its own facilities and work force;

"(3) possesses or has access to a dry-dock and a pier with the capability to berth a ship with a displacement of 800 tons or more; and

"(4) has all the facilities and organizational elements needed for the repair of a ship with a displacement of 800 tons or more.

"(c) COMPLEX SHIP REPAIRS.—In this section, the term 'complex ship repairs' means repairs to a vessel performed at a shipyard that are estimated (before work on the repairs by a shipyard begins) to require expenditure of $750,000 or more.

"(d) EXCEPTION REGARDING PACIFIC COAST.—This section shall not apply in the case of complex ship repairs to be performed at a shipyard facility located on the Pacific Coast of the United States.".

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

"7315. Use of private shipyards for complex ship repair work: limitation to certain shipyards.".

(b) EFFECTIVE DATE.—Section 7315 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts for complex ship repairs

that are awarded after the date of the enactment of this Act.

Subtitle G—Other Matters

SEC. 360. TERMINATION OF DEFENSE BUSINESS OPERATIONS FUND AND PREPARATION OF PLAN REGARDING IMPROVED OPERATION OF WORKING-CAPITAL FUNDS.

(a) REPEAL OF DEFENSE BUSINESS OPERATIONS FUND.—(1) Section 2216 of title 10, United States Code, as added by section 371(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 277), is repealed.

(2) 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 such section.

(3) The amendments made by this subsection shall take effect on October 1, 1998.

(b) PLAN FOR IMPROVED OPERATION OF WORKING-CAPITAL FUNDS.—Not later than September 30, 1997, the Secretary of Defense shall submit to Congress a plan to improve the management and performance of the industrial, commercial, and support type activities of the military departments or the Defense Agencies that are currently managed through the Defense Business Operations Fund.

(c) ELEMENTS OF PLAN.—The plan required by subsection (b) shall address the following issues:

(1) The ability of each military department to set working capital requirements and set charges at its own industrial and supply activities.

(2) The desirability of separate business accounts for the management of both industrial and supply activities for each military department.

(3) Liability for operating losses at industrial and supply activities.

(4) Reimbursement to the Department of Defense for each military department's fair share of the costs of legitimate common business support services provided by the Department of Defense (such as accounting and financial services and central logistics services).

(5) The role of the Department of Defense in setting charges or imposing surcharges for activities managed by the military department business accounts (except for the common business support costs described in paragraph (4)), and what such charges should properly reflect.

(6) The appropriate use of operating profits arising from the operations of the industrial and supply activities of a military department.

(7) The ability of military departments to purchase industrial and supply services from, and provide such services to, other military departments.

(8) Standardization of financial management and accounting practices employed by military department business accounts.

(9) Reporting requirements related to actual and projected performance of military department business management account activities.

SEC. 361. INCREASE IN CAPITAL ASSET THRESHOLD UNDER DEFENSE BUSINESS OPERATIONS FUND.

Section 2216 of title 10, United States Code, as added by section 371(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 227), is amended in subsection (i)(1) by striking out ''$50,000'' and inserting in lieu thereof ''$100,000''.

SEC. 362. TRANSFER OF EXCESS PERSONAL PROPERTY TO SUPPORT LAW ENFORCEMENT ACTIVITIES.

(a) TRANSFER AUTHORITY.—(1) Chapter 153 of title 10, United States Code, is amended by inserting after section 2576 the following new section:

''§ 2576a. Excess personal property: sale or donation for law enforcement activities

''(a) TRANSFER AUTHORIZED.—(1) Notwithstanding any other provision of law and subject to subsection (b),

the Secretary of Defense may transfer to Federal and State agencies personal property of the Department of Defense, including small arms and ammunition, that the Secretary determines is—

"(A) suitable for use by the agencies in law enforcement activities, including counter-drug activities; and

"(B) excess to the needs of the Department of Defense.

"(2) The Secretary shall carry out this section in consultation with the Attorney General and the Director of National Drug Control Policy.

"(b) CONDITIONS FOR TRANSFER.—The Secretary may transfer personal property under this section only if—

"(1) the property is drawn from existing stocks of the Department of Defense; and

"(2) the transfer is made without the expenditure of any funds available to the Department of Defense for the procurement of defense equipment.

"(c) CONSIDERATION.—Personal property may be transferred under this section without cost to the recipient agency.

"(d) PREFERENCE FOR CERTAIN TRANSFERS.—In considering applications for the transfer of personal prop-

erty under this section, the Secretary shall give a preference to those applications indicating that the transferred property will be used in the counter-drug activities of the recipient agency.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2576 the following new item:

''2576a. Excess personal property: sale or donation for law enforcement activities.''.

(b) CONFORMING AMENDMENTS.—(1) Section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 372 note) is repealed.

(2) Section 1005 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1630) is amended by striking out ''section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 372 note) and section 372'' and inserting in lieu thereof ''sections 372 and 2576a''.

SEC. 363. STORAGE OF MOTOR VEHICLE IN LIEU OF TRANSPORTATION.

(a) STORAGE AUTHORIZED.—(1) Section 2634 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) In lieu of transportation authorized by this section, if a member is ordered to make a change of per-

manent station to a foreign country and the laws, regulations, or other restrictions imposed by the foreign country or the United States preclude entry of a motor vehicle described in subsection (a) into that country, or would require extensive modification of the vehicle as a condition to entry, the member may elect to have the vehicle stored at the expense of the United States at a location approved by the Secretary concerned.

''(2) If a member is transferred or assigned to duty at a location other than the permanent station of the member for a period of more than 30 consecutive days, but the transfer or assignment is not considered a change of permanent station, the member may elect to have a motor vehicle described in subsection (a) stored at the expense of the United States at a location approved by the Secretary concerned.

''(3) Authorized expenses under this subsection include costs associated with the delivery of the motor vehicle for storage and removal of the vehicle for delivery to a destination approved by the Secretary concerned.''.

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

"§ 2634. Motor vehicles: transportation or storage for members on change of permanent station or extended deployment".

(B) The item relating to such section in the table of sections at the beginning of chapter 157 of title 10, United States Code, is amended to read as follows:

"2634. Motor vehicles: transportation or storage for members on change of permanent station or extended deployment.".

(b) CONFORMING AMENDMENT.—Section 406(h)(1) of title 37, United States Code, is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) in the case of a member described in paragraph (2)(A), authorize the transportation of one motor vehicle, which is owned or leased by the member (or a dependent of the member) and is for the personal use of a dependent of the member, to that location by means of transportation authorized under section 2634 of title 10 or authorize the storage of the motor vehicle pursuant to subsection (g) of such section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1997.

SEC. 364. CONTROL OF TRANSPORTATION SYSTEMS IN TIME OF WAR.

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

"§ 2644. Control of transportation systems in time of war

''In time of war, the President, acting through the Secretary of Defense, may take possession and assume control of all or any part of a system of transportation to transport troops, war material, and equipment, or for other purposes related to the emergency. So far as necessary, the Secretary may use the transportation system to the exclusion of other traffic.''.

(b) CONFORMING REPEALS.—Sections 4742 and 9742 of title 10, United States Code are repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 447 of such title is amended by striking out the item relating to section 4742.

(2) The table of sections at the beginning of chapter 947 of such title is amended by striking out the item relating to section 9742.

(3) The table of sections at the beginning of chapter 157 of such title 10 is amended by inserting after the item relating to section 2643 the following new item:

''2644. Control of transportation systems in time of war.''.

SEC. 365. SECURITY PROTECTIONS AT DEPARTMENT OF DEFENSE FACILITIES IN NATIONAL CAPITAL REGION.

(a) EXPANSION OF AUTHORITY.—Subsection (b) of section 2674 of title 10, United States Code, is amended by striking out ''at the Pentagon Reservation'' and inserting in lieu thereof ''in the National Capital Region''.

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

''§ 2674. Operation and control of Pentagon Reservation and defense facilities in National Capital Region''.

(2) The item relating to such section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

''2674. Operation and control of Pentagon Reservation and defense facilities in National Capital Region.''.

SEC. 366. MODIFICATIONS TO ARMED FORCES RETIREMENT HOME ACT OF 1991.

(a) TERM OF OFFICE.—Section 1515 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 415) is amended—

(1) in subsection (e), by adding at the end the following:

''(3) The chairman of the Retirement Home Board may appoint a member of the Retirement Home Board

for a second consecutive term. The chairman of a Local Board may appoint a member of that Local Board for a second consecutive term.''; and

(2) by striking out subsection (f) and inserting in lieu thereof the following:

''(f) EARLY EXPIRATION OF TERM.—A member of the Armed Forces or Federal civilian employee who is appointed as a member of the Retirement Home Board or a Local Board may serve as a board member only so long as the member of the Armed Forces or Federal civilian employee is assigned to or serving in the duty position that gave rise to the appointment as a board member.''.

(b) DISPOSAL OF REAL PROPERTY.—Section 1516(d) of such Act (24 U.S.C. 416(d)) is amended by striking out ''(d)'' and all that follows through the end of paragraph (1) and inserting in lieu thereof the following:

''(d) DISPOSAL OF REAL PROPERTY.—(1) The Retirement Home Board may dispose of real property of the Retirement Home by sale or otherwise, except that the disposal may not occur until after the end of a period of 30 legislative days or 60 calendar days, whichever is longer, beginning on the date on which the Retirement Home Board notifies the Committee on Armed Services of the Senate and the Committee on National Security of the

House of Representatives of the proposed disposal. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), and any other provision of law or regulation relating to the handling or disposal of real property by the United States shall not apply to the disposal of real property by the Retirement Home Board.''.

(c) ANNUAL EVALUATION OF DIRECTORS.—Section 1517 of such Act (24 U.S.C. 417) is amended by striking out subsection (f) and inserting in lieu thereof the following:

''(f) ANNUAL EVALUATION OF DIRECTORS.—The chairman of the Retirement Home Board shall annually evaluate the performance of the Directors and shall make such recommendations to the Secretary of Defense as the chairman considers appropriate in light of the evaluation.''.

(d) EFFECT OF AMENDMENT.—The amendment made by subsection (a)(2) shall not affect the staggered terms of members of the Armed Forces Retirement Home Board or a Local Board of the Retirement Home under section 1515(f) of such Act, as in effect before the date of the enactment of this Act.

SEC. 367. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 1997.—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.—Not later than June 30, 1997, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1997 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1997 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under paragraphs (1) and (2) of subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

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

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

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

SEC. 368. RETENTION OF CIVILIAN EMPLOYEE POSITIONS AT MILITARY TRAINING BASES TRANSFERRED TO NATIONAL GUARD.

(a) MILITARY TRAINING INSTALLATIONS AFFECTED.—This section applies with respect to each military training installation that—

(1) was approved for closure in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note);

(2) is scheduled for transfer during fiscal year 1997 to National Guard operation and control; and

(3) will continue to be used, after such transfer, to provide training support to active and reserve components of the Armed Forces.

(b) RETENTION OF EMPLOYEE POSITIONS.—In the case of a military training installation described in subsection (a), the Secretary of Defense shall retain civilian employee positions of the Department of Defense at the installation after transfer to the National Guard to facilitate active and reserve component training at the installation.

(c) MAXIMUM POSITIONS RETAINED.—The maximum number of civilian employee positions retained at an installation under this section shall not exceed 20 percent

of the Federal civilian workforce employed at the installation as of September 8, 1995.

(d) REMOVAL OF POSITION.—The requirement to maintain a civilian employee position at an installation under this section shall terminate upon the later of the following:

(1) The date of the departure or retirement of the civilian employee initially employed or retained in a civilian employee position at the installation as a result of this section.

(2) The date on which the Secretary certifies to Congress that a civilian employee position at the installation is no longer required to ensure that effective support is provided at the installation for active and reserve component training.

SEC. 369. EXPANSION OF AUTHORITY TO DONATE UNUSABLE FOOD.

(a) AUTHORITY FOR DONATIONS FROM DEFENSE AGENCIES.—Section 2485 of title 10, United States Code, is amended by striking out ''Secretary of a military department'' in subsections (a) and (b) and inserting in lieu thereof ''Secretary of Defense''.

(b) EXPANSION OF ELIGIBLE RECIPIENTS.—Such section is further amended—

(1) in subsection (a), by striking out ''authorized charitable nonprofit food banks'' and inserting in lieu thereof ''entities specified under subsection (d)''; and

(2) in subsection (d), by striking out ''may only be made'' and all that follows and inserting in lieu thereof the following: ''may only be made to an entity that is one of the following:

''(1) A charitable nonprofit food bank that is designated by the Secretary of Defense or the Secretary of Health and Human Services as authorized to receive such donations.

''(2) A State or local agency that is designated by the Secretary of Defense or the Secretary of Health and Human Services as authorized to receive such donations.

''(3) A chapter or other local unit of a recognized national veterans organization that provides services to persons without adequate shelter and is designated by the Secretary of Veterans Affairs as authorized to receive such donations.

''(4) A not-for-profit organization that provides care for homeless veterans and is designated by the Secretary of Veterans Affairs as authorized to receive such donations.''.

(c) CLARIFICATION OF FOOD THAT MAY BE DONATED.—Subsection (b) of such section is further amended by inserting ''rations known as humanitarian daily rations (HDRs),'' after ''(MREs),''.

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, 1997, as follows:

(1) The Army, 495,000.

(2) The Navy, 407,318.

(3) The Marine Corps, 174,000.

(4) The Air Force, 381,100.

SEC. 402. PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

Section 691 of title 10, United States Code, is amended—

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

(2) by striking out subsection (c) and inserting in lieu thereof the following:

''(c) The budget for the Department of Defense for any fiscal year as submitted to Congress shall include

amounts for funding for each of the armed forces (other than the Coast Guard) at least in the amounts necessary to maintain the active duty end strengths prescribed in subsection (b), as in effect at the time that such budget is submitted.

"(d) No funds appropriated to the Department of Defense may be used to implement a reduction of the active duty end strength for any of the armed forces (other than the Coast Guard) for any fiscal year below the level specified in subsection (b) unless the reduction in end strength for that armed force for that fiscal year is specifically authorized by law.".

SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS ON ACTIVE DUTY IN GRADES OF MAJOR, LIEUTENANT COLONEL, AND COLONEL AND NAVY GRADES OF LIEUTENANT COMMANDER, COMMANDER, AND CAPTAIN.

(a) REVISION IN ARMY, AIR FORCE, AND MARINE CORPS LIMITATIONS.—The table in paragraph (1) of section 523(a) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army:			
35,000	8,922	6,419	2,163
40,000	9,614	6,807	2,347
45,000	10,305	7,196	2,530
50,000	10,997	7,584	2,713
55,000	11,688	7,973	2,897

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
60,000	12,380	8,361	3,080
65,000	13,071	8,750	3,264
70,000	13,763	9,138	3,447
75,000	14,454	9,527	3,631
80,000	15,146	9,915	3,814
85,000	15,837	10,304	3,997
90,000	16,529	10,692	4,181
95,000	17,220	11,081	4,364
100,000	17,912	11,469	4,548
110,000	19,295	12,246	4,915
120,000	20,678	13,023	5,281
130,000	22,061	13,800	5,648
170,000	27,593	16,908	7,116
Air Force:			
35,000	9,216	7,090	2,125
40,000	10,025	7,478	2,306
45,000	10,835	7,866	2,487
50,000	11,645	8,253	2,668
55,000	12,454	8,641	2,849
60,000	13,264	9,029	3,030
65,000	14,073	9,417	3,211
70,000	14,883	9,805	3,392
75,000	15,693	10,193	3,573
80,000	16,502	10,582	3,754
85,000	17,312	10,971	3,935
90,000	18,121	11,360	4,115
95,000	18,931	11,749	4,296
100,000	19,741	12,138	4,477
105,000	20,550	12,527	4,658
110,000	21,360	12,915	4,838
115,000	22,169	13,304	5,019
120,000	22,979	13,692	5,200
125,000	23,789	14,081	5,381
Marine Corps:			
10,000	2,525	1,480	571
12,500	2,900	1,600	592
15,000	3,275	1,720	613
17,500	3,650	1,840	633
20,000	4,025	1,960	654
22,500	4,400	2,080	675
25,000	4,775	2,200	695."

(b) REVISION IN NAVY LIMITATIONS.—The table in paragraph (2) of such section is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant commander	Commander	Captain
33,000	7,799	5,239	2,223
36,000	8,267	5,460	2,330
39,000	8,735	5,681	2,437
42,000	9,203	5,902	2,544
45,000	9,671	6,123	2,651
48,000	10,139	6,343	2,758
51,000	10,606	6,561	2,864
54,000	11,074	6,782	2,971
57,000	11,541	7,002	3,078
60,000	12,009	7,222	3,185
63,000	12,476	7,441	3,292
66,000	12,944	7,661	3,398
70,000	13,567	7,954	3,541
90,000	16,683	9,419	4,254."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on September 1, 1997, except that with the approval of the Secretary of Defense the Secretary of a military department may prescribe an earlier date for that Secretary's military department. Any such date shall be published in the Federal Register.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 366,758.

(2) The Army Reserve, 215,179.

(3) The Naval Reserve, 96,304.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 108,843.

(6) The Air Force Reserve, 73,281.

(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 for a fiscal year 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 proportion-

ately 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, 1997, 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, 22,798.

(2) The Army Reserve, 11,729.

(3) The Naval Reserve, 16,603.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,378.

(6) The Air Force Reserve, 625.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS.

(a) AUTHORIZATION FOR FISCAL YEAR 1997.—The minimum number of military technicians as of the last day of fiscal year 1997 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,799.

(2) For the Army National Guard of the United States, 25,500.

(3) For the Air Force Reserve, 9,802.

(4) For the Air National Guard of the United States, 22,906.

(b) INFORMATION TO BE PROVIDED WITH FUTURE AUTHORIZATION REQUESTS.—Section 10216 of title 10, United States Code, is amended—

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

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

''(b) INFORMATION REQUIRED TO BE SUBMITTED WITH ANNUAL END STRENGTH AUTHORIZATION REQUEST.—(1) The Secretary of Defense shall include as part of the budget justification documents submitted to Congress with the budget of the Department of Defense for any fiscal year the following information with respect to the end strengths for military technicians requested in that budget pursuant to section 115(g) of this title, shown separately for each of the Army and Air Force reserve components:

"(A) The number of dual-status technicians in the high priority units and organizations specified in subsection (a)(1).

"(B) The number of technicians other than dual-status technicians in the high priority units and organizations specified in subsection (a)(1).

"(C) The number of dual-status technicians in other than high priority units and organizations specified in subsection (a)(1).

"(D) The number of technicians other than dual-status technicians in other than high priority units and organizations specified in subsection (a)(1).

"(2)(A) If the budget submitted to Congress for any fiscal year requests authorization for that fiscal year under section 115(g) of this title of a military technician end strength for a reserve component of the Army or Air Force in a number that constitutes a reduction from the end strength minimum established by law for that reserve component for the fiscal year during which the budget is submitted, the Secretary of Defense shall submit to the congressional defense committees with that budget a justification providing the basis for that requested reduction in technician end strength.

"(B) Any justification submitted under subparagraph (A) shall clearly delineate—

"(i) in the case of a reduction that includes a reduction in technicians described in subparagraph (A) or (C) of paragraph (1), the specific force structure reductions forming the basis for such requested technician reduction (and the numbers related to those force structure reductions); and

"(ii) in the case of a reduction that includes reductions in technicians described in subparagraphs (B) or (D) of paragraph (1), the specific force structure reductions, Department of Defense civilian personnel reductions, or other reasons forming the basis for such requested technician reduction (and the numbers related to those reductions).".

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

(1) in subsection (a), by striking out "section 115" and inserting in lieu thereof "section 115(g)"; and

(2) in subsection (c), as redesignated by subsection (b)(1), by striking out "after the date of the enactment of this section" both places it appears and inserting in lieu thereof "after February 10, 1996,".

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1997 a total of $70,206,030,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1997.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Personnel Management

SEC. 501. AUTHORIZATION FOR SENIOR ENLISTED MEMBERS TO REENLIST FOR AN INDEFINITE PERIOD OF TIME.

Subsection (d) of section 505 of title 10, United States Code, is amended to read as follows:

''(d)(1) For a member with less than 10 years of service, the Secretary concerned may accept a reenlistment in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for periods of at least two but not more than six years.

"(2) At the discretion of the Secretary concerned, a member with 10 or more years of service who reenlists in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, and who meets all qualifications for continued service, may be accepted for reenlistment of an unspecified period of time.".

SEC. 502. AUTHORITY TO EXTEND ENTRY ON ACTIVE DUTY UNDER THE DELAYED ENTRY PROGRAM.

Section 513(b) of title 10, United States Code, is amended—

(1) by adding after the first sentence the following new sentence: "The Secretary concerned may extend the 365-day period for any person for up to an additional 180 days if the Secretary considers such extension to be warranted on a case-by-case basis."; and

(2) in the last sentence, by striking out "the preceding sentence" and inserting in lieu thereof "under this subsection".

SEC. 503. PERMANENT AUTHORITY FOR NAVY SPOT PROMOTIONS FOR CERTAIN LIEUTENANTS.

Section 5721 of title 10, United States Code, is amended by striking out subsection (g).

SEC. 504. REPORTS ON RESPONSE TO RECOMMENDATIONS CONCERNING IMPROVEMENTS TO DEPARTMENT OF DEFENSE JOINT MANPOWER PROCESS.

(a) SEMIANNUAL REPORT.—The Secretary of Defense shall submit to Congress a semiannual report on the status of actions taken by the Secretary to implement the recommendations made by the Department of Defense Inspector General in the report of November 29, 1995, entitled ''Inspection of the Department of Defense Joint Manpower Process'' (Report No. 96–029). The first such report shall be submitted not later than February 1, 1997.

(b) ADDITIONAL MATTER FOR FIRST REPORT.—As part of the first report under subsection (a), the Secretary shall include the following:

(1) The Secretary's assessment as to the need to establish a joint, centralized permanent organization in the Department of Defense to determine, validate, approve, and manage military and civilian manpower requirements resources at joint organizations.

(2) The Secretary's assessment of the Department of Defense timeline and plan to increase the capability of the joint professional military education system (including the Armed Forces Staff College)

to overcome the capacity limitations cited in the report referred to in subsection (a).

(3) The Secretary's plan and timeline to provide the necessary training and education of reserve component officers.

(c) GAO ASSESSMENT.—The Comptroller General of the United States shall assess the completeness and adequacy of the corrective actions taken by the Secretary with respect to the matters covered in the report referred to in subsection (a) and shall submit a report to Congress, not later than one year after the date of enactment of this Act, providing the Comptroller General's findings and recommendations.

SEC. 505. FREQUENCY OF REPORTS TO CONGRESS ON JOINT OFFICER MANAGEMENT POLICIES.

(a) CHANGE FROM SEMIANNUAL TO ANNUAL REPORT.—Section 662(b) of title 10, United States Code, is amended by striking out ''REPORT.—The Secretary of Defense shall periodically (and not less often than every six months) report to Congress on the promotion rates'' and inserting in lieu thereof ''ANNUAL REPORT.—Not later than January 1 of each year, the Secretary of Defense shall submit to Congress a report on the promotion rates during the preceding fiscal year''.

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

(1) in the first sentence, by striking out ''clauses'' and inserting in lieu thereof ''paragraphs''; and

(2) in the second sentence—

(A) by inserting ''for any fiscal year'' after ''such objectives''; and

(B) by striking out ''periodic report required by this subsection'' and inserting in lieu thereof ''report for that fiscal year''.

SEC. 506. REPEAL OF REQUIREMENT THAT COMMISSIONED OFFICERS BE INITIALLY APPOINTED IN A RESERVE GRADE.

Section 532 of title 10, United States Code, is amended by striking out subsection (e).

SEC. 507. CONTINUATION ON ACTIVE STATUS FOR CERTAIN RESERVE OFFICERS OF THE AIR FORCE.

(a) AUTHORITY.—Section 14507 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) TEMPORARY AUTHORITY TO RETAIN CERTAIN OFFICERS DESIGNATED AS JUDGE ADVOCATES.—(1) Notwithstanding the provisions of subsections (a) and (b), the Secretary of the Air Force may retain on the reserve

active-status list any reserve officer of the Air Force who is designated as a judge advocate and who obtained the first professional degree in law while on an educational delay program subsequent to being commissioned through the Reserve Officers' Training Corps.

"(2) No more than 50 officers may be retained on the reserve active-status list under the authority of paragraph (1) at any time.

"(3) No officer may be retained on the reserve active-status list under the authority of paragraph (1) for a period exceeding three years from the date on which, but for that authority, that officer would have been removed from the reserve active-status list under subsection (a) or (b).

"(4) The authority of the Secretary of the Air Force under paragraph (1) expires on September 30, 2003.".

(b) EFFECTIVE DATE.—Subsection (c) of section 14507 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1996.

SEC. 508. CLARIFICATION OF APPLICABILITY OF CERTAIN MANAGEMENT CONSTRAINTS ON MAJOR RANGE AND TEST FACILITY BASE STRUCTURE.

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

(1) in subsection (c)(1), by inserting after ''industrial-type activities'' the following: '', the Major Range and Test Facility Base,''; and

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

''(e) Subsections (a), (b), and (c) apply to the Major Range and Test Facility Base (MRTFB) at the installation level. With respect to the MRTFB structure, the term ''funds made available'' includes both direct appropriated funds and funds provided by MRTFB customers.''.

Subtitle B—Reserve Component Matters

SEC. 511. INDIVIDUAL READY RESERVE ACTIVATION AUTHORITY.

(a) IRR MEMBERS SUBJECT TO ORDER TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.—Section 10144 of title 10, United States Code, is amended—

(1) by inserting ''(a)'' before ''Within the Ready Reserve''; and

(2) by adding at the end the following:

''(b)(1) Within the Individual Ready Reserve of each reserve component there is a mobilization category of members, as designated by the Secretary concerned, who are subject to being ordered to active duty involuntarily

in accordance with section 12304 of this title. A member may not be placed in that mobilization category unless—

"(A) the member volunteers for that category; and

"(B) the member is selected for that category by the Secretary concerned, based upon the needs of the service and the grade and military skills of that member.

"(2) A member of the Individual Ready Reserve may not be carried in the mobilization category of members under paragraph (1) after the end of the 24-month period beginning on the date of the separation of the member from active service.

"(3) The Secretary shall designate the grades and critical military skills or specialities of members to be eligible for placement in such mobilization category.

"(4) A member in such mobilization category shall be eligible for benefits (other than pay and training) as are normally available to members of the Selected Reserve, as determined by the Secretary of Defense.".

(b) CRITERIA FOR ORDERING TO ACTIVE DUTY.—Subsection (a) of section 12304 of title 10, United States Code, is amended by inserting after "of this title)," the following: "or any member in the Individual Ready Re-

serve mobilization category and designated as essential under regulations prescribed by the Secretary concerned,''.

(c) MAXIMUM NUMBER.—Subsection (c) of such section is amended—

(1) by inserting ''and the Individual Ready Reserve'' after ''Selected Reserve''; and

(2) by inserting '', of whom not more than 30,000 may be members of the Individual Ready Reserve'' before the period at the end.

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

(1) in subsection (f), by inserting ''or Individual Ready Reserve'' after ''Selected Reserve'';

(2) in subsection (g), by inserting '', or member of the Individual Ready Reserve,'' after ''to serve as a unit''; and

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

''(i) For purposes of this section, the term 'Individual Ready Reserve mobilization category' means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.''.

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

"§ 12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency".

(2) The item relating to section 12304 in the table of sections at the beginning of chapter 1209 of such title is amended to read as follows:

"12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency".

SEC. 512. TRAINING FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Subsection (b) of section 12310 of title 10, United States Code, is amended to read as follows:

"(b) A Reserve on active duty as described in subsection (a) may be provided training and professional development opportunities consistent with those provided to other members on active duty, as the Secretary concerned sees fit.".

SEC. 513. CLARIFICATION TO DEFINITION OF ACTIVE STATUS.

Section 101(d)(4) of title 10, United States Code, is amended by striking out "a reserve commissioned officer, other than a commissioned warrant officer" and inserting in lieu thereof "a member of a reserve component".

SEC. 514. APPOINTMENT ABOVE GRADE OF 0–2 IN THE NAVAL RESERVE.

Paragraph (3) of section 12205(b) of title 10, United States Code, is amended by inserting ''or the Seaman to Admiral Program'' before the period at the end.

SEC. 515. REPORT ON NUMBER OF ADVISERS IN ACTIVE COMPONENT SUPPORT OF RESERVES PILOT PROGRAM.

(a) REPORT ON NUMBER OF ACTIVE COMPONENT ADVISERS.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth the Secretary's determination as to the appropriate number of active component personnel to be assigned to serve as advisers to reserve components under section 414 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S.C. 12001 note). If the Secretary's determination is that such number should be a number other than the required minimum number in effect under subsection (c) of such section, the Secretary shall include in the report an explanation providing the Secretary's justification for the number recommended.

(b) TECHNICAL AMENDMENT.—Section 414(a) of the National Defense Authorization Act for Fiscal Years 1992

and 1993 (10 U.S.C. 12001 note) is amended by striking out "During fiscal years 1992 and 1993, the Secretary of the Army shall institute" and inserting in lieu thereof "The Secretary of the Army shall carry out".

SEC. 516. SENSE OF CONGRESS AND REPORT REGARDING REEMPLOYMENT RIGHTS FOR MOBILIZED RESERVISTS EMPLOYED IN FOREIGN COUNTRIES.

(a) SENSE OF CONGRESS.—Congress is concerned about the lack of reemployment rights afforded Reserve component members who reside in foreign countries and either work for United States companies that maintain offices or operations in foreign countries or work for foreign employers. Being outside the jurisdiction of the United States, these employers are not subject to the provisions of chapter 43 of title 38, United States Code, known as the Uniformed Services Employment and Reemployment Rights Act (USERRA). The purpose of that Act is to provide statutory employment protections that include reinstatement, seniority, status, and rate of pay coverage for Reservists who are ordered to active duty for a specified period of time, including involuntary active duty in support of an operational contingency. While most Reserve members are afforded the protections of that Act (which covers reemployment rights in their civilian jobs upon

completion of military service), approximately 2,000 members of the Selected Reserve reside outside the United States and its territories and, not being guaranteed the job protection envisioned by the USERRA, are potentially subject to reemployment problems after release from active duty. During Operation Joint Endeavor, a number of Reservists who are currently living and working abroad and who were involuntarily ordered to active duty in support of that operation did in fact face reemployment problems with their civilian employers. This situation poses a continuing personnel management challenge for the reserve components.

(b) RECOGNITION OF PROBLEM.—Congress, while recognizing that foreign governments and companies located abroad, not being within the jurisdiction of the United States, cannot be required to comply with the provisions of the Uniformed Services Employment and Reemployment Rights Act, also recognizes that there is a need to provide assistance to Reservists in the situation described in subsection (a), both in the near term and the long term.

(c) REPORT REQUIREMENT.—Not later than April 1, 1997, 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 that sets forth recommended actions to help alleviate reemployment problems for Reservists who are employed outside the United States and its territories by United States companies that maintain offices or operations in foreign countries or by foreign employers. The report shall include recommendations on the assistance and support that may be required by other organizations of the Government, including the Defense Attaché Offices, the Department of Labor, and the Department of State. The report shall be prepared in consultation with the Secretary of State and the Secretary of Labor.

SEC. 517. ELIGIBILITY FOR ENROLLMENT IN READY RESERVE MOBILIZATION INCOME INSURANCE PROGRAM.

Section 12524 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) MEMBERS OF INDIVIDUAL READY RESERVE.—Notwithstanding any other provision of this section, and pursuant to regulations issued by the Secretary, a member of the Individual Ready Reserve who becomes a member of the Selected Reserve shall not be denied eligibility to purchase insurance under this chapter upon becoming a member of the Selected Reserve unless the member previously declined to enroll in the program of insurance

under this chapter while a member of the Selected Reserve.''.

Subtitle C—Jurisdiction and Powers of Courts-Martial for the National Guard When Not in Federal Service

SEC. 531. COMPOSITION, JURISDICTION, AND PROCEDURES OF COURTS-MARTIAL.

Section 326 of title 32, United States Code, is amended—

(1) by inserting ''(a)'' at the beginning of the text of the section;

(2) by striking out the second sentence and inserting in lieu thereof the following: ''They shall follow substantially the forms and procedures provided for those courts and shall provide accused members of the National Guard the rights and protections provided in those courts.''; and

(3) by adding at the end the following:

''(b) Courts-martial of the National Guard not in Federal service do not have jurisdiction over those persons who are subject to the jurisdiction of a court-martial pursuant to section 802 of title 10.

''(c) A court-martial of the National Guard not in Federal service shall have such jurisdiction and powers,

consistent with the provisions of this chapter, as may be provided by the law of the State or Territory, Puerto Rico, or District of Columbia in which the court-martial is convened.''.

SEC. 532. GENERAL COURTS-MARTIAL.

(a) CONVENING AUTHORITY.—Subsection (a) of section 327 of title 32, United States Code, is amended by inserting ''or adjutant general'' after ''governor''.

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

''(b) A general court-martial may sentence an accused, upon conviction, to any of the following punishments:

''(1) A fine of not more than $500 for a single offense.

''(2) Forfeiture of pay and allowances in an amount of not more than $500 for a single offense or any forfeiture of pay for not more than six months.

''(3) A reprimand.

''(4) Dismissal, bad conduct discharge, or dishonorable discharge.

''(5) In the case of an enlisted member, reduction to a lower grade.

''(6) Confinement for not more than 180 days.

"(7) Any combination of the punishments specified in paragraphs (1) through (6).".

(c) LIMITATION ON PUNITIVE DISCHARGES.—Such section is further amended by adding at the end the following new subsection:

"(c)(1) A dismissal or bad conduct or dishonorable discharge may not be adjudged unless counsel was detailed to represent the accused and a military judge was detailed to the trial.

"(2) In a case in which the sentence adjudged includes dismissal or a bad conduct or dishonorable discharge, a verbatim record of the proceedings shall be made.".

SEC. 533. SPECIAL COURTS-MARTIAL.

(a) CONVENING AUTHORITY.—Subsection (a) of section 328 of title 32, United States Code, is amended by inserting ", if a National Guard officer," after "the commanding officer".

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

"(b) A special court-martial may sentence an accused, upon conviction, to any of the following punishments:

"(1) A fine of not more than $300 for a single offense.

"(2) Forfeiture of pay and allowances in an amount of not more than $300 for a single offense, but adjudged forfeiture of pay may not exceed two-thirds pay per month and forfeitures may not extend for more than six months.

"(3) A reprimand.

"(4) Bad conduct discharge.

"(5) In the case of an enlisted member, reduction to a lower grade.

"(6) Confinement for not more than 100 days.

"(7) Any combination of the punishments specified in paragraphs (1) through (6).".

(c) LIMITATION ON BAD CONDUCT DISCHARGES.—Subsection (c) of such section is amended to read as follows:

"(c)(1) A bad conduct discharge may not be adjudged unless counsel was detailed to represent the accused and a military judge was detailed to the trial.

"(2) In a case in which the sentence adjudged includes a bad conduct discharge, a verbatim record of the proceedings shall be made.".

SEC. 534. SUMMARY COURTS-MARTIAL.

(a) CONVENING AUTHORITY.—Subsection (a) of section 329 of title 32, United States Code, is amended—

(1) by inserting ", if a National Guard officer," after "the commanding officer"; and

(2) by inserting after the first sentence the following new sentence: "Summary courts-martial may also be convened by superior authority.".

(b) JURISDICTION.—Subsection (a) of such section is further amended—

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

(2) by adding at the end the following:

"(2) A summary court-martial may not try a commissioned officer.".

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

"(b) A summary court-martial may sentence an accused, upon conviction, to any of the following punishments:

"(1) A fine of not more than $200 for a single offense.

"(2) Forfeiture of pay and allowances in an amount of not more than $200 for a single offense, but not to exceed two-thirds of one month's pay.

"(3) Reduction to a lower grade.

"(4) Any combination of the punishments specified in paragraphs (1) through (3).".

(d) CONSENT OF ACCUSED FOR SUMMARY COURT-MARTIAL.—Such section is further amended by adding at the end the following new subsection:

''(c) An accused with respect to whom summary courts-martial have jurisdiction may not be brought to trial before a summary court-martial if the accused objects thereto. If an accused so objects to trial by summary court-martial, the convening authority may order trial by special or general court-martial, as may be appropriate.''.

SEC. 535. REPEAL OF AUTHORITY FOR CONFINEMENT IN LIEU OF FINE.

Section 330 of title 32, United States Code, is repealed.

SEC. 536. APPROVAL OF SENTENCE OF BAD CONDUCT DISCHARGE OR CONFINEMENT.

(a) IN GENERAL.—Section 331 of title 32, United States Code, is amended by striking out ''or dishonorable discharge'' and inserting in lieu thereof '', bad conduct discharge, dishonorable discharge, or confinement for three months or more''.

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

"§ 331. Sentences requiring approval of governor".

SEC. 537. AUTHORITY OF MILITARY JUDGES.

Section 332 of title 32, United States Code, is amended by inserting ''or military judge'' after ''the president''.

SEC. 538. STATUTORY REORGANIZATION.

(a) NEW TITLE 32 CHAPTER.—(1) Title 32, United States Code, is amended by inserting after section 325 the following:

"CHAPTER 4—COURTS-MARTIAL FOR THE NATIONAL GUARD WHEN NOT IN FEDERAL SERVICE

''Sec.
''401. Courts-martial: composition, jurisdiction, and procedures.
''402. General courts-martial.
''403. Special courts-martial.
''404. Summary courts-martial.
''405. Sentences requiring approval of governor.
''406. Compelling attendance of accused and witnesses.
''407. Execution of process and sentence.''.

(2) The table of chapters at the beginning of such title is amended by inserting after the item relating to chapter 3 the following new item:

''4. Courts-Martial for the National Guard When not in Federal Service 401''.

(3) The table of sections at the beginning of chapter 3 of such title is amended by striking out the items relating to sections 326 through 333.

(b) REDESIGNATION OF SECTIONS.—The following sections of title 32, United States Code (as amended by this subtitle), are redesignated as follows:

Section	Redesignated section
326	401
327	402
328	403
329	404
331	405
332	406
333	407

(c) SECTION HEADINGS.—The headings for sections 401, 402, 403, and 404 of title 32, United States Code, as redesignated by subsection (b), are amended by striking out "**of National Guard not in Federal service**".

SEC. 539. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on the date of the enactment of this Act, except that for an offense committed before that date the maximum punishment shall be the maximum punishment in effect at the time of the commission of the offense.

SEC. 540. CONFORMING AMENDMENTS TO UNIFORM CODE OF MILITARY JUSTICE.

(a) ARTICLE 20.—Section 820 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Subject to";

(2) by striking out the second and third sentences and inserting in lieu thereof the following:

"(b) An accused with respect to whom summary courts-martial have jurisdiction may not be brought to trial before a summary court-martial if the accused objects thereto. If an accused so objects to trial by summary court-martial, the convening authority may order trial by special or general court-martial, as may be appropriate."; and

(3) by designating as subsection (c) the sentence beginning "Summary courts-martial may,".

(b) ARTICLE 54.—Section 854(c)(1) of such title is amended by striking out "complete record of the proceedings and testimony" and inserting in lieu thereof "verbatim record of the proceedings".

Subtitle D—Education and Training Programs

SEC. 551. EXTENSION OF MAXIMUM AGE FOR APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Sections 2107(a) and 2107a(a) of title 10, United States Code, are amended—

(1) by striking out "25 years of age" and inserting in lieu thereof "27 years of age"; and

(2) by striking out ''29 years of age'' and inserting in lieu thereof ''30 years of age''.

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of such title is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

(c) UNITED STATES NAVAL ACADEMY.—Section 6958(a)(1) of such title is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of such title is amended by striking out ''twenty-second birthday'' and inserting in lieu thereof ''twenty-third birthday''.

SEC. 552. OVERSIGHT AND MANAGEMENT OF SENIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

(a) ENROLLMENT PRIORITY TO BE CONSISTENT WITH PURPOSE OF PROGRAM.—(1) Section 2103 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) An educational institution at which a unit of the program has been established shall give priority for enrollment in the program to students who are eligible for advanced training under section 2104 of this title.''.

(2) Section 2109 of such title is amended by adding at the end the following new subsection:

''(c)(1) A person who is not qualified for, and (as determined by the Secretary concerned) will not be able to become qualified for, advanced training by reason of one or more of the requirements prescribed in paragraphs (1) through (3) of section 2104(b) of this title shall not be permitted to participate in—

''(A) field training or a practice cruise under section 2106(b)(6) of this title; or

''(B) practical military training under subsection (a).

''(2) The Secretary of the military department concerned may waive the limitation in paragraph (1) under procedures prescribed by the Secretary.''.

(b) WEAR OF THE MILITARY UNIFORM.—Section 772(h) of such title is amended by inserting before the period at the end the following: ''if the wear of such uniform is specifically authorized under regulations prescribed by the Secretary of the military department concerned''.

SEC. 553. ROTC SCHOLARSHIP STUDENT PARTICIPATION IN SIMULTANEOUS MEMBERSHIP PROGRAM.

Section 2103 of title 10, United States Code, is amended by adding after subsection (e), as added by section 552, the following new subsection:

''(f) The Secretary of Defense shall ensure that, in carrying out the program, the Secretaries of the military departments permit any person who is receiving financial assistance under section 2107 of this title simultaneously to be a member of the Selected Reserve.''.

SEC. 554. EXPANSION OF ROTC ADVANCED TRAINING PROGRAM TO INCLUDE GRADUATE STUDENTS.

(a) IN GENERAL.—Section 2107(c) of title 10, United States Code, is amended by inserting before the last sentence the following new sentence: ''The Secretary of the military department concerned may provide similar financial assistance to a student enrolled in an advanced education program beyond the baccalaureate degree level if the student also is a cadet or midshipman in an advanced training program.''.

(b) DEFINITIONAL CHANGE.—Paragraph (3) of section 2101 of title 10, United States Code, is amended by inserting ''students enrolled in an advanced education program beyond the baccalaureate degree level or to'' after 'instruction offered in the Senior Reserve Officers' Training Corps to''.

SEC. 555. RESERVE CREDIT FOR MEMBERS OF ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) SERVICE CREDIT.—Section 2126 of title 10, United States Code, is amended—

(1) by striking out ''Service performed'' and inserting in lieu thereof ''(a) GENERAL RULE AGAINST PROVISION OF SERVICE CREDIT.—Except as provided in subsection (b), service performed''; and

(2) by adding at the end the following:

''(b) SERVICE CREDIT FOR CERTAIN PURPOSES.—(1) This subsection applies with respect to a member of the Selected Reserve who—

''(A) completed a course of study under this subchapter as a member of the program;

''(B) completed the active duty obligation imposed under section 2123(a) of this title; and

''(C) possesses a specialty designated by the Secretary concerned as critically needed in wartime.

''(2) Upon satisfactory completion of a year of service in the Selected Reserve by a member of the Selected Reserve described in paragraph (1), the Secretary concerned may credit the member with a maximum of 50 points creditable toward the computation of the member's years of service under section 12732(a)(2) of this title for one year of participation in a course of study under this subchapter.

Not more than four years of participation in a course of study under this subchapter may be considered under this paragraph.

"(3) In the case of a member of the Selected Reserve described in paragraph (1), the Secretary concerned may also credit the service of the member while pursuing a course of study under this subchapter, but not to exceed a total of four years, for purposes of computing years of service creditable under section 205 of title 37.

"(c) LIMITATIONS.—(1) A member of the Selected Reserve relieved of any portion of the minimum active duty obligation imposed under section 2123(a) of this title may not receive any point or service credit under subsection (b).

"(2) A member of the Selected Reserve awarded points or service credit under subsection (b) shall not be considered to have been in an active status, by reason of the award of the points or credit, while pursuing a course of study under this subchapter for purposes of any provision of law other than section 12732(a)(2) of this title and section 205 of title 37.".

(b) RETROACTIVITY BARRED.—A member of the Selected Reserve is not entitled to any retroactive award or increase in pay or allowances as a result of the amendments made by subsection (a).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals receiving financial assistance under section 2107 of title 10, United States Code, after September 30, 1996.

SEC. 556. EXPANSION OF ELIGIBILITY FOR EDUCATION BENEFITS TO INCLUDE CERTAIN RESERVE OFFICERS' TRAINING CORPS (ROTC) PARTICIPANTS.

(a) ACTIVE DUTY SERVICE.—Section 3011(c) of title 38, United States Code, is amended—

(1) by striking out ''or upon completion of a program of educational assistance under section 2107 of title 10'' in paragraph (2); and

(2) by adding at the end the following:

''(3) An individual who after December 31, 1976, receives a commission as an officer in the Armed Forces upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section if the individual enters on active duty—

''(A) before October 1, 1996; or

''(B) after September 30, 1996, and while participating in such program received more than $2,000 for each year of such participation.''.

(b) SELECTED RESERVE.—Section 3012(d) of title 38, United States Code, is amended—

(1) by striking out ''or upon completion of a program of educational assistance under section 2107 of title 10'' in paragraph (2); and

(2) by adding at the end the following:

''(3) An individual who after December 31, 1976, receives a commission as an officer in the Armed Forces upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section if the individual enters on active duty—

''(A) before October 1, 1996; or

''(B) after September 30, 1996, and while participating in such program received more than $2,000 for each year of such participation.''.

SEC. 557. COMPTROLLER GENERAL REPORT ON COST AND POLICY IMPLICATIONS OF PERMITTING UP TO FIVE PERCENT OF SERVICE ACADEMY GRADUATES TO BE ASSIGNED DIRECTLY TO RESERVE DUTY UPON GRADUATION.

(a) REPORT REQUIRED.—The Comptroller General of the United States shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report

providing an analysis of the cost implications, and the policy implications, of permitting up to 5 percent of each graduating class of each of the service academies to be placed, upon graduation and commissioning, in an active status in the appropriate reserve component (without a minimum period of obligated active duty service), with a corresponding increase in the number of ROTC graduates each year who are permitted to serve on active duty upon commissioning.

(b) INFORMATION ON CURRENT ACADEMY GRADUATES IN RESERVE COMPONENTS.—The Comptroller General shall include in the report information (shown in the aggregate and separately for each of the Armed Forces and for graduates of each service academy) on—

(1) the number of academy graduates who at the time of the report are serving in an active status in a reserve component; and

(2) within the number under paragraph (1), the number for each reserve component and, of those, the number within each reserve component who are on active duty under section 12301(d) of title 10, United States Code, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components.

(c) SUBMISSION OF REPORT.—The report shall be submitted not later than six months after the date of the enactment of this Act.

(d) SERVICE ACADEMIES.—For purposes of this section, the term ''service academies'' means—

(1) the United States Military Academy;

(2) the United States Naval Academy; and

(3) the United States Air Force Academy.

Subtitle E—Other Matters

SEC. 561. HATE CRIMES IN THE MILITARY.

(a) HUMAN RELATIONS TRAINING.—(1) The Secretary of Defense shall ensure that the Secretary of each military department conducts ongoing programs for human relations training for all members of the Armed Forces under the jurisdiction of the Secretary. Matters to be covered by such training include race relations, equal opportunity, opposition to gender discrimination, and sensitivity to ''hate group'' activity. Such training shall be provided during basic training (or other initial military training) and on a regular basis thereafter.

(2) The Secretary of Defense shall also ensure that unit commanders are aware of their responsibilities in ensuring that impermissible activity based upon discriminatory motives does not occur in units under their command.

(b) INFORMATION TO BE PROVIDED TO PROSPECTIVE RECRUITS.—The Secretary of Defense shall ensure that each individual preparing to enter an officer accession program or to execute an original enlistment agreement is provided information concerning the meaning of the oath of office or oath of enlistment for service in the Armed Forces in terms of the equal protection and civil liberties guarantees of the Constitution, and each such individual shall be informed that if supporting those guarantees is not possible personally for that individual, then that individual should decline to enter the Armed Forces.

(c) ANNUAL SURVEY.—(1) Section 451 of title 10, United States Code, is amended to read as follows:

"§ 451. Race relations, gender discrimination, and hate group activity: annual survey and report

''(a) ANNUAL SURVEY.—The Secretary of Defense shall carry out an annual survey to measure the state of racial, ethnic, and gender issues and discrimination among members of the armed forces serving on active duty and the extent (if any) of activity among such members that may be seen as so-called 'hate group' activity. The survey shall solicit information on the race relations and gender relations climate in the armed forces, including—

"(1) indicators of positive and negative trends of relations among all racial and ethnic groups and between the sexes;

"(2) the effectiveness of Department of Defense policies designed to improve race, ethnic, and gender relations; and

"(3) the effectiveness of current processes for complaints on and investigations into racial, ethnic, and gender discrimination.

"(b) IMPLEMENTING ENTITY.—The Secretary shall carry out each annual survey through the entity in the Department of Defense known as the Armed Forces Survey on Race/Ethnic Issues.

"(c) REPORTS TO CONGRESS.—Upon completion of biennial survey under subsection (a), the Secretary shall submit to Congress a report containing the results of the survey.".

(2) The item relating to such section in the table of sections at the beginning of chapter 22 of such title is amended to read as follows:

"451. Race relations, gender discrimination, and hate group activity: annual survey and report.".

SEC. 562. AUTHORITY OF A RESERVE JUDGE ADVOCATE TO ACT AS A NOTARY PUBLIC.

(a) NOTARY PUBLIC AUTHORITY TO INCLUDE RESERVE LAWYERS OF THE ARMED FORCES.—Section 1044a(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ''on active duty or performing inactive-duty training'' and inserting in lieu thereof '', including reserve judge advocates not on active duty'';

(2) in paragraph (3), by striking out ''adjutants on active duty or performing inactive-duty training'' and inserting in lieu thereof ''adjutants, including reserve members not on active duty''; and

(3) in paragraph (4), by striking out ''persons on active duty or performing inactive-duty training'' and inserting in lieu thereof ''members of the armed forces, including reserve members not on active duty,''.

(b) RATIFICATION OF PRIOR NOTARIAL ACTS.—Any notarial act performed before the enactment of this Act, the validity of which has not been challenged or negated in a case pending before or decided by a court or administrative agency of competent jurisdiction, on or before the date of the enactment of this Act, is hereby confirmed, ratified, and approved with full effect as if such act was performed after the enactment of this Act.

SEC. 563. AUTHORITY TO PROVIDE LEGAL ASSISTANCE TO PUBLIC HEALTH SERVICE OFFICERS.

(a) LEGAL ASSISTANCE AVAILABLE.—Subsection (a) of section 1044 of title 10, United States Code, is amended by striking out paragraph (3) and inserting in lieu thereof the following:

''(3) Officers of the commissioned corps of the Public Health Service who are on active duty or entitled to retired or equivalent pay.

''(4) Dependents of members and former members described in paragraphs (1), (2), and (3).''.

(b) LIMITATION ON ASSISTANCE.—Subsection (c) of such section is amended—

(1) by striking out ''armed forces'' and inserting in lieu thereof ''uniformed services described in subsection (a)''; and

(2) by inserting ''such'' after ''dependent of''.

(c) CLARIFYING AMENDMENTS.—Subsection (a) of such section is further amended by striking out ''under his jurisdiction'' in paragraphs (1) and (2).

(d) STYLISTIC AMENDMENTS.—Subsection (a) of such section is further amended—

(1) in the matter preceding paragraph (1), by striking out ''to—'' and inserting in lieu thereof ''to the following persons:'';

(2) by capitalizing the first letter of the first word of paragraphs (1) and (2);

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

(4) by striking out ''; and'' at the end of paragraph (2) and inserting in lieu thereof a period.

SEC. 564. EXCEPTED APPOINTMENT OF CERTAIN JUDICIAL NON-ATTORNEY STAFF IN THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

Section 943(c) of title 10, United States Code, is amended—

(1) in the heading for the subsection, by inserting ''AND CERTAIN OTHER'' after ''ATTORNEY''; and

(2) in paragraph (1), by inserting ''and non-attorney positions on the personal staff of a judge'' after ''Court of Appeals for the Armed Forces''.

SEC. 565. REPLACEMENT OF CERTAIN AMERICAN THEATER CAMPAIGN RIBBONS.

(a) REPLACEMENT RIBBONS.—The Secretary of the Army, pursuant to section 3751 of title 10, United States Code, may replace any World War II decoration known as the American Theater Campaign Ribbon that was

awarded to a person listed in the order described in subsection (b).

(b) RIBBONS PROPERLY AWARDED.—Any person listed in the document titled ''General Order Number 1'', issued by the Third Auxiliary Surgical Group, APO 647, United States Army, dated February 1, 1943, shall be considered to have been properly awarded the American Theater Campaign Ribbon for service during World War II.

SEC. 566. RESTORATION OF REGULATIONS PROHIBITING SERVICE OF HOMOSEXUALS IN THE ARMED FORCES.

(a) TERMINATION OF EXISTING ADMINISTRATIVE POLICY.—Effective on the date of the enactment of this Act, the following measures of the executive branch are rescinded and shall cease to be effective:

(1) The memorandum of the Secretary of Defense to the Secretaries of the military departments and the Chairman of the Joint Chiefs of Staff dated July 19, 1993, that stated its subject to be: ''Policy on Homsexual Conduct in the Armed Forces''.

(2) The four-page document entitled ''Policy Guidelines on Homsexual Conduct in the Armed Forces'' that was issued by the Secretary of Defense

as an attachment to the memorandum referred to in paragraph (1).

(3) The revisions to Department of Defense directives 1332.30, 1332.14, and 1304.26 that were directed to be made by the General Counsel of the Department of Defense by memorandum dated February 28, 1994, to the Director of Administration and Management of the Department of Defense.

(b) REINSTATEMENT OF FORMER REGULATIONS.—Immediately upon the enactment of this Act and effective as of the date of the enactment of this Act—

(1) the Secretary of Defense shall reinstate the regulations (including Department of Defense directives) of the Department of Defense regarding service of homosexuals in the Armed Forces that were in effect on January 19, 1993; and

(2) the Secretary of each military department shall reinstate the regulations of that military department regarding service of homosexuals in the Armed Forces that were in effect on January 19, 1993.

(c) REVISION PROHIBITED.—The regulations (including Department of Defense directives) reinstated pursuant to subsection (b), insofar as they relate to the service of homosexuals in the Armed Forces, may not be re-

vised except as specifically provided by a law enacted after the enactment of this Act.

(d) RULE OF CONSTRUCTION.—In the case of a conflict between the regulations required to be prescribed by subsection (b) and the provisions of section 654 of title 10, United States Code, or any other provision of law, the requirements of such provision of law shall be given effect.

(e) RESTORATION OF QUESTIONING OF NEW ENTRANTS INTO MILITARY SERVICE.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall issue instructions for the resumption of questioning of potential new entrants into the Armed Forces as to homosexuality in accordance with the policy and practices of the Department of Defense as of January 19, 1993 (as reinstated pursuant to subsection (b)).

(2) Section 571(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1673; 10 U.S.C. 654 note) is repealed.

SEC. 567. REENACTMENT AND MODIFICATION OF MANDATORY SEPARATION FROM SERVICE FOR MEMBERS DIAGNOSED WITH HIV–1 VIRUS.

(a) REENACTMENT AND MODIFICATION.—(1) Chapter 59 of title 10, United States Code, is amended by inserting after section 1176 the following:

"§ 1177. Members infected with HIV–1 virus: mandatory discharge or retirement

''(a) MANDATORY SEPARATION.—(1) A member of the Army, Navy, Air Force, or Marine Corps who is HIV-positive and who on the date on which the medical determination is made that the member is HIV-positive has less than 15 years of creditable service 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 medical determination is made that the member is HIV-positive and not later than the last day of the second month beginning after such date.

''(2) In determining the years of creditable service of a member for purposes of paragraph (1)—

''(A) in the case of a member on active duty or full-time National Guard duty, the member's years of creditable service are the number of years of service of the member as computed for the purpose of determining the member's eligibility for retirement under any provision of law (other than chapter 61 or 1223 of this title); and

''(B) in the case of a member in an active status, the member's years of creditable service are the number of years of service creditable to the member under section 12732 of this title.

"(b) FORM OF SEPARATION.—The characterization of the service of the member shall be determined without regard to the determination that the member is HIV-positive.

"(c) 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.

"(d) 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.

"(e) 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 table of sections at the beginning of chapter 59 of such title is amended by inserting after the item relating to section 1176 the following new item:

''1177. Members infected with HIV–1 virus: mandatory discharge or retirement.''.

(b) EFFECTIVE DATE.—Section 1177 of title 10, United States Code, as added by subsection (a), applies with respect to members of the Army, Navy, Air Force, and Marine Corps 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 Army, Navy, Air Force, or Marine Corps determined to be HIV-positive before such date, the deadline for separation of the member under subsection (a) of such section shall be determined from the date of the enactment of this Act (rather than from the date of such determination), except that no such member shall be separated by reason of such section (without the consent of the member) before October 1, 1996.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.

(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 1997 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective on January 1, 1997, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 3 percent.

(c) INCREASE IN BAQ.—Effective on January 1, 1997, the rates of basic allowance for quarters of members of the uniformed services are increased by 4.6 percent.

SEC. 602. AVAILABILITY OF BASIC ALLOWANCE FOR QUARTERS FOR CERTAIN MEMBERS WITHOUT DEPENDENTS WHO SERVE ON SEA DUTY.

(a) AVAILABILITY OF ALLOWANCE.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) by striking out ''A member'' in the first sentence and inserting in lieu thereof ''(A) Except as provided in subparagraph (B) or (C), a member'';

(2) by striking out the second sentence; and

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

''(B) Under regulations prescribed by the Secretary concerned, the Secretary may authorize the payment of a basic allowance for quarters to a member of a uniformed service under the jurisdiction of the Secretary when the member is without dependents, is serving in pay grade E–5, and is assigned to sea duty. In prescribing regulations under this subparagraph, the Secretary concerned shall consider the availability of quarters for members serving in pay grade E–5.

''(C) Notwithstanding section 421 of this title, two members of the uniformed services in a pay grade below pay grade E–5 who are married to each other, have no other dependents, and are simultaneously assigned to sea duty are entitled to a single basic allowance for quarters during the period of such simultaneous sea duty. The amount of the allowance shall be based on the without dependents rate for the pay grade of the senior member.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1997.

SEC. 603. ESTABLISHMENT OF MINIMUM MONTHLY AMOUNT OF VARIABLE HOUSING ALLOWANCE FOR HIGH HOUSING COST AREAS.

(a) MINIMUM MONTHLY AMOUNT OF ALLOWANCE.—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 amounts:

''(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 equal to the difference between—

''(i) the adequate housing allowance floor determined by the Secretary of Defense for all

members of the uniformed services in that area entitled to a variable housing allowance under this section; and

"(ii) the monthly basic allowance for quarters for members of the uniformed services serving in the same pay grade and with the same dependency status as that member.".

(b) ADEQUATE HOUSING ALLOWANCE FLOOR.—Such subsection is further amended by adding at the end the following new paragraph:

"(7)(A) For purposes of paragraph (1)(B)(i), the Secretary of Defense shall establish an adequate housing allowance floor for members of the uniformed services in an area as a selected percentage, not to exceed 85 percent, of the cost of adequate housing in that area based on an index of housing costs selected by the Secretary of Defense from among the following:

"(i) The fair market rentals established annually by the Secretary of Housing and Urban Development under section 8(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1)).

"(ii) An index developed in the private sector that the Secretary of Defense determines is comparable to the fair market rentals referred to in

clause (i) and is appropriate for use to determine the adequate housing allowance floor.

''(B) The Secretary of Defense shall carry out this paragraph in consultation with the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Health and Human Services.''.

(c) EFFECT ON TOTAL AMOUNT AVAILABLE FOR ALLOWANCE.—Subsection (d)(3) of such section is amended in the second sentence by striking out ''the second sentence of subsection (c)(3)'' and inserting in lieu thereof ''paragraph (1)(B) of subsection (c) and the second sentence of paragraph (3) of that subsection''.

(d) CONFORMING AMENDMENTS.—Subsection (c) of such section is further amended—

(1) in paragraph (3), by striking out ''this subsection'' in the first sentence and inserting lieu thereof ''paragraph (1)(A) or the minimum amount of a variable housing allowance under paragraph (1)(B)''; and

(2) in paragraph (5), by inserting ''or minimum amount of a variable housing allowance'' after ''costs of housing''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997, except that the Secretary of Defense may delay implementation

of the requirements imposed by the amendments to such later date as the Secretary considers appropriate upon publication of notice to that effect in the Federal Register.

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, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by

striking out ''September 30, 1997'' 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, 1997'' 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, 1997'' 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, 1997'' 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, 1997'' and inserting in lieu thereof ''September 30, 1998,''.

(b) SPECIAL PAY FOR HEALTH CARE PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(d) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(e) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(f) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(g) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(h) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1997'' and inserting in lieu thereof ''October 1, 1998''.

(i) 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, 1997'' and inserting in lieu thereof ''October 1, 1998''.

SEC. 614. SPECIAL INCENTIVES TO RECRUIT AND RETAIN DENTAL OFFICERS.

(a) VARIABLE, ADDITIONAL, AND BOARD CERTIFIED SPECIAL PAYS FOR ACTIVE DUTY DENTAL OFFICERS.—Section 302b(a) of title 37, United States Code is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking out ''$1,200'' and inserting in lieu thereof ''$3,000'';

(B) in subparagraph (B), by striking out ''$2,000'' and inserting in lieu thereof ''$7,000''; and

(C) in subparagraph (C), by striking out ''$4,000'' and inserting in lieu thereof ''$7,000'';

(2) in paragraph (4), by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

''(A) $4,000 per year, if the officer has less than three years of creditable service.

''(B) $6,000 per year, if the officer has at least three but less than 14 years of creditable service.

''(C) $8,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

''(D) $10,000 per year, if the officer has at least 18 or more years of creditable service.''; and

(3) in paragraph (5), by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

''(A) $2,500 per year, if the officer has less than 10 years of creditable service.

''(B) $3,500 per year, if the officer has at least 10 but less than 12 years of creditable service.

"(C) $4,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

"(D) $5,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(E) $6,000 per year, if the officer has 18 or more years of creditable service.".

(b) RESERVE DENTAL OFFICERS SPECIAL PAY.—Section 302b of title 37, United States Code, is amended by adding at the end the following new subsection:

"(h) RESERVE DENTAL OFFICERS SPECIAL PAY.—(1) A reserve dental officer described in paragraph (2) is entitled to special pay at the rate of $350 a month for each month of active duty, including active duty in the form of annual training, active duty for training, and active duty for special work.

"(2) A reserve dental officer referred to in paragraph (1) is a reserve officer who—

"(A) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer; and

"(B) is on active duty under a call or order to active duty for a period of less than one year.".

(c) ACCESSION BONUS FOR DENTAL SCHOOL GRADUATES WHO ENTER THE ARMED FORCES.—(1) Chapter

5 of title 37, United States Code, is amended by inserting after section 302g the following new section:

"§ 302h. Special pay: accession bonus for dental officers

"(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited dental school and who, during the period beginning on the date of the enactment of this section, and ending on September 30, 2002, executes a written agreement described in subsection (c) to accept a commission as an officer of the armed forces and remain on active duty for a period of not less than four years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount determined by the Secretary concerned.

"(2) The amount of an accession bonus under paragraph (1) may not exceed $30,000.

"(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

"(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in dentistry; or

"(2) the Secretary concerned determines that the person is not qualified to become and remain certified and licensed as a dentist.

"(c) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer.

"(d) REPAYMENT.—(1) An officer who receives a payment under subsection (a) and who fails to become and remain certified or licensed as a dentist during the period for which the payment is made shall refund to the United States an amount equal to the full amount of such payment.

"(2) An officer who voluntarily terminates service on active duty before the end of the period agreed to be served under subsection (a) shall refund to the United States an amount that bears the same ratio to the amount paid to the officer as the unserved part of such period bears to the total period agreed to be served.

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

"(4) 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 per-

son signing such agreement from a debt arising under such agreement or this subsection. This paragraph applies to any case commenced under title 11 after the date of the enactment of this section.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 302g the following new item:

''302h. Special pay: accession bonus for dental officers.''.

(3) Section 303a of title 37, United States Code, is amended by striking out ''302g'' each place it appears and inserting in lieu thereof ''302h''.

(d) REPORT ON ADDITIONAL ACTIVITIES TO INCREASE RECRUITMENT OF DENTISTS.—Not later than April 1, 1997, the Secretary of Defense shall submit to Congress a report describing the feasibility of increasing the number of persons enrolled in the Armed Forces Health Professions Scholarship and Financial Assistance program who are pursuing a course of study in dentistry in anticipation of service as an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer.

(e) STYLISTIC AMENDMENTS.—Section 302b of title 37, United States Code, is amended—

(1) in subsection (a), by inserting ''VARIABLE, ADDITIONAL, AND BOARD CERTIFICATION SPECIAL PAY.—'' after ''(a)'';

(2) in subsection (b), by inserting ''ACTIVE-DUTY AGREEMENT.—'' after ''(b)'';

(3) in subsection (c), by inserting ''REGULATIONS.—'' after ''(c)'';

(4) in subsection (d), by inserting ''FREQUENCY OF PAYMENTS.—'' after ''(d)'';

(5) in subsection (e), by inserting ''REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—'' after ''(e)'';

(6) in subsection (f), by inserting ''EFFECT OF DISCHARGE IN BANKRUPTCY.—'' after ''(f)''; and

(7) in subsection (g), by inserting ''DETERMINATION OF CREDITABLE SERVICE.—'' after ''(g)''.

Subtitle C—Travel and Transportation Allowances

SEC. 621. TEMPORARY LODGING EXPENSES OF MEMBER IN CONNECTION WITH FIRST PERMANENT CHANGE OF STATION.

(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—Section 404a(a) of title 37, United States Code, is amended—

(1) by striking out ''or'' at the end of paragraph (1);

(2) in paragraph (2), by inserting ''or'' after ''Alaska;''; and

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

''(3) from home of record or initial technical school to first duty station;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1997.

SEC. 622. ALLOWANCE IN CONNECTION WITH SHIPPING MOTOR VEHICLE AT GOVERNMENT EXPENSE.

(a) ALLOWANCE AUTHORIZED.—Section 406(b)(1)(B) of title 37, United States Code, is amended by adding at the end the following: ''If clause (i)(I) applies to the transportation by the member of a motor vehicle from the old duty station, the monetary allowance under this subparagraph shall also cover return travel to the old duty station by the member or other person transporting the vehicle. In the case of transportation described in clause (ii), the monetary allowance shall also cover travel from the new duty station to the port of debarkation to pick up the vehicle.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1997.

SEC. 623. DISLOCATION ALLOWANCE AT A RATE EQUAL TO TWO AND ONE-HALF MONTHS BASIC ALLOWANCE FOR QUARTERS.

(a) Section 407(a) of title 37, United States Code, is amended in the matter preceding the paragraphs by striking out ''two months'' and inserting in lieu thereof ''two and one-half months''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1997.

SEC. 624. ALLOWANCE FOR TRAVEL PERFORMED IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) ADDITIONAL DEFERRAL.—Section 411b(a)(2) of title 37, United States Code, is amended by adding at the end the following: ''If the member is unable to undertake the travel before the end of such one-year period as a result of the participation of the member in a critical operational mission, as determined by the Secretary concerned, the member may defer the travel, under the regulations referred to in paragraph (1), for a period not to exceed one year after the date on which the member's participation in the critical operational mission ends.''.

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to members of the uniformed services participating, on or after November 1,

1995, in critical operational missions designated by the Secretary of Defense.

Subtitle D—Retired Pay, Survivior Benefits, and Related Matters

SEC. 631. INCREASE IN ANNUAL LIMIT ON DAYS OF INACTIVE DUTY TRAINING CREDITABLE TOWARDS RESERVE RETIREMENT.

(a) INCREASE IN LIMIT.—Section 12733(3) is amended by inserting before the period at the end the following: ''before the year in which the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997 occurs and not more than 75 days in any subsequent year''.

(b) TRACKING SYSTEM FOR AWARD OF RETIREMENT POINTS.—To better enable the Secretary of Defense and Congress to assess the cost and the effect on readiness of the amendment made by subsection (a) and of other potential changes to the Reserve retirement system under chapter 1223 of title 10, United States Code, the Secretary of Defense shall require the Secretary of each military department to implement a system to monitor the award of retirement points for purposes of that chapter by categories in accordance with the recommendation set forth in the August 1988 report of the Sixth Quadrennial Review of Military Compensation.

(c) RECOMMENDATIONS TO CONGRESS.—The Secretary shall submit to Congress, not later than one year after the date of the enactment of this Act, the recommendations of the Secretary with regard to the adoption of the following Reserve retirement initiatives recommended in the August 1988 report of the Sixth Quadrennial Review of Military Compensation:

(1) Elimination of membership points under subparagraph (C) of section 12732(a)(2) of title 10, United States Code, in conjunction with a decrease from 50 to 35 in the number of points required for a satisfactory year under that section.

(2) Limitation to 60 in any year on the number of points that may be credited under subparagraph (B) of section 12732(a)(2) of such title at two points per day.

(3) Limitation to 360 in any year on the total number of retirement points countable for purposes of section 12733 of such title.

SEC. 632. AUTHORITY FOR RETIREMENT IN GRADE IN WHICH A MEMBER HAS BEEN SELECTED FOR PROMOTION WHEN A PHYSICAL DISABILITY INTERVENES.

Section 1372 of title 10, United States Code, is amended by striking out "his physical examination for

promotion'' in paragraphs (3) and (4) and inserting in lieu thereof ''a physical examination''.

SEC. 633. ELIGIBILITY FOR RESERVE DISABILITY RETIREMENT FOR RESERVES INJURED WHILE AWAY FROM HOME OVERNIGHT FOR INACTIVE-DUTY TRAINING.

Section 1204(2) of title 10, United States Code, is amended by inserting before the semicolon at the end the following: ''or is incurred 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, if the site is outside reasonable commuting distance from the member's residence''.

SEC. 634. RETIREMENT OF RESERVE ENLISTED MEMBERS WHO QUALIFY FOR ACTIVE DUTY RETIREMENT AFTER ADMINISTRATIVE REDUCTION IN ENLISTED GRADE.

(a) ARMY.—(1) Chapter 369 of title 10, United States Code, is amended by inserting after section 3962 the following new section:

''§ 3963. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct

''(a) A Reserve enlisted member of the Army described in subsection (b) who is retired under section 3914

of this title shall be retired in the highest enlisted grade in which the member served on active duty satisfactorily (or, in the case of a member of the National Guard, in which the member served on full-time duty satisfactorily), as determined by the Secretary of the Army.

"(b) This section applies to a Reserve enlisted member who—

"(1) at the time of retirement is serving on active duty (or, in the case of a member of the National Guard, on full-time National Guard duty) in a grade lower than the highest enlisted grade held by the member while on active duty (or full-time National Guard duty); and

"(2) was previously administratively reduced in grade not as a result of the member's own misconduct, as determined by the Secretary of the Army.

"(c) This section applies with respect to Reserve enlisted members who are retired under section 3914 of this title after September 30, 1996.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3962 the following new item:

"3963. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct.".

(b) NAVY AND MARINE CORPS.—(1) Chapter 571 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6336. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct

''(a) A member of the Naval Reserve or Marine Corps Reserve described in subsection (b) who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 6330 of this title shall be transferred in the highest enlisted grade in which the member served on active duty satisfactorily, as determined by the Secretary of the Navy.

''(b) This section applies to a Reserve enlisted member who—

''(1) at the time of transfer to the Fleet Reserve or Fleet Marine Corps Reserve is serving on active duty in a grade lower than the highest enlisted grade held by the member while on active duty; and

''(2) was previously administratively reduced in grade not as a result of the member's own misconduct, as determined by the Secretary of the Navy.

"(c) This section applies with respect to enlisted members of the Naval Reserve and Marine Corps Reserve who are transferred to the Fleet Reserve or the Fleet Marine Corps Reserve after September 30, 1996.".

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

"6336. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct.".

(c) AIR FORCE.—(1) Chapter 869 of title 10, United States Code, is amended by inserting after section 8962 the following new section:

"§ 8963. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct

"(a) A Reserve enlisted member of the Air Force described in subsection (b) who is retired under section 8914 of this title shall be retired in the highest enlisted grade in which the member served on active duty satisfactorily (or, in the case of a member of the National Guard, in which the member served on full-time duty satisfactorily), as determined by the Secretary of the Air Force.

"(b) This section applies to a Reserve enlisted member who—

"(1) at the time of retirement is serving on active duty (or, in the case of a member of the Na-

tional Guard, on full-time National Guard duty) in a grade lower than the highest enlisted grade held by the member while on active duty (or full-time National Guard duty); and

"(2) was previously administratively reduced in grade not as a result of the member's own misconduct, as determined by the Secretary of the Air Force.

"(c) This section applies with respect to Reserve enlisted members who are retired under section 8914 of this title after September 30, 1996.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8962 the following new item:

"8963. Highest grade held satisfactorily: Reserve enlisted members reduced in grade not as a result of the member's misconduct.".

(d) COMPUTATION OF RETIRED AND RETAINER PAY BASED UPON RETIRED GRADE.—(1) Section 3991 of such title is amended by adding at the end the following new subsection:

"(c) SPECIAL RULE FOR RETIRED RESERVE ENLISTED MEMBERS COVERED BY SECTION 3963.—In the case of a Reserve enlisted member retired under section 3914 of this title whose retired grade is determined under section 3963 of this title and who first became a member of a uniformed service before October 1, 1980, the retired

pay base of the member (notwithstanding section 1406(a)(1) of this title) is the amount of the monthly basic pay of the member's retired grade (determined based upon the rates of basic pay applicable on the date of the member's retirement), and that amount shall be used for the purposes of subsection (a)(1)(A) rather than the amount computed under section 1406(c) of this title.''.

(2) Section 6333 of such title is amended by adding at the end the following new subsection:

''(c) In the case of a Reserve enlisted member whose grade upon transfer to the Fleet Reserve or Fleet Marine Corps Reserve is determined under section 6336 of this title and who first became a member of a uniformed service before October 1, 1980, the retainer pay base of the member (notwithstanding section 1406(a)(1) of this title) is the amount of the monthly basic pay of the grade in which the member is so transferred (determined based upon the rates of basic pay applicable on the date of the member's transfer), and that amount shall be used for the purposes of the table in subsection (a) rather than the amount computed under section 1406(d) of this title.''.

(3) Section 8991 of such title is amended by adding at the end the following new subsection:

''(c) SPECIAL RULE FOR RETIRED RESERVE ENLISTED MEMBERS COVERED BY SECTION 8963.—In the

case of a Reserve enlisted member retired under section 8914 of this title whose retired grade is determined under section 8963 of this title and who first became a member of a uniformed service before October 1, 1980, the retired pay base of the member (notwithstanding section 1406(a)(1) of this title) is the amount of the monthly basic pay of the member's retired grade (determined based upon the rates of basic pay applicable on the date of the member's retirement), and that amount shall be used for the purposes of subsection (a)(1)(A) rather than the amount computed under section 1406(e) of this title.''.

SEC. 635. CLARIFICATION OF INITIAL COMPUTATION OF RETIREE COLAS AFTER RETIREMENT.

(a) IN GENERAL.—Section 1401a of title 10, United States Code, is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following new subsections:

''(c) FIRST COLA ADJUSTMENT FOR MEMBERS WITH RETIRED PAY COMPUTED USING FINAL BASIC PAY.—

''(1) FIRST ADJUSTMENT WITH INTERVENING INCREASE IN BASIC PAY.—Notwithstanding subsection (b), if a person described in paragraph (3) becomes entitled to retired pay based on rates of monthly basic pay that became effective after the

last day of the calendar quarter of the base index, the retired pay of the member or former member shall be increased on the effective date of the next adjustment of retired pay under subsection (b) only by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(A) the price index for the base quarter of that year, exceeds

"(B) the price index for the calendar quarter immediately before the calendar quarter in which the rates of monthly basic pay on which the retired pay is based became effective.

"(2) FIRST ADJUSTMENT WITH NO INTERVENING INCREASE IN BASIC PAY.—If a person described in paragraph (3) becomes entitled to retired pay on or after the effective date of an adjustment in retired pay under subsection (b) but before the effective date of the next increase in the rates of monthly basic pay, the retired pay of the member or former member shall be increased, effective on the date the member becomes entitled to that pay, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(A) the base index, exceeds

"(B) the price index for the calendar quarter immediately before the calendar quarter in which the rates of monthly basic pay on which the retired pay is based became effective.

"(3) MEMBERS COVERED.—Paragraphs (1) and (2) apply to a member or former member of an armed force who first became a member of a uniformed service before August 1, 1986, and whose retired pay base is determined under section 1406 of this title.

"(d) FIRST COLA ADJUSTMENT FOR MEMBERS WITH RETIRED PAY COMPUTED USING HIGH-THREE.—Notwithstanding subsection (b), the retired pay of a member or former member of an armed force who first became a member of a uniformed service before August 1, 1986, and whose retired pay base is determined under section 1407 of this title shall be increased on the effective date of the first adjustment of retired pay under subsection (b) after the member or former member becomes entitled to retired pay by the percent (adjusted to the nearest one-tenth of 1 percent) equal to the difference between the percent by which—

"(1) the price index for the base quarter of that year, exceeds

"(2) the price index for the calendar quarter immediately before the calendar quarter during which the member became entitled to retired pay.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply only to adjustments of retired and retainer pay effective after the date of the enactment of this Act.

SEC. 636. TECHNICAL CORRECTION TO PRIOR AUTHORITY FOR PAYMENT OF BACK PAY TO CERTAIN PERSONS.

Section 634 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 366) is amended—

(1) in subsection (b)(1), by striking out "Island of Bataan" and inserting in lieu thereof "peninsula of Bataan or island of Corregidor"; and

(2) in subsection (c), by inserting after the first sentence the following: "For the purposes of this subsection, the Secretary of War shall be deemed to have determined that conditions in the Philippines during the specified period justified payment under applicable regulations of quarters and subsistence allowances at the maximum special rate for duty where emergency conditions existed.".

SEC. 637. AMENDMENTS TO THE UNIFORMED SERVICES FORMER SPOUSES' PROTECTION ACT.

(a) MANNER OF SERVICE OF PROCESS.—Subsection (b)(1)(A) of section 1408 of title 10, United States Code, is amended by striking out ''certified or registered mail, return receipt requested'' and inserting in lieu thereof ''facsimile or electronic transmission or by mail''.

(b) SUBSEQUENT COURT ORDER FROM ANOTHER STATE.—Subsection (d) of such section is amended by adding at the end the following new paragraph:

''(6)(A) The Secretary concerned may not accept service of a court order that is an out-of State modification, or comply with the provisions of such a court order, unless the court issuing that order has jurisdiction in the manner specified in subsection (c)(4) over both the member and the spouse or former spouse involved.

''(B) A court order shall be considered to be an out-of-State modification for purposes of this paragraph if the order—

''(i) modifies a previous court order under this section upon which payments under this subsection are based; and

''(ii) is issued by a court of a State other than the State of the court that issued the previous court order.''.

SEC. 638. ADMINISTRATION OF BENEFITS FOR SO-CALLED MINIMUM INCOME WIDOWS.

(a) PAYMENTS TO BE MADE BY SECRETARY OF VETERANS AFFAIRS.—Section 4 of Public Law 92–425 (10 U.S.C. 1448 note) is amended by adding at the end the following new subsection:

''(e)(1) Payment of annuities under this section shall be made by the Secretary of Veterans Affairs. If appropriate for administrative convenience (or otherwise determined appropriate by the Secretary of Veterans Affairs), that Secretary may combine a payment to any person for any month under this section with any other payment for that month under laws administered by the Secretary so as to provide that person with a single payment for that month.

''(2) The Secretary concerned shall annually transfer to the Secretary of Veterans Affairs such amounts as may be necessary for payments by the Secretary of Veterans Affairs under this section and for costs of the Secretary of Veterans Affairs in administering this section. Such transfers shall be made from amounts that would otherwise be used for payment of annuities by the Secretary concerned under this section. The authority to make such a transfer is in addition to any other authority of the Secretary concerned to transfer funds for a purpose other than the purpose for which the funds were originally made

available. In the case of a transfer by the Secretary of a military department, the provisions of section 2215 of this title do not apply.

"(3) The Secretary concerned shall promptly notify the Secretary of Veterans Affairs of any change in beneficiaries under this section.".

(b) EFFECTIVE DATE.—Subsection (e) of section 4 of Public Law 92–425, as added by subsection (a), shall apply with respect to payments of benefits for any month after June 1997.

SEC. 639. NONSUBSTANTIVE RESTATEMENT OF SURVIVOR BENEFIT PLAN STATUTE.

Subchapter II of chapter 73 of title 10, United States Code, is amended to read as follows:

"SUBCHAPTER II—SURVIVOR BENEFIT PLAN

"Sec.
"1447. Definitions.
"1448. Application of Plan.
"1449. Mental incompetency of member.
"1450. Payment of annuity: beneficiaries.
"1451. Amount of annuity.
"1452. Reduction in retired pay.
"1453. Recovery of amounts erroneously paid.
"1454. Correction of administrative errors.
"1455. Regulations.

"§ 1447. Definitions

"In this subchapter:

"(1) PLAN.—The term 'Plan' means the Survivor Benefit Plan established by this subchapter.

"(2) STANDARD ANNUITY.—The term 'standard annuity' means an annuity provided by virtue of eligibility under section 1448(a)(1)(A) of this title.

"(3) RESERVE-COMPONENT ANNUITY.—The term 'reserve-component annuity' means an annuity provided by virtue of eligibility under section 1448(a)(1)(B) of this title.

"(4) RETIRED PAY.—The term 'retired pay' includes retainer pay paid under section 6330 of this title.

"(5) RESERVE-COMPONENT RETIRED PAY.—The term 'reserve-component retired pay' means retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before the effective date of the Reserve Officer Personnel Management Act).

"(6) BASE AMOUNT.—The term 'base amount' means the following:

"(A) FULL AMOUNT UNDER STANDARD ANNUITY.—In the case of a person who dies after becoming entitled to retired pay, such term means the amount of monthly retired pay (determined without regard to any reduction under section 1409(b)(2) of this title) to which the person—

"(i) was entitled when he became eligible for that pay; or

"(ii) later became entitled by being advanced on the retired list, performing active duty, or being transferred from the temporary disability retired list to the permanent disability retired list.

"(B) FULL AMOUNT UNDER RESERVE-COMPONENT ANNUITY.—In the case of a person who would have become eligible for reserve-component retired pay but for the fact that he died before becoming 60 years of age, such term means the amount of monthly retired pay for which the person would have been eligible—

"(i) if he had been 60 years of age on the date of his death, for purposes of an annuity to become effective on the day after his death in accordance with a designation made under section 1448(e) of this title.

"(ii) upon becoming 60 years of age (if he had lived to that age), for purposes of an annuity to become effective on the 60th anniversary of his birth in accordance

with a designation made under section 1448(e) of this title.

"(C) REDUCED AMOUNT.—Such term means any amount less than the amount otherwise applicable under subparagraph (A) or (B) with respect to an annuity provided under the Plan but which is not less than $300 and which is designated by the person (with the concurrence of the person's spouse, if required under section 1448(a)(3) of this title) providing the annuity on or before—

"(i) the first day for which he becomes eligible for retired pay, in the case of a person providing a standard annuity, or

"(ii) the end of the 90-day period beginning on the date on which he receives the notification required by section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay, in the case of a person providing a reserve-component annuity.

"(7) WIDOW.—The term 'widow' means the surviving wife of a person who, if not married to the

person at the time he became eligible for retired pay—

"(A) was married to the person for at least one year immediately before the person's death; or

"(B) is the mother of issue by that marriage.

"(8) WIDOWER.—The term 'widower' means the surviving husband of a person who, if not married to the person at the time she became eligible for retired pay—

"(A) was married to her for at least one year immediately before her death; or

"(B) is the father of issue by that marriage.

"(9) SURVIVING SPOUSE.—The term 'surviving spouse' means a widow or widower.

"(10) FORMER SPOUSE.—The term 'former spouse' means the surviving former husband or wife of a person who is eligible to participate in the Plan.

"(11) DEPENDENT CHILD.—

"(A) IN GENERAL.—The term 'dependent child' means a person who—

"(i) is unmarried;

"(ii) is (I) under 18 years of age, (II) at least 18, but under 22, years of age and pursuing a full-time course of study or training in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution, or (III) incapable of self support because of a mental or physical incapacity existing before the person's eighteenth birthday or incurred on or after that birthday, but before the person's twenty-second birthday, while pursuing such a full-time course of study or training; and

"(iii) is the child of a person to whom the Plan applies, including (I) an adopted child, and (II) a stepchild, foster child, or recognized natural child who lived with that person in a regular parent-child relationship.

"(B) SPECIAL RULES FOR COLLEGE STUDENTS.—For the purpose of subparagraph (A), a child whose twenty-second birthday occurs before July 1 or after August 31 of a calendar year, and while regularly pursuing such a

course of study or training, is considered to have become 22 years of age on the first day of July after that birthday. A child who is a student is considered not to have ceased to be a student during an interim between school years if the interim is not more than 150 days and if the child shows to the satisfaction of the Secretary of Defense that the child has a bona fide intention of continuing to pursue a course of study or training in the same or a different school during the school semester (or other period into which the school year is divided) immediately after the interim.

"(C) FOSTER CHILDREN.—A foster child, to qualify under this paragraph as the dependent child of a person to whom the Plan applies, must, at the time of the death of that person, also reside with, and receive over one-half of his support from, that person, and not be cared for under a social agency contract. The temporary absence of a foster child from the residence of that person, while a student as described in this paragraph, shall not be considered to affect the residence of such a foster child.

"(12) COURT.—The term 'court' has the meaning given that term by section 1408(a)(1) of this title.

"(13) COURT ORDER.—

"(A) IN GENERAL.—The term 'court order' means a court's final decree of divorce, dissolution, or annulment or a court ordered, ratified, or approved property settlement incident to such a decree (including a final decree modifying the terms of a previously issued decree of divorce, dissolution, annulment, or legal separation, or of a court ordered, ratified, or approved property settlement agreement incident to such previously issued decree).

"(B) FINAL DECREE.—The term 'final decree' means a decree from which no appeal may be taken or from which no appeal has been taken within the time allowed for the taking of such appeals under the laws applicable to such appeals, or a decree from which timely appeal has been taken and such appeal has been finally decided under the laws applicable to such appeals.

"(C) REGULAR ON ITS FACE.—The term 'regular on its face', when used in connection

with a court order, means a court order that meets the conditions prescribed in section 1408(b)(2) of this title.

"§ 1448. Application of plan

"(a) GENERAL RULES FOR PARTICIPATION IN THE PLAN.—

"(1) NAME OF PLAN; ELIGIBLE PARTICIPANTS.—The program established by this subchapter shall be known as the Survivor Benefit Plan. The following persons are eligible to participate in the Plan:

"(A) Persons entitled to retired pay.

"(B) Persons who would be eligible for reserve-component retired pay but for the fact that they are under 60 years of age.

"(2) PARTICIPANTS IN THE PLAN.—The Plan applies to the following persons, who shall be participants in the Plan:

"(A) STANDARD ANNUITY PARTICIPANTS.—A person who is eligible to participate in the Plan under paragraph (1)(A) and who is married or has a dependent child when he becomes entitled to retired pay, unless he elects (with his spouse's concurrence, if required under paragraph (3)) not to participate in the

Plan before the first day for which he is eligible for that pay.

"(B) RESERVE-COMPONENT ANNUITY PARTICIPANTS.—A person who (i) is eligible to participate in the Plan under paragraph (1)(B), (ii) is married or has a dependent child when he is notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay, and (iii) elects to participate in the Plan (and makes a designation under subsection (e)) before the end of the 90-day period beginning on the date he receives such notification.

A person described in clauses (i) and (ii) of subparagraph (B) who does not elect to participate in the Plan before the end of the 90-day period referred to in that clause remains eligible, upon reaching 60 years of age and otherwise becoming entitled to retired pay, to participate in the Plan in accordance with eligibility under paragraph (1)(A).

"(3) ELECTIONS.—

"(A) SPOUSAL CONSENT FOR CERTAIN ELECTIONS RESPECTING STANDARD ANNUITY.—A married person who is eligible to pro-

vide a standard annuity may not without the concurrence of the person's spouse elect—

"(i) not to participate in the Plan;

"(ii) to provide an annuity for the person's spouse at less than the maximum level; or

"(iii) to provide an annuity for a dependent child but not for the person's spouse.

"(B) SPOUSAL CONSENT FOR CERTAIN ELECTIONS RESPECTING RESERVE-COMPONENT ANNUITY.—A married person who elects to provide a reserve-component annuity may not without the concurrence of the person's spouse elect—

"(i) to provide an annuity for the person's spouse at less than the maximum level; or

"(ii) to provide an annuity for a dependent child but not for the person's spouse.

"(C) EXCEPTION WHEN SPOUSE UNAVAILABLE.—A person may make an election described in subparagraph (A) or (B) without the concurrence of the person's spouse if the person

establishes to the satisfaction of the Secretary concerned—

"(i) that the spouse's whereabouts cannot be determined; or

"(ii) that, due to exceptional circumstances, requiring the person to seek the spouse's consent would otherwise be inappropriate.

"(D) CONSTRUCTION WITH FORMER SPOUSE ELECTION PROVISIONS.—This paragraph does not affect any right or obligation to elect to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2).

"(E) NOTICE TO SPOUSE OF ELECTION TO PROVIDE FORMER SPOUSE ANNUITY.—If a married person who is eligible to provide a standard annuity elects to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2), that person's spouse shall be notified of that election.

"(4) IRREVOCABILITY OF ELECTIONS.—

"(A) STANDARD ANNUITY.—An election under paragraph (2)(A) not to participate in

the Plan is irrevocable if not revoked before the date on which the person first becomes entitled to retired pay.

"(B) RESERVE-COMPONENT ANNUITY.—An election under paragraph (2)(B) to participate in the Plan is irrevocable if not revoked before the end of the 90-day period referred to in that paragraph.

"(5) PARTICIPATION BY PERSON MARRYING AFTER RETIREMENT, ETC.—

"(A) ELECTION TO PARTICIPATE IN PLAN.—A person who is not married and has no dependent child upon becoming eligible to participate in the Plan but who later marries or acquires a dependent child may elect to participate in the Plan.

"(B) MANNER AND TIME OF ELECTION.—Such an election must be written, signed by the person making the election, and received by the Secretary concerned within one year after the date on which that person marries or acquires that dependent child.

"(C) LIMITATION ON REVOCATION OF ELECTION.—Such an election may not be re-

voked except in accordance with subsection (b)(3).

"(D) EFFECTIVE DATE OF ELECTION.—The election is effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

"(E) DESIGNATION IF RCSBP ELECTION.—In the case of a person providing a reserve-component annuity, such an election shall include a designation under subsection (e).

"(6) ELECTION OUT OF PLAN BY PERSON WITH SPOUSE COVERAGE WHO REMARRIES.—

"(A) GENERAL RULE.—A person—

"(i) who is a participant in the Plan and is providing coverage under the Plan for a spouse (or a spouse and child);

"(ii) who does not have an eligible spouse beneficiary under the Plan; and

"(iii) who remarries,

may elect not to provide coverage under the Plan for the person's spouse.

"(B) EFFECT OF ELECTION ON RETIRED PAY.—If such an election is made, reductions in

the retired pay of that person under section 1452 of this title shall not be made.

"(C) TERMS AND CONDITIONS OF ELECTION.—An election under this paragraph—

"(i) is irrevocable;

"(ii) shall be made within one year after the person's remarriage; and

"(iii) shall be made in such form and manner as may be prescribed in regulations under section 1455 of this title.

"(D) NOTICE TO SPOUSE.—If a person makes an election under this paragraph—

"(i) not to participate in the Plan;

"(ii) to provide an annuity for the person's spouse at less than the maximum level; or

"(iii) to provide an annuity for a dependent child but not for the person's spouse,

the person's spouse shall be notified of that election.

"(E) CONSTRUCTION WITH FORMER SPOUSE ELECTION PROVISIONS.—This paragraph does not affect any right or obligation to

elect to provide an annuity to a former spouse under subsection (b).

"(b) INSURABLE INTEREST AND FORMER SPOUSE COVERAGE.—

"(1) COVERAGE FOR PERSON WITH INSURABLE INTEREST.—

"(A) GENERAL RULE.—A person who is not married and does not have a dependent child upon becoming eligible to participate in the Plan may elect to provide an annuity under the Plan to a natural person with an insurable interest in that person. In the case of a person providing a reserve-component annuity, such an election shall include a designation under subsection (e).

"(B) TERMINATION OF COVERAGE.—An election under subparagraph (A) for a beneficiary who is not the former spouse of the person providing the annuity may be terminated. Any such termination shall be made by a participant by the submission to the Secretary concerned of a request to discontinue participation in the Plan, and such participation in the Plan shall be discontinued effective on the first day of the first month following the month in which

the request is received by the Secretary concerned. Effective on such date, the Secretary concerned shall discontinue the reduction being made in such person's retired pay on account of participation in the Plan or, in the case of a person who has been required to make deposits in the Treasury on account of participation in the Plan, such person may discontinue making such deposits effective on such date.

"(C) FORM FOR DISCONTINUATION.—A request under subparagraph (B) to discontinue participation in the Plan shall be in such form and shall contain such information as may be required under regulations prescribed by the Secretary of Defense.

"(D) WITHDRAWAL OF REQUEST FOR DISCONTINUATION.—The Secretary concerned shall furnish promptly to each person who submits a request under subparagraph (B) to discontinue participation in the Plan a written statement of the advantages and disadvantages of participating in the Plan and the possible disadvantages of discontinuing participation. A person may withdraw the request to discontinue participa-

tion if withdrawn within 30 days after having been submitted to the Secretary concerned.

"(E) CONSEQUENCES OF DISCONTINUATION.—Once participation is discontinued, benefits may not be paid in conjunction with the earlier participation in the Plan and premiums paid may not be refunded. Participation in the Plan may not later be resumed except through a qualified election under paragraph (5) of subsection (a).

"(2) FORMER SPOUSE COVERAGE UPON BECOMING A PARTICIPANT IN THE PLAN.—

"(A) GENERAL RULE.—A person who has a former spouse upon becoming eligible to participate in the Plan may elect to provide an annuity to that former spouse.

"(B) EFFECT OF FORMER SPOUSE ELECTION ON SPOUSE OR DEPENDENT CHILD.—In the case of a person with a spouse or a dependent child, such an election prevents payment of an annuity to that spouse or child (other than a child who is a beneficiary under an election under paragraph (4)), including payment under subsection (d).

"(C) DESIGNATION IF MORE THAN ONE FORMER SPOUSE.—If there is more than one former spouse, the person shall designate which former spouse is to be provided the annuity.

"(D) DESIGNATION IF RCSBP ELECTION.—In the case of a person providing a reserve-component annuity, such an election shall include a designation under subsection (e).

"(3) FORMER SPOUSE COVERAGE BY PERSONS ALREADY PARTICIPATING IN PLAN.—

"(A) ELECTION OF COVERAGE.—

"(i) AUTHORITY FOR ELECTION.—A person—

"(I) who is a participant in the Plan and is providing coverage for a spouse or a spouse and child (even though there is no beneficiary currently eligible for such coverage), and

"(II) who has a former spouse who was not that person's former spouse when that person became eligible to participate in the Plan,

may (subject to subparagraph (B)) elect to provide an annuity to that former spouse.

"(ii) TERMINATION OF PREVIOUS COVERAGE.—Any such election terminates any previous coverage under the Plan.

"(iii) MANNER AND TIME OF ELECTION.—Any such election must be written, signed by the person making the election, and received by the Secretary concerned within one year after the date of the decree of divorce, dissolution, or annulment.

"(B) LIMITATION ON ELECTION.—A person may not make an election under subparagraph (A) to provide an annuity to a former spouse who that person married after becoming eligible for retired pay unless—

"(i) the person was married to that former spouse for at least one year, or

"(ii) that former spouse is the parent of issue by that marriage.

"(C) IRREVOCABILITY, EFFECTIVE DATE, ETC.—An election under this paragraph may not be revoked except in accordance with section 1450(f) of this title. Such an election is effective as of the first day of the first calendar month following the month in which it is received by the Secretary concerned. This para-

graph does not provide the authority to change a designation previously made under subsection (e).

"(D) NOTICE TO SPOUSE.—If a person who is married makes an election to provide an annuity to a former spouse under this paragraph, that person's spouse shall be notified of the election.

"(4) FORMER SPOUSE AND CHILD COVERAGE.—A person who elects to provide an annuity for a former spouse under paragraph (2) or (3) may, at the time of the election, elect to provide coverage under that annuity for both the former spouse and a dependent child, if the child resulted from the person's marriage to that former spouse.

"(5) DISCLOSURE OF WHETHER ELECTION OF FORMER SPOUSE COVERAGE IS REQUIRED.—A person who elects to provide an annuity to a former spouse under paragraph (2) or (3) shall, at the time of making the election, provide the Secretary concerned with a written statement (in a form to be prescribed by that Secretary and signed by such person and the former spouse) setting forth—

"(A) whether the election is being made pursuant to the requirements of a court order; or

"(B) whether the election is being made pursuant to a written agreement previously entered into voluntarily by such person as a part of, or incident to, a proceeding of divorce, dissolution, or annulment and (if so) whether such voluntary written agreement has been incorporated in, or ratified or approved by, a court order.

"(c) PERSONS ON TEMPORARY DISABILITY RETIRED LIST.—The application of the Plan to a person whose name is on the temporary disability retired list terminates when his name is removed from that list and he is no longer entitled to disability retired pay.

"(d) COVERAGE FOR SURVIVORS OF RETIREMENT-ELIGIBLE MEMBERS WHO DIE ON ACTIVE DUTY.—

"(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a member who dies on active duty after—

"(A) becoming eligible to receive retired pay;

"(B) qualifying for retired pay except that he has not applied for or been granted that pay; or

"(C) completing 20 years of active service but before he is eligible to retire as a commissioned officer because he has not completed 10 years of active commissioned service.

"(2) DEPENDENT CHILD ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a member described in paragraph (1) if there is no surviving spouse or if the member's surviving spouse subsequently dies.

"(3) MANDATORY FORMER SPOUSE ANNUITY.—If a member described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

"(A) may not pay an annuity under paragraph (1) or (2); but

"(B) shall pay an annuity to that former spouse as if the member had been a participant in the Plan and had made an election under

subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

''(4) PRIORITY.—An annuity that may be provided under this subsection shall be provided in preference to an annuity that may be provided under any other provision of this subchapter on account of service of the same member.

''(5) COMPUTATION.—The amount of an annuity under this subsection is computed under section 1451(c) of this title.

''(e) DESIGNATION FOR COMMENCEMENT OF RESERVE-COMPONENT ANNUITY.—In any case in which a person electing to participate in the Plan is required to make a designation under this subsection, the person making such election shall designate whether, in the event he dies before becoming 60 years of age, the annuity provided shall become effective on—

''(1) the day after the date of his death; or

''(2) the 60th anniversary of his birth.

"(f) COVERAGE OF SURVIVORS OF PERSONS DYING WHEN ELIGIBLE TO ELECT RESERVE-COMPONENT ANNUITY.—

"(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who is eligible to provide a reserve-component annuity and who dies—

"(A) before being notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay; or

"(B) during the 90-day period beginning on the date he receives notification under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay if he had not made an election under subsection (a)(2)(B) to participate in the Plan.

"(2) DEPENDENT CHILD ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a person described in paragraph (1) if there is no surviving spouse or if the person's surviving spouse subsequently dies.

"(3) MANDATORY FORMER SPOUSE ANNUITY.—If a person described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

"(A) may not pay an annuity under paragraph (1) or (2); but

"(B) shall pay an annuity to that former spouse as if the person had been a participant in the Plan and had made an election under subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

"(4) COMPUTATION.—The amount of an annuity under this subsection is computed under section 1451(c) of this title.

"(g) ELECTION TO INCREASE COVERAGE UPON REMARRIAGE.—

"(1) ELECTION.—A person—

"(A) who is a participant in the Plan and is providing coverage under subsection (a) for a spouse or a spouse and child, but at less than the maximum level; and

"(B) who remarries,

may elect, within one year of such remarriage, to increase the level of coverage provided under the Plan to a level not in excess of the current retired pay of that person.

"(2) PAYMENT REQUIRED.—Such an election shall be contingent on the person paying to the United States the amount determined under paragraph (3) plus interest on such amount at a rate determined under regulations prescribed by the Secretary of Defense.

"(3) AMOUNT TO BE PAID.—The amount referred to in paragraph (2) is the amount equal to the difference between—

"(A) the amount that would have been withheld from such person's retired pay under section 1452 of this title if the higher level of coverage had been in effect from the time the person became a participant in the Plan; and

"(B) the amount of such person's retired pay actually withheld.

"(4) MANNER OF MAKING ELECTION.—An election under paragraph (1) shall be made in such manner as the Secretary shall prescribe and shall become effective upon receipt of the payment required by paragraph (2).

"(5) DISPOSITION OF PAYMENTS.—A payment received under this subsection by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other payment received under this subsection shall be deposited in the Treasury as miscellaneous receipts.

"§ 1449. Mental incompetency of member

"(a) ELECTION BY SECRETARY CONCERNED ON BEHALF OF MENTALLY INCOMPETENT MEMBER.—If a person to whom section 1448 of this title applies is determined to be mentally incompetent by medical officers of the armed force concerned or of the Department of Veterans Affairs, or by a court of competent jurisdiction, an election described in subsection (a)(2) or (b) of section 1448 of this title may be made on behalf of that person by the Secretary concerned.

"(b) REVOCATION OF ELECTION BY MEMBER.—

"(1) AUTHORITY UPON SUBSEQUENT DETERMINATION OF MENTAL COMPETENCE.—If a person for whom the Secretary has made an election under

subsection (a) is later determined to be mentally competent by an authority named in that subsection, that person may, within 180 days after that determination, revoke that election.

"(2) DEDUCTIONS FROM RETIRED PAY NOT TO BE REFUNDED.—Any deduction made from retired pay by reason of such an election may not be refunded.

"§ 1450. Payment of annuity: beneficiaries

"(a) IN GENERAL.—Effective as of the first day after the death of a person to whom section 1448 of this title applies (or on such other day as that person may provide under subsection (j)), a monthly annuity under section 1451 of this title shall be paid to the person's beneficiaries under the Plan, as follows:

"(1) SURVIVING SPOUSE OR FORMER SPOUSE.—The eligible surviving spouse or the eligible former spouse.

"(2) SURVIVING CHILDREN.—The surviving dependent children in equal shares, if the eligible surviving spouse or the eligible former spouse is dead, dies, or otherwise becomes ineligible under this section.

"(3) DEPENDENT CHILDREN.—The dependent children in equal shares if the person to whom sec-

tion 1448 of this title applies (with the concurrence of the person's spouse, if required under section 1448(a)(3) of this title) elected to provide an annuity for dependent children but not for the spouse or former spouse.

"(4) NATURAL PERSON DESIGNATED UNDER 'INSURABLE INTEREST' COVERAGE.—The natural person designated under section 1448(b)(1) of this title, unless the election to provide an annuity to the natural person has been changed as provided in subsection (f).

"(b) TERMINATION OF ANNUITY FOR DEATH, REMARRIAGE BEFORE AGE 55, ETC.—

"(1) GENERAL RULE.—An annuity payable to the beneficiary terminates effective as of the first day of the month in which eligibility is lost.

"(2) TERMINATION OF SPOUSE ANNUITY UPON DEATH OR REMARRIAGE BEFORE AGE 55.—An annuity for a surviving spouse or former spouse shall be paid to the surviving spouse or former spouse while the surviving spouse or former spouse is living or, if the surviving spouse or former spouse remarries before reaching age 55, until the surviving spouse or former spouse remarries.

"(3) EFFECT OF TERMINATION OF SUBSEQUENT MARRIAGE BEFORE AGE 55.—If the surviving spouse or former spouse remarries before reaching age 55 and that marriage is terminated by death, annulment, or divorce, payment of the annuity shall be resumed effective as of the first day of the month in which the marriage is so terminated. However, if the surviving spouse or former spouse is also entitled to an annuity under the Plan based upon the marriage so terminated, the surviving spouse or former spouse may not receive both annuities but must elect which to receive.

"(c) OFFSET FOR AMOUNT OF DEPENDENCY AND INDEMNITY COMPENSATION.—

"(1) REQUIRED OFFSET.—If, upon the death of a person to whom section 1448 of this title applies, the surviving spouse or former spouse of that person is also entitled to dependency and indemnity compensation under section 1311(a) of title 38, the surviving spouse or former spouse may be paid an annuity under this section, but only in the amount that the annuity otherwise payable under this section would exceed that compensation.

"(2) EFFECTIVE DATE OF OFFSET.—A reduction in an annuity under this section required by

paragraph (1) shall be effective on the date of the commencement of the period of payment of such dependency and indemnity compensation under title 38.

"(d) LIMITATION ON PAYMENT OF ANNUITIES WHEN COVERAGE UNDER CIVIL SERVICE RETIREMENT ELECTED.—If, upon the death of a person to whom section 1448 of this title applies, that person had in effect a waiver of that person's retired pay for the purposes of subchapter III of chapter 83 of title 5, an annuity under this section shall not be payable unless, in accordance with section 8339(j) of title 5, that person notified the Office of Personnel Management that he did not desire any spouse surviving him to receive an annuity under section 8341(b) of that title.

"(e) REFUND OF AMOUNTS DEDUCTED FROM RETIRED PAY WHEN DIC OFFSET IS APPLICABLE.—

"(1) FULL REFUND WHEN DIC GREATER THAN SBP ANNUITY.—If an annuity under this section is not payable because of subsection (c), any amount deducted from the retired pay of the deceased under section 1452 of this title shall be refunded to the surviving spouse or former spouse.

"(2) PARTIAL REFUND WHEN SBP ANNUITY REDUCED BY DIC.—If, because of subsection (c), the

annuity payable is less than the amount established under section 1451 of this title, the annuity payable shall be recalculated under that section. The amount of the reduction in the retired pay required to provide that recalculated annuity shall be computed under section 1452 of this title, and the difference between the amount deducted before the computation of that recalculated annuity and the amount that would have been deducted on the basis of that recalculated annuity shall be refunded to the surviving spouse or former spouse.

''(f) CHANGE IN ELECTION OF INSURABLE INTEREST OR FORMER SPOUSE BENEFICIARY.—

''(1) AUTHORIZED CHANGES.—

''(A) ELECTION IN FAVOR OF SPOUSE OR CHILD.—A person who elects to provide an annuity to a person designated by him under section 1448(b) of this title may, subject to paragraph (2), change that election and provide an annuity to his spouse or dependent child.

''(B) NOTICE.—The Secretary concerned shall notify the former spouse or other natural person previously designated under section 1448(b) of this title of any change of election under subparagraph (A).

"(C) PROCEDURES, EFFECTIVE DATE, ETC.—Any such change of election is subject to the same rules with respect to execution, revocation, and effectiveness as are set forth in section 1448(a)(5) of this title (without regard to the eligibility of the person making the change of election to make such an election under that section).

"(2) LIMITATION ON CHANGE IN BENEFICIARY WHEN FORMER SPOUSE COVERAGE IN EFFECT.—A person who, incident to a proceeding of divorce, dissolution, or annulment, is required by a court order to elect under section 1448(b) of this title to provide an annuity to a former spouse (or to both a former spouse and child), or who enters into a written agreement (whether voluntary or required by a court order) to make such an election, and who makes an election pursuant to such order or agreement, may not change that election under paragraph (1) unless, of the following requirements, whichever are applicable in a particular case are satisfied:

"(A) In a case in which the election is required by a court order, or in which an agreement to make the election has been incor-

porated in or ratified or approved by a court order, the person—

"(i) furnishes to the Secretary concerned a certified copy of a court order which is regular on its face and which modifies the provisions of all previous court orders relating to such election, or the agreement to make such election, so as to permit the person to change the election; and

"(ii) certifies to the Secretary concerned that the court order is valid and in effect.

"(B) In a case of a written agreement that has not been incorporated in or ratified or approved by a court order, the person—

"(i) furnishes to the Secretary concerned a statement, in such form as the Secretary concerned may prescribe, signed by the former spouse and evidencing the former spouse's agreement to a change in the election under paragraph (1); and

"(ii) certifies to the Secretary concerned that the statement is current and in effect.

"(3) REQUIRED FORMER SPOUSE ELECTION TO BE DEEMED TO HAVE BEEN MADE.—

"(A) DEEMED ELECTION UPON REQUEST BY FORMER SPOUSE.—If a person described in paragraph (2) or (3) of section 1448(b) of this title is required (as described in subparagraph (B)) to elect under section 1448(b) of this title to provide an annuity to a former spouse and such person then fails or refuses to make such an election, such person shall be deemed to have made such an election if the Secretary concerned receives the following:

"(i) REQUEST FROM FORMER SPOUSE.—A written request, in such manner as the Secretary shall prescribe, from the former spouse concerned requesting that such an election be deemed to have been made.

"(ii) COPY OF COURT ORDER OR OTHER OFFICIAL STATEMENT.—Either—

"(I) a copy of the court order, regular on its face, which requires such election or incorporates, ratifies, or approves the written agreement of such person; or

"(II) a statement from the clerk of the court (or other appropriate official) that such agreement has been filed with the court in accordance with applicable State law.

"(B) PERSONS REQUIRED TO MAKE ELECTION.—A person shall be considered for purposes of subparagraph (A) to be required to elect under section 1448(b) of this title to provide an annuity to a former spouse if—

"(i) the person enters, incident to a proceeding of divorce, dissolution, or annulment, into a written agreement to make such an election and the agreement (I) has been incorporated in or ratified or approved by a court order, or (II) has been filed with the court of appropriate jurisdiction in accordance with applicable State law; or

"(ii) the person is required by a court order to make such an election.

"(C) TIME LIMIT FOR REQUEST BY FORMER SPOUSE.—An election may not be deemed to have been made under subparagraph (A) in the case of any person unless the Sec-

retary concerned receives a request from the former spouse of the person within one year of the date of the court order or filing involved.

"(D) EFFECTIVE DATE OF DEEMED ELECTION.—An election deemed to have been made under subparagraph (A) shall become effective on the first day of the first month which begins after the date of the court order or filing involved.

"(4) FORMER SPOUSE COVERAGE MAY BE REQUIRED BY COURT ORDER.—A court order may require a person to elect (or to enter into an agreement to elect) under section 1448(b) of this title to provide an annuity to a former spouse (or to both a former spouse and child).

"(g) LIMITATION ON CHANGING OR REVOKING ELECTIONS.—

"(1) IN GENERAL.—An election under this section may not be changed or revoked.

"(2) EXCEPTIONS.—Paragraph (1) does not apply to—

"(A) a revocation of an election under section 1449(b) of this title; or

"(B) a change in an election under subsection (f).

"(h) TREATMENT OF ANNUITIES UNDER OTHER LAWS.—Except as provided in section 1451 of this title, an annuity under this section is in addition to any other payment to which a person is entitled under any other provision of law. Such annuity shall be considered as income under laws administered by the Secretary of Veterans Affairs.

"(i) ANNUITIES EXEMPT FROM CERTAIN LEGAL PROCESS.—Except as provided in subsection (l)(3)(B), an annuity under this section is not assignable or subject to execution, levy, attachment, garnishment, or other legal process.

"(j) EFFECTIVE DATE OF RESERVE-COMPONENT ANNUITIES.—

"(1) PERSONS MAKING SECTION 1448(e) DESIGNATION.—An annuity elected by a person providing a reserve-component annuity shall be effective in accordance with the designation made by such person under section 1448(e) of this title.

"(2) PERSONS DYING BEFORE MAKING SECTION 1448(e) DESIGNATION.—An annuity payable under section 1448(f) of this title shall be effective on the day after the date of the death of the person upon whose service the right to the annuity is based.

"(k) ADJUSTMENT OF SPOUSE OR FORMER SPOUSE ANNUITY UPON LOSS OF DEPENDENCY AND INDEMNITY COMPENSATION.—

"(1) READJUSTMENT IF BENEFICIARY 55 YEARS OF AGE OR MORE.—If a surviving spouse or former spouse whose annuity has been adjusted under subsection (c) subsequently loses entitlement to dependency and indemnity compensation under section 1311(a) of title 38 because of the remarriage of the surviving spouse, or former spouse, and if at the time of such remarriage the surviving spouse or former spouse is 55 years of age or more, the amount of the annuity of the surviving spouse or former spouse shall be readjusted, effective on the effective date of such loss of dependency and indemnity compensation, to the amount of the annuity which would be in effect with respect to the surviving spouse or former spouse if the adjustment under subsection (c) had never been made.

"(2) REPAYMENT OF AMOUNTS PREVIOUSLY REFUNDED.—

"(A) GENERAL RULE.—A surviving spouse or former spouse whose annuity is readjusted under paragraph (1) shall repay any amount re-

funded under subsection (e) by reason of the adjustment under subsection (c).

"(B) INTEREST REQUIRED IF REPAYMENT NOT A LUMP SUM.—If the repayment is not made in a lump sum, the surviving spouse or former spouse shall pay interest on the amount to be repaid. Such interest shall commence on the date on which the first such payment is due and shall be applied over the period during which any part of the repayment remains to be paid.

"(C) MANNER OF REPAYMENT; RATE OF INTEREST.—The manner in which such repayment shall be made, and the rate of any such interest, shall be prescribed in regulations under section 1455 of this title.

"(D) DEPOSIT OF AMOUNTS REPAID.—An amount repaid under this paragraph (including any such interest) received by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other amount repaid under this paragraph shall be deposited into the Treasury as miscellaneous receipts.

"(l) PARTICIPANTS IN THE PLAN WHO ARE MISSING.—

"(1) AUTHORITY TO PRESUME DEATH OF MISSING PARTICIPANT.—

"(A) IN GENERAL.—Upon application of the beneficiary of a participant in the Plan who is missing, the Secretary concerned may determine for purposes of this subchapter that the participant is presumed dead.

"(B) PARTICIPANT WHO IS MISSING.—A participant in the Plan is considered to be missing for purposes of this subsection if—

"(i) the retired pay of the participant has been suspended on the basis that the participant is missing; or

"(ii) in the case of a participant in the Plan who would be eligible for reserve-component retired pay but for the fact that he is under 60 years of age, his retired pay, if he were entitled to retired pay, would be suspended on the basis that he is missing.

"(C) REQUIREMENTS APPLICABLE TO PRESUMPTION OF DEATH.—Any such determination shall be made in accordance with regulations

prescribed under section 1455 of this title. The Secretary concerned may not make a determination for purposes of this subchapter that a participant who is missing is presumed dead unless the Secretary finds that—

"(i) the participant has been missing for at least 30 days; and

"(ii) the circumstances under which the participant is missing would lead a reasonably prudent person to conclude that the participant is dead.

"(2) COMMENCEMENT OF ANNUITY.—Upon a determination under paragraph (1) with respect to a participant in the Plan, an annuity otherwise payable under this subchapter shall be paid as if the participant died on the date as of which the retired pay of the participant was suspended.

"(3) EFFECT OF PERSON NOT BEING DEAD.—

"(A) TERMINATION OF ANNUITY.—If, after a determination under paragraph (1), the Secretary concerned determines that the participant is alive—

"(i) any annuity being paid under this subchapter by reason of this subsection shall be terminated; and

"(ii) the total amount of any annuity payments made by reason of this subsection shall constitute a debt to the United States.

"(B) COLLECTION FROM PARTICIPANT OF ANNUITY AMOUNTS ERRONEOUSLY PAID.—A debt under subparagraph (A)(ii) may be collected or offset—

"(i) from any retired pay otherwise payable to the participant;

"(ii) if the participant is entitled to compensation under chapter 11 of title 38, from that compensation; or

"(iii) if the participant is entitled to any other payment from the United States, from that payment.

"(C) COLLECTION FROM BENEFICIARY.—If the participant dies before the full recovery of the amount of annuity payments described in subparagraph (A)(ii) has been made by the United States, the remaining amount of such annuity payments may be collected from the participant's beneficiary under the Plan if that beneficiary was the recipient of the annuity payments made by reason of this subsection.

"§ 1451. Amount of annuity

"(a) COMPUTATION OF ANNUITY FOR A SPOUSE, FORMER SPOUSE, OR CHILD.—

"(1) STANDARD ANNUITY.—In the case of a standard annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

"(A) BENEFICIARY UNDER 62 YEARS OF AGE.—If the beneficiary is under 62 years of age or is a dependent child when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 55 percent of the base amount.

"(B) BENEFICIARY 62 YEARS OF AGE OR OLDER.—

"(i) GENERAL RULE.—If the beneficiary (other than a dependent child) is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 35 percent of the base amount.

"(ii) RULE IF BENEFICIARY ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—If the beneficiary is eligible to have the annuity computed under subsection (e)

and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary than computation under clause (i), the annuity shall be computed under that subsection rather than under clause (i).

"(2) RESERVE-COMPONENT ANNUITY—In the case of a reserve-component annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

"(A) BENEFICIARY UNDER 62 YEARS OF AGE.—If the beneficiary is under 62 years of age or is a dependent child when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount that—

"(i) is less than 55 percent; and

"(ii) is determined under subsection (f).

"(B) BENEFICIARY 62 YEARS OF AGE OR OLDER.—

"(i) GENERAL RULE.—If the beneficiary (other than a dependent child) is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount that—

"(I) is less than 35 percent; and

"(II) is determined under subsection (f).

"(ii) RULE IF BENEFICIARY ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—If the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary than computation under clause (i), the annuity shall be computed under that subsection rather than under clause (i).

"(b) INSURABLE INTEREST BENEFICIARY.—

"(1) STANDARD ANNUITY.—In the case of a standard annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal

to 55 percent of the retired pay of the person who elected to provide the annuity after the reduction in that pay in accordance with section 1452(c) of this title.

"(2) RESERVE-COMPONENT ANNUITY.—In the case of a reserve-component annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal to a percentage of the retired pay of the person who elected to provide the annuity after the reduction in such pay in accordance with section 1452(c) of this title that—

"(A) is less than 55 percent; and

"(B) is determined under subsection (f).

"(3) COMPUTATION OF RESERVE-COMPONENT ANNUITY WHEN PARTICIPANT DIES BEFORE AGE 60.—For the purposes of paragraph (2), a person—

"(A) who provides an annuity that is determined in accordance with that paragraph;

"(B) who dies before becoming 60 years of age; and

"(C) who at the time of death is otherwise entitled to retired pay,

shall be considered to have been entitled to retired pay at the time of death. The retired pay of such

person for the purposes of such paragraph shall be computed on the basis of the rates of basic pay in effect on the date on which the annuity provided by such person is to become effective in accordance with the designation of such person under section 1448(e) of this title.

"(c) ANNUITIES FOR SURVIVORS OF CERTAIN PERSONS DYING DURING A PERIOD OF SPECIAL ELIGIBILITY FOR SBP.—

"(1) IN GENERAL.—In the case of an annuity provided under section 1448(d) or 1448(f) of this title, the amount of the annuity shall be determined as follows:

"(A) BENEFICIARY UNDER 62 YEARS OF AGE.—If the person receiving the annuity is under 62 years of age or is a dependent child when the member or former member dies, the monthly annuity shall be the amount equal to 55 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.

"(B) BENEFICIARY 62 YEARS OF AGE OR OLDER.—

"(i) GENERAL RULE.—If the person receiving the annuity (other than a dependent child) is 62 years of age or older when the member or former member dies, the monthly annuity shall be the amount equal to 35 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.

"(ii) RULE IF BENEFICIARY ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—If the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary than computation under clause (i), the annuity shall be computed under that subsection rather than under clause (i).

"(2) DIC OFFSET.—An annuity computed under paragraph (1) that is paid to a surviving spouse shall be reduced by the amount of depend-

ency and indemnity compensation to which the surviving spouse is entitled under section 1311(a) of title 38. Any such reduction shall be effective on the date of the commencement of the period of payment of such compensation under title 38.

"(3) OFFICER WITH ENLISTED SERVICE WHO IS NOT YET ELIGIBLE TO RETIRE AS AN OFFICER.—In the case of an annuity provided by reason of the service of a member described in section 1448(d)(1)(B) or 1448(d)(1)(C) of this title who first became a member of a uniformed service before September 8, 1980, the retired pay to which the member would have been entitled when he died shall be determined for purposes of paragraph (1) based upon the rate of basic pay in effect at the time of death for the grade in which the member was serving at the time of death, unless (as determined by the Secretary concerned) the member would have been entitled to be retired in a higher grade.

"(4) RATE OF PAY TO BE USED IN COMPUTING ANNUITY.—In the case of an annuity paid under section 1448(f) of this title by reason of the service of a person who first became a member of a uniformed service before September 8, 1980, the retired pay of the person providing the annuity shall for the

purposes of paragraph (1) be computed on the basis of the rates of basic pay in effect on the effective date of the annuity.

"(d) REDUCTION OF ANNUITIES AT AGE 62.—

"(1) REDUCTION REQUIRED.—The annuity of a person whose annuity is computed under subparagraph (A) of subsection (a)(1), (a)(2), or (c)(1) shall be reduced on the first day of the month after the month in which the person becomes 62 years of age.

"(2) AMOUNT OF ANNUITY AS REDUCED.—

"(A) 35 PERCENT ANNUITY.—Except as provided in subparagraph (B), the reduced amount of the annuity shall be the amount of the annuity that the person would be receiving on that date if the annuity had initially been computed under subparagraph (B) of that subsection.

"(B) SAVINGS PROVISION FOR BENEFICIARIES ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—In the case of a person eligible to have an annuity computed under subsection (e) and for whom, at the time the person becomes 62 years of age, the annuity computed with a reduction under subsection (e)(3) is more favorable than the annuity with

a reduction described in subparagraph (A), the reduction in the annuity shall be computed in the same manner as a reduction under subsection (e)(3).

"(e) SAVINGS PROVISION FOR CERTAIN BENEFICIARIES.—

"(1) PERSONS COVERED.—The following beneficiaries under the Plan are eligible to have an annuity under the Plan computed under this subsection:

"(A) A beneficiary receiving an annuity under the Plan on October 1, 1985, as the surviving spouse or former spouse of the person providing the annuity.

"(B) A spouse or former spouse beneficiary of a person who on October 1, 1985—

"(i) was a participant in the Plan;

"(ii) was entitled to retired pay or was qualified for that pay except that he had not applied for and been granted that pay; or

"(iii) would have been eligible for reserve-component retired pay but for the fact that he was under 60 years of age.

"(2) AMOUNT OF ANNUITY.—Subject to paragraph (3), an annuity computed under this subsection is determined as follows:

"(A) STANDARD ANNUITY.—In the case of the beneficiary of a standard annuity, the annuity shall be the amount equal to 55 percent of the base amount.

"(B) RESERVE COMPONENT ANNUITY.—In the case of the beneficiary of a reserve-component annuity, the annuity shall be the percentage of the base amount that—

"(i) is less than 55 percent; and

"(ii) is determined under subsection (f).

"(C) BENEFICIARIES OF PERSONS DYING DURING A PERIOD OF SPECIAL ELIGIBILITY FOR SBP.—In the case of the beneficiary of an annuity under section 1448(d) or 1448(f) of this title, the annuity shall be the amount equal to 55 percent of the retired pay of the person providing the annuity (as that pay is determined under subsection (c)).

"(3) SOCIAL SECURITY OFFSET.—An annuity computed under this subsection shall be reduced by the lesser of the following:

"(A) SOCIAL SECURITY COMPUTATION.—The amount of the survivor benefit, if any, to which the surviving spouse (or the former spouse, in the case of a former spouse beneficiary who became a former spouse under a divorce that became final after November 29, 1989) would be entitled under title II of the Social Security Act (42 U.S.C. 401 et seq.) based solely upon service by the person concerned as described in section 210(l)(1) of such Act (42 U.S.C. 410(l)(1)) and calculated assuming that the person concerned lives to age 65.

"(B) MAXIMUM AMOUNT OF REDUCTION.—40 percent of the amount of the monthly annuity as determined under paragraph (2).

"(4) SPECIAL RULES FOR SOCIAL SECURITY OFFSET COMPUTATION.—

"(A) TREATMENT OF DEDUCTIONS MADE ON ACCOUNT OF WORK.—For the purpose of paragraph (3), a surviving spouse (or a former spouse, in the case of a person who becomes a former spouse under a divorce that becomes final after November 29, 1989) shall not be considered as entitled to a benefit under title II of the Social Security Act (42 U.S.C. 401 et

seq.) to the extent that such benefit has been offset by deductions under section 203 of such Act (42 U.S.C. 403) on account of work.

"(B) TREATMENT OF CERTAIN PERIODS FOR WHICH SOCIAL SECURITY REFUNDS ARE MADE.—In the computation of any reduction made under paragraph (3), there shall be excluded any period of service described in section 210(l)(1) of the Social Security Act (42 U.S.C. 410(l)(1))—

"(i) which was performed after December 1, 1980; and

"(ii) which involved periods of service of less than 30 continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of the Internal Revenue Code of 1986 of the social security tax which the person had paid.

"(f) DETERMINATION OF PERCENTAGES APPLICABLE TO COMPUTATION OF RESERVE-COMPONENT ANNUITIES.—The percentage to be applied in determining the amount of an annuity computed under subsection (a)(2), (b)(2), or (e)(2)(B) shall be determined under regulations prescribed by the Secretary of Defense. Such regulations shall be prescribed taking into consideration the following:

"(1) The age of the person electing to provide the annuity at the time of such election.

"(2) The difference in age between such person and the beneficiary of the annuity.

"(3) Whether such person provided for the annuity to become effective (in the event he died before becoming 60 years of age) on the day after his death or on the 60th anniversary of his birth.

"(4) Appropriate group annuity tables.

"(5) Such other factors as the Secretary considers relevant.

"(g) ADJUSTMENTS TO ANNUITIES.—

"(1) PERIODIC ADJUSTMENTS FOR COST-OF-LIVING.—

"(A) INCREASES IN ANNUITIES WHEN RETIRED PAY INCREASED.—Whenever retired pay is increased under section 1401a of this title (or any other provision of law), each annuity that is payable under the Plan shall be increased at the same time.

"(B) PERCENTAGE OF INCREASE.—The increase shall, in the case of any annuity, be by the same percent as the percent by which the retired pay of the person providing the annuity would have been increased at such time if the

person were alive (and otherwise entitled to such pay).

"(C) CERTAIN REDUCTIONS TO BE DISREGARDED.—The amount of the increase shall be based on the monthly annuity payable before any reduction under section 1450(c) of this title or under subsection (c)(2).

"(2) ROUNDING DOWN.—The monthly amount of an annuity payable under this subchapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"(h) ADJUSTMENTS TO BASE AMOUNT.—

"(1) PERIODIC ADJUSTMENTS FOR COST-OF-LIVING.—

"(A) INCREASES IN BASE AMOUNT WHEN RETIRED PAY INCREASED.—Whenever retired pay is increased under section 1401a of this title (or any other provision of law), the base amount applicable to each participant in the Plan shall be increased at the same time.

"(B) PERCENTAGE OF INCREASE.—The increase shall be by the same percent as the percent by which the retired pay of the participant is so increased.

"(2) RECOMPUTATION AT AGE 62.—When the retired pay of a person who first became a member of a uniformed service on or after August 1, 1986, and who is a participant in the Plan is recomputed under section 1410 of this title upon the person's becoming 62 years of age, the base amount applicable to that person shall be recomputed (effective on the effective date of the recomputation of such retired pay under section 1410 of this title) so as to be the amount equal to the amount of the base amount that would be in effect on that date if increases in such base amount under paragraph (1) had been computed as provided in paragraph (2) of section 1401a(b) of this title (rather than under paragraph (3) of that section).

"(3) DISREGARDING OF RETIRED PAY REDUCTIONS FOR RETIREMENT BEFORE 30 YEARS OF SERVICE.—Computation of a member's retired pay for purposes of this section shall be made without regard to any reduction under section 1409(b)(2) of this title.

"(i) RECOMPUTATION OF ANNUITY FOR CERTAIN BENEFICIARIES.—In the case of an annuity under the Plan which is computed on the basis of the retired pay of a person who would have been entitled to have that re-

tired pay recomputed under section 1410 of this title upon attaining 62 years of age, but who dies before attaining that age, the annuity shall be recomputed, effective on the first day of the first month beginning after the date on which the member or former member would have attained 62 years of age, so as to be the amount equal to the amount of the annuity that would be in effect on that date if increases under subsection (h)(1) in the base amount applicable to that annuity to the time of the death of the member or former member, and increases in such annuity under subsection (g)(1), had been computed as provided in paragraph (2) of section 1401a(b) of this title (rather than under paragraph (3) of that section).

"§ 1452. Reduction in retired pay

"(a) SPOUSE AND FORMER SPOUSE ANNUITIES.—

"(1) REQUIRED REDUCTION IN RETIRED PAY.—Except as provided in subsection (b), the retired pay of a participant in the Plan who is providing spouse coverage (as described in paragraph (5)) shall be reduced as follows:

"(A) STANDARD ANNUITY.—If the annuity coverage being providing is a standard annuity, the reduction shall be as follows:

"(i) DISABILITY AND NONREGULAR SERVICE RETIREES.—In the case of a per-

son who is entitled to retired pay under chapter 61 or chapter 1223 of this title, the reduction shall be in whichever of the alternative reduction amounts is more favorable to that person.

"(ii) MEMBERS AS OF ENACTMENT OF FLAT-RATE REDUCTION.—In the case of a person who first became a member of a uniformed service before March 1, 1990, the reduction shall be in whichever of the alternative reduction amounts is more favorable to that person.

"(iii) NEW ENTRANTS AFTER ENACTMENT OF FLAT-RATE REDUCTION.—In the case of a person who first becomes a member of a uniformed service on or after March 1, 1990, and who is entitled to retired pay under a provision of law other than chapter 61 or chapter 1223 of this title, the reduction shall be in an amount equal to 6½ percent of the base amount.

"(iv) ALTERNATIVE REDUCTION AMOUNTS.—For purposes of clauses (i) and (ii), the alternative reduction amounts are the following:

"(I) FLAT-RATE REDUCTION.—An amount equal to 6½ percent of the base amount.

"(II) AMOUNT UNDER PRE-FLAT-RATE REDUCTION.—An amount equal to 2½ percent of the first $421 (as adjusted under paragraph (4)) of the base amount plus 10 percent of the remainder of the base amount.

"(B) RESERVE-COMPONENT ANNUITY.—If the annuity coverage being provided is a reserve-component annuity, the reduction shall be in whichever of the following amounts is more favorable to that person:

"(i) FLAT-RATE REDUCTION.—An amount equal to 6½ percent of the base amount plus an amount determined in accordance with regulations prescribed by the Secretary of Defense as a premium for the additional coverage provided through reserve-component annuity coverage under the Plan.

"(ii) AMOUNT UNDER PRE-FLAT-RATE REDUCTION.—An amount equal to 2½ percent of the first $421 (as adjusted

under paragraph (4)) of the base amount plus 10 percent of the remainder of the base amount plus an amount determined in accordance with regulations prescribed by the Secretary of Defense as a premium for the additional coverage provided through reserve-component annuity coverage under the Plan.

"(2) ADDITIONAL REDUCTION FOR CHILD COVERAGE.—If there is a dependent child as well as a spouse or former spouse, the amount prescribed under paragraph (1) shall be increased by an amount prescribed under regulations of the Secretary of Defense.

"(3) NO REDUCTION WHEN NO BENEFICIARY.—The reduction in retired pay prescribed by paragraph (1) shall not be applicable during any month in which there is no eligible spouse or former spouse beneficiary.

"(4) PERIODIC ADJUSTMENTS.—

"(A) ADJUSTMENTS FOR INCREASES IN RATES OF BASIC PAY.—Whenever there is an increase in the rates of basic pay of members of the uniformed services effective after January 1, 1996, the amounts under paragraph (1)

with respect to which the percentage factor of 2½ is applied shall be increased by the overall percentage of such increase in the rates of basic pay. The increase under the preceding sentence shall apply only with respect to persons whose retired pay is computed based on the rates of basic pay in effect on or after the date of such increase in rates of basic pay.

"(B) ADJUSTMENTS FOR RETIRED PAY COLAS.—In addition to the increase under subparagraph (A), the amounts under paragraph (1) with respect to which the percentage factor of 2½ is applied shall be further increased at the same time and by the same percentage as an increase in retired pay under section 1401a of this title effective after January 1, 1996. Such increase under the preceding sentence shall apply only with respect to a person who initially participates in the Plan on a date which is after both the effective date of such increase under section 1401a and the effective date of the rates of basic pay upon which that person's retired pay is computed.

"(5) SPOUSE COVERAGE DESCRIBED.—For the purposes of paragraph (1), a participant in the Plan

who is providing spouse coverage is a participant who—

"(A) has (i) a spouse or former spouse, or (ii) a spouse or former spouse and a dependent child; and

"(B) has not elected to provide an annuity to a person designated by him under section 1448(b)(1) of this title or, having made such an election, has changed his election in favor of his spouse under section 1450(f) of this title.

"(b) CHILD-ONLY ANNUITIES.—

"(1) REQUIRED REDUCTION IN RETIRED PAY.—The retired pay of a participant in the Plan who is providing child-only coverage (as described in paragraph (4)) shall be reduced by an amount prescribed under regulations by the Secretary of Defense.

"(2) NO REDUCTION WHEN NO CHILD.—There shall be no reduction in retired pay under paragraph (1) for any month during which the participant has no eligible dependent child.

"(3) SPECIAL RULE FOR CERTAIN RCSBP PARTICIPANTS.—In the case of a participant in the Plan who is participating in the Plan under an election under section 1448(a)(2)(B) of this title and who provided child-only coverage during a period before

the participant becomes entitled to receive retired pay, the retired pay of the participant shall be reduced by an amount prescribed under regulations by the Secretary of Defense to reflect the coverage provided under the Plan during the period before the participant became entitled to receive retired pay. A reduction under this paragraph is in addition to any reduction under paragraph (1) and is made without regard to whether there is an eligible dependent child during a month for which the reduction is made.

"(4) CHILD-ONLY COVERAGE DEFINED.—For the purposes of this subsection, a participant in the Plan who is providing child-only coverage is a participant who has a dependent child and who—

"(A) does not have an eligible spouse or former spouse; or

"(B) has a spouse or former spouse but has elected to provide an annuity for dependent children only.

"(c) REDUCTION FOR INSURABLE INTEREST COVERAGE.—

"(1) REQUIRED REDUCTION IN RETIRED PAY.—The retired pay of a person who has elected to provide an annuity to a person designated by him under

section 1450(a)(4) of this title shall be reduced as follows:

"(A) STANDARD ANNUITY.—In the case of a person providing a standard annuity, the reduction shall be by 10 percent plus 5 percent for each full five years the individual designated is younger than that person.

"(B) RESERVE COMPONENT ANNUITY.—In the case of a person providing a reserve-component annuity, the reduction shall be by an amount prescribed under regulations of the Secretary of Defense.

"(2) LIMITATION ON TOTAL REDUCTION.—The total reduction under paragraph (1) may not exceed 40 percent.

"(3) DURATION OF REDUCTION.—The reduction in retired pay prescribed by this subsection shall continue during the lifetime of the person designated under section 1450(a)(4) of this title or until the person receiving retired pay changes his election under section 1450(f) of this title.

"(4) RULE FOR COMPUTATION.—Computation of a member's retired pay for purposes of this subsection shall be made without regard to any reduction under section 1409(b)(2) of this title.

"(d) DEPOSITS TO COVER PERIODS WHEN RETIRED PAY NOT PAID.—

"(1) REQUIRED DEPOSITS.—If a person who has elected to participate in the Plan has been awarded retired pay and is not entitled to that pay for any period, that person must deposit in the Treasury the amount that would otherwise have been deducted from his pay for that period.

"(2) DEPOSITS NOT REQUIRED WHEN PARTICIPANT ON ACTIVE DUTY.—Paragraph (1) does not apply to a person with respect to any period when that person is on active duty under a call or order to active duty for a period of more than 30 days.

"(e) DEPOSITS NOT REQUIRED FOR CERTAIN PARTICIPANTS IN CSRS.—When a person who has elected to participate in the Plan waives that person's retired pay for the purposes of subchapter III of chapter 83 of title 5, that person shall not be required to make the deposit otherwise required by subsection (d) as long as that waiver is in effect unless, in accordance with section 8339(i) of title 5, that person has notified the Office of Personnel Management that he does not desire a spouse surviving him to receive an annuity under section 8331(b) of title 5.

"(f) REFUNDS OF DEDUCTIONS NOT ALLOWED.—

"(1) GENERAL RULE.—A person is not entitled to refund of any amount deducted from retired pay under this section.

"(2) EXCEPTIONS.—Paragraph (1) does not apply—

"(A) in the case of a refund authorized by section 1450(e) of this title; or

"(B) in case of a deduction made through administrative error.

"(g) DISCONTINUATION OF PARTICIPATION BY PARTICIPANTS WHOSE SURVIVING SPOUSES WILL BE ENTITLED TO DIC.—

"(1) DISCONTINUATION.—

"(A) CONDITIONS.—Notwithstanding any other provision of this subchapter but subject to paragraphs (2) and (3), a person who has elected to participate in the Plan and who is suffering from a service-connected disability rated by the Secretary of Veterans Affairs as totally disabling and has suffered from such disability while so rated for a continuous period of 10 or more years (or, if so rated for a lesser period, has suffered from such disability while so rated for a continuous period of not less than 5 years from the date of such person's last discharge or

release from active duty) may discontinue participation in the Plan by submitting to the Secretary concerned a request to discontinue participation in the Plan.

"(B) EFFECTIVE DATE.—Participation in the Plan of a person who submits a request under subparagraph (A) shall be discontinued effective on the first day of the first month following the month in which the request under subparagraph (A) is received by the Secretary concerned. Effective on such date, the Secretary concerned shall discontinue the reduction being made in such person's retired pay on account of participation in the Plan or, in the case of a person who has been required to make deposits in the Treasury on account of participation in the Plan, such person may discontinue making such deposits effective on such date.

"(C) FORM FOR REQUEST FOR DISCONTINUATION.—Any request under this paragraph to discontinue participation in the Plan shall be in such form and shall contain such information as the Secretary concerned may require by regulation.

"(2) CONSENT OF BENEFICIARIES REQUIRED.—A person described in paragraph (1) may not discontinue participation in the Plan under such paragraph without the written consent of the beneficiary or beneficiaries of such person under the Plan.

"(3) INFORMATION ON PLAN TO BE PROVIDED BY SECRETARY CONCERNED.—

"(A) INFORMATION TO BE PROVIDED PROMPTLY TO PARTICIPANT.—The Secretary concerned shall furnish promptly to each person who files a request under paragraph (1) to discontinue participation in the Plan a written statement of the advantages of participating in the Plan and the possible disadvantages of discontinuing participation.

"(B) RIGHT TO WITHDRAW DISCONTINUATION REQUEST.—A person may withdraw a request made under paragraph (1) if it is withdrawn within 30 days after having been submitted to the Secretary concerned.

"(4) REFUND OF DEDUCTIONS FROM RETIRED PAY.—Upon the death of a person described in paragraph (1) who discontinued participation in the Plan in accordance with this subsection, any amount deducted from the retired pay of that person under

this section shall be refunded to the person's surviving spouse.

"(5) RESUMPTION OF PARTICIPATION IN PLAN.—

"(A) CONDITIONS FOR RESUMPTION.—A person described in paragraph (1) who discontinued participation in the Plan may elect to participate again in the Plan if—

"(i) after having discontinued participation in the Plan the Secretary of Veterans Affairs reduces that person's service-connected disability rating to a rating of less than total; and

"(ii) that person applies to the Secretary concerned, within such period of time after the reduction in such person's service-connected disability rating has been made as the Secretary concerned may prescribe, to again participate in the Plan and includes in such application such information as the Secretary concerned may require.

"(B) EFFECTIVE DATE OF RESUMED COVERAGE.—Such person's participation in the Plan under this paragraph is effective begin-

ning on the first day of the month after the month in which the Secretary concerned receives the application for resumption of participation in the Plan.

"(C) RESUMPTION OF CONTRIBUTIONS.—When a person elects to participate in the Plan under this paragraph, the Secretary concerned shall begin making reductions in that person's retired pay, or require such person to make deposits in the Treasury under subsection (d), as appropriate, effective on the effective date of such participation under subparagraph (B).

"(h) INCREASES IN REDUCTION WITH INCREASES IN RETIRED PAY.—Whenever retired pay is increased under section 1401a of this title (or any other provision of law), the amount of the reduction to be made under subsection (a) or (b) in the retired pay of any person shall be increased at the same time and by the same percentage as such retired pay is so increased.

"(i) RECOMPUTATION OF REDUCTION UPON RECOMPUTATION OF RETIRED PAY.—When the retired pay of a person who first became a member of a uniformed service on or after August 1, 1986, and who is a participant in the Plan is recomputed under section 1410 of this title upon the person's becoming 62 years of age, the amount

of the reduction in such retired pay under this section shall be recomputed (effective on the effective date of the recomputation of such retired pay under section 1410 of this title) so as to be the amount equal to the amount of such reduction that would be in effect on that date if increases in such retired pay under section 1401a(b) of this title, and increases in reductions in such retired pay under subsection (h), had been computed as provided in paragraph (2) of section 1401a(b) of this title (rather than under paragraph (3) of that section).

"§ 1453. Recovery of amounts erroneously paid

''(a) RECOVERY.—In addition to any other method of recovery provided by law, the Secretary concerned may authorize the recovery of any amount erroneously paid to a person under this subchapter by deduction from later payments to that person.

''(b) AUTHORITY TO WAIVE RECOVERY.—Recovery of an amount erroneously paid to a person under this subchapter is not required if, in the judgment of the Secretary concerned and the Comptroller General—

''(1) there has been no fault by the person to whom the amount was erroneously paid; and

''(2) recovery of such amount would be contrary to the purposes of this subchapter or against equity and good conscience.

"§ 1454. Correction of administrative errors

''(a) AUTHORITY.—The Secretary concerned may, under regulations prescribed under section 1455 of this title, correct or revoke any election under this subchapter when the Secretary considers it necessary to correct an administrative error.

''(b) FINALITY.—Except when procured by fraud, a correction or revocation under this section is final and conclusive on all officers of the United States.

"§ 1455. Regulations

''(a) IN GENERAL.—The President shall prescribe regulations to carry out this subchapter. Those regulations shall, so far as practicable, be uniform for the uniformed services.

''(b) NOTICE OF ELECTIONS.—Regulations prescribed under this section shall provide that before the date on which a member becomes entitled to retired pay—

''(1) if the member is married, the member and the member's spouse shall be informed of the elections available under section 1448(a) of this title and the effects of such elections; and

''(2) if the notification referred to in section 1448(a)(3)(E) of this title is required, any former spouse of the member shall be informed of the elections available and the effects of such elections.

"(c) PROCEDURE FOR DEPOSITING CERTAIN RECEIPTS.—Regulations prescribed under this section shall establish procedures for depositing the amounts referred to in sections 1448(g), 1450(k)(2), and 1452(d) of this title.

"(d) PAYMENTS TO GUARDIANS AND FIDUCIARIES.—

"(1) IN GENERAL.—Regulations prescribed under this section shall provide procedures for the payment of an annuity under this subchapter in the case of—

"(A) a person for whom a guardian or other fiduciary has been appointed; and

"(B) a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed.

"(2) AUTHORIZED PROCEDURES.—The regulations under paragraph (1) may include provisions for the following:

"(A) In the case of an annuitant referred to in paragraph (1)(A), payment of the annuity to the appointed guardian or other fiduciary.

"(B) In the case of an annuitant referred to in paragraph (1)(B), payment of the annuity to any person who, in the judgment of the Sec-

retary concerned, is responsible for the care of the annuitant.

"(C) Subject to subparagraphs (D) and (E), a requirement for the payee of an annuity to spend or invest the amounts paid on behalf of the annuitant solely for benefit of the annuitant.

"(D) Authority for the Secretary concerned to permit the payee to withhold from the annuity payment such amount, not in excess of 4 percent of the annuity, as the Secretary concerned considers a reasonable fee for the fiduciary services of the payee when a court appointment order provides for payment of such a fee to the payee for such services or the Secretary concerned determines that payment of a fee to such payee is necessary in order to obtain the fiduciary services of the payee.

"(E) Authority for the Secretary concerned to require the payee to provide a surety bond in an amount sufficient to protect the interests of the annuitant and to pay for such bond out of the annuity.

"(F) A requirement for the payee of an annuity to maintain and, upon request, to pro-

vide to the Secretary concerned an accounting of expenditures and investments of amounts paid to the payee.

"(G) In the case of an annuitant referred to in paragraph (1)(B)—

"(i) procedures for determining incompetency and for selecting a payee to represent the annuitant for the purposes of this section, including provisions for notifying the annuitant of the actions being taken to make such a determination and to select a representative payee, an opportunity for the annuitant to review the evidence being considered, and an opportunity for the annuitant to submit additional evidence before the determination is made; and

"(ii) standards for determining incompetency, including standards for determining the sufficiency of medical evidence and other evidence.

"(H) Provisions for any other matter that the President considers appropriate in connection with the payment of an annuity in the case of a person referred to in paragraph (1).

"(3) LEGAL EFFECT OF PAYMENT TO GUARDIAN OR FIDUCIARY.—An annuity paid to a person on behalf of an annuitant in accordance with the regulations prescribed pursuant to paragraph (1) discharges the obligation of the United States for payment to the annuitant of the amount of the annuity so paid.".

Subtitle E—Other Matters

SEC. 651. TECHNICAL CORRECTION CLARIFYING ABILITY OF CERTAIN MEMBERS TO ELECT NOT TO OCCUPY GOVERNMENT QUARTERS.

Effective July 1, 1996, section 403(b)(3) of title 37, United States Code, is amended by striking out "A member" and inserting in lieu thereof "Subject to the provisions of subsection (j), a member".

SEC. 652. TECHNICAL CORRECTION CLARIFYING LIMITATION ON FURNISHING CLOTHING OR ALLOWANCES FOR ENLISTED NATIONAL GUARD TECHNICIANS.

Section 418(c) of title 37, United States Code, is amended by striking out "for which a uniform allowance is paid under section 415 or 416 of this title", and inserting in lieu thereof "for which clothing is furnished or a uniform allowance is paid under this section".

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

SEC. 701. MEDICAL AND DENTAL CARE FOR RESERVE COMPONENT MEMBERS IN A DUTY STATUS.

(a) AVAILABILITY OF MEDICAL AND DENTAL CARE.—(1) Section 1074a of title 10, United States Code, is amended to read as follows:

"§ 1074a. Medical and dental care: reserve component members in a duty status

"(a) HEALTH CARE DESCRIBED.—A person described in subsection (b) is entitled to the medical and dental care appropriate for the treatment of the injury, illness, or disease of the person until the person completes treatment and is physically able to resume the military duties of the person or has completed processing in accordance with chapter 61 of this title.

"(b) MEMBERS ENTITLED TO CARE.—Under joint regulations prescribed by the administering Secretaries, the following persons are entitled to the benefits described in this section:

"(1) Each member of a reserve component who incurs or aggravates an injury, illness, or disease in the line of duty while performing—

"(A) active duty, including active duty for training and annual training duty, or full-time National Guard duty; or

"(B) inactive-duty training, regardless of whether the member is in a pay or nonpay status.

"(2) Each member of a reserve component who incurs or aggravates an injury, illness, or disease while traveling directly to or from the place at which that member is to perform or has performed—

"(A) active duty, including active duty for training and annual training duty, or full-time National Guard duty, or

"(B) inactive-duty training, regardless of whether the member is in a pay or nonpay status.

"(3) Each member of a reserve component 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, if the site of inactive-duty training is outside reasonable commuting distance from the member's residence.

"(c) ADDITIONAL BENEFITS.—(1) At the request of a person described in paragraph (1)(A) or (2)(A) of subsection (b), the person may continue on active duty or full-time National Guard duty during any period of hospitalization resulting from the injury, illness, or disease.

"(2) A person described in subsection (b) is entitled to the pay and allowances authorized in accordance with subsections (g) and (h) of section 204 of title 37.

"(d) LIMITATION.—A person described in subsection (b) is not entitled to benefits under this section if the injury, illness, or disease, or aggravation of the injury, illness, or disease, is the result of the gross negligence or misconduct of the person.".

(2) The item relating to such section in the table of sections at the beginning of chapter 55 of title 10, United States Code, is amended to read as follows:

"1074a. Medical and dental care: reserve component members in a duty status.".

(b) ANNUAL MEDICAL AND DENTAL SCREENINGS AND CARE FOR CERTAIN SELECTED RESERVE MEMBERS.—Section 10206 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(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 member 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.".

SEC. 702. PREVENTIVE HEALTH CARE SCREENING FOR COLON AND PROSTATE CANCER.

(a) MEMBERS AND FORMER MEMBERS.—(1) Subsection (a) of section 1074d of title 10, United States Code, is amended—

(A) by inserting "(1)" before "Female"; and

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

"(2) Male members and former members of the uniformed services entitled to medical care under section 1074 or 1074a of this title shall also be entitled to preventive health care screening for colon or prostate cancer at

such intervals and using such screening methods as the administering Secretaries consider appropriate.''.

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

''§ 1074d. Primary and preventive health care services

(B) 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:

''1074d. Primary and preventive health care services.''.

(b) DEPENDENTS.—(1) Section 1077(a) of such title is amended by adding at the end the following new paragraph:

''(14) Preventive health care screening for colon or prostate cancer at the intervals and using the screening methods prescribed under section 1074d(a)(2) of this title.''.

(2) Section 1079(a)(2) of such title is amended—

(A) in the matter preceding subparagraph (A), by inserting ''the schedule and method of colon and prostate cancer screenings,'' after ''pap smears and mammograms,''; and

(B) in subparagraph (B), by inserting ''or colon and prostate cancer screenings'' after ''pap smears and mammograms''.

Subtitle B—TRICARE Program

SEC. 711. DEFINITION OF TRICARE PROGRAM.

For purposes of this subtitle, 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. 712. CHAMPUS PAYMENT LIMITS FOR TRICARE PRIME ENROLLEES.

Section 1079(h)(4) of title 10, United States Code, is amended in the second sentence by striking ''emergency''.

SEC. 713. IMPROVED INFORMATION EXCHANGE BETWEEN MILITARY TREATMENT FACILITIES AND TRICARE PROGRAM CONTRACTORS.

(a) UNIFORM INTERFACES.—With respect to the automated medical information system being developed by the Department of Defense and known as the Composite Health Care System, the Secretary of Defense shall ensure that the Composite Health Care System provides for uniform interfaces between information systems of military treatment facilities and private contractors under man-

aged care programs of the TRICARE program. The uniform interface shall provide for a full electronic two-way exchange of health care information between the military treatment facilities and contractor information systems, including enrollment information, information regarding eligibility determinations, provider network information, appointment information, and information regarding the existence of third-party payers.

(b) AMENDMENT OF EXISTING CONTRACTS.—To assure a single consistent source of information throughout the health care delivery system of the uniformed services, the Secretary of Defense shall amend each TRICARE program contract, with the consent of the TRICARE program contractor and notwithstanding any requirement for competition, to require the contractor—

(1) to use software furnished under the Composite Health Care System to record military treatment facility provider appointments; and

(2) to record TRICARE program enrollment through direct use of the Composite Health Care System software or through the uniform two-way interface between the contractor and military treatment facilities systems, where applicable.

(c) PHASED IMPLEMENTATION.—The Secretary of Defense shall test the uniform version of the Composite

Health Care System required under subsection (a) in one region of the TRICARE program for six months before deploying the information system throughout the health care delivery system of the uniformed services.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. DEFINITIONS.

In this subtitle:

(1) The term ''administering Secretaries'' means the Secretary of Defense, the Secretary of Transportation, and the Secretary of Health and Human Services.

(2) The term ''agreement'' means the agreement required under section 722(b) between the Secretary of Defense and a designated provider.

(3) The term ''capitation payment'' means an actuarially sound payment for a defined set of health care services that is established on a per enrollee per month basis.

(4) 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.

(5) The term ''designated provider'' means a public or nonprofit private entity that was a trans-

feree of a Public Health Service hospital or other station under section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35; 95 Stat. 603) and that, before the date of the enactment of this Act, was deemed to be a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code. The term includes any legal successor in interest of the transferee.

(6) The term ''enrollee'' means a covered beneficiary who enrolls with a designated provider.

(7) The term ''health care services'' means the health care services provided under the health plan known as the TRICARE PRIME option under the TRICARE program.

(8) The term ''Secretary'' means the Secretary of Defense.

(9) 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. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

(a) INCLUSION IN SYSTEM.—The health care delivery system of the uniformed services shall include the designated providers.

(b) AGREEMENTS TO PROVIDE MANAGED HEALTH CARE SERVICES.—(1) After consultation with the other administering Secretaries, the Secretary of Defense shall negotiate and enter into an agreement with each designated provider, under which the designated provider will provide managed health care services to covered beneficiaries who enroll with the designated provider.

(2) The agreement shall be entered into on a sole source basis. The Federal Acquisition Regulation, except for those requirements regarding competition, issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to the agreements as acquisitions of commercial items.

(3) The implementation of an agreement is subject to availability of funds for such purpose.

(c) EFFECTIVE DATE OF AGREEMENTS.—(1) Unless an earlier effective date is agreed upon by the Secretary and the designated provider, the agreement shall take effect upon the later of the following:

(A) The date on which a managed care support contract under the TRICARE program is implemented in the service area of the designated provider.

(B) October 1, 1997.

(2) Notwithstanding paragraph (1), the designated provider whose service area includes Seattle, Washington, shall implement its agreement as soon as the agreement permits.

(d) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—The Secretary shall extend the participation agreement of a designated provider in effect immediately before the date of the enactment of this Act under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) until the agreement required by this section takes effect under subsection (c).

(e) SERVICE AREA.—The Secretary may not reduce the size of the service area of a designated provider below the size of the service area in effect as of September 30, 1996.

(f) COMPLIANCE WITH ADMINISTRATIVE REQUIREMENTS.—(1) Unless otherwise agreed upon by the Secretary and a designated provider, the designated provider shall comply with necessary and appropriate administra-

tive requirements established by the Secretary for other providers of health care services and requirements established by the Secretary of Health and Human Services for risk-sharing contractors under section 1876 of the Social Security Act (42 U.S.C. 1395mm). The Secretary and the designated provider shall determine and apply only such administrative requirements as are minimally necessary and appropriate. A designated provider shall not be required to comply with a law or regulation of a State government requiring licensure as a health insurer or health maintenance organization.

(2) A designated provider may not contract out more than five percent of its primary care enrollment without the approval of the Secretary, except in the case of primary care contracts between a designated provider and a primary care contractor in force on the date of the enactment of this Act.

SEC. 723. PROVISION OF UNIFORM BENEFIT BY DESIGNATED PROVIDERS.

(a) UNIFORM BENEFIT REQUIRED.—A designated provider shall offer to enrollees the health benefit option prescribed and implemented by the Secretary under section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073 note), including accompanying cost-sharing requirements.

(b) TIME FOR IMPLEMENTATION OF BENEFIT.—A designated provider shall offer the health benefit option described in subsection (a) to enrollees upon the later of the following:

(1) The date on which health care services within the health care delivery system of the uniformed services are rendered through the TRICARE program in the region in which the designated provider operates.

(2) October 1, 1997.

(c) ADJUSTMENTS.—The Secretary may establish a later date under subsection (b)(2) or prescribe reduced cost-sharing requirements for enrollees.

SEC. 724. ENROLLMENT OF COVERED BENEFICIARIES.

(a) FISCAL YEAR 1997 LIMITATION.—(1) During fiscal year 1997, the number of covered beneficiaries who are enrolled in managed care plans offered by designated providers may not exceed the number of such enrollees as of October 1, 1995.

(2) The Secretary may waive the limitation under paragraph (1) if the Secretary determines that additional enrollment authority for a designated provider is required to accommodate covered beneficiaries who are dependents of members of the uniformed services entitled to health care under section 1074(a) of title 10, United States Code.

(b) PERMANENT LIMITATION.—For each fiscal year after fiscal year 1997, the number of enrollees in managed care plans offered by designated providers may not exceed 110 percent of the number of such enrollees as of the first day of the immediately preceding fiscal year. The Secretary may waive this limitation as provided in subsection (a)(2).

(c) RETENTION OF CURRENT ENROLLEES.—An enrollee in the managed care program of a designated provider as of September 30, 1997, or such earlier date as the designated provider and the Secretary may agree upon, shall continue receiving services from the designated provider pursuant to the agreement entered into under section 722 unless the enrollee disenrolls from the designated provider. Except as provided in subsection (e), the administering Secretaries may not disenroll such an enrollee unless the disenrollment is agreed to by the Secretary and the designated provider.

(d) ADDITIONAL ENROLLMENT AUTHORITY.—Other covered beneficiaries may also receive health care services from a designated provider, except that the designated provider may market such services to, and enroll, only those covered beneficiaries who—

(1) do not have other primary health insurance coverage (other than medicare coverage) covering

basic primary care and inpatient and outpatient services; or

(2) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

(e) SPECIAL RULE FOR MEDICARE-ELIGIBLE BENEFICIARIES.—If a covered beneficiary who desires to enroll in the managed care program of a designated provider is also entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), the covered beneficiary shall elect whether to receive health care services as an enrollee or under part A of title XVIII of the Social Security Act. The Secretary may disenroll an enrollee who subsequently violates the election made under this subsection and receives benefits under part A of title XVIII of the Social Security Act.

(f) INFORMATION REGARDING ELIGIBLE COVERED BENEFICIARIES.—The Secretary shall provide, in a timely manner, a designated provider with an accurate list of covered beneficiaries within the marketing area of the designated provider to whom the designated provider may offer enrollment.

SEC. 725. APPLICATION OF CHAMPUS PAYMENT RULES.

(a) APPLICATION OF PAYMENT RULES.—Subject to subsection (b), the Secretary shall require a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services to apply the payment rules described in section 1074(c) of title 10, United States Code, in imposing charges for health care that the private facility or provider provides to enrollees of a designated provider.

(b) AUTHORIZED ADJUSTMENTS.—The payment rules imposed under subsection (a) shall be subject to such modifications as the Secretary considers appropriate. The Secretary may authorize a lower rate than the maximum rate that would otherwise apply under subsection (a) if the lower rate is agreed to by the designated provider and the private facility or health care provider.

(c) REGULATIONS.—The Secretary shall prescribe regulations to implement this section after consultation with the other administering Secretaries.

(d) CONFORMING AMENDMENT.—Section 1074 of title 10, United States Code, is amended by striking out subsection (d).

SEC. 726. PAYMENTS FOR SERVICES.

(a) FORM OF PAYMENT.—Unless otherwise agreed to by the Secretary and a designated provider, the form of payment for services provided by a designated provider

shall be full risk capitation. The capitation payments shall be negotiated and agreed upon by the Secretary and the designated provider. In addition to such other factors as the parties may agree to apply, the capitation payments shall be based on the utilization experience of enrollees and competitive market rates for equivalent health care services for a comparable population to such enrollees in the area in which the designated provider is located.

(b) LIMITATION ON TOTAL PAYMENTS.—Total capitation payments to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received their care through a military treatment facility, the TRICARE program, or the medicare program, as the case may be.

(c) ESTABLISHMENT OF PAYMENT RATES ON ANNUAL BASIS.—The Secretary and a designated provider shall establish capitation payments on an annual basis, subject to periodic review for actuarial soundness and to adjustment for any adverse or favorable selection reasonably anticipated to result from the design of the program.

(d) ALTERNATIVE BASIS FOR CALCULATING PAYMENTS.—After September 30, 1999, the Secretary and a designated provider may mutually agree upon a new basis for calculating capitation payments.

SEC. 727. REPEAL OF SUPERSEDED AUTHORITIES.

(a) REPEALS.—The following provisions of law are repealed:

(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c).

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d).

(3) Section 718(c) of the National Defense Authorization Act for Fiscal year 1991 (Public Law 101–510; 42 U.S.C. 248c note).

(4) Section 726 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 248c note).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

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

SEC. 731. AUTHORITY TO WAIVE CHAMPUS EXCLUSION REGARDING NONMEDICALLY NECESSARY TREATMENT IN CONNECTION WITH CERTAIN CLINICAL TRIALS.

(a) WAIVER AUTHORITY.—Paragraph (13) of section 1079(a) of title 10, United States Code, is amended—

(1) by striking out ''any service'' and inserting in lieu thereof ''Any service'';

(2) by striking out the semicolon at the end and inserting in lieu thereof a period; and

(3) by adding at the end the following: ''Pursuant to an agreement with the Secretary of Health and Human Services and under such regulations as the Secretary of Defense may prescribe, the Secretary of Defense may waive the operation of this paragraph in connection with clinical trials sponsored or approved by the National Institutes of Health if the Secretary of Defense determines that such a waiver will promote access by covered beneficiaries to promising new treatments and contribute to the development of such treatments.''.

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

(1) in the matter preceding paragraph (1), by striking out ''except that—'' and inserting in lieu thereof ''except as follows:'';

(2) by capitalizing the first letter of the first word of each of paragraphs (1) through (17);

(3) by striking out the semicolon at the end of each of paragraphs (1) through (15) and inserting in lieu thereof a period; and

(4) in paragraph (16), by striking out ''; and'' and inserting in lieu thereof a period.

SEC. 732. AUTHORITY TO WAIVE OR REDUCE CHAMPUS DEDUCTIBLE AMOUNTS FOR RESERVISTS CALLED TO ACTIVE DUTY IN SUPPORT OF CONTINGENCY OPERATIONS.

Section 1079(b) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(2) by inserting ''(1)'' after ''(b)'';

(3) in subparagraph (B), as so redesignated, by striking out ''clause (3)'' and inserting in lieu thereof ''subparagraph (C)'';

(4) in subparagraph (D), as so redesignated—

(A) by striking out ''this clause'' and inserting in lieu thereof ''this subparagraph''; and

(B) by striking out ''clauses (2) and (3)'' and inserting in lieu thereof ''subparagraphs (B) and (C)''; and

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

''(2) The Secretary of Defense may waive or reduce the deductible amounts required by subparagraphs (B) and (C) of paragraph (1) in the case of the dependents of a member of a reserve component of the uniformed services who serves on active duty in support of a contin-

gency operation under a call or order to active duty of less than one year.''.

SEC. 733. EXCEPTION TO MAXIMUM ALLOWABLE PAYMENTS TO INDIVIDUAL HEALTH-CARE PROVIDERS UNDER CHAMPUS.

Section 1079(h) of title 10, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

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

''(5) Except in an area in which the Secretary of Defense has entered into an at-risk contract for the provision of health care services, the Secretary may authorize the commander of a facility of the uniformed services, the lead agent (if other than the commander), and the health care contractor to modify the payment limitations under paragraph (1) for certain health care providers when necessary to ensure both the availability of certain services for covered beneficiaries and costs lower than standard CHAMPUS for the required services.''.

SEC. 734. CODIFICATION OF ANNUAL AUTHORITY TO CREDIT CHAMPUS REFUNDS TO CURRENT YEAR APPROPRIATION.

(a) CODIFICATION.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1079 the following new section:

"§ 1079a. CHAMPUS: treatment of refunds and other amounts collected

''All refunds and other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services shall be credited to the appropriation supporting the program in the year in which the amount is collected.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1079 the following new item:

''1079a. CHAMPUS: treatment of refunds and other amounts collected.''.

(b) CONFORMING REPEAL.—Section 8094 of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 671), is repealed.

SEC. 735. EXCEPTIONS TO REQUIREMENTS REGARDING OBTAINING NONAVAILABILITY-OF-HEALTH-CARE STATEMENTS.

(a) REFERENCE TO INPATIENT MEDICAL CARE.—(1) Section 1080(a) of title 10, United States Code, is amend-

ed by inserting ''inpatient'' before ''medical care'' in the first sentence.

(2) Section 1086(e) of such title is amended in the first sentence by striking out ''benefits'' and inserting in lieu thereof ''inpatient medical care''.

(b) WAIVERS AND EXCEPTIONS TO REQUIREMENTS.—(1) Section 1080 of such title is amended by adding at the end the following new subsection:

''(c) WAIVERS AND EXCEPTIONS TO REQUIREMENTS.—(1) A covered beneficiary enrolled in a managed care plan offered pursuant to any contract or agreement under this chapter for the provision of health care services shall not be required to obtain a nonavailability-of-health-care statement as a condition for the receipt of health care.

''(2) The Secretary of Defense may waive the requirement to obtain nonavailability-of-health-care statements following an evaluation of the effectiveness of such statements in optimizing the use of facilities of the uniformed services.''.

(2) Section 1086(e) of such title is amended in the last sentence by striking out ''section 1080(b)'' and inserting in lieu thereof ''subsections (b) and (c) of section 1080''.

(c) CONFORMING AMENDMENT.—Section 1080(b) of such title is amended—

(1) by striking out ''NONAVAILABILITY OF HEALTH CARE STATEMENTS'' and inserting in lieu thereof ''NONAVAILABILITY-OF-HEALTH-CARE STATEMENTS; and

(2) by striking out ''nonavailability of health care statement'' and inserting in lieu thereof ''non-availability of health care statement''.

SEC. 736. EXPANSION OF COLLECTION AUTHORITIES FROM THIRD-PARTY PAYERS.

(a) EXPANSION OF COLLECTION AUTHORITIES.—Section 1095 of title 10, United States Code, is amended—

(1) in subsection (g)(1), by inserting ''or through'' after ''provided at'';

(2) in subsection (h)(1), by inserting before the period at the end of the first sentence the following: ''and a workers' compensation program or plan''; and

(3) in subsection (h)(2)—

(A) by striking ''organization and'' and inserting in lieu thereof ''organization,''; and

(B) by inserting before the period at the end the following: '', and personal injury protec-

tion or medical payments benefits in cases involving personal injuries resulting from operation of a motor vehicle''.

(b) INCLUSION OF THIRD PARTY PAYER IN COLLECTION EFFORTS.—Section 1079(j)(1) of such title is amended by inserting after ''or health plan'' the following: ''(including any plan offered by a third-party payer (as defined in section 1095(h)(1) of this title))''.

Subtitle E—Other Matters

SEC. 741. ALTERNATIVES TO ACTIVE DUTY SERVICE OBLIGATION UNDER ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM AND UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.—Subsection (e) of section 2123 of title 10, United States Code, is amended to read as follows:

''(e)(1) A member of the program who is relieved of the member's active duty obligation under this subchapter before the completion of that active duty obligation may be given, with or without the consent of the member, any of the following alternative obligations, as determined by the Secretary of the military department concerned:

"(A) A service obligation in a component of the Selected Reserve for a period not less than twice as long as the member's remaining active duty service obligation.

"(B) A service obligation as a civilian employee employed as a health care professional in a facility of the uniformed services for a period of time equal to the member's remaining active duty service obligation.

"(C) With the concurrence of the Secretary of Health and Human Services, transfer of the active duty service obligation to an obligation equal in time in the National Health Service Corps under section 338C of the Public Health Service Act (42 U.S.C. 254m) and subject to all requirements and procedures applicable to obligated members of the National Health Service Corps.

"(D) Repayment to the Secretary of Defense of a percentage of the total cost incurred by the Secretary under this subchapter on behalf of the member equal to the percentage of the member's total active duty service obligation being relieved, plus interest.

"(2) The Secretary of Defense shall prescribe regulations describing the manner in which an alternative obligation may be given under paragraph (1).".

(b) UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.—Section 2114 of title 10, United States Code is amended by adding at the end the following new subsection:

"(h) A graduate of the University who is relieved of the graduate's active-duty service obligation under subsection (b) before the completion of that active-duty service obligation may be given, with or without the consent of the graduate, an alternative obligation comparable to the alternative obligations authorized in subparagraphs (A) and (B) of section 2123(e)(1) of this title for members of the Armed Forces Health Professions Scholarship and Financial Assistance program.".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply with respect to individuals who first become members of the Armed Forces Health Professions Scholarship and Financial Assistance program or students of the Uniformed Services University of the Health Sciences on or after October 1, 1996.

(d) TRANSITION PROVISION.—(1) In the case of any member of the Armed Forces Health Professions Scholarship and Financial Assistance program who, as of October

1, 1996, is serving an active duty obligation under the program or is incurring an active duty obligation as a participant in the program, and who is subsequently relieved of the active duty obligation before the completion of the obligation, the alternative obligations authorized by the amendment made by subsection (a) may be used by the Secretary of the military department concerned with the agreement of the member.

(2) In the case of any person who, as of October 1, 1996, is serving an active-duty service obligation as a graduate of the Uniformed Services University of the Health Sciences or is incurring an active-duty service obligation as a student of the University, and who is subsequently relieved of the active-duty service obligation before the completion of the obligation, the alternative obligations authorized by the amendment made by subsection (b) may be implemented by the Secretary of Defense with the agreement of the person.

SEC. 742. EXCEPTION TO STRENGTH LIMITATIONS FOR PUBLIC HEALTH SERVICE OFFICERS ASSIGNED TO DEPARTMENT OF DEFENSE.

Section 206 of the Public Health Service Act (42 U.S.C. 207) is amended by adding at the end the following new subsection:

"(f) In computing the maximum number of commissioned officers of the Public Health Service authorized by law or administrative determination to serve on active duty, there may be excluded from such computation officers who are assigned to duty in the Department of Defense.".

SEC. 743. 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 1998 at a level at least equal to the level of operations conducted at the University during fiscal year 1995.

SEC. 744. SENSE OF CONGRESS REGARDING TAX TREATMENT OF ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

It is the sense of Congress that the Secretary of Defense should work with the Secretary of the Treasury to interpret section 117 of the Internal Revenue Code of 1986 so that the limitation on the amount of a qualified scholarship or qualified tuition reduction excluded from gross income does not apply to any portion of a scholarship or financial assistance provided by the Secretary of Defense to a person enrolled in the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code.

SEC. 745. REPORT REGARDING SPECIALIZED TREATMENT FACILITY PROGRAM.

Not later than April 1, 1997, the Secretary of Defense shall submit to Congress a report evaluating the impact on the military health care system of limiting the service area of a facility designated as part of the specialized treatment facility program under section 1105 of title 10, United States Code, to not more than 100 miles from the facility.

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

Subtitle A—Acquisition Management

SEC. 801. AUTHORITY TO WAIVE CERTAIN REQUIREMENTS FOR DEFENSE ACQUISITION PILOT PROGRAMS.

(a) AUTHORITY.—The Secretary of Defense may waive sections 2399, 2403, 2432, and 2433 of title 10, United States Code, in accordance with this section for any defense acquisition program designated by the Secretary of Defense for participation in the defense acquisition pilot program authorized by section 809 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2340 note).

(b) OPERATIONAL TEST AND EVALUATION.—The Secretary of Defense may waive the requirements for operational test and evaluation for such a defense acquisition program as set forth in section 2399 of title 10, United States Code, if the Secretary—

(1) determines (without delegation) that such test would be unreasonably expensive or impractical;

(2) develops a suitable alternate operational test program for the system concerned;

(3) describes in the test and evaluation master plan, as approved by the Director of Operational Test and Evaluation, the method of evaluation that will be used to evaluate whether the system will be effective and suitable for combat; and

(4) submits to the congressional defense committees a report containing the determination that was made under paragraph (1), a justification for that determination, and a copy of the plan required by paragraph (3).

(c) CONTRACTOR GUARANTEES FOR MAJOR WEAPONS SYSTEMS.—The Secretary of Defense may waive the requirements of section 2403 of title 10, United States Code, for such a defense acquisition program if an alternative guarantee is used that ensures high quality weapons systems.

(d) SELECTED ACQUISITION REPORTS.—The Secretary of Defense may waive the requirements of sections 2432 and 2433 of title 10, United States Code, for such a defense acquisition program if the Secretary provides a single annual report to Congress at the end of each fiscal year that describes the status of the program in relation

to the baseline description for the program established under section 2435 of such title.

SEC. 802. EXCLUSION FROM CERTAIN POST-EDUCATION DUTY ASSIGNMENTS FOR MEMBERS OF ACQUISITION CORPS.

Section 663(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) The Secretary of Defense may exclude from the requirements of paragraph (1) or (2) an officer who is a member of an Acquisition Corps established pursuant to 1731 of this title if the officer—

''(A) has graduated from a senior level course of instruction designed for personnel serving in critical acquisition positions; and

''(B) is assigned, upon graduation, to a critical acquisition position designated pursuant to section 1733 of this title.''.

SEC. 803. EXTENSION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

(a) AUTHORITY.—Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1721) is amended by inserting after ''Agency'' the following: '', the Secretary of a military de-

partment, or any other official designated by the Secretary of Defense''.

(b) PERIOD OF AUTHORITY.—Section 845(c) of such Act is amended by striking out ''3 years after the date of the enactment of this Act'' and inserting in lieu thereof ''on September 30, 1999''.

(c) CONFORMING AND TECHNICAL AMENDMENTS.—Section 845 of such Act is further amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking out ''(c)(2) and (c)(3) of such section 2371, as redesignated by section 827(b)(1)(B),'' and inserting in lieu thereof ''(e)(2) and (e)(3) of such section 2371''; and

(B) in paragraph (2), by inserting after ''Director'' the following: '', Secretary, or other official''; and

(2) in subsection (c), by striking out ''of the Director''.

SEC. 804. INCREASE IN THRESHOLD AMOUNTS FOR MAJOR SYSTEMS.

Section 2302(5) of title 10, United States Code, is amended—

(1) by striking out ''$75,000,000 (based on fiscal year 1980 constant dollars)'' and inserting in

lieu thereof "$115,000,000 (based on fiscal year 1990 dollars)";

(2) by striking out "$300,000,000 (based on fiscal year 1980 constant dollars)" and inserting in lieu thereof "$540,000,000 (based on fiscal year 1990 constant dollars)"; and

(3) by adding at the end the following: "The Secretary of Defense may adjust the amounts and the base fiscal year provided in clause (A) on the basis of Department of Defense escalation rates. An adjustment under this paragraph shall be effective after the Secretary transmits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written notification of the adjustment.".

SEC. 805. REVISIONS IN INFORMATION REQUIRED TO BE INCLUDED IN SELECTED ACQUISITION REPORTS.

Section 2432 of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by striking out "and" at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following new subparagraph (C):

''(C) the current procurement unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and''; and

(2) in subsection (e), by striking out paragraph (8) and redesignating paragraph (9) as paragraph (8).

SEC. 806. INCREASE IN SIMPLIFIED ACQUISITION THRESHOLD FOR HUMANITARIAN OR PEACEKEEPING OPERATIONS.

Section 2302(7) of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(7)'';

(2) by inserting after ''contingency operation'' the following: ''or a humanitarian or peacekeeping operation''; and

(3) by adding at the end the following:

''(B) In subparagraph (A), the term 'humanitarian or peacekeeping operation' means a military operation in support of the provision of humanitarian or foreign disaster assistance or in support of

a peacekeeping operation under chapter VI or VII of the Charter of the United Nations. The term does not include routine training, force rotation, or stationing.''.

SEC. 807. EXPANSION OF AUDIT RECIPROCITY AMONG FEDERAL AGENCIES TO INCLUDE POST-AWARD AUDITS.

(a) ARMED SERVICES ACQUISITIONS.—Subsection (d) of section 2313 of title 10, United States Code, is amended to read as follows:

''(d) LIMITATION ON AUDITS RELATING TO INDIRECT COSTS.—The head of an agency may not perform an audit of indirect costs under a contract, subcontract, or modification before or after entering into the contract, subcontract, or modification in any case in which the contracting officer determines that the objectives of the audit can reasonably be met by accepting the results of an audit that was conducted by any other department or agency of the Federal Government within one year preceding the date of the contracting officer's determination.''.

(b) CIVILIAN AGENCY ACQUISITIONS.—Subsection (d) of section 304C of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254d) is amended to read as follows:

"(d) LIMITATION ON AUDITS RELATING TO INDIRECT COSTS.—An executive agency may not perform an audit of indirect costs under a contract, subcontract, or modification before or after entering into the contract, subcontract, or modification in any case in which the contracting officer determines that the objectives of the audit can reasonably be met by accepting the results of an audit that was conducted by any other department or agency of the Federal Government within one year preceding the date of the contracting officer's determination.".

(c) GUIDELINES FOR ACCEPTANCE OF AUDITS BY STATE AND LOCAL GOVERNMENTS RECEIVING FEDERAL ASSISTANCE.—The Director of the Office and Management and Budget shall issue guidelines to ensure that an audit of indirect costs performed by the Federal Government is accepted by State and local governments that receive Federal funds under contracts, grants, or other Federal assistance programs.

SEC. 808. EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Paragraphs (1) and (2) of section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) are each amended by striking out "1996" and inserting in lieu thereof "1997".

Subtitle B—Other Matters

SEC. 821. AMENDMENT TO DEFINITION OF NATIONAL SECURITY SYSTEM UNDER INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1995.

Section 5142(a) of the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 689; 40 U.S.C. 1452) is amended—

(1) by striking out ''or'' at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof ''; or''; and

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

''(6) involves the storage, processing, or forwarding of classified information and is protected at all times by procedures established for the handling of classified information.''.

SEC. 822. PROHIBITION ON RELEASE OF CONTRACTOR PROPOSALS UNDER FREEDOM OF INFORMATION ACT.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) PROHIBITION ON RELEASE OF CONTRACTOR PROPOSALS.—(1) A proposal in the possession or control of the Department of Defense may not be made available to any person under section 552 of title 5.

"(2) In this subsection, the term 'proposal' means any proposal, including a technical, management, or cost proposal, submitted by a contractor in response to the requirements of a solicitation for a competitive proposal.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by adding at the end the following new subsection:

"(m) PROHIBITION ON RELEASE OF CONTRACTOR PROPOSALS.—(1) A proposal in the possession or control of an executive agency may not be made available to any person under section 552 of title 5.

"(2) In this subsection, the term 'proposal' means any proposal, including a technical, management, or cost proposal, submitted by a contractor in response to the requirements of a solicitation for a competitive proposal.".

SEC. 823. REPEAL OF ANNUAL REPORT BY ADVOCATE FOR COMPETITION.

Section 20(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 418(b)) is amended—

(1) by striking out ''and'' at the end of paragraph (3)(B);

(2) by striking out paragraph (4); and

(3) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

SEC. 824. REPEAL OF BIANNUAL REPORT ON PROCUREMENT REGULATORY ACTIVITY.

Subsection (g) of section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) is repealed.

SEC. 825. REPEAL OF MULTIYEAR LIMITATION ON CONTRACTS FOR INSPECTION, MAINTENANCE, AND REPAIR.

Paragraph (14) of section 210(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(a)) is amended by striking out ''for periods not exceeding three years''.

SEC. 826. STREAMLINED NOTICE REQUIREMENTS TO CONTRACTORS AND EMPLOYEES REGARDING TERMINATION OR SUBSTANTIAL REDUCTION IN CONTRACTS UNDER MAJOR DEFENSE PROGRAMS.

(a) ELIMINATION OF UNNECESSARY REQUIREMENTS.—Section 4471 of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (division

D of Public Law 102–484; 10 U.S.C. 2501 note) is amended—

(1) by striking out subsection (a);

(2) by striking out subsection (f), except paragraph (4);

(3) by redesignating subsections (b), (c), (d), (e), and (g) as subsections (a), (b), (c), (d), and (f), respectively; and

(4) by redesignating such paragraph (4) as subsection (e).

(b) NOTICE TO CONTRACTORS.—Subsection (a) of such section, as redesignated by subsection (a)(3), is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

''(1) shall identify each contract (if any) under major defense programs of the Department of Defense that will be terminated or substantially reduced as a result of the funding levels provided in that Act; and

''(2) shall ensure that notice of the termination of, or substantial reduction in, the funding of the contract is provided—

''(A) directly to the prime contractor under the contract; and

''(B) directly to the Secretary of Labor.''.

(c) NOTICE TO SUBCONTRACTORS.—Subsection (b) of such section, as redesignated by subsection (a)(3), is amended—

(1) by striking out ''As soon as'' and all that follows through ''that program,'' in the matter preceding paragraph (1) and inserting in lieu thereof ''Not later than 60 days after the date on which the prime contractor for a contract under a major defense program receives notice under subsection (a),'';

(2) in paragraph (1)—

(A) by striking out ''for that program under a contract'' and inserting in lieu thereof ''for that prime contract for subcontracts''; and

(B) by striking out ''for the program''; and

(3) in paragraph (2)(A), by striking out ''for the program under a contract'' and inserting in lieu thereof ''for subcontracts''.

(d) NOTICE TO EMPLOYEES AND STATE DISLOCATED WORKER UNIT.—Subsection (c) of such section, as redesignated by subsection (a)(3), is amended by striking out ''under subsection (a)(1)'' and all that follows through ''a defense program,'' in the matter preceding paragraph (1) and inserting in lieu thereof ''under subsection (a),''.

(e) CROSS REFERENCES AND CONFORMING AMENDMENTS.—(1) Subsection (d) of such section, as redesignated by subsection (a)(3), is amended—

(A) by striking out ''a major defense program provided under subsection (d)(1)'' and inserting in lieu thereof ''a defense contract provided under subsection (c)(1)''; and

(B) by striking out ''the program'' and inserting in lieu thereof ''the contract''.

(2) Subsection (e) of such section, as redesignated by subsection (a)(4), is amended—

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

(B) by striking out ''under paragraph (3)'' and inserting in lieu thereof ''or cancellation of the termination of, or substantial reduction in, contract funding''.

(3) Subsection (f) of such section, as redesignated by subsection (a)(3), is amended in paragraph (2)—

(A) by inserting ''a defense contract under'' before ''a major defense program''; and

(B) by striking out ''contracts under the program'' and inserting in lieu thereof ''the funds obligated by the contract''.

SEC. 827. REPEAL OF NOTICE REQUIREMENTS FOR SUBSTANTIALLY OR SERIOUSLY AFFECTED PARTIES IN DOWNSIZING EFFORTS.

Sections 4101 and 4201 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1850, 1851; 10 U.S.C. 2391 note) are repealed.

SEC. 828. TESTING OF DEFENSE ACQUISITION PROGRAMS.

(a) IN GENERAL.—Section 2366 of 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. 829. DEPENDENCY OF NATIONAL TECHNOLOGY AND INDUSTRIAL BASE ON SUPPLIES AVAILABLE ONLY FROM FOREIGN COUNTRIES.

(a) NATIONAL SECURITY OBJECTIVES FOR NATIONAL TECHNOLOGY AND INDUSTRIAL BASE.—Section 2501(a) of title 10, United States Code, is amended by adding at the end the following:

"(5) Providing for the development, manufacture, and supply of items and technologies critical to the production and sustainment of advanced military weapon systems with minimal reliance on items for which the source of supply, manufacture, or technology is outside of the United States and Canada and for which there is no immediately available source in the United States or Canada.".

(b) ASSESSMENT OF EXTENT OF UNITED STATES DEPENDENCY ON FOREIGN SOURCE ITEMS.—Subsection (c) of section 2505 of such title is amended to read as follows:

"(c) ASSESSMENT OF EXTENT OF DEPENDENCY ON FOREIGN SOURCE ITEMS.—Each assessment under subsection (a) shall include a separate discussion and presentation regarding the extent to which the national technology and industrial base is dependent on items for which the source of supply, manufacture, or technology is outside of the United States and Canada and for which there is

no immediately available source in the United States or Canada. The discussion and presentation shall include the following:

"(1) An assessment of the overall degree of dependence by the national technology and industrial base on such foreign items, including a comparison with the degree of dependence identified in the preceding assessment.

"(2) Identification of major systems (as defined in section 2302 of this title) under development or production containing such foreign items, including an identification of all such foreign items for each system.

"(3) An analysis of the production or development risks resulting from the possible disruption of access to such foreign items, including consideration of both peacetime and wartime scenarios.

"(4) An analysis of the importance of retaining domestic production sources for the items specified in section 2534 of this title.

"(5) A discussion of programs and initiatives in place to reduce dependence by the national technology and industrial base on such foreign items.

"(6) A discussion of proposed policy or legislative initiatives recommended to reduce the depend-

ence of the national technology and industrial base on such foreign items.''.

(c) TIME FOR COMPLETION OF NEXT DEFENSE CAPABILITY ASSESSMENT.—Notwithstanding the schedule prescribed by the Secretary of Defense under subsection (d) of section 2505 of title 10, United States Code, the National Defense Technology and Industrial Base Council shall complete the next defense capability assessment required under such section not later than March 1, 1997.

SEC. 830. SENSE OF CONGRESS REGARDING TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

It is the sense of Congress that the United States Court of Federal Claims should transmit to Congress the report required by section 823 of Public Law 104–106 (110 Stat. 399) on or before the date specified in that section.

SEC. 831. EXTENSION OF DOMESTIC SOURCE LIMITATION FOR VALVES AND MACHINE TOOLS.

Subparagraph (C) of section 2534(c)(2) is amended by striking out ''1996'' and inserting in lieu thereof ''2001''.

SEC. 832. DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

(a) EXTENSION OF DEMONSTRATION PROJECT.—Section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is amended by adding at the end the following new subsection:

''(c) DURATION OF PROJECT.—The authority to purchase services under the demonstration project shall expire on September 30, 1998.''.

(b) REPORTING REQUIREMENTS.—Subsection (b) of such section is amended by striking out '', 1996'' and inserting in lieu thereof ''of each of the years 1997 and 1998''.

SEC. 833. STUDY OF EFFECTIVENESS OF DEFENSE MERGERS.

(a) STUDY.—The Secretary of Defense shall conduct a study on mergers and acquisitions in the defense sector. The study shall address the following:

(1) The effectiveness of defense mergers and acquisitions in eliminating excess capacity within the defense industry.

(2) The degree of change in the dependence by defense contractors on defense-related Federal contracts within their overall business after mergers.

(3) The effect on defense industry employment resulting from defense mergers and acquisitions occurring during the three years preceding the date of the enactment of this Act.

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

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. ADDITIONAL REQUIRED REDUCTION IN DEFENSE ACQUISITION WORKFORCE.

Section 906(d) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 405) is amended—

(1) in paragraph (1), by striking out ''during fiscal year 1996'' and all that follows and inserting in lieu thereof ''so that—

''(A) the total number of such positions as of October 1, 1996, is less than the baseline number by at least 15,000; and

"(B) the total number of such positions as of October 1, 1997, is less than the baseline number by at least 40,000."; and

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

"(3) For purposes of this subsection, the term 'baseline number' means the total number of defense acquisition personnel positions as of October 1, 1995.".

SEC. 902. REDUCTION OF PERSONNEL ASSIGNED TO OFFICE OF THE SECRETARY OF DEFENSE.

(a) PERMANENT LIMITATION ON OSD PERSONNEL.—Effective October 1, 1999, the number of OSD personnel may not exceed 75 percent of the baseline number.

(b) PHASED REDUCTION.—The number of OSD personnel—

(1) as of October 1, 1997, may not exceed 85 percent of the baseline number; and

(2) as of October 1, 1998, may not exceed 80 percent of the baseline number.

(c) BASELINE NUMBER.—For purposes of this section, the term "baseline number" means the number of OSD personnel as of October 1, 1994.

(d) OSD PERSONNEL DEFINED.—For purposes of this section, the term "OSD personnel" means military and civilian personnel of the Department of Defense who

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).

(e) LIMITATION ON REASSIGNMENT OF FUNCTIONS.—In carrying out reductions in the number of personnel assigned to, or employed in, the Office of the Department of Defense in order to comply with this section, the Secretary of Defense may not reassign functions solely in order to evade the requirements contained in this section.

(f) FLEXIBILITY.—If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (b) with respect to any fiscal year would adversely affect United States national security, the limitation under that subsection with respect to that fiscal year may be waived. If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (a) during fiscal year 1999 would adversely affect United States national security, the limitation under that subsection with respect to that fiscal year may be waived. The authority under this subsection may be used only once, with respect to a single fiscal year.

(g) REPEAL OF PRIOR REQUIREMENT.—Section 901(d) of the National Defense Authorization Act for Fis-

cal Year 1996 (Public Law 104–106; 110 Stat. 410) is repealed.

SEC. 903. REPORT ON MILITARY DEPARTMENT HEADQUARTERS STAFFS.

(a) REVIEW BY SECRETARY OF DEFENSE.—The Secretary of Defense shall conduct a review of the size, mission, organization, and functions of the military department headquarters staffs. This review shall include the following:

(1) An assessment on the adequacy of the present organization structure to efficiently and effectively support the mission of the military departments.

(2) An assessment of options to reduce the number of personnel assigned to the military department headquarters staffs.

(3) An assessment of the extent of unnecessary duplication of functions between the Office of the Secretary of Defense and the military department headquarters staffs.

(4) An assessment of the possible benefits that could be derived from further functional consolidation between the civilian secretariat of the military departments and the staffs of the military service chiefs.

(5) An assessment of the possible benefits that could be derived from reducing the number of civilian officers in the military departments who are appointed by and with the advice and consent of the Senate.

(b) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to the congressional defense committees a report containing—

(1) the findings and conclusions of the Secretary resulting from the review under subsection (a); and

(2) a plan for implementing resulting recommendations, including proposals for legislation (with supporting rationale) that would be required as result of the review.

(c) REDUCTION IN TOTAL NUMBER OF PERSONNEL ASSIGNED.—In developing the plan under subsection (b)(2), the Secretary shall make every effort to provide for significant reductions in the overall number of military and civilian personnel assigned to or serving in the military department headquarters staffs.

(d) MILITARY DEPARTMENT HEADQUARTERS STAFFS DEFINED.—For the purposes of this section, the term ''military department headquarters staffs'' means

the offices, organizations, and other elements of the Department of Defense comprising the following:

(1) The Office of the Secretary of the Army.

(2) The Army Staff.

(3) The Office of the Secretary of the Air Force.

(4) The Air Staff.

(5) The Office of the Secretary of the Navy.

(6) The Office of the Chief of Naval Operations.

(7) Headquarters, Marine Corps.

SEC. 904. EXTENSION OF EFFECTIVE DATE FOR CHARTER FOR JOINT REQUIREMENTS OVERSIGHT COUNCIL.

Section 905(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 404) is amended by striking out ''January 31, 1997'' and inserting in lieu thereof ''January 31, 1998''.

SEC. 905. REMOVAL OF SECRETARY OF THE ARMY FROM MEMBERSHIP ON THE FOREIGN TRADE ZONE BOARD.

The first section of the Act of June 18, 1934 (Public Law Numbered 397, Seventy-third Congress; 48 Stat. 998) (19 U.S.C. 81a), popularly known as the ''Foreign Trade Zones Act'', is amended—

(1) in subsection (b), by striking out ''the Secretary of the Treasury, and the Secretary of War'' and inserting in lieu thereof ''and the Secretary of the Treasury''; and

(2) in subsection (c), by striking out ''Alaska, Hawaii,''.

SEC. 906. MEMBERSHIP OF THE AMMUNITION STORAGE BOARD.

Section 172(a) of title 10, United States Code, is amended by striking out ''a joint board of officers selected by them'' and inserting in lieu thereof ''a joint board selected by them composed of officers, civilian officers and employees of the Department of Defense, or both''.

SEC. 907. DEPARTMENT OF DEFENSE DISBURSING OFFICIAL CHECK CASHING AND EXCHANGE TRANSACTIONS.

Section 3342(b) of title 31, United States Code, is amended—

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

(2) by striking out ''and'' at the end of paragraph (5);

(3) by striking out the period at the end of paragraph (6) and inserting in lieu thereof ''; or''; and

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

''(7) a Federal credit union that at the request of the Secretary of Defense is operating on a United States military installation in a foreign country, but only if that country does not permit contractor-operated military banking facilities to operate on such installations.''.

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 1997 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.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

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. 3230 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. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1996 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 1996 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 1996 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1996 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1996 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1996 in the Department of Defense Appropriations Act, 1996 (Public Law 104–61).

(2) FISCAL YEAR 1996 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1996 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1996.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public

Law 104–106) are hereby adjusted, with respect to any such authorized 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 the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134).

SEC. 1005. FORMAT FOR BUDGET REQUESTS FOR NAVY/MARINE CORPS AND AIR FORCE AMMUNITION ACCOUNTS.

Section 114 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) In each budget submitted by the President to Congress under section 1105 of title 31, amounts requested for procurement of ammunition for the Navy and Marine Corps, and for procurement of ammunition for the Air Force, shall be set forth separately from other amounts requested for procurement.''.

SEC. 1006. FORMAT FOR BUDGET REQUESTS FOR DEFENSE AIRBORNE RECONNAISSANCE PROGRAM.

(a) REQUIREMENT.—The Secretary of Defense shall ensure that in the budget justification documents for any fiscal year there is set forth separately amounts requested for each program, project, or activity within the Defense

Airborne Reconnaissance Program, with a unique program element provided for funds requested for research, development, test, and evaluation for each such program, project, or activity and a unique procurement line item provided for funds requested for procurement for each such program, project, or activity.

(b) DEFENSE BUDGET.—For purposes of subsection (a), the term ''budget justification documents'' means the supporting budget documentation submitted to the congressional defense committees in support of the budget of the Department of Defense for a fiscal year as included in the budget of the President submitted under section 1105 of title 31, United States Code, for that fiscal year.

Subtitle B—Reports and Studies

SEC. 1021. ANNUAL REPORT ON OPERATION PROVIDE COMFORT AND OPERATION ENHANCED SOUTHERN WATCH.

(a) ANNUAL REPORT.—Not later than March 1 of each year, the Secretary of Defense shall submit to Congress a report on Operation Provide Comfort and Operation Enhanced Southern Watch.

(b) MATTERS RELATING TO OPERATION PROVIDE COMFORT.—Each report under subsection (a) shall include, with respect to Operation Provide Comfort, the following:

(1) A detailed presentation of the projected costs to be incurred by the Department of Defense for that operation during the fiscal year in which the report is submitted and projected for the following fiscal year, together with a discussion of missions and functions expected to be performed by the Department as part of that operation during each of those fiscal years.

(2) A detailed presentation of the projected costs to be incurred by other departments and agencies of the Federal Government participating in or providing support to that operation during each of those fiscal years.

(3) A discussion of options being pursued to reduce the involvement of the Department of Defense in those aspects of that operation that are not directly related to the military mission of the Department of Defense.

(4) A discussion of the exit strategy for United States involvement in, and support for, that operation.

(5) A description of alternative approaches to accomplishing the mission of that operation that are designed to limit the scope and cost to the Depart-

ment of Defense of accomplishing that mission while maintaining mission success.

(6) The contributions (both in-kind and actual) by other nations to the costs of conducting that operation.

(7) A detailed presentation of significant Iraqi military activity (including specific violations of the no-fly zone) determined to jeopardize the security of the Kurdish population in northern Iraq.

(c) MATTERS RELATING TO OPERATION ENHANCED SOUTHERN WATCH.—Each report under subsection (a) shall include, with respect to Operation Enhanced Southern Watch, the following:

(1) The expected duration and annual costs of the various elements of that operation.

(2) The political and military objectives associated with that operation.

(3) The contributions (both in-kind and actual) by other nations to the costs of conducting that operation.

(4) A description of alternative approaches to accomplishing the mission of that operation that are designed to limit the scope and cost of accomplishing that mission while maintaining mission success.

(5) A comprehensive discussion of the political and military objectives and initiatives that the Department of Defense has pursued, and intends to pursue, in order to reduce United States involvement in that operation.

(6) A detailed presentation of significant Iraqi military activity (including specific violations of the no-fly zone) determined to jeopardize the security of the Shiite population in southern Iraq.

(d) TERMINATION OF REPORT REQUIREMENT.—The requirement under subsection (a) shall cease to apply with respect to an operation named in that subsection upon the termination of United States involvement in that operation.

(e) DEFINITIONS.—For purposes of this section:

(1) OPERATION ENHANCED SOUTHERN WATCH.—The term ''Operation Enhanced Southern Watch'' means the operation of the Department of Defense that as of October 30, 1995, is designated as Operation Enhanced Southern Watch.

(2) OPERATION PROVIDE COMFORT.—The term ''Operation Provide Comfort'' means the operation of the Department of Defense that as of October 30, 1995, is designated as Operation Provide Comfort.

SEC. 1022. REPORT ON PROTECTION OF NATIONAL INFORMATION INFRASTRUCTURE.

(a) REPORT REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to Congress a report setting forth the national policy on protecting the national information infrastructure against strategic attacks.

(b) MATTERS TO BE INCLUDED.—The report shall include the following:

(1) A description of the national policy and plans to meet essential Government and civilian needs during a national security emergency associated with a strategic attack on elements of the national infrastructure the functioning of which depend on networked computer systems.

(2) The identification of information infrastructure functions that must be performed during such an emergency.

(3) The assignment of responsibilities to Federal departments and agencies, and a description of the roles of Government and industry, relating to indications and warning of, assessment of, response to, and reconstitution after, potential strategic attacks on the critical national infrastructures described under paragraph (1).

(c) OUTSTANDING ISSUES.—The report shall also identify any outstanding issues in need of further study and resolution, such as technology and funding shortfalls, and legal and regulatory considerations.

SEC. 1023. REPORT ON WITNESS INTERVIEW PROCEDURES FOR DEPARTMENT OF DEFENSE CRIMINAL INVESTIGATIONS.

(a) SURVEY OF MILITARY DEPARTMENT POLICIES AND PRACTICES.—The Comptroller General of the United States shall conduct a survey of the policies and practices of the military criminal investigative organizations with respect to the manner in which interviews of suspects and witnesses are conducted in connection with criminal investigations. The purpose of the survey shall be to ascertain whether or not investigators and agents from those organizations engage in illegal, unnecessary, or inappropriate harassment and intimidation of individuals being interviewed.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report concerning the survey under subsection (a). The report shall specifically address the following:

(1) The extent to which investigators of the military criminal investigative organizations engage in illegal or inappropriate practices in connection with interviews of suspects in or witnesses to crimes.

(2) The extent to which the interview policies established by the Department of Defense directive or service regulation are adequate to instruct and guide investigators in the proper conduct of subject and witness interviews.

(3) The desirability and feasibility of requiring the video and audio recording of all interviews.

(4) The desirability and feasibility of making such recordings or written transcriptions of interviews, or both, available on demand to the subject or witness interviewed.

(5) The extent to which existing directives or regulations specify a prohibition against the display by agents of those organizations of weapons during interviews and the extent to which agents conducting interviews inappropriately display weapons during interviews.

(6) The extent to which existing directives or regulations forbid agents of those organizations from making judgmental statements during interviews regarding the guilt of the interviewee or the con-

sequences of failing to cooperate with investigators, and the extent to which agents conducting interviews nevertheless engage in such practices.

(7) Any recommendation for legislation to ensure that investigators and agents of the military criminal investigative organizations use legal and proper tactics during interviews in connection with Department of Defense criminal investigations.

(c) RESULTS OF INTERVIEWS AND SURVEYS.—The Comptroller General shall include in the report under subsection (b) the results of interviews and surveys conducted under subsection (a) with persons who were witnesses or subjects in investigations conducted by military criminal investigative organizations.

(d) DEFINITION.—For the purposes of this section, the term ''military criminal investigative organization'' means any of the following:

(1) The Army Criminal Investigation Command.

(2) The Air Force Office of Special Investigations.

(3) The Naval Criminal Investigative Service.

(4) The Defense Criminal Investigative Service.

Subtitle C—Other Matters

SEC. 1031. INFORMATION SYSTEMS SECURITY PROGRAM.

(a) ALLOCATION.—Of the amounts appropriated for the Department of Defense for the Defense Information Infrastructure for each of fiscal years 1998 through 2001, the Secretary of Defense shall allocate to an information systems security program, under a separate program element, amounts as follows:

(1) For fiscal year 1998, 2.5 percent.

(2) For fiscal year 1999, 3.0 percent.

(3) For fiscal year 2000, 3.5 percent.

(4) For fiscal year 2001, 4.0 percent.

(b) RELATIONSHIP TO OTHER AMOUNTS.—Amounts allocated under subsection (a) are in addition to amounts appropriated to the National Security Agency and the Defense Advanced Research Projects Agency for information security development, acquisition, and operations.

(c) ANNUAL REPORT.—The Secretary of Defense shall submit to the congressional defense committee and congressional intelligence committees a report not later than April 15 of each year from 1998 through 2002 that describes information security objectives of the Department of Defense, the progress made during the previous year in meeting those objectives, and plans of the Sec-

retary with respect to meeting those objectives for the next fiscal year.

SEC. 1032. AVIATION AND VESSEL WAR RISK INSURANCE.

(a) AVIATION RISK INSURANCE.—(1) Chapter 931 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9514. Indemnification of Department of Transportation for losses covered by defense-related aviation insurance

"(a) PROMPT INDEMNIFICATION REQUIRED.—In the event of a loss that is covered by defense-related aviation insurance, the Secretary of Defense shall promptly indemnify the Secretary of Transportation for the amount of the loss. The Secretary of Defense shall make such indemnification—

"(1) in the case of a claim for the loss of an aircraft hull, not later than 30 days following the date of the presentment of the claim to the Secretary of Transportation; and

"(2) in the case of any other claim, not later than 180 days after the date on which the claim is determined by the Secretary of Transportation to be payable.

"(b) SOURCE OF FUNDS FOR PAYMENT OF INDEMNITY.—The Secretary may pay an indemnity described in

subsection (a) from any funds available to the Department of Defense for operation and maintenance, and such sums as may be necessary for payment of such indemnity are hereby authorized to be transferred to the Secretary of Transportation for such purpose.

"(c) NOTICE TO CONGRESS.—In the event of a loss that is covered by defense-related aviation insurance in the case of an incident in which the covered loss is (or is expected to be) in an amount in excess of $1,000,000, the Secretary of Defense shall submit to Congress—

"(1) notification of the loss as soon after the occurrence of the loss as possible and in no event more than 30 days after the date of the loss; and

"(2) semiannual reports thereafter updating the information submitted under paragraph (1) and showing with respect to losses arising from such incident the total amount expended to cover such losses, the source of those funds, pending litigation, and estimated total cost to the Government.

"(d) IMPLEMENTING MATTERS.—(1) Payment of indemnification under this section is not subject to section 2214 or 2215 of this title or any other provision of law requiring notification to Congress before funds may be transferred.

"(2) Consolidation of claims arising from the same incident is not required before indemnification of the Secretary of Transportation for payment of a claim may be made under this section.

"(e) CONSTRUCTION WITH OTHER TRANSFER AUTHORITY.—Authority to transfer funds under this section is in addition to any other authority provided by law to transfer funds (whether enacted before, on, or after the date of the enactment of this section) and is not subject to any dollar limitation or notification requirement contained in any other such authority to transfer funds.

"(f) DEFINITIONS.—In this section:

"(1) DEFENSE-RELATED AVIATION INSURANCE.—The term 'defense-related aviation insurance' means aviation insurance and reinsurance provided through policies issued by the Secretary of Transportation under chapter 443 of title 49 that pursuant to section 44305(b) of that title is provided by that Secretary without premium at the request of the Secretary of Defense and is covered by an indemnity agreement between the Secretary of Transportation and the Secretary of Defense.

"(2) LOSS.—The term 'loss' includes damage to or destruction of property, personal injury or death,

and other liabilities and expenses covered by the defense-related aviation insurance.''.

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

''9514. Indemnification of Department of Transportation for losses covered by defense-related aviation insurance.''.

(b) VESSEL WAR RISK INSURANCE.—(1) Chapter 157 of title 10, United States Code, is amended by adding after section 2644, as added by section 364(a), the following new section:

''§ 2645. Indemnification of Department of Transportation for losses covered by vessel war risk insurance

''(a) PROMPT INDEMNIFICATION REQUIRED.—In the event of a loss that is covered by vessel war risk insurance, the Secretary of Defense shall promptly indemnify the Secretary of Transportation for the amount of the loss. The Secretary of Defense shall make such indemnification—

''(1) in the case of a claim for a loss to a vessel, not later than 90 days following the date of the adjudication or settlement of the claim by the Secretary of Transportation; and

''(2) in the case of any other claim, not later than 180 days after the date on which the claim is

determined by the Secretary of Transportation to be payable.

"(b) SOURCE OF FUNDS FOR PAYMENT OF INDEMNITY.—The Secretary may pay an indemnity described in subsection (a) from any funds available to the Department of Defense for operation and maintenance, and such sums as may be necessary for payment of such indemnity are hereby authorized to be transferred to the Secretary of Transportation for such purpose.

"(c) DEPOSIT OF FUNDS.—(1) Any amount transferred to the Secretary of Transportation under this section shall be deposited in, and merged with amounts in, the Vessel War Risk Insurance Fund as provided in the second sentence of section 1208(a) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1288(a)).

"(2) In this subsection, the term 'Vessel War Risk Insurance Fund' means the insurance fund referred to in the first sentence of section 1208(a) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1288(a)).

"(d) NOTICE TO CONGRESS.—In the event of a loss that is covered by vessel war risk insurance in the case of an incident in which the covered loss is (or is expected to be) in an amount in excess of $1,000,000, the Secretary of Defense shall submit to Congress—

"(1) notification of the loss as soon after the occurrence of the loss as possible and in no event more than 30 days after the date of the loss; and

"(2) semiannual reports thereafter updating the information submitted under paragraph (1) and showing with respect to losses arising from such incident the total amount expended to cover such losses, the source of such funds, pending litigation, and estimated total cost to the Government.

"(e) IMPLEMENTING MATTERS.—(1) Payment of indemnification under this section is not subject to section 2214 or 2215 of this title or any other provision of law requiring notification to Congress before funds may be transferred.

"(2) Consolidation of claims arising from the same incident is not required before indemnification of the Secretary of Transportation for payment of a claim may be made under this section.

"(f) CONSTRUCTION WITH OTHER TRANSFER AUTHORITY.—Authority to transfer funds under this section is in addition to any other authority provided by law to transfer funds (whether enacted before, on, or after the date of the enactment of this section) and is not subject to any dollar limitation or notification requirement contained in any other such authority to transfer funds.

"(g) DEFINITIONS.—In this section:

"(1) VESSEL WAR RISK INSURANCE.—The term 'vessel war risk insurance' means insurance and reinsurance provided through policies issued by the Secretary of Transportation under title XII of the Merchant Marine Act, 1936 (46 U.S.C. App. 1281 et seq.), that is provided by that Secretary without premium at the request of the Secretary of Defense and is covered by an indemnity agreement between the Secretary of Transportation and the Secretary of Defense.

"(2) LOSS.—The term 'loss' includes damage to or destruction of property, personal injury or death, and other liabilities and expenses covered by the vessel war risk insurance.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2644, as added by section 364(c)(3), the following new item:

"2645. Indemnification of Department of Transportation for losses covered by vessel war risk insurance.".

SEC. 1033. AIRCRAFT ACCIDENT INVESTIGATION BOARDS.

(a) INDEPENDENCE AND OBJECTIVITY OF BOARDS.—(1) Chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2255. Aircraft accident investigation boards: independence and objectivity

"(a) REQUIRED MEMBERSHIP OF BOARDS.—Whenever the Secretary of a military department convenes a aircraft accident investigation board to conduct an accident investigation of an accident involving an aircraft under the jurisdiction of the Secretary, the Secretary shall select the membership of the board so that—

"(1) a majority of the voting members of the board are selected from units outside the chain of command of the mishap unit; and

"(2) at least one voting member of the board is an officer or an employee assigned to the relevant service safety center.

"(b) DETERMINATION OF UNITS OUTSIDE SAME CHAIN OF COMMAND.—For purposes of this section, a unit shall be considered to be outside the chain of command of another unit if the two units do not have a common commander in their respective chains of command below a position for which the authorized grade is major general or rear admiral.

"(c) MISHAP UNIT DEFINED.—In this section, the term 'mishap unit', with respect to an aircraft accident investigation, means the unit of the armed forces (at the squadron level or equivalent) to which was assigned the

flight crew of the aircraft that sustained the accident that is the subject of the investigation.

"(d) SERVICE SAFETY CENTER.—For purposes of this section, a service safety center is the single office or separate operating agency of a military department that has responsibility for the management of aviation safety matters for that military department.".

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

"2255. Aircraft accident investigation boards: independence and objectivity.".

(b) EFFECTIVE DATE.—Section 2255 of title 10, United States Code, as added by subsection (a), shall apply with respect to any aircraft accident investigation board convened by the Secretary of a military department after the end of the six-month period beginning on the date of the enactment of this Act.

SEC. 1034. AUTHORITY FOR USE OF APPROPRIATED FUNDS FOR RECRUITING FUNCTIONS.

(a) AUTHORITY.—Chapter 31 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 520c. Recruiting functions: use of funds

"Under regulations prescribed by the Secretary concerned, funds appropriated to the Department of Defense

may be expended for small meals and snacks during recruiting functions for the following persons:

"(1) Persons who have entered the Delayed Entry Program under section 513 of this title and other persons who are the subject of recruiting efforts.

"(2) Persons in communities who assist the military departments in recruiting efforts.

"(3) Military or civilian personnel whose attendance at such functions is mandatory.

"(4) Other persons whose presence at recruiting functions will contribute to recruiting efforts.".

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

"520c. Recruiting functions: use of funds.".

SEC. 1035. AUTHORITY FOR AWARD OF MEDAL OF HONOR TO CERTAIN AFRICAN AMERICAN SOLDIERS WHO SERVED DURING WORLD WAR II.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to the persons specified in subsection (b), each of whom has been found by the Secretary of the Army to have distinguished himself conspicuously by gallantry and intrepidity at the

risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) PERSONS ELIGIBLE TO RECEIVE THE MEDAL OF HONOR.—The persons referred to in subsection (a) are the following:

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, Twelfth Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Distinguished-Service Cross, or other award, has been awarded.

SEC. 1036. COMPENSATION FOR PERSONS AWARDED PRISONER OF WAR MEDAL WHO DID NOT PREVIOUSLY RECEIVE COMPENSATION AS A PRISONER OF WAR.

(a) AUTHORITY TO MAKE PAYMENTS.—The Secretary of the military department concerned shall make payments in the manner provided in section 6 of the War Claims Act of 1948 (50 U.S.C. App. 2005) to (or on behalf of) any person described in subsection (b) who submits an application for such payment in accordance with subsection (d).

(b) ELIGIBLE PERSONS.—This section applies with respect to a member or former member of the Armed Forces who—

(1) has received the prisoner of war medal under section 1128 of title 10, United States Code; and

(2) has not previously received a payment under section 6 of the War Claims Act of 1948 (50 U.S.C.

App. 2005) with respect to the period of internment for which the person received the prisoner of war medal.

(c) AMOUNT OF PAYMENT.—The amount of the payment to any person under this section shall be determined based upon the provisions of section 6 of the War Claims Act of 1948 that are applicable with respect to the period of time during which the internment occurred for which the person received the prisoner of war medal.

(d) ONE-YEAR PERIOD FOR SUBMISSION OF APPLICATIONS.—A payment may be made by reason of this section only in the case of a person who submits an application to the Secretary concerned for such payment during the one-year period beginning on the date of the enactment of this Act. Any such application shall be submitted in such form and manner as the Secretary may require.

SEC. 1037. GEORGE C. MARSHALL EUROPEAN CENTER FOR STRATEGIC SECURITY STUDIES.

(a) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary of Defense may accept, on behalf of the George C. Marshall European Center for Security Studies, from any foreign nation any contribution of money or services made by such nation to defray the cost of, or enhance the operations of, the George C. Marshall European Center for Security Studies. Such contributions may include guest

lecturers, faculty services, research materials, and other donations through foundations or similar sources.

(b) NOTICE TO CONGRESS.—The Secretary of Defense shall notify Congress if total contributions of money under subsection (a) exceed $2,000,000 in any fiscal year. Any such notice shall list the nations and the amounts of each such contribution.

(c) MARSHALL CENTER ATTENDANCE AND REPORTING REQUIREMENT.—(1) The Secretary of Defense may authorize participation by a European or Eurasian nation in Marshall Center programs if—

(A) the Secretary determines, after consultation with the Secretary of State, that such participation is in the national interest of the United States; and

(B) the Secretary determines that such participation (notwithstanding any other provision of law) by that nation in Marshall Center programs will materially contribute to the reform of the electoral process or development of democratic institutions or democratic political parties in that nation.

(2) The Secretary of Defense shall notify Congress of such determination not less than 90 days in advance of any such participation by such nation pursuant to the determination concerning that nation.

(3) The Secretary of Defense shall submit to Congress an annual report on the participation of European and Eurasian nations in programs of the Marshall Center.

(d) MARSHALL CENTER BOARD OF VISITORS.—(1) In the case of any United States citizen invited to serve without compensation on the Marshall Center Board of Visitors, the Secretary of Defense may waive any requirement for financial disclosure that would otherwise be applicable to that person by reason of service on such Board of Visitors.

(2) Notwithstanding section 219 of title 18, United States Code, a non-United States citizen may serve on the Board even though registered as a foreign agent.

SEC. 1038. PARTICIPATION OF MEMBERS, DEPENDENTS, AND OTHER PERSONS IN CRIME PREVENTION EFFORTS AT INSTALLATIONS.

(a) CRIME PREVENTION.—The Secretary of Defense shall prescribe regulations intended to require members of the Armed Forces, dependents of members, civilian employees of the Department of Defense, and employees of defense contractors performing work at military installations to report to an appropriate military law enforcement agency any crime or criminal activity that the person reasonably believes occurred on a military installation.

(b) SANCTIONS.—As part of the regulations, the Secretary shall consider the feasibility of imposing sanctions against a person described in subsection (a), particularly a member of the Armed Forces, who fails to report the occurrence of a crime or criminal activity as required by the regulations.

(c) REPORT REGARDING IMPLEMENTATION.—Not later than February 1, 1997, the Secretary shall submit to Congress a report describing the plans of the Secretary to implement this section.

SEC. 1039. TECHNICAL AND CLERICAL AMENDMENTS.

(a) CORRECTIONS IN STATUTORY REFERENCES.—

(1) REFERENCE TO COMMAND FORMERLY KNOWN AS THE NORTH AMERICAN AIR DEFENSE COMMAND.—Section 162(a) of title 10, United States Code, is amended by striking out ''North American Air Defense Command'' in paragraphs (1), (2), and (3) and inserting in lieu thereof ''North American Aerospace Defense Command''.

(2) REFERENCES TO FORMER NAVAL RECORDS AND HISTORY OFFICE AND FUND.—(A) Section 7222 of title 10, United States Code, is amended in subsections (a) and (c) by striking out ''Office of Naval Records and History'' each place it appears

and inserting in lieu thereof ''Naval Historical Center''.

(B)(i) The heading of such section is amended to read as follows:

"§ 7222. Naval Historical Center Fund".

(ii) The item relating to such section in the table of sections at the beginning of chapter 631 of title 10, United States Code, is amended to read as follows:

''7222. Naval Historical Center Fund.''.

(C) Section 2055(g) of the Internal Revenue Code of 1986 is amended by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) For treatment of gifts and bequests for the benefit of the Naval Historical Center as gifts or bequests to or for the use of the United States, see section 7222 of title 10, United States Code.".

(3) CHEMICAL DEMILITARIZATION CITIZENS ADVISORY COMMISSIONS.—Section 172 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2341; 50 U.S.C. 1521 note) is amended by striking out ''Assistant Secretary of the Army (Installations, Logistics, and Environment)'' in subsections (b) and (f) and inserting in lieu thereof ''Assistant Secretary of the Army (Research, Development and Acquisition)''.

(b) MISCELLANEOUS AMENDMENTS TO TITLE 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) Section 129(a) is amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''February 10, 1996,''.

(2) Section 401 is amended—

(A) in subsection (a)(4), by striking out ''Armed Forces'' both places it appears and inserting in lieu thereof ''armed forces''; and

(B) in subsection (e), by inserting ''any of the following'' after ''means''.

(3) Section 528(b) is amended by striking out ''(1)'' after ''(b)'' and inserting ''(1)'' before ''The limitation''.

(4) Section 1078a(a) is amended by striking out ''Beginning on October 1, 1994, the'' and inserting in lieu thereof ''The''.

(5) Section 1161(b)(2) is amended by striking out ''section 1178'' and inserting in lieu thereof ''section 1167''.

(6) Section 1167 is amended by striking out ''person'' and inserting in lieu thereof ''member''.

(7) The table of sections at the beginning of chapter 81 is amended by striking out ''Sec.'' in the item relating to section 1599a.

(8) Section 1588(d)(1)(C) is amended by striking out ''Section 522a'' and inserting in lieu thereof ''Section 552a''.

(9) Chapter 87 is amended—

(A) in section 1723(a), by striking out the second sentence;

(B) in section 1724, by striking out '', beginning on October 1, 1993,'' in subsections (a) and (b);

(C) in section 1733(a), by striking out ''On and after October 1, 1993, a'' and inserting in lieu thereof ''A''; and

(D) in section 1734—

(i) in subsection (a)(1), by striking out '', on and after October 1, 1993,''; and

(ii) in subsection (b)(1)(A), by striking out '', on and after October 1, 1991,''.

(10) Section 2216, as added by section 371 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 107 Stat. 277), is redesignated as section 2216a, and the item relating to that section in the table of sections at the begin-

ning of chapter 131 is revised so as to reflect such redesignation.

(11) Section 2305(b)(6) is amended—

(A) in subparagraph (B), by striking out ''of this section'' and ''of this paragraph'';

(B) in subparagraph (C), by striking out ''this subsection'' and inserting in lieu thereof ''subparagraph (A)''; and

(C) in subparagraph (D), by striking out ''pursuant to this subsection'' and inserting in lieu thereof ''under subparagraph (A)''.

(12) Section 2306a(h)(3) is amended by inserting ''(41 U.S.C. 403(12))'' before the period at the end.

(13) Section 2323a(a) is amended by striking out ''section 1207 of the National Defense Authorization Act for Fiscal Year 1987 (10 U.S.C. 2301 note)'' and inserting in lieu thereof ''section 2323 of this title''.

(14) Section 2534(c)(4) is amended by striking out ''the date occurring two years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''February 10, 1998''.

(15) The table of sections at the beginning of chapter 155 is amended by striking out the item relating to section 2609.

(16) Section 2610(e) is amended by striking out ''two years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''on February 10, 1998''.

(17) Sections 2824(c) and 2826(i)(1) are amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''February 10, 1996''.

(18) Section 3036(d) is amended by striking out ''For purposes of this subsection,'' and inserting in lieu thereof ''In this subsection,''.

(19) The table of sections at the beginning of chapter 641 is amended by striking out the item relating to section 7434.

(20) Section 10542(b)(21) is amended by striking out ''261'' and inserting in lieu thereof ''12001''.

(21) Section 12205(a) is amended by striking out ''After September 30, 1995, no person'' and inserting in lieu thereof ''No person''.

(c) AMENDMENTS TO PUBLIC LAW 104–106.—The National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 186 et seq.) is amended as follows:

(1) Section 561(d)(1) (110 Stat. 322) is amended by inserting ''of such title'' after ''Section 1405(c)''.

(2) Section 903(e)(1) (110 Stat. 402) is amended—

(A) in subparagraph (A), by striking out ''paragraphs (6) and (8)'' and inserting in lieu thereof ''paragraph (6)''; and

(B) in subparagraph (B), by inserting ''(8),'' after ''(7),'' and by striking out ''and (9),'' and inserting in lieu thereof ''(9), and (10),''.

(3) Section 1092(b)(2) (110 Stat. 460) is amended by striking out the period at the end and inserting in lieu thereof ''; and''.

(4) Section 4301(a)(1) (110 Stat. 656) is amended by inserting ''of subsection (a)'' after ''in paragraph (2)''.

(5) Section 5601 (110 Stat. 699) is amended—

(A) in subsection (a), by inserting ''of title 10, United States Code,'' before ''is amended''; and

(B) in subsection (c), by striking out ''use of equipment or services, if'' in the second quoted matter therein and inserting in lieu thereof ''use of the equipment or services''.

(d) PROVISIONS EXECUTED BEFORE ENACTMENT OF PUBLIC LAW 104–106.—

(1) Section 533(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 315) shall apply as if enacted as of December 31, 1995.

(2) The authority provided under section 942(f) of title 10, United States Code, shall be effective as if section 1142 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 467) had been enacted on September 29, 1995.

(e) AMENDMENTS TO OTHER ACTS.—

(1) The last section of the Office of Federal Procurement Policy Act (41 U.S.C. 434), as added by section 5202 of Public Law 104–106 (110 Stat. 690), is redesignated as section 38, and the item appearing after section 34 in the table of contents in

the first section of that Act is transferred to the end of such table of contents and revised so as to reflect such redesignation.

(2) Section 1412(g)(2) of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521(g)(2)), is amended—

(A) in the matter preceding subparagraph (A), by striking out ''shall contain—'' and inserting in lieu thereof ''shall include the following:'';

(B) in subparagraph (A)—

(i) by striking out ''a'' before ''site-by-site'' and inserting in lieu thereof ''A''; and

(ii) by striking out the semicolon at the end and inserting in lieu thereof a period; and

(C) in subparagraphs (B) and (C), by striking out ''an'' at the beginning of the subparagraph and and inserting in lieu thereof ''An''.

(f) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1040. PROHIBITION ON CARRYING OUT SR–71 STRATEGIC RECONNAISSANCE PROGRAM DURING FISCAL YEAR 1997.

The Secretary of Defense may not carry out any aerial reconnaissance program during fiscal year 1997 using the SR–71 aircraft.

SEC. 1041. DEFENSE BURDENSHARING.

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

(1) Although the Cold War has ended, the United States continues to spend billions of dollars to promote regional security and to make preparations for regional contingencies.

(2) United States defense expenditures primarily promote United States national security interests; however, they also significantly contribute to the defense of our allies.

(3) In 1993, the gross domestic product of the United States equaled $6,300,000,000,000, while the gross domestic product of other NATO member countries totaled $7,200,000,000,000.

(4) Over the course of 1993, the United States spent 4.7 percent of its gross domestic product on defense, while other NATO members collectively spent 2.5 percent of their gross domestic product on defense.

(5) In addition to military spending, foreign assistance plays a vital role in the establishment and maintenance of stability in other nations and in implementing the United States national security strategy.

(6) This assistance has often prevented the outbreak of conflicts which otherwise would have required costly military interventions by the United States and our allies.

(7) From 1990–1993, the United States spent $59,000,000,000 in foreign assistance, a sum which represents an amount greater than any other nation in the world.

(8) In 1995, the United States spent over $10,000,000,000 to promote European security, while European NATO nations only contributed $2,000,000,000 toward this effort.

(9) With a smaller gross domestic product and a larger defense budget than its European NATO allies, the United States shoulders an unfair share of the burden of the common defense.

(10) Because of this unfair burden, the Congress previously voted to require United States allies to bear a greater share of the costs incurred for

keeping United States military forces permanently assigned in their countries.

(11) As a result of this action, for example, Japan now pays over 75 percent of the nonpersonnel costs incurred by United States military forces permanently assigned there, while our European allies pay for less than 25 percent of these same costs. Japan signed a new Special Measures Agreement this year which will increase Japan's contribution toward the cost of stationing United States troops in Japan by approximately $30,000,000 a year over the next five years.

(12) These increased contributions help to rectify the imbalance in the burden shouldered by the United States for the common defense.

(13) The relative share of the burden of the common defense still falls too heavily on the United States, and our allies should dedicate more of their own resources to defending themselves.

(b) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational mili-

tary organizations or operations) take one or more of the following actions:

(1) For any nation in which United States military personnel are assigned to permanent duty ashore, increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving the following percentages of such costs:

(A) By September 30, 1997, 37.5 percent.

(B) By September 30, 1998, 50 percent.

(C) By September 30, 1999, 62.5 percent.

(D) By September 30, 2000, 75 percent.

An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, eco-

nomic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide, including United Nations or regional peace operations.

(c) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (b) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation taxes, fees, or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by

law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(d) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (b);

(2) all measures taken by the President, including those authorized in subsection (c), to achieve the actions described in subsection (b); and

(3) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(e) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1997, in classified and unclassified form.

SEC. 1042. AUTHORITY TO TRANSPORT HEALTH PROFESSIONALS SEEKING TO PROVIDE HEALTH-RELATED HUMANITARIAN RELIEF SERVICES.

Section 402 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e)(1) Notwithstanding any other provision of law, and subject to paragraph (2), the Secretary of Defense may transport to any country, without charge, health professionals who are traveling in order to furnish health-care related services as part of a humanitarian relief activity. Such transportation may be provided only on an invitational space-required noninterference basis.

''(2) Any expenses incurred as a direct result of providing such transportation shall be paid out of funds specifically appropriated to the Department of Defense for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs of the Department.''.

SEC. 1043. TREATMENT OF EXCESS DEFENSE ARTICLES OF COAST GUARD UNDER FOREIGN ASSISTANCE ACT OF 1961.

(a) DEFINITION OF EXCESS DEFENSE ARTICLE.—Section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)) is amended by adding at the end the following new sentence: ''Such term includes excess property of the Coast Guard.''.

(b) CONFORMING AMENDMENT.—Section 517 of such Act (22 U.S.C. 2321k) is amended by striking out subsection (k).

SEC. 1044. FORFEITURE OF RETIRED PAY OF MEMBERS WHO ARE ABSENT FROM THE UNITED STATES TO AVOID PROSECUTION.

(a) DEVELOPMENT OF FORFEITURE PROCEDURES.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall develop uniform procedures under which the Secretary of a military department may cause to be forfeited the retired pay of a member or former member of the uniformed services who willfully remains outside the United States to avoid criminal prosecution or civil liability. The types of offenses for which the procedures shall be used shall include the offenses specified in section 8312 of title 5, United States Code, and such other criminal offenses and civil proceedings as the Secretary of Defense considers to be appropriate.

(b) REPORT TO CONGRESS.—The Secretary of Defense shall submit to Congress a report describing the procedures developed under subsection (a). The report shall include recommendations regarding changes to existing law, including section 8313 of title 5, United States Code,

that the Secretary determines are necessary to fully implement the procedures.

(c) RETIRED PAY DEFINED.—In this section, the term ''retired pay'' means retired pay, retirement pay, retainer pay, or equivalent pay, payable under a statute to a member or former member of a uniformed service.

SEC. 1045. CHEMICAL STOCKPILE EMERGENCY PREPAREDNESS PROGRAM.

(a) REPORT.—Not later than 120 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 assessing the implementation and success of the establishment of site-specific Integrated Product and Process Teams as a management tool for the Chemical Stockpile Emergency Preparedness Program.

(b) CONTINGENT MANDATED REFORMS.—If at the end of the 120-day period beginning on the date of the enactment of this Act the Secretary of the Army and the Director of the Federal Emergency Management Agency have been unsuccessful in implementing a site-specific Integrated Product and Process Team with each of the affected States, the Secretary of the Army shall—

(1) assume full control and responsibility for the Chemical Stockpile Emergency Preparedness Program (eliminating the role of the Director of the Federal Emergency Management Agency as joint manager of the program);

(2) establish programmatic agreement with each of the affected States regarding program requirements, implementation schedules, training and exercise requirements, and funding (to include direct grants for program support);

(3) clearly define the goals of the program; and

(4) establish fiscal constraints for the program.

SEC. 1046. QUARTERLY REPORTS REGARDING COPRODUCTION AGREEMENTS.

(a) QUARTERLY REPORTS ON COPRODUCTION AGREEMENTS.—Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(1) by striking out ''and'' at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof ''; and''; and

(3) by inserting after paragraph (11) the following new paragraph:

"(12) a report on all concluded government-to-government agreements regarding foreign coproduction of defense articles of United States origin and all other concluded agreements involving coproduction or licensed production outside of the United States of defense articles of United States origin (including coproduction memoranda of understanding or agreement) that have not been previously reported under this subsection, which shall include—

"(A) the identity of the foreign countries, international organizations, or foreign firms involved;

"(B) a description and the estimated value of the articles authorized to be produced, and an estimate of the quantity of the articles authorized to be produced;

"(C) a description of any restrictions on third party transfers of the foreign-manufactured articles; and

"(D) if any such agreement does not provide for United States access to and verification of quantities of articles produced overseas and their disposition in the foreign country, a description of alternative measures and controls incorporated in the coproduction or licensing

program to ensure compliance with restrictions in the agreement on production quantities and third party transfers.''.

(b) EFFECTIVE DATE.—Paragraph (12) of section 36(a) of the Arms Export Control Act, as added by subsection (a)(3), does not apply with respect to an agreement described in such paragraph entered into before the date of the enactment of this Act.

SEC. 1047. FAILURE TO COMPLY WITH VETERANS' PREFERENCE REQUIREMENTS TO BE TREATED AS A PROHIBITED PERSONNEL PRACTICE.

(a) IN GENERAL.—An employee of the Department of Defense who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or fail to take any personnel action with respect to an employee or applicant for employment if the taking of or failure to take such action would violate any law, rule, or regulation implementing, or directly concerning, veterans' preference.

(b) EFFECT OF NONCOMPLIANCE.—A failure to comply with subsection (a) shall be treated as a prohibited personnel practice.

(c) REPORTING REQUIREMENT.—The Secretary of Defense shall, not later than 6 months after the date of

the enactment of this Act, submit a written report to each House of Congress with respect to—

(1) the implementation of this section; and

(2) the administration of veterans' preference requirements by the Department of Defense generally.

(d) DEFINITIONS.—For the purpose of this section, the terms ''personnel action'' and ''prohibited personnel practice'' shall have the respective meanings given them by section 2302 of title 5, United States Code.

SEC. 1048. SENSE OF CONGRESS AND PRESIDENTIAL REPORT REGARDING NUCLEAR WEAPONS PROLIFERATION AND POLICIES OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—The Congress finds that—

(1) intelligence investigations by the United States have revealed transfers from the People's Republic of China to Pakistan of sophisticated equipment important to the development of nuclear weapons;

(2) the People's Republic of China acceded to the Treaty on the Non-Proliferation of Nuclear Weapons (hereafter in this section referred to as the ''NPT'') as a nuclear-weapon state on March 9, 1992;

(3) Article I of the NPT stipulates that a nuclear-weapon state party to the treaty shall not in any way encourage, assist, or induce any non-nuclear-weapon state to manufacture or otherwise acquire nuclear weapons;

(4) the NPT establishes a non-nuclear-weapon state as one which has not manufactured and exploded a nuclear weapon by January 1, 1967;

(5) Pakistan had not manufactured and exploded a nuclear weapon by January 1, 1967;

(6) Article III of the NPT requires each party to the treaty not to provide to any non-nuclear-weapon state equipment or material designed or prepared for the processing, use, or production of special fissionable material, unless the material is subject to the safeguards stipulated in the treaty;

(7) Pakistan has not acceded to the NPT, and nuclear-related equipment and material provided to Pakistan is not subject to international safeguards;

(8) under the NPT, assisting a non-nuclear-weapon state to acquire unsafeguarded nuclear material important to the manufacture of nuclear weapons is a violation of Articles I and III of the NPT;

(9) this transfer constitutes the latest example in a consistent pattern of nuclear weapon-related ex-

ports by the People's Republic of China to non-nuclear-weapon states in violation of international treaties and agreements and United States laws relating to the nonproliferation of nuclear weapons;

(10) failure to enforce the applicable sanctions available under United States law in this case compromises vital security interests and undermines the credibility of United States and international efforts to discourage commerce in nuclear-related equipment, technology, and materials;

(11) recent claims by senior Chinese officials that the Government of the People's Republic of China was unaware of any transfers of ring magnets by a goverment-owned entity, if true, call into question the reliability and effectiveness of Chinese export controls; and

(12) recent exports of sophisticated nuclear-related technologies reduce the credibility of previous assurances by the People's Republic of China concerning its nonproliferation policies since the ratification of the NPT.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that in responding to the transfer from the People's Republic of China to Pakistan of equipment important to the development of a nuclear weapons program—

(1) the President should not have decided that there was not a sufficient basis to warrant a determination that sanctionable activity occurred under section 2(b)(4) of the Export-Import Bank Act of 1945, as amended by section 825 of the Nuclear Proliferation Prevention Act of 1994; and

(2) the President should have imposed the strongest possible sanctions available under United States law on all Chinese official and commercial entities associated directly or indirectly with the research, development, sale, transportation, or financing of any nuclear or military industrial product or service made available for export since March 9, 1992.

(c) REPORT.—Not later than 60 days after the date of the enactment of this Act, the President shall submit to the Congress a report on the response of the United States to the transfer from the People's Republic of China to Pakistan of equipment important to the development of a nuclear weapons program. The President shall include in the report the following:

(1) The specific justification of the Secretary of State for determining that there was not sufficient basis for imposing sanctions under section 2(b)(4) of the Export-Import Bank Act of 1945, as amended

by section 825 of the Nuclear Proliferation Prevention Act of 1994, by reason of such transfer from the People's Republic of China to Pakistan.

(2) What commitment the United States Government is seeking from the People's Republic of China to ensure that the People's Republic of China establishes a fully effective export control system that will prevent transfers (such as the Pakistan sale) from taking place in the future.

(3) Whether, in light of the recent assurances provided by the People's Republic of China, the President intends to make the certification and submit the report required by section 902(a)(6)(B) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 2151 note), and make the certification and submit the report required by Public Law 99–183, relating to the approval and implementation of the agreement for nuclear cooperation between the United States and the People's Republic of China, and, if not, why not.

(4) Whether the Secretary of State considers the recent assurances and clarifications provided by the People's Republic of China to have provided sufficient information to allow the United States to determine that the People's Republic of China is not

in violation of paragraph (2) of section 129 of the Atomic Energy Act of 1954, as required by Public Law 99–183.

(5) If the President is unable or unwilling to make the certifications and reports referred to in paragraph (3), a description of what the President considers to be the significance of the clarifications and assurances provided by the People's Republic of China in the course of the recent discussions regarding the transfer by the People's Republic of China of nuclear-weapon-related equipment to Pakistan.

SEC. 1049. TRANSFER OF U.S.S. DRUM TO CITY OF VALLEJO, CALIFORNIA.

(a) TRANSFER.—The Secretary of the Navy shall transfer the U.S.S. Drum (SSN–677) to the city of Vallejo, California, in accordance with this section and upon satisfactory completion of a ship donation application. Before making such transfer, the Secretary of the Navy shall remove from the vessel the reactor compartment and other classified and sensitive military equipment.

(b) FUNDING.—As provided in section 7306(c) of title 10, United States Code, the transfer of the vessel authorized by this section shall be made at no cost to the United States (beyond the cost which the United States

would otherwise incur for dismantling and recycling of the vessel).

(c) APPLICABLE LAW.—The transfer under this section shall be subject to subsection (b) of section 7306 of title 10, United States Code, but the provisions of subsection (d) of such section shall not be applicable to such transfer.

SEC. 1050. EVALUATION OF DIGITAL VIDEO NETWORK EQUIPMENT USED IN OLYMPIC GAMES.

(a) EVALUATION.—The Secretary of Defense shall evaluate the digital video network equipment used in the 1996 Olympic games to determine whether such equipment would be appropriate for use as a test bed for the military application of commercial off-the-shelf advanced technology linking multiple continents, multiple satellites, and multiple theaters of operations by compressed digital audio and visual broadcasting technology.

(b) REPORT.—Not later than December 31, 1996, the Secretary of Defense shall submit to Congress a report on the results of the evaluation conducted under subsection (a).

SEC. 1051. MISSION OF THE WHITE HOUSE COMMUNICATIONS AGENCY.

The Secretary of Defense shall ensure that the activities of the White House Communications Agency (or any

successor agency) in providing support services for the President from funds appropriated for the Department of Defense for any fiscal year (beginning with fiscal year 1997) are limited to the provision of telecommunications support to the President and Vice President and related elements (as defined in regulations of that agency and specified by the President with respect to particular individuals within those related elements).

SEC. 1052. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY TO TRANSFER NAVAL VESSELS.—The Secretary of the Navy is authorized to transfer to other nations and instrumentalities vessels as follows:

(1) EGYPT.—To the Government of Egypt, the Oliver Hazard Perry class frigate Gallery.

(2) MEXICO.—To the Government of Mexico, the Knox class frigates Stein (FF 1065) and Marvin Shields (FF 1066).

(3) NEW ZEALAND.—To the Government of New Zealand, the Stalwart class ocean surveillance ship Tenacious.

(4) PORTUGAL.—To the Government of Portugal, the Stalwart class ocean surveillance ship Audacious.

(5) TAIWAN.—To the Taipei Economic and Cultural Representative Office in the United States (the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act)—

(A) the Knox class frigates Aylwin (FF 1081), Pharris (FF 1094), and Valdez (FF 1096); and

(B) the Newport class tank landing ship Newport (LST 1179).

(6) THAILAND.—To the Government of Thailand, the Knox class frigate Ouellet (FF 1077).

(b) FORM OF TRANSFER.—(1) Except as provided in paragraphs (2) and (3), each transfer authorized by this section shall be made on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761), relating to the foreign military sales program.

(2) The transfer authorized by subsection (a)(4) shall be made on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), relating to transfers of excess defense articles.

(3) The transfer authorized by subsection (a)(5)(B) shall be made on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(c) COSTS OF TRANSFERS.—Any expense of the United States in connection with a transfer authorized by this section shall be charged to the recipient.

(d) EXPIRATION OF AUTHORITY.—The authority granted by subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

(e) REPAIR AND REFURBISHMENT OF VESSELS IN UNITED STATES SHIPYARDS.—The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

SEC. 1053. ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

The Secretary of Defense shall submit to Congress, not later than 60 days after the end of each fiscal year, a report on the amount of purchases by the Department of Defense from foreign entities in that fiscal year. Such report shall separately indicate the dollar value of items for which the Buy American Act (41 U.S.C. 10a et seq.) was waived pursuant to any of the following:

(1) Any reciprocal defense procurement memorandum of understanding described in section 849(c)(2) of Public Law 103–160 (41 U.S.C. 10b–2 note).

(2) The Trade Agreements Act of 1979 (19 U.S.C. 2501 et seq.)

(3) Any international agreement to which the United States is a party.

SEC. 1054. SENSE OF CONGRESS CONCERNING ASSISTING OTHER COUNTRIES TO IMPROVE SECURITY OF FISSILE MATERIAL.

(a) FINDINGS.—Congress finds the following:

(1) With the end of the Cold War, the world is faced with the need to manage the dismantling of vast numbers of nuclear weapons and the disposition of the fissile materials that they contain.

(2) If recently agreed reductions in nuclear weapons are fully implemented, tens of thousands of nuclear weapons, containing a hundred tons or more of plutonium and many hundreds of tons of highly enriched uranium, will no longer be needed for military purposes.

(3) Plutonium and highly enriched uranium are the essential ingredients of nuclear weapons.

(4) Limits on access to plutonium and highly enriched uranium are the primary technical barrier to acquiring nuclear weapons capability in the world today.

(5) Several kilograms of plutonium, or several times that amount of highly enriched uranium, are sufficient to make a nuclear weapons.

(6) Plutonium and highly enriched uranium will continue to pose a potential threat for as long as they exist.

(7) Action is required to secure and account for plutonium and highly enriched uranium.

(8) It is in the national interest of the United States to—

(A) minimize the risk that fissile materials could be obtained by unauthorized parties;

(B) minimize the risk that fissile materials could be reintroduced into the arsenals from which they came, halting or reversing the arms reduction process; and

(C) strengthen the national and international control mechanisms and incentives designed to ensure continued arms reductions and prevent the spread of nuclear weapons.

(b) SENSE OF CONGRESS.—In light of the findings contained in subsection (a), it is the sense of Congress that the United States has a national security interest in assisting other countries to improve the security of their stocks of fissile material.

SEC. 1055. SOUTHWEST BORDER STATES ANTI-DRUG INFORMATION SYSTEM.

It is the sense of Congress that the Federal Government should support and encourage the full utilization of the Southwest Border States Anti-Drug Information System.

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 programs with respect to states of the former Soviet Union:

(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 1997 FUNDING ALLOCATIONS.

Of the amount appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For planning and design of a chemical weapons destruction facility in Russia, $74,500,000.

(2) For elimination of strategic offensive weapons in Russia, Ukraine, Belarus, and Kazakhstan, $52,000,000.

(3) For nuclear infrastructure elimination in Ukraine, Belarus, and Kazakhstan, $47,000,000.

(4) For planning and design of a storage facility for Russian fissile material, $46,000,000.

(5) For fissile material containers in Russia, $38,500,000.

(6) For weapons storage security in Russia, $15,000,000.

(7) For activities designated as Defense and Military-to-Military Contacts in Russia, Ukraine, Belarus, and Kazakhstan, $10,000,000.

(8) For activities designated as Other Assessments/Administrative Support $19,900,000.

SEC. 1103. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs, or appropriated for such programs for any prior fiscal year and remaining available for obligation, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this or any other Act may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion, including assistance through the Defense Enterprise Fund.

SEC. 1104. LIMITATION ON USE OF FUNDS UNTIL SPECIFIED REPORTS ARE SUBMITTED.

None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended until 15 days after the date which is the latest of the following:

(1) The date on which the President submits to Congress the determinations required under subsection (c) of section 211 of Public Law 102–228 (22 U.S.C. 2551 note) with respect to any certification transmitted to Congress under subsection (b) of that section before the date of the enactment of this Act.

(2) The date on which the Secretary of Defense submits to Congress the first report under section 1206(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 471).

(3) The date on which the Secretary of Defense submits to Congress the report for fiscal year 1997 required under section 1205(c) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2883).

SEC. 1105. AVAILABILITY OF FUNDS.

Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

TITLE XII—RESERVE FORCES REVITALIZATION

SEC. 1201. SHORT TITLE.

This title may be cited as the ''Reserve Forces Revitalization Act of 1996''.

SEC. 1202. PURPOSE.

The purpose of this title is to revise the basic statutory authorities governing the organization and administration of the reserve components of the Armed Forces in order to recognize the realities of reserve component partnership in the Total Force and to better prepare the American citizen-soldier, sailor, airman, and Marine in time of peace for duties in war.

Subtitle A—Reserve Component Structure

SEC. 1211. RESERVE COMPONENT COMMANDS.

(a) ESTABLISHMENT.—(1) Part I of subtitle E of title 10, United States Code, is amended by inserting after chapter 1005 the following new chapter:

"CHAPTER 1006—RESERVE COMPONENT COMMANDS

"Sec.
"10171. Army Reserve Command.
"10172. Naval Reserve Force.
"10173. Marine Forces Reserve.
"10174. Air Force Reserve Command.

"§ 10171. Army Reserve Command

"(a) ESTABLISHMENT OF COMMAND.—The Secretary of the Army, with the advice and assistance of the Chief of Staff of the Army, shall establish a United States Army Reserve Command. The Army Reserve Command shall be operated as a separate command of the Army.

"(b) COMMANDER.—The Chief of Army Reserve is the commander of the Army Reserve Command. The commander of the Army Reserve Command reports directly to the Chief of Staff of the Army.

"(c) ASSIGNMENT OF FORCES.—The Secretary of the Army—

"(1) shall assign to the Army Reserve Command all forces of the Army Reserve stationed in the

continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

"(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Army specified in section 3013 of this title, shall assign all such forces assigned to the Army Reserve Command under paragraph (1) to the commanders of the combatant commands in the manner specified by the Secretary of Defense.

"§ 10172. Naval Reserve Force

"(a) ESTABLISHMENT OF COMMAND.—The Secretary of the Navy, with the advice and assistance of the Chief of Naval Operations, shall establish a Naval Reserve Force. The Naval Reserve Force shall be operated as a separate command of the Navy.

"(b) COMMANDER.—The Chief of Naval Reserve shall be the commander of the Naval Reserve Force. The commander of the Naval Reserve Force reports directly to the Chief of Naval Operations.

"(c) ASSIGNMENT OF FORCES.—The Secretary of the Navy—

"(1) shall assign to the Naval Reserve Force specified portions of the Naval Reserve other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

"(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Navy specified in section 5013 of this title, shall assign to the combatant commands all such forces assigned to the Naval Reserve Force under paragraph (1) in the manner specified by the Secretary of Defense.

"§ 10173. Marine Forces Reserve

"(a) ESTABLISHMENT.—The Secretary of the Navy, with the advice and assistance of the Commandant of the Marine Corps, shall establish in the Marine Corps a command known as the Marine Forces Reserve.

"(b) COMMANDER.—The Marine Forces Reserve is commanded by the Commander, Marine Forces Reserve. The Commander, Marine Forces Reserve, reports directly to the Commandant of the Marine Corps.

"(c) ASSIGNMENT OF FORCES.—The Commandant of the Marine Corps—

"(1) shall assign to the Marine Forces Reserve the forces of the Marine Corps Reserve stationed in

the continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

''(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Navy specified in section 5013 of this title, shall assign to the combatant commands (through the Marine Corps component commander for each such command) all such forces assigned to the Marine Forces Reserve under paragraph (1) in the manner specified by the Secretary of Defense.

"§ 10174. Air Force Reserve Command

''(a) ESTABLISHMENT OF COMMAND.—The Secretary of the Air Force, with the advice and assistance of the Chief of Staff of the Air Force, shall establish an Air Force Reserve Command. The Air Force Reserve Command shall be operated as a separate command of the Air Force.

''(b) COMMANDER.—The Chief of Air Force Reserve is the Commander of the Air Force Reserve Command. The commander of the Air Force Reserve Command reports directly to the Chief of Staff of the Air Force.

"(c) ASSIGNMENT OF FORCES.—The Secretary of the Air Force—

"(1) shall assign to the Air Force Reserve Command all forces of the Air Force Reserve stationed in the continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

"(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Air Force specified in section 8013 of this title, shall assign to the combatant commands all such forces assigned to the Air Force Reserve Command under paragraph (1) in the manner specified by the Secretary of Defense.".

(2) The tables of chapters at the beginning of part I of such subtitle and at the beginning of such subtitle are each amended by inserting after the item relating to chapter 1005 the following new item:

"1006. Reserve Component Commands .....10171".

(b) CONFORMING REPEAL.—Section 903 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 3074 note) is repealed.

(c) IMPLEMENTATION SCHEDULE.—Implementation of chapter 1006 of title 10, United States Code, as added by subsection (a), shall begin not later than 90 days after the date of the enactment of this Act and shall be completed not later than one year after such date.

SEC. 1212. RESERVE COMPONENT CHIEFS.

(a) CHIEF OF ARMY RESERVE.—Section 3038 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(d) BUDGET.—The Chief of Army Reserve is the official within the executive part of the Department of the Army who, subject to the authority, direction, and control of the Secretary of the Army and the Chief of Staff, is responsible for justification and execution of the personnel, operation and maintenance, and construction budgets for the Army Reserve. As such, the Chief of Army Reserve is the director and functional manager of appropriations made for the Army Reserve in those areas.

''(e) FULL-TIME SUPPORT PROGRAM.—The Chief of Army Reserve manages, with respect to the Army Reserve, the personnel program of the Department of Defense known as the Full Time Support Program.

''(f) ANNUAL REPORT.—(1) The Chief of Army Reserve shall submit to the Secretary of Defense, through the Secretary of the Army, an annual report on the state

of the Army Reserve and the ability of the Army Reserve to meet its missions. The report shall be prepared in conjunction with the Chief of Staff of the Army and may be submitted in classified and unclassified versions.

''(2) The Secretary of Defense shall transmit the annual report of the Chief of Army Reserve under paragraph (1) to Congress, together with such comments on the report as the Secretary considers appropriate. The report shall be transmitted at the same time each year that the annual report of the Secretary under section 113 of this title is submitted to Congress.''.

(b) CHIEF OF NAVAL RESERVE.—(1) Chapter 513 of such title is amended by inserting after section 5142a the following new section:

''§ 5143. Office of Naval Reserve: appointment of Chief

''(a) ESTABLISHMENT OF OFFICE: CHIEF OF NAVAL RESERVE.—There is in the executive part of the Department of the Navy, on the staff of the Chief of Naval Operations, an Office of the Naval Reserve, which is headed by a Chief of Naval Reserve. The Chief of Naval Reserve—

''(1) is the principal adviser on Naval Reserve matters to the Chief of Naval Operations; and

"(2) is the commander of the Naval Reserve Force.

"(b) APPOINTMENT.—The President, by and with the advice and consent of the Senate, shall appoint the Chief of Naval Reserve from officers who—

"(1) have had at least 10 years of commissioned service;

"(2) are in a grade above captain; and

"(3) have been recommended by the Secretary of the Navy.

"(c) GRADE.—(1) The Chief of Naval Reserve holds office for a term determined by the Chief of Naval Operations, normally four years, but may be removed for cause at any time. He is eligible to succeed himself.

"(2) The Chief of Naval Reserve, while so serving, has a grade above rear admiral (lower half), without vacating the officer's permanent grade.

"(d) BUDGET.—The Chief of Naval Reserve is the official within the executive part of the Department of the Navy who, subject to the authority, direction, and control of the Secretary of the Navy and the Chief of Naval Operations, is responsible for preparation, justification, and execution of the personnel, operation and maintenance, and construction budgets for the Naval Reserve. As such, the Chief of Naval Reserve is the director and functional

manager of appropriations made for the Naval Reserve in those areas.

"(e) ANNUAL REPORT.—(1) The Chief of Naval Reserve shall submit to the Secretary of Defense, through the Secretary of the Navy, an annual report on the state of the Naval Reserve and the ability of the Naval Reserve to meet its missions. The report shall be prepared in conjunction with the Chief of Naval Operations and may be submitted in classified and unclassified versions.

"(2) The Secretary of Defense shall transmit the annual report of the Chief of Naval Reserve under paragraph (1) to Congress, together with such comments on the report as the Secretary considers appropriate. The report shall be transmitted at the same time each year that the annual report of the Secretary under section 113 of this title is submitted to Congress.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5142a the following new item:

"5143. Office of Naval Reserve: appointment of Chief.".

(c) CHIEF OF MARINE FORCES RESERVE.—(1) Chapter 513 of such title is amended by inserting after section 5143 (as added by subsection (b)) the following new section:

"§ 5144. Office of Marine Forces Reserve: appointment of Commander

''(a) ESTABLISHMENT OF OFFICE; COMMANDER, MARINE FORCES RESERVE.—There is in the executive part of the Department of the Navy an Office of the Marine Forces Reserve, which is headed by the Commander, Marine Forces Reserve. The Commander, Marine Forces Reserve is the principal adviser to the Commandant on Marine Forces Reserve matters.

''(b) APPOINTMENT.—The President, by and with the advice and consent of the Senate, shall appoint the Commander, Marine Forces Reserve, from officers of the Marine Corps who—

''(1) have had at least 10 years of commissioned service;

''(2) are in a grade above colonel; and

''(3) have been recommended by the Secretary of the Navy.

''(c) TERM OF OFFICE; GRADE.—(1) The Commander, Marine Forces Reserve, holds office for a term determined by the Commandant of the Marine Corps, normally four years, but may be removed for cause at any time. He is eligible to succeed himself.

''(2) The Commander, Marine Forces Reserve, while so serving, has a grade above brigadier general, without vacating the officer's permanent grade.

"(d) ANNUAL REPORT.—(1) The Commander, Marine Forces Reserve, shall submit to the Secretary of Defense, through the Secretary of the Navy, an annual report on the state of the Marine Corps Reserve and the ability of the Marine Corps Reserve to meet its missions. The report shall be prepared in conjunction with the Commandant of the Marine Corps and may be submitted in classified and unclassified versions.

"(2) The Secretary of Defense shall transmit the annual report of the Commander, Marine Forces Reserve, under paragraph (1) to Congress, together with such comments on the report as the Secretary considers appropriate. The report shall be transmitted at the same time each year that the annual report of the Secretary under section 113 of this title is submitted to Congress.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5143 (as added by subsection (b)) the following new item:

"5144. Office of Marine Forces Reserve: appointment of Commander.".

(d) CHIEF OF AIR FORCE RESERVE.—Section 8038 of such title is amended by adding at the end the following new subsections:

"(d) BUDGET.—The Chief of Air Force Reserve is the official within the executive part of the Department of the Air Force who, subject to the authority, direction,

and control of the Secretary of the Air Force and the Chief of Staff, is responsible for preparation, justification, and execution of the personnel, operation and maintenance, and construction budgets for the Air Force Reserve. As such, the Chief of Air Force Reserve is the director and functional manager of appropriations made for the Air Force Reserve in those areas.

''(e) FULL TIME SUPPORT PROGRAM.—(1) The Chief of Air Force Reserve manages, with respect to the Air Force Reserve, the personnel program of the Department of Defense known as the Full Time Support Program.

''(f) ANNUAL REPORT.—(1) The Chief of Air Force Reserve shall submit to the Secretary of Defense, through the Secretary of the Air Force, an annual report on the state of the Air Force Reserve and the ability of the Air Force Reserve to meet its missions. The report shall be prepared in conjunction with the Chief of Staff of the Air Force and may be submitted in classified and unclassified versions.

''(2) The Secretary of Defense shall transmit the annual report of the Chief of Air Force Reserve under paragraph (1) to Congress, together with such comments on the report as the Secretary considers appropriate. The report shall be transmitted at the same time each year that

the annual report of the Secretary under section 113 of this title is submitted to Congress.''.

(e) CONFORMING AMENDMENT.—Section 641(1)(B) of such title is amended by inserting ''5143, 5144,'' after ''3038,''.

SEC. 1213. REVIEW OF ACTIVE DUTY AND RESERVE GENERAL AND FLAG OFFICER AUTHORIZATIONS.

(a) REPORT TO CONGRESS.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing any recommendations of the Secretary (together with the rationale of the Secretary for the recommendations) concerning the following:

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

(2) Statutory designation of the positions and grades of any additional general and flag officers in the commands and offices created by sections 1211 and 1212.

(b) MATTERS TO BE INCLUDED.—The Secretary shall include in the report under subsection (a) the Secretary's views on whether current limitations referred to in subsection (a)—

(1) permit the Secretaries of the military departments, in view of increased requirements for assignment of general and flag officers in positions external to their organic services, to meet adequately both internal and external requirements for general and flag officers;

(2) adequately recognize the significantly increased role of the reserve components in both service-specific and joint operations; and

(3) permit the Secretaries of the military departments and reserve components to assign general and flag officers to active and reserve component positions with grades commensurate with the scope of duties and responsibilities of the position.

(c) EXEMPTIONS FROM ACTIVE-DUTY CEILINGS.—(1) The Secretary shall include in the report under subsection (a) the Secretary's recommendations regarding the merits of exempting from any active-duty ceiling (established by law or administrative action) the following officers:

(A) Reserve general and flag officers assigned to positions specified in the organizations created by this title.

(B) Reserve general and flag officers serving on active duty, but who are excluded from the active-duty list.

(2) If the Secretary determines under paragraph (1) that any Reserve general or flag officers should be exempt from active duty limits, the Secretary shall include in the report under subsection (a) the Secretary's recommendations for—

(A) the effective management of those Reserve general and flag officers; and

(B) revision of active duty ceilings so as to prevent an increase in the numbers of active general and flag officers authorizations due solely to the removal of Reserve general and flag officers from under the active duty authorizations.

(3) If the Secretary determines under paragraph (1) that active and reserve general officers on active duty should continue to be managed under a common ceiling, the Secretary shall make recommendations for the appropriate apportionment of numbers for general and flag officers among active and reserve officers.

(d) RESERVE FORCES POLICY BOARD PARTICIPATION.—The Secretary of Defense shall ensure that the Reserve Forces Policy Board participates in the internal Department of Defense process for development of the rec-

ommendations of the Secretary contained in the report under subsection (a). If the Board submits to the Secretary any comments or recommendations for inclusion in the report, the Secretary shall transmit them to Congress, with the report, in the same form as that in which they were submitted to the Secretary.

(e) GAO REVIEW.—The Comptroller General of the United States shall assess the criteria used by the Secretary of Defense to develop recommendations for purposes of the report under this section and shall submit to Congress, not later than 30 days after the date on which the report of the Secretary under this section is submitted, a report setting forth the Comptroller General's conclusions concerning the adequacy and completeness of the recommendations made by the Secretary in the report.

SEC. 1214. GUARD AND RESERVE TECHNICIANS.

(a) IN GENERAL.—Section 10216 of title 10, United States Code, as amended by section 413, is amended—

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

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

''(a) IN GENERAL.—Military technicians are Federal civilian employees hired under title 5 and title 32 who are required to maintain dual-status as drilling reserve compo-

nent members as a condition of their Federal civilian employment. Such employees shall be authorized and accounted for as a separate category of dual-status civilian employees, exempt as specified in subsection (b)(3) from any general or regulatory requirement for adjustments in Department of Defense civilian personnel.''; and

(3) in paragraph (3) of subsection (b), as redesignated by paragraph (1), by striking out ''in high-priority units and organizations specified in paragraph (1)''.

Subtitle B—Reserve Component Accessibility

SEC. 1231. REPORT TO CONGRESS ON MEASURES TO IMPROVE NATIONAL GUARD AND RESERVE ABILITY TO RESPOND TO EMERGENCIES.

(a) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding reserve component responsiveness to both domestic emergencies and national contingency operations. The report shall set forth the measures taken, underway, and projected to be taken to improve the timeliness, adequacy, and effectiveness of reserve component responses to such emergencies and operations.

(b) MATTERS RELATED TO RESPONSIVENESS TO DOMESTIC EMERGENCIES.—The report shall address the following:

(1) The need to expand the time period set by section 12301(b) of title 10, United States Code, which permits the involuntary recall at any time to active duty of units and individuals for up to 15 days per year.

(2) The recommendations of the 1995 report of the RAND Corporation entitled ''Assessing the State and Federal Missions of the National Guard'', as follows:

(A) That Federal law be clarified and amended to authorize Presidential use of the Federal reserves of all military services for domestic emergencies and disasters without any time constraint.

(B) That the Secretary of Defense develop and support establishment of an appropriate national level compact for interstate sharing of resources, including the domestic capabilities of the national guards of the States, during emergencies and disasters.

(C) That Federal level contingency stocks be created to support the National Guard in domestic disasters.

(D) That Federal funding and regulatory support be provided for Federal-State disaster emergency response planning exercises.

(c) MATTERS RELATED TO PRESIDENTIAL RESERVE CALL-UP AUTHORITY.—The report under this section shall specifically address matters related to the authority of the President to activate for service on active duty units and members of reserve components under sections 12301, 12302, and 12304 of title 10, United States Code, including—

(1) whether such authority is adequate to meet the full range of reserve component missions for the 21st century, particularly with regard to the time periods for which such units and members may be on active duty under those authorities and the ability to activate both units and individual members; and

(2) whether the three-tiered set of statutory authorities (under such sections 12301, 12302, and 12304) should be consolidated, modified, or in part eliminated in order to facilitate current and future use of Reserve units and individual reserve compo-

nent members for a broader range of missions, and, if so, in what manner.

(d) MATTERS RELATED TO RELEASE FROM ACTIVE DUTY.—The report under this section shall include findings and recommendations (based upon a review of current policies and procedures) concerning procedures for release from active duty of units and members of reserve components who have been involuntarily called or ordered to active duty under section 12301, 12302, or 12304 of title 10, United States Code, with specific recommendations concerning the desirability of statutory provisions to—

(1) establish specific guidelines for when it is appropriate (or inappropriate) to retain on active duty such reserve component units when active component units are available to perform the mission being performed by the reserve component unit;

(2) minimize the effects of frequent mobilization of the civilian employers, as well as the effects of frequent mobilization on recruiting and retention in the reserve components; and

(3) address other matters relating to the needs of such members of reserve components, their employers, and (in the case of such members who own

businesses) their employees, while such members are on active duty.

(e) RESERVE FORCES POLICY BOARD PARTICIPATION.—The Secretary of Defense shall ensure that the Reserve Forces Policy Board participates in the internal Department of Defense process for development of the recommendations of the Secretary contained in the report under subsection (a). If the Board submits to the Secretary any comments or recommendations for inclusion in the report, the Secretary shall transmit them to Congress, with the report, in the same form as that in which they were submitted to the Secretary.

(f) GAO REVIEW.—The Comptroller General of the United States shall assess the criteria used by the Secretary of Defense to develop recommendations for purposes of the report under this section and shall submit to Congress, not later than 30 days after the date on which the report of the Secretary under this section is submitted, a report setting forth the Comptroller General's conclusions concerning the adequacy and completeness of the recommendations made by the Secretary in the report.

SEC. 1232. REPORT TO CONGRESS CONCERNING TAX INCENTIVES FOR EMPLOYERS OF MEMBERS OF RESERVE COMPONENTS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth a draft of legislation to provide tax incentives to employers of members of reserve components in order to compensate employers for absences of those employees due to required training and for absences due to performance of active duty.

SEC. 1233. REPORT TO CONGRESS CONCERNING INCOME INSURANCE PROGRAM FOR ACTIVATED RESERVISTS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth legislative recommendations for changes to chapter 1214 of title 10, United States Code. Such recommendations shall in particular provide, in the case of a mobilized member who owns a business, income replacement for that business and for employees of that member or business who have a loss of income during the period of such activation attributable to the activation of the member.

SEC. 1234. REPORT TO CONGRESS CONCERNING SMALL BUSINESS LOANS FOR MEMBERS RELEASED FROM RESERVE SERVICE DURING CONTINGENCY OPERATIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth a draft of legislation to establish a small business loan program to provide members of reserve components who are ordered to active duty or active Federal service (other than for training) during a contingency operation (as defined in section 101 of title 10, United States Code) low-cost loans to assist those members in retaining or rebuilding businesses that were affected by their service on active duty or in active Federal service.

Subtitle C—Reserve Forces Sustainment

SEC. 1251. REPORT CONCERNING TAX DEDUCTIBILITY OF NONREIMBURSABLE EXPENSES.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth a draft of legislation to restore the tax deductibility of nonreimbursable expenses incurred by members of reserve components in connection with military service.

SEC. 1252. CODIFICATION OF ANNUAL AUTHORITY TO PAY TRANSIENT HOUSING CHARGES OR PROVIDE LODGING IN KIND FOR MEMBERS PERFORMING ACTIVE DUTY FOR TRAINING OR INACTIVE-DUTY TRAINING.

(a) CODIFICATION.—Section 404(j) of title 37, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out ''annual training duty'' and inserting in lieu thereof ''active duty for training''; and

(B) by striking out ''the Secretary concerned may'' and all that follows through the period and inserting in lieu thereof the following ''the Secretary concerned—

''(A) may reimburse the member for housing service charge expenses incurred by the member in occupying transient government housing during the performance of such duty; or

''(B) if transient government quarters are unavailable, may provide the member with contract quarters as lodging in kind as if the member were entitled to such an allowance under subsection (a).''; and

(2) in paragraph (3), by inserting ''and expenses for contract quarters'' after ''service charge expenses''.

(b) CONFORMING REPEAL.—Section 8057 of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 663), is repealed.

SEC. 1253. SENSE OF CONGRESS CONCERNING QUARTERS ALLOWANCE DURING SERVICE ON ACTIVE DUTY FOR TRAINING.

It is the sense of Congress that the United States should continue to pay members of reserve components appropriate quarters allowances during periods of service on active duty for training.

SEC. 1254. SENSE OF CONGRESS CONCERNING MILITARY LEAVE POLICY.

It is the sense of Congress that military leave policies in effect as of the date of the enactment of this Act with respect to members of the reserve components should not be changed.

SEC. 1255. COMMENDATION OF RESERVE FORCES POLICY BOARD.

(a) COMMENDATION.—The Congress commends the Reserve Forces Policy Board, created by the Armed Forces Reserve Act of 1952 (Public Law 82–476), for its fine work in the past as an independent source of advice

to the Secretary of Defense on all matters pertaining to the reserve components.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Reserve Forces Policy Board and the reserve forces policy committees for the individual branches of the Armed Forces should continue to perform the vital role of providing the civilian leadership of the Department of Defense with independent advice on matters pertaining to the reserve components.

SEC. 1256. REPORT ON PARITY OF BENEFITS FOR ACTIVE DUTY SERVICE AND RESERVE SERVICE.

No later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report providing recommendations for changes in law that the Secretary considers necessary, feasible, and affordable to reduce the disparities in pay and benefits that occur between active component members of the Armed Forces and reserve component members as a result of eligibility based on length of time on active duty.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

Subtitle A—Miscellaneous Matters

SEC. 1301. ONE-YEAR EXTENSION OF COUNTER-PROLIFERATION AUTHORITIES.

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 (d)(3), by striking out ''or'' after ''fiscal year 1995,'' and by inserting '', or $15,000,000 for fiscal year 1997'' before the period at the end; and

(2) in subsection (f), by striking out ''1996'' and inserting in lieu thereof ''1997''.

SEC. 1302. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) LIMITATION ON USE OF FUNDS.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1997 for retiring or dismantling, or for preparing to retire or dismantle, any of the strategic nuclear delivery systems specified in subsection (b).

(b) SPECIFIED SYSTEMS.—Subsection (a) applies with respect to the following systems:

(1) B–52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

SEC. 1303. CERTIFICATION REQUIRED BEFORE OBSERVANCE OF MORATORIUM ON USE BY ARMED FORCES OF ANTIPERSONNEL LANDMINES.

Any moratorium imposed by law (whether enacted before, on, or after the date of the enactment of this Act) on the use of antipersonnel landmines by the Armed Forces may be implemented only if (and after) the Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff, certifies to Congress that—

(1) the moratorium will not adversely affect the ability of United States forces to defend against attack on land by hostile forces; and

(2) the Armed Forces have systems that are effective substitutes for antipersonnel landmines.

SEC. 1304. DEPARTMENT OF DEFENSE DEMINING PROGRAM.

Section 401(c) of title 10, United States Code, is amended—

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

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

''(2) In the case of assistance described in subsection (e)(5), expenses that may be paid out of funds appropriated pursuant to paragraph (1) include—

''(A) expenses for travel, transportation, and subsistence of members of the armed forces participating in activities described in that subsection; and

''(B) the cost of equipment, supplies, and services acquired for the purpose of carrying out or directly supporting activities described in that subsection.''.

SEC. 1305. REPORT ON MILITARY CAPABILITIES OF PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the future pattern of military modernization of the People's Republic of China. The report shall address both the probable course of military-technological development in the People's Liberation Army and the development of Chinese military strategy and operational concepts.

(b) MATTERS TO BE INCLUDED.—The report shall include analyses and forecasts of the following:

(1) Trends that would lead the People's Republic of China toward the development of advanced intelligence, surveillance, and reconnaissance capabilities, including gaining access to commercial or third-party systems with military significance.

(2) Efforts by the People's Republic of China to develop highly accurate and stealthy ballistic and cruise missiles, particularly in numbers sufficient to conduct attacks capable of overwhelming projected defense capabilities in the region.

(3) Development by the People's Republic of China of command and control networks, particularly those capable of battle management of long-range precision strikes.

(4) Programs of the People's Republic of China involving unmanned aerial vehicles, particularly those with extended ranges or loitering times.

(5) Exploitation by the People's Republic of China of the Global Positioning System or other similar systems for military purposes, including commercial land surveillance satellites, particularly those signs indicative of an attempt to increase accuracy of weapons or situational awareness of operating forces.

(6) Development by the People's Republic of China of capabilities for denial of sea control, such as advanced sea mines or improved submarine capabilities.

(7) Continued development by the People's Republic of China of follow-on forces, particularly those capable of rapid air or amphibious assault.

(c) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than February 1, 1997.

SEC. 1306. UNITED STATES-PEOPLE'S REPUBLIC OF CHINA JOINT DEFENSE CONVERSION COMMISSION.

None of the funds appropriated or otherwise available for the Department of Defense for fiscal year 1997 or any prior fiscal year may be obligated or expended for any activity associated with the United States-People's Republic of China Joint Defense Conversion Commission until 15 days after the date on which the first semiannual report required by section 1343 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 487) is received by Congress.

SEC. 1307. AUTHORITY TO ACCEPT SERVICES FROM FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS FOR DEFENSE PURPOSES.

Section 2608(a) of title 10, United States Code, is amended by inserting before the period at the end the fol-

lowing: ''and may accept from any foreign government or international organization any contribution of services made by such foreign government or international organization for use by the Department of Defense''.

SEC. 1308. REVIEW BY DIRECTOR OF CENTRAL INTELLIGENCE OF NATIONAL INTELLIGENCE ESTIMATE 95–19

(a) REVIEW.—The Director of Central Intelligence shall conduct a review of the underlying assumptions and conclusions of the National Intelligence Estimate designated as NIE 95–19 and entitled ''Emerging Missile Threats to North America During the Next 15 Years'', released by the Director in November 1995.

(b) METHODOLOGY FOR REVIEW.—The Director shall carry out the review under subsection (a) through a panel of independent, nongovernmental individuals with appropriate expertise and experience. Such a panel shall be convened by the Director not later than 45 days after the date of the enactment of this Act.

(c) REPORT.—The Director shall submit the findings resulting from the review under subsection (a), together with any comments of the Director on the review and the findings, to Congress not later than three months after the appointment of the Commission under section 1321.

Subtitle B—Commission to Assess the Ballistic Missile Threat to the United States

SEC. 1321. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the ''Commission to Assess the Ballistic Missile Threat to the United States'' (hereinafter in this subtitle referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of nine members appointed by the Director of Central Intelligence. In selecting individuals for appointment to the Commission, the Director should consult with—

(1) the Speaker of the House of Representatives concerning the appointment of three of the members of the Commission;

(2) the majority leader of the Senate concerning the appointment of three of the members of the Commission; and

(3) minority leader of the House of Representatives and the minority leader of the Senate concerning the appointment of three of the members of the Commission.

(c) QUALIFICATIONS.—Members of the Commission shall be appointed from among private United States citi-

zens with knowledge and expertise in the political and military aspects of proliferation of ballistic missiles and the ballistic missile threat to the United States.

(d) CHAIRMAN.—The Speaker of the House of Representatives, after consultation with the majority leader of the Senate and the minority leaders of the House of Representatives and the Senate, shall designate one of the members of the Commission to serve as chairman of the Commission.

(e) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(f) SECURITY CLEARANCES.—All members of the Commission shall hold appropriate security clearances.

(g) INITIAL ORGANIZATION REQUIREMENTS.—(1) All appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 30 days after the date as of which all members of the Commission have been appointed, but not earlier than October 15, 1996.

SEC. 1322. DUTIES OF COMMISSION.

(a) REVIEW OF BALLISTIC MISSILE THREAT.—The Commission shall assess the nature and magnitude of the

existing and emerging ballistic missile threat to the United States.

(b) COOPERATION FROM GOVERNMENT OFFICIALS.—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense, the Director of Central Intelligence, and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

SEC. 1323. REPORT.

The Commission shall, not later than six months after the date of its first meeting, submit to the Congress a report on its findings and conclusions.

SEC. 1324. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this subtitle, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION.—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or

agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this subtitle.

SEC. 1325. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of the Chairman.

(b) QUORUM.—(1) Five members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) COMMISSION.—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this subtitle.

SEC. 1326. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such

title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS–15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 1327. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—The Director of Central Intelligence shall furnish the Commission, on a reimbursable basis,

any administrative and support services requested by the Commission.

SEC. 1328. FUNDING.

Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense for operation and maintenance for Defense-wide activities for fiscal year 1997. Upon receipt of a written certification from the Chairman of the Commission specifying the funds required for the activities of the Commission, the Secretary of Defense shall promptly disburse to the Commission, from such amounts, the funds required by the Commission as stated in such certification.

SEC. 1329. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the date of the submission of its report.

TITLE XIV—SIKES ACT IMPROVEMENT

SEC. 1401. SHORT TITLE.

This title may be cited as the ''Sikes Act Improvement Amendments of 1996''.

SEC. 1402. DEFINITION OF SIKES ACT FOR PURPOSES OF AMENDMENTS.

In this title, the term ''Sikes Act'' means the Act entitled ''An Act to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game

conservation and rehabilitation in military reservations'', approved September 15, 1960 (16 U.S.C. 670a et seq.), commonly referred to as the ''Sikes Act''.

SEC. 1403. CODIFICATION OF SHORT TITLE OF ACT.

The Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting before title I the following new section:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Sikes Act'.''.

SEC. 1404. INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) PLANS REQUIRED.—Section 101(a) of the Sikes Act (16 U.S.C. 670a(a)) is amended—

(1) by striking out ''is authorized to'' and inserting in lieu thereof ''shall'';

(2) by striking out ''in each military reservation in accordance with a cooperative plan'' and inserting in lieu thereof the following: ''on military installations. Under the program, the Secretary shall prepare and implement for each military installation in the United States an integrated natural resource management plan'';

(3) by inserting after ''reservation is located'' the following: '', except that the Secretary is not required to prepare such a plan for a military installation if the Secretary determines that preparation of

such a plan for the installation is not appropriate''; and

(4) by inserting ''(1)'' after ''(a)'' and adding at the end the following new paragraph:

''(2) Consistent with essential military requirements to enhance the national security of the United States, the Secretary of Defense shall manage each military installation to provide—

''(A) for the conservation of fish and wildlife on the military installation and sustained multipurpose uses of those resources, including hunting, fishing, and trapping; and

''(B) public access that is necessary or appropriate for those uses.''.

(b) CONFORMING AMENDMENTS.—Title I of the Sikes Act is amended—

(1) in section 101(b) (16 U.S.C. 670a(b)), in the matter preceding paragraph (1) by striking out ''cooperative plan'' and inserting in lieu thereof ''integrated natural resource management plan'';

(2) in section 101(b)(4) (16 U.S.C. 670a(b)(4)), by striking out ''cooperative plan'' each place it appears and inserting in lieu thereof ''integrated natural resource management plan'';

(3) in section 101(c) (16 U.S.C. 670a(c)), in the matter preceding paragraph (1) by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(4) in section 101(d) (16 U.S.C. 670a(d)), in the matter preceding paragraph (1) by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans'';

(5) in section 101(e) (16 U.S.C. 670a(e)), by striking out ''Cooperative plans'' and inserting in lieu thereof ''Integrated natural resource management plans'';

(6) in section 102 (16 U.S.C. 670b), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(7) in section 103 (16 U.S.C. 670c), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(8) in section 106(a) (16 U.S.C. 670f(a)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''; and

(9) in section 106(c) (16 U.S.C. 670f(c)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''.

(c) CONTENTS OF PLANS.—Section 101(b) of the Sikes Act (16 U.S.C. 670a(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking out ''and'' after the semicolon;

(B) in subparagraph (D), by striking out the semicolon at the end and inserting in lieu thereof a comma; and

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

''(E) wetland protection and restoration, and wetland creation where necessary, for support of fish or wildlife,

''(F) consideration of conservation needs for all biological communities, and

''(G) the establishment of specific natural resource management goals, objectives, and time-frames for proposed actions;'';

(2) by striking out paragraph (3);

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

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

''(2) shall for the military installation for which it is prepared—

''(A) address the needs for fish and wildlife management, land management, forest management, and wildlife-oriented recreation,

''(B) ensure the integration of, and consistency among, the various activities conducted under the plan,

''(C) ensure that there is no net loss in the capability of installation lands to support the military mission of the installation,

''(D) provide for sustained use by the public of natural resources, to the extent that such use is not inconsistent with the military mission of the installation or the needs of fish and wildlife management,

''(E) provide the public access to the installation that is necessary or appropriate for that use, to the extent that access is not inconsistent with the military mission of the installation, and

''(F) provide for professional enforcement of natural resource laws and regulations;''; and

(5) in paragraph (4)(A), by striking out ''collect the fees therefor,'' and inserting in lieu thereof ''collect, spend, administer, and account for fees therefor,''.

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

''(f) PUBLIC COMMENT.—The Secretary of Defense shall provide an opportunity for public comment on each integrated natural resource management plan prepared under subsection (a).''.

SEC. 1405. REVIEW FOR PREPARATION OF INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) REVIEW OF MILITARY INSTALLATIONS.—

(1) REVIEW.—The Secretary of each military department shall, by not later than nine months after the date of the enactment of this Act—

(A) review each military installation in the United States that is under the jurisdiction of that Secretary to determine the military installations for which the preparation of an integrated natural resource management plan under section 101 of the Sikes Act, as amended by this title, is appropriate; and

(B) submit to the Secretary of Defense a report on those determinations.

(2) REPORT TO CONGRESS.—The Secretary of Defense shall, by not later than 12 months after the date of the enactment of this Act, submit to the Congress a report on the reviews conducted under paragraph (1). The report shall include—

(A) a list of those military installations reviewed under paragraph (1) for which the Secretary of Defense determines the preparation of an integrated natural resource management plan is not appropriate; and

(B) for each of the military installations listed under subparagraph (A), an explanation of the reasons such a plan is not appropriate.

(b) DEADLINE FOR INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.—Not later than two years after the date of the submission of the report required under subsection (a)(2), the Secretary of Defense shall, for each military installation for which the Secretary has not determined under subsection (a)(2)(A) that preparation of an integrated natural resource management plan is not appropriate—

(1) prepare and begin implementing such a plan mutually agreed to by the Secretary of the Interior

and the head of the appropriate State agencies under section 101(a) of the Sikes Act, as amended by this title; or

(2) in the case of a military installation for which there is in effect a cooperative plan under section 101(a) of the Sikes Act on the day before the date of the enactment of this Act, complete negotiations with the Secretary of the Interior and the heads of the appropriate State agencies regarding changes to that plan that are necessary for the plan to constitute an integrated natural resource plan that complies with that section, as amended by this title.

(c) PUBLIC COMMENT.—The Secretary of Defense shall provide an opportunity for the submission of public comments on—

(1) integrated natural resource management plans proposed pursuant to subsection (b)(1); and

(2) changes to cooperative plans proposed pursuant to subsection (b)(2).

SEC. 1406. ANNUAL REVIEWS AND REPORTS.

Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding after subsection (f) (as added by section 1404(d)) the following new subsection:

''(g) REVIEWS AND REPORTS.—

"(1) SECRETARY OF DEFENSE.—The Secretary of Defense shall, by not later than March 1 of each year, review the extent to which integrated natural resource management plans were prepared or in effect and implemented in accordance with this Act in the preceding year, and submit a report on the findings of that review to the committees. Each report shall include—

"(A) the number of integrated natural resource management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;

"(B) the amount of moneys expended on conservation activities conducted pursuant to those plans in the year covered by the report, including amounts expended under the Legacy Resource Management Program established under section 8120 of the Act of November 5, 1990 (Public Law 101–511; 104 Stat. 1905); and

"(C) an assessment of the extent to which the plans comply with the requirements of subsection (b)(1) and (2), including specifically the extent to which the plans ensure in accordance

with subsection (b)(2)(C) that there is no net loss of lands to support the military missions of military installations.

"(2) SECRETARY OF THE INTERIOR.—The Secretary of the Interior, by not later than March 1 of each year and in consultation with State agencies responsible for conservation or management of fish or wildlife, shall submit a report to the committees on the amount of moneys expended by the Department of the Interior and those State agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resource management plans.

"(3) COMMITTEES DEFINED.—For purposes of this subsection, the term 'committees' means the Committee on Resources and the Committee on National Security of the House of Representatives and the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.".

SEC. 1407. TRANSFER OF WILDLIFE CONSERVATION FEES FROM CLOSED MILITARY INSTALLATIONS.

Section 101(b)(4)(B) of the Sikes Act (16 U.S.C. 670a(b)(4)(B)) is amended by inserting before the period at the end the following: ", unless that military installation

is subsequently closed, in which case the fees may be transferred to another military installation to be used for the same purposes''.

SEC. 1408. FEDERAL ENFORCEMENT OF INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS AND ENFORCEMENT OF OTHER LAWS.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended—

(1) by redesignating section 106, as amended by section 1404(b), as section 109; and

(2) by inserting after section 105 the following new section:

''SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

''All Federal laws relating to the conservation of natural resources on Federal lands may be enforced by the Secretary of Defense with respect to violations of those laws which occur on military installations within the United States.''.

SEC. 1409. NATURAL RESOURCE MANAGEMENT SERVICES.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 106 (as added by section 1408) the following new section:

''SEC. 107. NATURAL RESOURCE MANAGEMENT SERVICES.

''The Secretary of each military department shall ensure that sufficient numbers of professionally trained nat-

ural resource management personnel and natural resource law enforcement personnel are available and assigned responsibility to perform tasks necessary to comply with this Act, including the preparation and implementation of integrated natural resource management plans.''.

SEC. 1410. DEFINITIONS.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 107 (as added by section 1409) the following new section:

''SEC. 108. DEFINITIONS.

''In this title:

''(1) MILITARY INSTALLATION.—The term 'military installation'—

''(A) means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department; and

''(B) includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department.

''(2) STATE FISH AND WILDLIFE AGENCY.—The term 'State fish and wildlife agency' means an agen-

cy of State government that is responsible under State law for managing fish or wildlife resources.

"(3) UNITED STATES.—The term 'United States' means the States, the District of Columbia, and the territories and possessions of the United States.".

SEC. 1411. COOPERATIVE AGREEMENTS.

(a) COST SHARING.—Section 103a(b) of the Sikes Act (16 U.S.C. 670c–1(b)) is amended by striking out "matching basis" each place it appears and inserting in lieu thereof "cost-sharing basis".

(b) ACCOUNTING.—Section 103a(c) of the Sikes Act (16 U.S.C. 670c–1(c)) is amended by inserting before the period at the end the following: ", and shall not be subject to section 1535 of that title".

SEC. 1412. REPEAL OF SUPERSEDED PROVISION.

Section 2 of the Act of October 27, 1986 (Public Law 99–651; 16 U.S.C. 670a–1), is repealed.

SEC. 1413. CLERICAL AMENDMENTS.

Title I of the Sikes Act, as amended by this title, is amended—

(1) in the heading for the title by striking out "MILITARY RESERVATIONS" and inserting in lieu thereof "MILITARY INSTALLATIONS";

(2) in section 101(a) (16 U.S.C. 670a(a)), by striking out ''the reservation'' and inserting in lieu thereof ''the installation'';

(3) in section 101(b)(4) (16 U.S.C. 670a(b)(4))—

(A) in subparagraph (A), by striking out ''the reservation'' and inserting in lieu thereof ''the installation''; and

(B) in subparagraph (B), by striking out ''the military reservation'' and inserting in lieu thereof ''the military installation'';

(4) in section 101(c) (16 U.S.C. 670a(c))—

(A) in paragraph (1), by striking out ''a military reservation'' and inserting in lieu thereof ''a military installation''; and

(B) in paragraph (2), by striking out ''the reservation'' and inserting in lieu thereof ''the installation'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(6) in section 103 (16 U.S.C. 670c)—

(A) by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(B) by striking out ''such reservations'' and inserting in lieu thereof ''such installations''.

SEC. 1414. AUTHORIZATIONS OF APPROPRIATIONS.

(a) PROGRAMS ON MILITARY INSTALLATIONS.—Subsections (b) and (c) of section 109 of the Sikes Act (as redesignated by section 1408) are each amended by striking out ''1983'' and all that follows through ''1993,'' and inserting in lieu thereof ''1983 through 1998,''.

(b) PROGRAMS ON PUBLIC LANDS.—Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) in subsection (a), by striking out ''the sum of $10,000,000'' and all that follows through ''to enable the Secretary of the Interior'' and inserting in lieu thereof ''$4,000,000 for each of fiscal years 1997 and 1998, to enable the Secretary of the Interior''; and

(2) in subsection (b), by striking out ''the sum of $12,000,000'' and all that follows through ''to enable the Secretary of Agriculture'' and inserting in lieu thereof ''$5,000,000 for each of fiscal years 1997 and 1998, to enable the Secretary of Agriculture''.

TITLE XV—DEFENSE AND SECURITY ASSISTANCE

Subtitle A—Military and Related Assistance

SEC. 1501. TERMS OF LOANS UNDER THE FOREIGN MILITARY FINANCING PROGRAM.

Section 31(c) of the Arms Export Control Act (22 U.S.C. 2771(c)) is amended to read as follows:

''(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.''.

SEC. 1502. ADDITIONAL REQUIREMENTS UNDER THE FOREIGN MILITARY FINANCING PROGRAM.

(a) AUDIT OF CERTAIN PRIVATE FIRMS.—Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended by adding at the end the following new subsection:

''(f) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to

be procured by such firms for such governments from financing under this section.''.

(b) NOTIFICATION REQUIREMENT WITH RESPECT TO CASH FLOW FINANCING.—Section 23 of such Act (22 U.S.C. 2763), as amended by subsection (a), is further amended by adding at the end the following new subsection:

''(g)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

''(2) For purposes of this subsection, the term 'cash flow financing' has the meaning given such term in the second subsection (d) of section 25.''.

(c) LIMITATIONS ON USE OF FUNDS FOR DIRECT COMMERCIAL CONTRACTS.—Section 23 of such Act (22 U.S.C. 2763), as amended by subsection (b), is further

amended by adding at the end the following new subsection:

"(h) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.".

(d) ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—Section 25(a) of such Act (22 U.S.C. 2765(a)) is amended—

(1) by striking "and" at the end of paragraph (11);

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following new paragraph:

"(12)(A) a detailed accounting of all articles, services, credits, guarantees, or any other form of assistance furnished by the United States to each country and international organization, including payments to the United Nations, during the preceding fiscal year for the detection and clearance of landmines, including activities relating to the fur-

nishing of education, training, and technical assistance for the detection and clearance of landmines; and

"(B) for each provision of law making funds available or authorizing appropriations for demining activities described in subparagraph (A), an analysis and description of the objectives and activities undertaken during the preceding fiscal year, including the number of personnel involved in performing such activities; and".

SEC. 1503. DRAWDOWN SPECIAL AUTHORITIES.

(a) UNFORESEEN EMERGENCY DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1)) is amended by striking "$75,000,000" and inserting "$100,000,000".

(b) ADDITIONAL DRAWDOWN.—Section 506 of such Act (22 U.S.C. 2318) is amended—

(1) in subsection (a)(2)(A), by striking "defense articles from the stocks" and all that follows and inserting the following: "articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

"(i) for the purposes and under the authorities of—

"(I) chapter 8 of part I (relating to international narcotics control assistance);

"(II) chapter 9 of part I (relating to international disaster assistance); or

"(III) the Migration and Refugee Assistance Act of 1962; or

"(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

"(I) to support cooperative efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

"(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.";

(2) in subsection (a)(2)(B), by striking "$75,000,000" and all that follows and inserting "$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

"(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

"(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

"(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph."; and

(3) in subsection (b)(1), by adding at the end the following: "In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance of the drawdowns in accordance with the procedures applicable to reprogramming notifications under section 634A.".

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of such Act (22 U.S.C. 2411) is amended by striking ''prior to the date'' and inserting ''before''.

SEC. 1504. TRANSFER OF EXCESS DEFENSE ARTICLES.

(a) IN GENERAL.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended to read as follows:

''SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

''(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified to the Congress, for the fiscal year in which the transfer is authorized.

''(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

''(1) such articles are drawn from existing stocks of the Department of Defense;

"(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

"(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

"(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

"(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base and, particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

"(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

"(c) TERMS OF TRANSFERS.—

"(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

"(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

"(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

"(e) TRANSPORTATION AND RELATED COSTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

"(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

"(A) it is determined that it is in the national interest of the United States to do so;

"(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

"(C) the total weight of the transfer does not exceed 25,000 pounds; and

"(D) such transportation is accomplished on a space available basis.

"(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

"(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at

$7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

"(2) CONTENTS.—Such notification shall include—

"(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

"(B) an assessment of the impact of the transfer on the military readiness of the United States;

"(C) an assessment of the impact of the transfer on the national technology and industrial base and, particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

"(D) a statement describing the current value of such article and the value of such article at acquisition.

"(g) AGGREGATE ANNUAL LIMITATION.—

"(1) IN GENERAL.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

"(2) EFFECTIVE DATE.—The limitation contained in paragraph (1) shall apply only with respect to fiscal years beginning after fiscal year 1996.

"(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

"(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be

deemed, with respect to such excess property, to include the Coast Guard.''.

(b) CONFORMING AMENDMENTS.—

(1) ARMS EXPORT CONTROL ACT.—Section 21(k) of the Arms Export Control Act (22 U.S.C. 2761(k)) is amended by striking ''the President shall'' and all that follows and inserting the following: ''the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base and, particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.''.

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

(A) Section 502A of the Foreign Assistance Act of 1961 (22 U.S.C. 2303).

(B) Sections 517 through 520 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k through 2321n).

(C) Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)).

SEC. 1505. EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES.

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, during each of the fiscal years 1996 and 1997, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to countries that are eligible to participate in the Partnership for Peace and that are eligible for assistance under the Support for East European Democracy (SEED) Act of 1989.

Subtitle B—International Military Education and Training

SEC. 1511. ASSISTANCE FOR INDONESIA.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347).

SEC. 1512. ADDITIONAL REQUIREMENTS.

(a) GENERAL AUTHORITY.—Section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347) is amended in the second sentence in the matter preceding clause (i)

by inserting ''and individuals who are not members of the government'' after ''legislators''.

(b) EXCHANGE TRAINING.—Section 544 of such Act (22 U.S.C. 2347c) is amended—

(1) by striking ''In carrying out this chapter'' and inserting ''(a) In carrying out this chapter''; and

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

''(b) The President may provide for the attendance of foreign military and civilian defense personnel at flight training schools and programs (including test pilot schools) in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States flight training schools and programs (including test pilot schools) and comparable flight training schools and programs of foreign countries.''.

(c) ASSISTANCE FOR CERTAIN HIGH-INCOME FOREIGN COUNTRIES.—

(1) AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961.—Chapter 5 of part II of such Act (22

U.S.C. 2347 et seq.) is amended by adding at the end the following new section:

"SEC. 546. PROHIBITION ON GRANT ASSISTANCE FOR CERTAIN HIGH INCOME FOREIGN COUNTRIES.

"(a) IN GENERAL.—None of the funds made available for a fiscal year for assistance under this chapter may be made available for assistance on a grant basis for any of the high-income foreign countries described in subsection (b) for military education and training of military and related civilian personnel of such country.

"(b) HIGH-INCOME FOREIGN COUNTRIES DESCRIBED.—The high-income foreign countries described in this subsection are Austria, Finland, the Republic of Korea, Singapore, and Spain.".

(2) AMENDMENT TO THE ARMS EXPORT CONTROL ACT.—Section 21(a)(1)(C) of the Arms Export Control Act (22 U.S.C. 2761) is amended by inserting "or to any high-income foreign country (as described in that chapter)" after "Foreign Assistance Act of 1961".

Subtitle C—Antiterrorism Assistance

SEC. 1521. ANTITERRORISM TRAINING ASSISTANCE.

(a) IN GENERAL.—Section 571 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa) is amended by strik-

ing ''Subject to the provisions of this chapter'' and inserting ''Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act)''.

(b) LIMITATIONS.—Section 573 of such Act (22 U.S.C. 2349aa–2) is amended—

(1) in the heading, by striking ''SPECIFIC AUTHORITIES AND'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(4) in subsection (c) (as redesignated)—

(A) by striking paragraphs (1) and (2);

(B) by redesignating paragraphs (3) through (5) as paragraphs (1) through (3), respectively; and

(C) by amending paragraph (2) (as redesignated) to read as follows:

''(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

''(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly re-

lated to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

"(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.".

(c) ANNUAL REPORT.—Section 574 of such Act (22 U.S.C. 2349aa–3) is hereby repealed.

(d) TECHNICAL CORRECTIONS.—Section 575 (22 U.S.C. 2349aa–4) and section 576 (22 U.S.C. 2349aa–5) of such Act are redesignated as sections 574 and 575, respectively.

SEC. 1522. RESEARCH AND DEVELOPMENT EXPENSES.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.; relating to antiterrorism assistance) may be made available to the Technical Support Working Group of the Department of State for research and development expenses related to contraband detection technologies or for field demonstra-

tions of such technologies (whether such field demonstrations take place in the United States or outside the United States).

Subtitle D—Narcotics Control Assistance

SEC. 1531. ADDITIONAL REQUIREMENTS.

(a) POLICY AND GENERAL AUTHORITIES.—Section 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

''(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States.''; and

(2) in paragraph (4), by adding before the period at the end the following: '', or for other anticrime purposes''.

(b) CONTRIBUTIONS AND REIMBURSEMENT.—Section 482(c) of that Act (22 U.S.C. 2291a(c)) is amended—

(1) by striking ''CONTRIBUTION BY RECIPIENT COUNTRY.—To'' and inserting ''CONTRIBUTIONS AND REIMBURSEMENT.—(1) To''; and

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

''(2)(A) The President is authorized to accept contributions from foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

''(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

''(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the

same terms and conditions as funds appropriated pursuant to this chapter.''.

(c) IMPLEMENTATION OF LAW ENFORCEMENT ASSISTANCE.—Section 482 of such Act (22 U.S.C. 2291a) is amended by adding at the end the following new subsections:

''(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

''(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.''.

SEC. 1532. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—The authority of section 1003(d) of the National Narcotics Control Leadership Act of 1988 (21 U.S.C. 1502(d)) may be exercised with respect to

funds authorized to be appropriated pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and with respect to the personnel of the Department of State only to the extent that the appropriate congressional committees have been notified 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of that Act (22 U.S.C. 2394).

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 1533. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.

For each of the fiscal years 1996 and 1997, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be provided notwithstanding any other provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B of that Act (22 U.S.C. 2291j(e) and 2304)) if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees (as defined in section 481(e) of that Act (22 U.S.C. 2291(e))) in accordance with the pro-

cedures applicable to reprogramming notifications under section 634A of that Act (22 U.S.C. 2394).

Subtitle E—Other Provisions

SEC. 1541. STANDARDIZATION OF CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)) is amended—

(1) in subparagraph (A), by striking ", as provided for in sections 36(b)(2) and 36(b)(3) of this Act";

(2) in subparagraph (B), by striking "law" and inserting "joint resolution"; and

(3) by adding at the end the following:

"(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

"(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C. 2753(d)(3)) is amended—

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

(2) in the first sentence—

(A) by striking "at least 30 calendar days"; and

(B) by striking "report" and inserting "certification"; and

(3) by striking the last sentence and inserting the following: "Such certification shall be submitted—

"(i) at least 15 calendar days before such consent is given in the case of a transfer to a country

which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

"(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

"(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

"(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the

provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(c) COMMERCIAL SALES.—Section 36(c)(2) of such Act (22 U.S.C. 2776(c)(2)) is amended by amending subparagraphs (A) and (B) to read as follows:

"(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

"(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.".

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2776(d)) is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''for or in a country not a member of the North Atlantic Treaty Organization''; and

(3) by adding at the end the following:

''(2) A certification under this subsection shall be submitted—

''(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

''(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

''(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a de-

tailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

''(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

''(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of such Act (22 U.S.C. 2796a) is amended—

(A) in subsection (a), by striking ''Not less than 30 days before'' and inserting ''Before'';

(B) in subsection (b)—

(i) by striking ''determines, and immediately reports to the Congress'' and inserting ''states in his certification''; and

(ii) by adding at the end of the subsection the following: ''If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved.''; and

(C) by adding at the end of the section the following:

''(c) The certification required by subsection (a) shall be transmitted—

''(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

''(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of

an agreement with any other organization or country.''.

(2) CONGRESSIONAL DISAPPROVAL.—Section 63(a) of such Act (22 U.S.C. 2796b(a)) is amended—

(A) by striking ''(a)(1)'' and inserting ''(a)'';

(B) by striking out the ''30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a),'' and inserting in lieu thereof ''the 15-day or 30-day period specified in section 62(c)(1) or (2), as the case may be,''; and

(C) by striking paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the date of the enactment of this Act.

SEC. 1542. INCREASED STANDARDIZATION, RATIONALIZATION, AND INTEROPERABILITY OF ASSISTANCE AND SALES PROGRAMS.

Paragraph (6) of section 515(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking ''among members of the North Atlantic Treaty

Organization and with the Armed Forces of Japan, Australia, and New Zealand''.

SEC. 1543. DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting ''; and''; and

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

''(9) 'significant military equipment' means articles—

''(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

''(B) identified on the United States Munitions List.''.

SEC. 1544. ELIMINATION OF ANNUAL REPORTING REQUIREMENT RELATING TO THE SPECIAL DEFENSE ACQUISITION FUND.

(a) IN GENERAL.—Section 53 of the Arms Export Control Act (22 U.S.C. 2795b) is hereby repealed.

(b) CONFORMING AMENDMENT.—Section 51(a)(4) of such Act (22 U.S.C. 2795(a)(4)) is amended—

(1) by striking ''(a)''; and

(2) by striking subparagraph (B).

SEC. 1545. COST OF LEASED DEFENSE ARTICLES THAT HAVE BEEN LOST OR DESTROYED.

Section 61(a)(4) of the Arms Export Control Act (22 U.S.C. 2796(a)(4)) is amended by striking ''and the replacement cost'' and all that follows and inserting the following: ''and, if the articles are lost or destroyed while leased—

''(A) in the event the United States intends to replace the articles lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

''(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.''.

SEC. 1546. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.), as amended by this title, is further amended by adding at the end the following new section:

"SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.

"(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

"(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

"(2) terminating such a designation.

"(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.".

(2) DEFINITION.—Section 644 of such Act (22 U.S.C. 2403) is amended by adding at the end the following:

"(q) 'Major non-NATO ally' means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).".

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is repealed.

(B) Section 65(d) of such Act (22 U.S.C. 2796d(d)) is amended—

(i) by striking "or major non-NATO"; and

(ii) by striking out ''or a'' and all that follows through ''Code''.

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended in the first sentence by striking ''similar agreements'' and all that follows through ''other countries'' and inserting ''similar agreements with countries''.

SEC. 1547. CERTIFICATION THRESHOLDS.

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000''; and

(B) in paragraphs (1) and (3), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000'';

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000'';

(B) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000''; and

(C) in subsections (b)(1) and (b)(5)(C), by striking ''$200,000,000'' each place it appears and inserting ''$300,000,000''; and

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking ''$14,000,000'' and inserting ''$25,000,000''; and

(B) by striking ''$50,000,000'' and inserting ''$75,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the date of the enactment of this Act.

SEC. 1548. DEPLETED URANIUM AMMUNITION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this title, is further amended by adding at the end the following new section:

''SEC. 620G. DEPLETED URANIUM AMMUNITION.

''(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

''(1) a country that is a member of the North Atlantic Treaty Organization;

"(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

"(3) Taiwan.

"(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.".

SEC. 1549. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

(a) IN GENERAL.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended by inserting after chapter 3 the following new chapter:

"CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES

"SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

"(a) ESTABLISHMENT OF MONITORING PROGRAM.—

"(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the President shall establish a

program which provides for the end-use monitoring of such articles and services.

"(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

"(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the 'Blue Lantern' program); and

"(B) shall be designed to provide reasonable assurance that—

"(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

"(ii) such articles and services are being used for the purposes for which they are provided.

"(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the President shall ensure that the program—

"(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services whose diversion or other misuse could have significant consequences; and

"(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

"(c) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this section, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section, including a detailed accounting of the costs and number of personnel associated with the monitoring program.

"(d) THIRD COUNTRY TRANSFERS.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.".

(b) EFFECTIVE DATE.—Section 40A of the Arms Export Control Act, as added by subsection (a), applies with respect to defense articles and defense services provided before or after the date of the enactment of this Act.

SEC. 1550. BROKERING ACTIVITIES RELATING TO COMMERCIAL SALES OF DEFENSE ARTICLES AND SERVICES.

(a) IN GENERAL.—Section 38(b)(1)(A) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amended—

(1) in the first sentence, by striking ''As prescribed in regulations'' and inserting ''(i) As prescribed in regulations''; and

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

''(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall reg-

ister with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

''(II) Such brokering activities shall include the financing, transportation, freight forwarding, or taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

''(III) No person may engage in the business of brokering activities described in subclause (I) without a license, issued in accordance with this Act, except that no license shall be required for such activities undertaken by or for an agency of the United States Government—

''(aa) for use by an agency of the United States Government; or

''(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

''(IV) For purposes of this clause, the term 'foreign defense article or defense service' includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.''.

(b) EFFECTIVE DATE.—Section 38(b)(1)(A)(ii) of the Arms Export Control Act, as added by subsection (a), shall apply with respect to brokering activities engaged in beginning on or after 120 days after the enactment of this Act.

SEC. 1551. RETURN AND EXCHANGES OF DEFENSE ARTICLES PREVIOUSLY TRANSFERRED PURSUANT TO THE ARMS EXPORT CONTROL ACT.

(a) REPAIR OF DEFENSE ARTICLES.—Section 21 of the Arms Export Control Act (22 U.S.C. 2761) is amended by adding at the end the following new subsection:

"(l) REPAIR OF DEFENSE ARTICLES.—

"(1) IN GENERAL.—The President may acquire a repairable defense article from a foreign country or international organization if such defense article—

"(A) previously was transferred to such country or organization under this Act;

"(B) is not an end item; and

"(C) will be exchanged for a defense article of the same type that is in the stocks of the Department of Defense.

"(2) LIMITATION.—The President may exercise the authority provided in paragraph (1) only to the extent that the Department of Defense—

"(A)(i) has a requirement for the defense article being returned; and

"(ii) has available sufficient funds authorized and appropriated for such purpose; or

"(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act; and

"(ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act.

"(3) REQUIREMENT.—(A) The foreign government or international organization receiving a new or repaired defense article in exchange for a repairable defense article pursuant to paragraph (1) shall, upon the acceptance by the United States Government of the repairable defense article being returned, be charged the total cost associated with the repair and replacement transaction.

"(B) The total cost charged pursuant to subparagraph (A) shall be the same as that charged the United States Armed Forces for a similar repair and

replacement transaction, plus an administrative surcharge in accordance with subsection (e)(1)(A) of this section.

"(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW.—The authority of the President to accept the return of a repairable defense article as provided in subsection (a) shall not be subject to chapter 137 of title 10, United States Code, or any other provision of law relating to the conclusion of contracts.".

(b) RETURN OF DEFENSE ARTICLES.—Section 21 of such Act (22 U.S.C. 2761), as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(m) RETURN OF DEFENSE ARTICLES.—

"(1) IN GENERAL.—The President may accept the return of a defense article from a foreign country or international organization if such defense article—

"(A) previously was transferred to such country or organization under this Act;

"(B) is not significant military equipment (as defined in section 47(9) of this Act); and

"(C) is in fully functioning condition without need of repair or rehabilitation.

"(2) LIMITATION.—The President may exercise the authority provided in paragraph (1) only to the extent that the Department of Defense—

"(A)(i) has a requirement for the defense article being returned; and

"(ii) has available sufficient funds authorized and appropriated for such purpose; or

"(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act; and

"(ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a letter of offer and acceptance implemented in accordance with this Act.

"(3) CREDIT FOR TRANSACTION.—Upon acquisition and acceptance by the United States Government of a defense article under paragraph (1), the appropriate Foreign Military Sales account of the provider shall be credited to reflect the transaction.

"(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW.—The authority of the President to accept the return of a defense article as provided in

paragraph (1) shall not be subject to chapter 137 of title 10, United States Code, or any other provision of law relating to the conclusion of contracts.''.

(c) REGULATIONS.—Under the direction of the President, the Secretary of Defense shall promulgate regulations to implement subsections (l) and (m) of section 21 of the Arms Export Control Act, as added by this section.

SEC. 1552. NATIONAL SECURITY INTEREST DETERMINATION TO WAIVE REIMBURSEMENT OF DEPRECIATION FOR LEASED DEFENSE ARTICLES.

(a) IN GENERAL.—Section 61(a) of the Arms Export Control Act (22 U.S.C. 2796(a)) is amended—

(1) in the second sentence, by striking '', or to any defense article which has passed three-quarters of its normal service life''; and

(2) by inserting after the second sentence the following new sentence: ''The President may waive the requirement of paragraph (4) for reimbursement of depreciation for any defense article which has passed three-quarters of its normal service life if the President determines that to do so is important to the national security interest of the United States.''.

(b) EFFECTIVE DATE.—The third sentence of section 61(a) of the Arms Export Control Act, as added by subsection (a)(2), shall apply only with respect to a defense

article leased on or after the date of the enactment of this Act.

SEC. 1553. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT CONTROL ACT.

The Government of the Republic of Panama shall be eligible to purchase defense articles and defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), except as otherwise specifically provided by law.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1997''.

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	Total
Arizona	Fort Huachuca	$21,000,000
California	Army project, Naval Weapons Station, Concord	$27,000,000
	Camp Roberts	$5,500,000
	Fort Irwin	$7,000,000
Colorado	Fort Carson	$17,550,000
District of Columbia	Fort McNair	$6,900,000
Georgia	Fort Benning	$53,400,000
	Fort McPherson	$9,100,000
	Fort Stewart, Hunter Army Air Field	$6,000,000
Kansas	Fort Riley	$26,000,000
Kentucky	Fort Campbell	$51,100,000
	Fort Knox	$20,500,000
New Jersey	Picatinny Arsenal	$7,500,000
New Mexico	White Sands Missile Range	$10,000,000
New York	Fort Drum	$11,400,000
North Carolina	Fort Bragg	$14,000,000
Texas	Fort Hood	$52,700,000
Virginia	Fort Eustis	$3,550,000
Washington	Fort Lewis	$54,600,000
CONUS Classified	Classified Location	$4,600,000
	Total	$409,400,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Total
Germany	Lincoln Village	$7,300,000
	Spinelli Barracks	$8,100,000
	Taylor Barracks	$9,300,000
Italy	Camp Ederle, Vincenza	$3,100,000
Korea	Camp Casey	$16,000,000
	Camp Red Cloud	$14,000,000
Overseas Classified	Classified Location	$64,000,000
	Total	$121,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of ap-

propriations in section 2104(a)(6)(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	Total
Alabama	Redstone Arsenal	70 Units	$8,000,000
Hawaii	Schofield Barracks	54 Units	$10,000,000
North Carolina	Fort Bragg	88 Units	$9,800,000
Pennsylvania	Tobyhanna Army Depot	200 Units	$890,000
Texas	Fort Bliss	85 Units	$12,000,000
	Fort Hood	140 Units	$18,500,000
		Total:	$59,190,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,963,000.

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 sections 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $114,450,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,037,653,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $409,400,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $121,800,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $54,384,000.

(5) For demolition of excess facilities under section 2814 of title 10, United States Code, as added by section 2802, $10,000,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $176,603,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,257,466,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2105. CORRECTION IN AUTHORIZED USES OF FUNDS, FORT IRWIN, CALIFORNIA.

In the case of amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337) and section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106) for a military construction project for Fort Irwin, California, involving the construction of an air field for the National Training Center at Barstow-Daggett, California, the Secretary of the Army may use such amounts for the construction of a heliport at the same location.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	$3,920,000
	Marine Corps Air Station, Yuma	$14,600,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$4,020,000
	Marine Corps Air Station, Camp Pendleton	$6,240,000
	Marine Corps Base, Camp Pendleton	$51,630,000
	Naval Air Station, North Island	$86,502,000
	Naval Facility, San Clemente Island	$17,000,000
	Naval Station, San Diego	$7,050,000
	Naval Command Control & Ocean Surveillance Center, San Diego	$1,960,000
Connecticut	Naval Submarine Base, New London	$13,830,000
District of Columbia	Naval District, Washington	$19,300,000
Florida	Naval Air Station, Key West	$2,250,000
	Naval Station, Mayport	$2,800,000
Georgia	Marine Corps Logistics Base, Albany	$1,630,000
	Naval Submarine Base, Kings Bay	$1,550,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	$20,080,000
	Naval Station, Pearl Harbor	$19,600,000
	Naval Submarine Base, Pearl Harbor	$35,890,000
Idaho	Naval Surface Warfare Center, Bayview	$7,150,000
Illinois	Naval Hospital, Great Lakes	$15,200,000
	Naval Training Center, Great Lakes	$22,900,000
Indiana	Naval Surface Warfare Center, Crane	$5,000,000
Maryland	Naval Air Warfare Center, Patuxent River	$1,270,000
Nevada	Naval Air Station, Fallon	$16,200,000
North Carolina	Marine Corps Air Station, Cherry Point	$1,630,000
	Marine Corps Air Station, New River	$20,290,000
	Marine Corps Base, Camp LeJeune	$20,750,000
Pennsylvania	Philadelphia Naval Shipyard	$8,300,000
South Carolina	Marine Corps Recruit Detachment, Parris Island.	$4,990,000
Texas	Naval Station, Ingleside	$16,850,000
	Naval Air Station, Kingsville	$1,810,000
Virginia	Armed Forces Staff College, Norfolk	$12,900,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Fleet Combat Training Command, Dam Neck	$7,000,000
	Marine Corps Combat Development Command, Quantico	$14,570,000
	Naval Station, Norfolk	$56,120,000
	Naval Surface Warfare Center, Dahlgren	$8,030,000
Washington	Naval Station, Everett	$25,740,000
	Naval Undersea Warfare Center	$6,800,000
CONUS Various	Defense access roads	$300,000
	Total	$583,652,000

(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
Bahrain	Administrative Support Unit, Bahrain	$5,980,000
Greece	Naval Support Activity, Souda Bay	$11,050,000
Italy	Naval Air Station, Sigonella	$15,700,000
	Naval Support Activity, Naples	$8,620,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$4,700,000
	Total	$46,050,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(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
Arizona	Marine Corps Air Station, Yuma	Ancillary Facility	$709,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	Ancillary Facility	$2,938,000
	Marine Corps Base, Camp Pendleton	202 Units	$29,483,000
	Naval Air Station, Lemoore	276 Units	$39,837,000
	Navy Public Works Center, San Diego	466 Units	$63,429,000
Florida	Naval Station, Mayport	100 Units	$10,000,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	54 Units	$11,676,000
	Navy Public Works Center, Pearl Harbor	264 Units	$52,586,000
Maine	Naval Air Station, Brunswick	92 Units	$10,925,000
Maryland	Naval Air Warfare Center, Patuxent River	Ancillary Facility	$1,233,000
North Carolina	Marine Corps Base, Camp LeJeune	Ancillary Facility	$845,000
	Marine Corps Base, Camp LeJeune	125 Units	$13,360,000
South Carolina	Marine Corps Air Station, Beaufort	200 Units	$19,110,000
Texas	Corpus Christi Naval Complex	156 Units	$17,425,000
	Naval Air Station, Kingsville	48 Units	$7,550,000
Virginia	AEGIS Combat Systems Center, Wallops Island	20 Units	$2,975,000
	Naval Security Group Activity, Northwest	Ancillary Facility	$741,000
Washington	Naval Station, Everett	100 Units	$15,015,000
	Naval Submarine Base, Bangor	Ancillary Facility	$934,000
		Total	$300,771,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(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 $22,552,000.

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)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $209,133,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,309,273,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $583,652,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $46,050,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,115,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $50,959,000.

(5) For demolition of excess facilities under section 2814 of title 10, United States Code, as added by section 2802, $10,000,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $532,456,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,058,241,000.

(7) For the construction of a bachelor enlisted quarters at the Naval Construction Batallion Center, Port Hueneme, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 525), $7,700,000.

(8) For the construction of a Strategic Maritime Research Center at the Naval War College, Newport, Rhode Island, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3031), $8,000,000.

(9) For the construction of the large anachoic chamber facility at the Patuxent River Naval Warfare Center, Aircraft Division, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $10,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (9) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $12,000,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2205. BEACH REPLENISHMENT, NAVAL AIR STATION, NORTH ISLAND, CALIFORNIA.

(a) COST-SHARING AGREEMENT.—With regard to the portion of the military construction project for Naval Air Station, North Island, California, authorized by sec-

tion 2201(a) and involving on-shore and near-shore beach replenishment, the Secretary of the Navy shall endeavor to enter into an agreement with the State of California and local governments in the vicinity of the project, under which the State and local governments agree to cover not less than 50 percent of the cost incurred by the Secretary to carry out the beach replenishment portion of the project.

(b) ACTIVITIES PENDING AGREEMENT.—The Secretary shall not delay commencement of, or activities under, the construction project described in subsection (a), including the beach replenishment portion of the project, pending the execution of the cost-sharing agreement, except that, within amounts appropriated for the project, Federal expenditures may not exceed $9,630,000 for beach replenishment.

SEC. 2206. LEASE TO FACILITATE CONSTRUCTION OF RESERVE CENTER, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

(a) LEASE OF PROPERTY FOR CONSTRUCTION OF RESERVE CENTER.—(1) The Secretary of the Navy may lease, without reimbursement, to the State of Mississippi (in this section referred to as the ''State''), approximately five acres of real property located at Naval Air Station, Meridian, Mississippi. The State shall use the property to

construct a reserve center of approximately 22,000 square feet and ancillary supporting facilities.

(2) The term of the lease under this subsection shall expire on the same date that the lease authorized by subsection (b) expires.

(b) LEASEBACK OF RESERVE CENTER.—(1) The Secretary may lease from the State the property and improvements constructed pursuant to subsection (a) for a five-year period. The term of the lease shall begin on the date on which the improvements are available for occupancy, as determined by the Secretary.

(2) Rental payments under the lease under paragraph (1) may not exceed $200,000 per year, and the total amount of the rental payments for the entire period may not exceed 20 percent of the total cost of constructing the reserve center and ancillary supporting facilities.

(3) Subject to the availability of appropriations for this purpose, the Secretary may use funds appropriated pursuant to an authorization of appropriations for the operation and maintenance of the Naval Reserve to make rental payments required under this subsection.

(c) EFFECT OF TERMINATION OF LEASES.—At the end of the lease term under subsection (b), the State shall convey, without reimbursement, to the United States all

right, title, and interest of the State in the reserve center and ancillary supporting facilities subject to the lease.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the leases under this section as the Secretary considers appropriate to protect the interests of the United States.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$7,875,000
Alaska	Elmendorf Air Force Base	$21,530,000
Arizona	Davis–Monthan Air Force Base	$9,920,000
	Luke Air Force Base	$6,700,000
Arkansas	Little Rock Air Force Base	$18,105,000
California	Beale Air Force Base	$14,425,000
	Edwards Air Force Base	$20,080,000
	Travis Air Force Base	$16,230,000
	Vandenberg Air Force Base	$3,290,000
Colorado	Buckley Air National Guard Base	$17,960,000
	Falcon Air Force Station	$2,095,000
	Peterson Air Force Base	$20,720,000
	United States Air Force Academy	$12,165,000
Delaware	Dover Air Force Base	$7,980,000
Florida	Eglin Air Force Base	$4,590,000
	Eglin Auxiliary Field 9	$6,825,000
	Patrick Air Force Base	$2,595,000
	Tyndall Air Force Base	$3,600,000
Georgia	Robins Air Force Base	$22,645,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Idaho	Mountain Home Air Force Base	$15,845,000
Kansas	McConnell Air Force Base	$15,580,000
Louisiana	Barksdale Air Force Base	$4,890,000
Maryland	Andrews Air Force Base	$5,990,000
Mississippi	Keesler Air Force Base	$14,465,000
Nevada	Indian Springs Air Force Auxiliary Air Field	$4,690,000
New Jersey	McGuire Air Force Base	$8,080,000
North Carolina	Pope Air Force Base	$5,915,000
	Seymour Johnson Air Force Base	$11,280,000
North Dakota	Grand Forks Air Force Base	$12,470,000
	Minot Air Force Base	$3,940,000
Ohio	Wright–Patterson Air Force Base	$7,400,000
Oklahoma	Tinker Air Force Base	$9,880,000
South Carolina	Charleston Air Force Base	$37,410,000
	Shaw Air Force Base	$5,665,000
Tennessee	Arnold Engineering Development Center	$12,481,000
Texas	Brooks Air Force Base	$5,400,000
	Dyess Air Force Base	$12,295,000
	Kelly Air Force Base	$3,250,000
	Lackland Air Force Base	$9,413,000
	Sheppard Air Force Base	$9,400,000
Utah	Hill Air Force Base	$3,690,000
Virginia	Langley Air Force Base	$8,005,000
Washington	Fairchild Air Force Base	$18,155,000
	McChord Air Force Base	$57,065,000
Wyoming	F. E. Warren Air Force Base	$3,700,000
	Total	$525,684,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$5,370,000
	Spangdahlem Air Base	$1,890,000
Italy	Aviano Air Base	$10,060,000
Korea	Osan Air Base	$9,780,000
Turkey	Incirlik Air Base	$7,160,000
United Kingdom	Croughton Royal Air Force Base	$1,740,000
	Lakenheath Royal Air Force Base	$17,525,000
	Mildenhall Royal Air Force Base	$6,195,000

Air Force: Outside the United States—Continued

Country	Installation or location	Amount
Overseas Classified	Classified Locations	$18,395,000
	Total	$78,115,000

1 **SEC. 2302. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using
3 amounts appropriated pursuant to the authorization of ap-
4 propriations in section 2304(a)(6)(A), the Secretary of the
5 Air Force may construct or acquire family housing units
6 (including land acquisition) at the installations, for the
7 purposes, and in the amounts set forth in the following
8 table:

Air Force: Family Housing

State	Installation	Purpose	Amount
Alaska	Eielson Air Force Base.	72 Units	$21,127,000
	Eielson Air Force Base.	Ancillary Facility	$2,950,000
California	Beale Air Force Base	56 Units	$8,893,000
	Los Angeles Air Force Base.	25 Units	$6,425,000
	Travis Air Force Base.	70 Units	$8,631,000
	Vandenberg Air Force Base	112 Units	$20,891,000
District of Columbia	Bolling Air Force Base.	40 Units	$5,000,000
Florida	Eglin Auxiliary Field 9.	1 Unit	$249,000
	MacDill Air Force Base.	56 Units	$8,822,000
	Patrick Air Force Base.	Ancillary Facility	$2,430,000
	Tyndall Air Force Base.	42 Units	$6,000,000
Georgia	Robins Air Force Base	46 Units	$5,252,000
Louisiana	Barksdale Air Force Base	80 Units	$9,570,000
Maryland	Hanscom Air Force Base.	32 Units	$5,100,000
Missouri	Whiteman Air Force Base	68 Units	$9,600,000
Nevada	Nellis Air Force Base	50 Units	$7,955,000
New Mexico	Kirtland Air Force Base	50 Units	$5,450,000

Air Force: Family Housing—Continued

State	Installation	Purpose	Amount
North Dakota	Grand Forks Air Force Base	66 Units	$7,784,000
	Minot Air Force Base	46 Units	$8,740,000
Texas	Lackland Air Force Base	132 Units	$11,500,000
	Lackland Air Force Base	Ancillary Facility	$800,000
Washington	McChord Air Force Base	50 Units	$5,659,000
		Total	$168,828,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $9,590,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $125,650,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September

30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,823,456,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $525,684,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $78,115,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $12,328,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $47,387,000.

(5) For demolition of excess facilities under section 2814 of title 10, United States Code, as added by section 2802, $10,000,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $304,068,000.

(B) For support of military family housing (including the functions described in section

2833 of title 10, United States Code), $840,474,000.

(7) For the construction of a corrosion control facility at Tinker Air Force Base, Oklahoma, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 530), $5,400,000.

(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).

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 2406(a)(1), and, in the case of the projects described in paragraphs (2) and (3) of section 2406(b), other amounts appropriated pursuant to authorizations enacted after this Act for such projects, the Secretary of

1 Defense may acquire real property and carry out military
2 construction projects for the installations and locations in-
3 side the United States, and in the amounts, set forth in
4 the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitarization Program	Pueblo Chemical Activity, Colorado	$179,000,000
Defense Finance & Accounting Service	Charleston, South Carolina	$6,200,000
	Gentile Air Force Station, Ohio	$11,400,000
	Griffiss Air Force Base, New York	$10,200,000
	Loring Air Force Base, Maine	$6,900,000
	Naval Training Center, Orlando, Florida	$2,600,000
	Norton Air Force Base, California	$13,800,000
	Offutt Air Force Base, Nebraska	$7,000,000
	Rock Island Arsenal, Illinois	$14,400,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$6,790,000
Defense Logistics Agency	Altus Air Force Base, Oklahoma	$3,200,000
	Andrews Air Force Base, Maryland	$12,100,000
	Barksdale Air Force Base, Louisiana	$4,300,000
	Defense Construction Supply Center, Columbus, Ohio	$600,000
	Defense Distribution, San Diego, California	$15,700,000
	Elmendorf Air Force Base, Alaska	$18,000,000
	McConnell Air Force Base, Kansas	$2,200,000
	Naval Air Facility, El Centro, California	$5,700,000
	Naval Air Station, Fallon, Nevada	$2,100,000
	Naval Air Station, Oceana, Virginia	$1,500,000
	Shaw Air Force Base, South Carolina	$2,900,000
	Travis Air Force Base, California	$15,200,000
Defense Medical Facility Office	Andrews Air Force Base, Maryland	$15,500,000
	Charleston Air Force Base, South Carolina	$1,300,000
	Fort Bliss, Texas	$6,600,000
	Fort Bragg, North Carolina	$11,400,000
	Fort Hood, Texas	$1,950,000
	Marine Corps Base, Camp Pendleton, California	$3,300,000
	Maxwell Air Force Base, Alabama	$25,000,000
	Naval Air Station, Key West, Florida	$15,200,000
	Naval Air Station, Norfolk, Virginia	$1,250,000
	Naval Air Station, Lemoore, California	$38,000,000
Special Operations Command	Fort Bragg, North Carolina	$14,000,000
	Fort Campbell, Kentucky	$4,200,000
	MacDill Air Force Base, Florida	$9,600,000
	Naval Amphibious Base, Coronado, California	$7,700,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
	Naval Station, Ford Island, Pearl Harbor, Hawaii	$12,800,000
	Total	$509,590,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	Moron Air Base, Spain	$12,958,000
	Naval Air Station, Sigonella, Italy	$6,100,000
Defense Medical Facility Office	Administrative Support Unit, Bahrain, Bahrain	$4,600,000
	Total	$23,658,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(14)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $500,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(14)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,871,000.

SEC. 2404. MILITARY HOUSING IMPROVEMENT PROGRAM.

(a) AVAILABILITY OF FUNDS FOR CREDIT TO FAMILY HOUSING IMPROVEMENT FUND.—(1) Of the amount authorized to be appropriated pursuant to section 2406(a)(14)(C), $35,000,000 shall be available for credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code.

(2) Of the amount authorized to be appropriated pursuant to section 2406(a)(14)(D), $10,000,000 shall be available for credit to the Department of Defense Military Unaccompanied Housing Improvement Fund established by section 2883(a)(2) of such title.

(b) USE OF FUNDS.—(1) The Secretary of Defense may use funds credited to the Department of Defense Family Housing Improvement Fund under subsection (a)(1) to carry out any activities authorized by subchapter

IV of chapter 169 of such title with respect to military family housing.

(2) The Secretary of Defense may use funds credited to the Department of Defense Military Unaccompanied Housing Improvement Fund under subsection (a)(2) to carry out any activities authorized by subchapter IV of chapter 169 of such title with respect to military unaccompanied housing.

SEC. 2405. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(12), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2406. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, 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 $3,431,670,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $346,487,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $23,658,000.

(3) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, 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), $24,000,000.

(4) 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), $72,000,000.

(5) For military construction projects at Fort Bragg, North Carolina, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2599), $89,000,000.

(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 the Public Law 103–337; 108 Stat. 3040), $46,000,000.

(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 (108 Stat. 3040), $64,000,000.

(8) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 535), $20,822,000.

(9) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $16,874,000.

(10) For unspecified minor construction projects under section 2805 of title 10, United States Code, $9,500,000.

(11) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $12,239,000.

(12) For energy conservation projects under section 2865 of title 10, United States Code, $47,765,000.

(13) For base closure and realignment activities as authorized by the Defense Base Closure and Re-

alignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,507,476,000.

(14) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,371,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,963,000, of which not more than $25,637,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund as authorized by section 2404(a)(1) of this Act, $35,000,000.

(D) For credit to the Department of Defense Military Unaccompanied Housing Improvement Fund as authorized by section 2404(a)(2) of this Act, $10,000,000.

(E) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $36,181,000, to remain available until expended.

(b) LIMITATION ON 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);

(2) $161,503,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a chemical demilitarization facility at Pueblo Army Depot, Colorado); and

(3) $1,600,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a replacement facility for the medical and dental clinic, Key West Naval Air Station, Florida).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, 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 Security Investment Program as authorized by section 2501, in the amount of $177,000,000.

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, 1996, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $41,316,000; and

(B) for the Army Reserve, $50,159,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $33,169,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $118,394,000; and

(B) for the Air Force Reserve, $51,655,000.

SEC. 2602. NAMING OF RANGE AT CAMP SHELBY, MISSISSIPPI.

(a) NAME.—The Multi Purpose Range Complex (Heavy) at Camp Shelby, Mississippi, shall after the date of the enactment of this Act be known and designated as the ''G.V. (Sonny) Montgomery Range''. Any reference to such range in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the G. V. (Sonny) Montgomery Range.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect at noon on January 3, 1997, or the first day on which G. V. (Sonny) Montgomery otherwise ceases to be a Member of the House of Representatives.

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, 1999; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000.

(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, 1999; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2000 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 1994 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat.

1880), 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, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1994 Project Authorizations

State	Installation or location	Project	Amount
New Jersey	Picatinny Arsenal	Advance Warhead Development Facility	$4,400,000
North Carolina	Fort Bragg	Land Acquisition	$15,000,000
Wisconsin	Fort McCoy	Family Housing Construction (16 units)	$2,950,000

Navy: Extension of 1994 Project Authorizations

State or Location	Installation or location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Transfer Facility	$1,450,000
New Jersey	Earle Naval Weapons Station	Explosives Holding Yard	$1,290,000
Virginia	Oceana Naval Air Station	Jet Engine Test Cell Replacement	$5,300,000
Various Locations	Various Locations	Land Acquisition Inside the United States	$540,000
Various Locations	Various Locations	Land Acquisition Outside the United States	$800,000

Air Force: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Eielson Air Force Base.	Upgrade Water Treatment Plant	$3,750,000
	Elmendorf Air Force Base	Corrosion Control Facility	$5,975,000
California	Beale Air Force Base	Educational Center	$3,150,000
Florida	Tyndall Air Force Base.	Base Supply Logistics Center	$2,600,000
Mississippi	Keesler Air Force Base.	Upgrade Student Dormitory	$4,500,000
North Carolina	Pope Air Force Base	Add To and Alter Dormitories	$4,300,000
Virginia	Langley Air Force Base	Fire Station	$3,850,000

Army National Guard: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Birmingham	Aviation Support Facility	$4,907,000
Arizona	Marana	Organizational Maintenance Shop	$553,000
	Marana	Dormitory/Dining Facility	$2,919,000
California	Fresno	Organizational Maintenance Shop Modification	$905,000
	Van Nuys	Armory Addition	$6,518,000
New Mexico	White Sands Missile Range	Organizational Maintenance Shop	$2,940,000
		Tactical Site	$1,995,000
		MATES	$3,570,000
Pennsylvania	Indiantown Gap	State Military Building	$9,200,000
	Johnstown	Armory Addition/ Flight Facility	$5,004,000
	Johnstown	Armory	$3,000,000

1 **SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
2 **FISCAL YEAR 1993 PROJECTS.**

3 (a) EXTENSIONS.—Notwithstanding section 2701 of
4 the Military Construction Authorization Act for Fiscal
5 Year 1993 (division B of Public Law 102–484; 106 Stat.
6 2602), authorizations for the projects set forth in the ta-

bles in subsection (b), as provided in section 2101, 2301, or 1601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility	$15,000,000

Air Force: Extension of 1993 Project Authorization

Country	Installation or location	Project	Amount
Portugal	Lajes Field	Water Wells	$865,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Tuscaloosa	Armory	$2,273,000
	Union Springs	Armory	$813,000

SEC. 2704. 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 table in subsection (b), as provided in section 2201 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) and section 2703(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is 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
	Umatilla Army Depot	Ammunition Demilitarization Utilities	$7,500,000

SEC. 2705. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction and Military Family Housing

SEC. 2801. NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM.

(a) CHANGE IN REFERENCE TO EARLIER PROGRAM.—(1) Section 2806(b) of title 10, United States Code, is amended by striking out ''North Atlantic Treaty Organization Infrastructure program'' and inserting in lieu thereof ''North Atlantic Treaty Organization Security Investment Program''.

(2) Section 2861(b)(3) of such title is amended by striking out ''North Atlantic Treaty Organization Infrastructure program'' and inserting in lieu thereof ''North Atlantic Treaty Organization Security Investment Program''.

(b) CLERICAL AMENDMENTS.—(1) The heading of section 2806 of such title is amended to read as follows:

''§ 2806. Contributions for North Atlantic Treaty Organization Security Investment Program''.

(2) The item relating to such section in the table of sections at the beginning of subchapter I of chapter 169 of such title is amended to read as follows:

"2806. Contributions for North Atlantic Treaty Organization Security Investment Program.".

SEC. 2802. AUTHORITY TO DEMOLISH EXCESS FACILITIES.

(a) DEMOLITION AUTHORIZED.—Subchapter I of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2814. Demolition of excess facilities

"(a) DEMOLITION USING MILITARY CONSTRUCTION APPROPRIATIONS.—Within an amount equal to 125 percent of the amount appropriated for such purpose in the military construction account, the Secretary concerned may carry out the demolition of a facility on a military installation when the facility is determined by the Secretary concerned to be—

"(1) excess to the needs of the military department or Defense Agency concerned; and

"(2) not suitable for reuse.

"(b) DEMOLITIONS USING OPERATIONS AND MAINTENANCE FUNDS.—Using funds available to the Secretary concerned for operation and maintenance, the Secretary concerned may carry out a demolition project involving an excess facility described in subsection (a), except that the amount obligated on the project may not exceed the maximum amount authorized for a minor construction project under section 2805(c)(1) of this title.

"(c) ADVANCE APPROVAL OF CERTAIN PROJECTS.—(1) A demolition project under this section that would cost more than $500,000 may not be carried out under this section unless approved in advance by the Secretary concerned.

"(2) When a decision is made to demolish a facility covered by paragraph (1), the Secretary concerned shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include—

"(A) the justification for the demolition and the current estimate of its costs, and

"(B) the justification for carrying out the project under this section.

"(3) The demolition project may be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees.

"(d) CERTAIN PROJECTS PROHIBITED.—(1) A demolition project involving military family housing may not be carried out under the authority of this section.

"(2) A demolition project required as a result of a base closure action authorized by title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) or 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) may not be carried out under the authority of this section.

''(3) A demolition project required as a result of environmental contamination shall be carried out under the authority of the environmental restoration program under section 2701(b)(3) of this title.

''(e) DEMOLITION INCLUDED IN SPECIFIC MILITARY CONSTRUCTION PROJECT.—Nothing in this section is intended to preclude the inclusion of demolition of facilities as an integral part of a specific military construction project when the demolition is required for accomplishment of the intent of that construction project.''.

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

''2814. Demolition of excess facilities.''.

SEC. 2803. IMPROVEMENTS TO FAMILY HOUSING UNITS.

(a) AUTHORIZED IMPROVEMENTS.—Subsection (a)(2) of section 2825 of title 10, United States Code, is amended—

(1) by inserting ''major'' before ''maintenance''; and

(2) by adding at the end the following: ''Such term does not include day-to-day maintenance and repair.''.

(b) LIMITATION.—Subsection (b) of such is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) In determining the applicability of the limitation contained in paragraph (1), the Secretary concerned shall include as part of the cost of the improvement the following:

''(A) The cost of major maintenance or repair work (excluding day-to-day maintenance and repair) undertaken in connection with the improvement.

''(B) Any cost, beyond the five-foot line of a housing unit, in connection with—

''(i) the furnishing of electricity, gas, water, and sewage disposal;

''(ii) the construction or repair of roads, drives, and walks; and

''(iii) grading and drainage work.''.

Subtitle B—Defense Base Closure and Realignment

SEC. 2811. RESTORATION OF AUTHORITY FOR CERTAIN INTRAGOVERNMENT TRANSFERS UNDER 1988 BASE CLOSURE LAW.

Section 204(b)(2) of the Defense Authorization Amendments and Base Closure and Realignment Act

(Public Law 100–526; 10 U.S.C. 2687 note), is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

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

''(D) The Secretary of Defense may transfer real property or facilities located at a military installation to be closed or realigned under this title, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard.''.

SEC. 2812. CONTRACTING FOR CERTAIN SERVICES AT FACILITIES REMAINING ON CLOSED INSTALLATIONS.

(a) 1988 LAW.—Section 204(b)(8)(A) 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 inserting ''or at facilities remaining on installations closed under this title'' after ''under this title''.

(b) 1990 LAW.—Section 2905(b)(8)(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), is amended by inserting ''or at facilities remaining

on installations closed under this part'' after ''under this part''.

SEC. 2813. AUTHORITY TO COMPENSATE OWNERS OF MANUFACTURED HOUSING.

(a) 1988 LAW.—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:

''(f) ACQUISITION OF MANUFACTURED HOUSING.—(1) In closing or realigning any military installation under this title, the Secretary may purchase any or all right, title, and interest of a member of the Armed Forces and any spouse of the member in manufactured housing located at a manufactured housing park established at an installation closed or realigned under this title, or make a payment to the member to relocate the manufactured housing to a suitable new site, if the Secretary determines that—

''(A) it is in the best interests of the Federal Government to eliminate or relocate the manufactured housing park; and

''(B) the elimination or relocation of the manufactured housing park would result in an unreason-

able financial hardship to the owners of the manufactured housing.

''(2) Any payment made under this subsection shall not exceed 90 percent of the purchase price of the manufactured housing, as paid by the member or any spouse of the member, plus the cost of any permanent improvements subsequently made to the manufactured housing by the member or spouse of the member.

''(3) The Secretary shall dispose of manufactured housing acquired under this subsection through resale, donation, trade or otherwise within one year of acquisition.''.

(b) 1990 LAW.—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:

''(g) ACQUISITION OF MANUFACTURED HOUSING.—(1) In closing or realigning any military installation under this part, the Secretary may purchase any or all right, title, and interest of a member of the Armed Forces and any spouse of the member in manufactured housing located at a manufactured housing park established at an installation closed or realigned under this part, or make a payment to the member to relocate the manufactured

housing to a suitable new site, if the Secretary determines that—

"(A) it is in the best interests of the Federal Government to eliminate or relocate the manufactured housing park; and

"(B) the elimination or relocation of the manufactured housing park would result in an unreasonable financial hardship to the owners of the manufactured housing.

"(2) Any payment made under this subsection shall not exceed 90 percent of the purchase price of the manufactured housing, as paid by the member or any spouse of the member, plus the cost of any permanent improvements subsequently made to the manufactured housing by the member or spouse of the member.

"(3) The Secretary shall dispose of manufactured housing acquired under this subsection through resale, donation, trade or otherwise within one year of acquisition.".

SEC. 2814. ADDITIONAL PURPOSE FOR WHICH ADJUSTMENT AND DIVERSIFICATION ASSISTANCE IS AUTHORIZED.

Section 2391(b)(5) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(5)"; and

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

''(B) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State in enhancing its capacities—

''(i) to assist communities, businesses, and workers adversely affected by an action described in paragraph (1);

''(ii) to support local adjustment and diversification initiatives; and

''(iii) to stimulate cooperation between statewide and local adjustment and diversification efforts.''.

SEC. 2815. PAYMENT OF STIPULATED PENALTIES ASSESSED UNDER CERCLA IN CONNECTION WITH LORING AIR FORCE BASE, MAINE.

From amounts in the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary of Defense may expend not more than $50,000 to pay stipulated civil penalties assessed under the Comprehensive Environmental Response,

Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against Loring Air Force Base, Maine.

SEC. 2816. PLAN FOR UTILIZATION, REUTILIZATION, OR DISPOSAL OF MISSISSIPPI ARMY AMMUNITION PLANT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a plan for the utilization, reutilization, or disposal of the Mississippi Army Ammunition Plant, Hancock County, Mississippi.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2821. TRANSFER AND EXCHANGE OF JURISDICTION, ARLINGTON NATIONAL CEMETERY, ARLINGTON, VIRGINIA.

(a) TRANSFER OF CERTAIN SECTION 29 LANDS.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the unit of the National Park System known as Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) The lands known as the Robert E. Lee Memorial Preservation Zone, except those lands in the

preservation zone that the Secretary of the Interior determines to retain because of the historical significance of the lands.

(2) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement entered into by the Secretary of the Army and the Secretary of the Interior on February 22, 1995.

(b) EXCHANGE OF ADDITIONAL LAND.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 2.43 acres, located in the Memorial Drive entrance area to Arlington National Cemetery.

(2) In exchange for the transfer under paragraph (1), the Secretary of the Army shall transfer to the Secretary of the Interior administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 0.17 acres, located at Arlington National Cemetery, and known as the Old Administrative Building site. The Secretary of the Army shall grant to the Secretary of the Interior a perpetual right of ingress and egress to the parcel transferred this paragraph.

(c) LEGAL DESCRIPTION.—The exact acreage and legal descriptions of the lands to be transferred pursuant to this section shall be determined by surveys satisfactory

to the Secretary of the Interior and the Secretary of the Army. The costs of the surveys shall be borne by the Secretary of the Army.

SEC. 2822. LAND CONVEYANCE, ARMY RESERVE CENTER, RUSHVILLE, INDIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Rushville, Indiana (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located in Rushville, Indiana, and contains the Rushville Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the City retain the conveyed property for the use and benefit of the Rushville Police 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 the survey shall be borne by the City.

(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. 2823. LAND CONVEYANCE, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the County of Anderson, South Carolina (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 805 East Whitner Street in Anderson, South Carolina, and contains an Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the County retain the conveyed property for the use and benefit of the Anderson County Department of Education.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(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. 2824. REAFFIRMATION OF LAND CONVEYANCES, FORT SHERIDAN, ILLINOIS.

As soon as practicable after the date of the enactment of this Act, the Secretary of the Army shall complete the land conveyances involving Fort Sheridan, Illinois, required or authorized under section 125 of the Military Construction Appropriations Act, 1996 (Public Law 104–32; 109 Stat. 290).

PART II—NAVY CONVEYANCES

SEC. 2831. RELEASE OF CONDITION ON RECONVEYANCE OF TRANSFERRED LAND, GUAM.

(a) IN GENERAL.—Section 818(b)(2) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1782), relating to a condition on disposal by Guam of lands conveyed to Guam by the United States, shall have no force or effect and is repealed.

(b) EXECUTION OF INSTRUMENTS.—The Secretary of the Navy and the Administrator of General Services shall execute all instruments necessary to implement this section.

SEC. 2832. LAND EXCHANGE, ST. HELENA ANNEX, NORFOLK NAVAL SHIPYARD, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey to such private person as the Secretary considers appropriate (in this section referred to as the ''transferee'') all right, title, and interest of the United States in and to a parcel of real property that is located at the Norfolk Naval Shipyard, Virginia, and, as of the date of the enactment of this Act, is a portion of the property leased to the Norfolk Shipbuilding and Drydock Company pursuant to the Department of the Navy lease N00024–84–L–0004, effective October 1, 1984, as extended.

(2) Pending completion of the conveyance authorized by paragraph (1), the Secretary may lease the real property to the transferee upon such terms as the Secretary considers appropriate.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), including any interim lease authorized by such subsection, the transferee shall—

(1) convey to the United States all right, title, and interest to a parcel or parcels of real property, together with any improvements thereon, located in the area of Portsmouth, Virginia, which are determined to be acceptable to the Secretary; and

(2) pay to the Secretary an amount equal to the amount, if any, by which the fair market value of the parcel conveyed by the Secretary under subsection (a) exceeds the fair market value of the parcel conveyed to the United States under paragraph (1).

(c) USE OF RENTAL AMOUNTS.—The Secretary may use the amounts received as rent from any lease entered into under the authority of subsection (a)(2) to fund environmental studies of the parcels of real property to be conveyed under this section.

(d) IN-KIND CONSIDERATION.—The Secretary and the transferee may agree that, in lieu of all or any part of the consideration required by subsection (b)(2), the transferee may provide and the Secretary may accept the improvement, maintenance, protection, repair, or restoration of real property under the control of the Secretary in the area of Hampton Roads, Virginia.

(e) DETERMINATION OF FAIR MARKET VALUE AND PROPERTY DESCRIPTION.—The Secretary shall determine the fair market value of the parcels of real property to be conveyed under subsections (a) and (b)(1). The exact acreage and legal description of the parcels shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the transferee.

(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. 2833. LAND CONVEYANCE, CALVERTON PINE BARRENS, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT, CALVERTON, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Department of Environmental Conservation of the State of New York (in this section referred to as the ''Department''), all right, title, and interest of the United States in and to the Calverton Pine Barrens located at the Naval Weapons Industrial Reserve Plant, Calverton, New York.

(b) EFFECT ON OTHER CONVEYANCE AUTHORITY.—The conveyance authorized by this subsection shall not affect the transfer of jurisdiction of a portion of the Calverton Pine Barrens authorized by section 2865 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 576).

(c) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Department agree—

(1) to maintain the conveyed property as a nature preserve, as required by section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2626), as amended by section 2823 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3058);

(2) to designate the conveyed property as the ''Otis G. Pike Preserve''; and

(3) to continue to allow the level of sporting activities on the conveyed property as permitted at the time of the conveyance.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Department.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

(f) CALVERTON PINE BARRENS DEFINED.—In this section, the term ''Calverton Pine Barrens'' has the mean-

ing given that term in section 2854(d)(1) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2626).

PART III—AIR FORCE CONVEYANCES

SEC. 2841. CONVEYANCE OF PRIMATE RESEARCH COMPLEX, HOLLOMAN AIR FORCE BASE, NEW MEXICO.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Air Force may dispose of all right, title, and interest of the United States in and to the primate research complex at Holloman Air Force Base, New Mexico. The conveyance may include the colony of chimpanzees owned by the Air Force that are housed at or managed from the primate research complex. The conveyance may not include the real property on which the primate research complex is located.

(b) COMPETITIVE PROCEDURES REQUIRED.—The Secretary shall use competitive procedures in making the conveyance authorized by subsection (a).

(c) CARE AND USE STANDARDS.—As part of the solicitation of bids for the conveyance authorized by subsection (a), the Secretary shall develop standards for the care and use of the primate research complex, and of chimpanzees. The Secretary shall develop the standards

in consultation with the Secretary of Agriculture and the Director of the National Institutes of Health.

(d) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the followings conditions:

(1) That the recipient of the primate research complex—

(A) utilize any chimpanzees included in the conveyance for scientific research or medical research purposes; or

(B) retire and provide adequate care for such chimpanzees.

(2) That the recipient of the primate research complex assume from the Secretary any leases at the primate research complex that are in effect at the time of the conveyance.

(e) DESCRIPTION OF COMPLEX.—The exact legal description of the primate research complex to be conveyed under subsection (a) shall be determined by a survey or other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the recipient of the primate research complex.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, RADAR BOMB SCORING SITE, BELLE FOURCHE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Belle Fourche School District, Belle Fourche, South Dakota (in this section referred to as the ''District''), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 37 acres located in Belle Fourche, South Dakota, which has served as the location of a support complex and housing facilities for Detachment 21 of the 554th Range Squadron, an Air Force Radar Bomb Scoring Site located in Belle Fourche, South Dakota. The conveyance may not include any portion of the radar bomb scoring site located in the State of Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the District—

(1) use the property and facilities conveyed under such subsection for education, economic development, and housing purposes; or

(2) enter into an agreement with an appropriate public or private entity to sell or lease the property and facilities to such entity for such purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(d) 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.

PART IV—OTHER CONVEYANCES

SEC. 2851. LAND CONVEYANCE, TATUM SALT DOME TEST SITE, MISSISSIPPI.

(a) TRANSFER.—The Secretary of Energy may convey, without compensation, to the State of Mississippi (in this section referred to as the ''State'') the property known as the Tatum Salt Dome Test Site, as generally depicted

on the map of the Department of Energy numbered 301913.104.02 and dated June 25, 1993.

(b) CONDITION ON CONVEYANCE.—The conveyance under this section shall be subject to the condition that the State use the conveyed property as a wilderness area and working demonstration forest.

(c) DESIGNATION.—The property to be conveyed is hereby designated as the ''Jamie Whitten Wilderness Area''.

(d) RETAINED RIGHTS.—The conveyance under this section shall be subject to each of the following rights to be retained by the United States:

(1) Retention by the United States of the subsurface estate below a specified depth. The specified depth shall be 1000 feet below sea level unless a lesser depth is agreed upon by the Secretary and the State.

(2) Retention by the United States of rights of access, by easement or otherwise, for such purposes as the Secretary considers appropriate, including access to monitoring wells for sampling.

(3) Retention by the United States of the right to install wells additional to those identified in the remediation plan for the property to the extent such additional wells are considered necessary by the Sec-

retary to monitor potential pathways of contaminant migration. Such wells shall be in such locations as specified by the Secretary.

(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 determines appropriate to protect the interests of the United States.

SEC. 2852. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the ''Authority''), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for eco-

nomic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the 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. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995

for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2861. EASEMENTS FOR RIGHTS-OF-WAY.

Section 2668(a) of title 10, United States Code, is amended—

(1) by striking out ''and'' at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (12);

(3) in paragraph (12), as so redesignated, by striking out ''or by the Act of March 4, 1911 (43 U.S.C. 961)''; and

(4) by inserting after paragraph (9) the following new paragraph:

''(10) poles and lines for the transmission and distribution of electrical power;

''(11) poles and lines for communication purposes, and for radio, television, and other forms of communication transmitting, relay, and receiving structures and facilities; and''.

SEC. 2862. AUTHORITY TO ENTER INTO COOPERATIVE AGREEMENTS FOR THE MANAGEMENT OF CULTURAL RESOURCES ON MILITARY INSTALLATIONS.

(a) AGREEMENTS AUTHORIZED.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2683 the following new section:

''§ 2684. Cooperative agreements for management of cultural resources

''(a) AUTHORITY.—The Secretary of Defense or the Secretary of a military department may enter into a cooperative agreement with a State, local government, or other entity for the preservation, management, maintenance, and improvement of cultural resources on military instal-

lations and for the conducting of research regarding the cultural resources. Activities under the cooperative agreement shall be subject to the availability of funds to carry out the cooperative agreement.

"(b) APPLICATION OF OTHER LAWS.—Section 1535 and chapter 63 of title 31 shall not apply to a cooperative agreement entered into under this section.

"(c) CULTURAL RESOURCE DEFINED.—In this section, the term 'cultural resource' means any of the following:

"(1) Any building, structure, site, district, or object included in or eligible for inclusion in the National Register of Historic Places under section 101 of the National Historic Preservation Act (16 U.S.C. 470a).

"(2) Cultural items, as defined in section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)).

"(3) An archaeological resource, as defined in section 3(1) of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470bb(1)).

"(4) Archaeological artifact collections and associated records, as defined in section 79 of title 36, Code of Federal Regulations.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2683 the following new item:

"2684. Cooperative agreements for management of cultural resources.".

SEC. 2863. DEMONSTRATION PROJECT FOR INSTALLATION AND OPERATION OF ELECTRIC POWER DISTRIBUTION SYSTEM AT YOUNGSTOWN AIR RESERVE STATION, OHIO.

(a) AUTHORITY.—The Secretary of the Air Force may carry out a demonstration project to assess the feasibility and advisability of permitting private entities to install, operate, and maintain electric power distribution systems at military installations. The Secretary shall carry out the demonstration project through an agreement under subsection (b).

(b) AGREEMENT.—(1) In order to carry out the demonstration project, the Secretary shall enter into an agreement with an electric utility or other company in the Youngstown, Ohio, area, consistent with State law, under which the utility or company installs, operates, and maintains (in a manner satisfactory to the Secretary and the utility or company) an electric power distribution system at Youngstown Air Reserve Station, Ohio.

(2) The Secretary may not enter into an agreement under this subsection until—

(A) the Secretary submits to the congressional defense committees a report on the agreement to be entered into, including the costs to be incurred by the United States under the agreement; and

(B) a period of 30 days has elapsed from the date of the receipt of the report by the committees.

(c) LICENSES AND EASEMENTS.—In order to facilitate the installation, operation, and maintenance of the electric power distribution system under the agreement under subsection (b), the Secretary may grant the utility or company with which the Secretary enters into the agreement such licenses, easements, and rights-of-way, consistent with State law, as the Secretary and the utility or company jointly determine necessary for such purposes.

(d) OWNERSHIP OF SYSTEM.—The agreement between the Secretary and the utility or company under subsection (b) may provide that the utility or company shall own the electric power distribution system installed under the agreement.

(e) RATE.—The rate charged by the utility or company for providing and distributing electric power at Youngstown Air Reserve Station through the electric power distribution system installed under the agreement under subsection (b) shall be the rate established by the appropriate Federal or State regulatory authority.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in the agreement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2864. DESIGNATION OF MICHAEL O'CALLAGHAN MILITARY HOSPITAL.

(a) DESIGNATION.—The Nellis Federal Hospital, a Federal building located at 4700 North Las Vegas Boulevard, Las Vegas, Nevada, shall be known and designated as the ''Michael O'Callaghan Military Hospital''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (a) shall be deemed to be a reference to the ''Michael O'Callaghan Military Hospital''.

TITLE XXIX—MILITARY LAND WITHDRAWALS

Subtitle A—Fort Carson-Pinon Canyon Military Lands Withdrawal

SEC. 2901. SHORT TITLE.

This subtitle may be cited as the ''Fort Carson-Pinon Canyon Military Lands Withdrawal Act''.

SEC. 2902. WITHDRAWAL AND RESERVATION OF LANDS AT FORT CARSON MILITARY RESERVATION.

(a) WITHDRAWAL.—Subject to valid existing rights and except as otherwise provided in this subtitle, the lands at the Fort Carson Military Reservation, Colorado, that are described in subsection (c) are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws, the mineral and geothermal leasing laws, and the mineral materials disposal laws.

(b) RESERVATION.—The lands withdrawn under subsection (a) are reserved for use by the Secretary of the Army—

(1) for military maneuvering, training and weapons firing; and

(2) for other defense related purposes consistent with the uses specified in paragraph (1).

(c) LAND DESCRIPTION.—The lands referred to in subsection (a) comprise 3,133.02 acres of public land and 11,415.16 acres of federally-owned minerals in El Paso, Pueblo, and Fremont Counties, Colorado, as generally depicted on the map entitled ''Fort Carson Proposed Withdrawal—Fort Carson Base'', dated February 6, 1992, and published in accordance with section 4.

SEC. 2903. WITHDRAWAL AND RESERVATION OF LANDS AT PINON CANYON MANEUVER SITE.

(a) WITHDRAWAL.—Subject to valid existing rights and except as otherwise provided in this subtitle, the lands at the Pinon Canyon Maneuver Site, Colorado, that are described in subsection (c) are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws, the mineral and geothermal leasing laws, and the mineral materials disposal laws.

(b) RESERVATION.—The lands withdrawn under subsection (a) are reserved for use by the Secretary of the Army—

(1) for military maneuvering and training; and

(2) for other defense related purposes consistent with the uses specified in paragraph (1).

(c) LAND DESCRIPTION.—The lands referred to in subsection (a) comprise 2,517.12 acres of public lands and 130,139 acres of federally-owned minerals in Las Animas County, Colorado, as generally depicted on the map entitled ''Fort Carson Proposed Withdrawal—Fort Carson Maneuver Area—Pinon Canyon site'', dated February 6, 1992, and published in accordance with section 2904.

SEC. 2904. MAPS AND LEGAL DESCRIPTIONS.

(a) PREPARATION OF MAPS AND LEGAL DESCRIPTION.—As soon as practicable after the date of the enactment of this subtitle, the Secretary of the Interior shall

prepare maps depicting the lands withdrawn and reserved by this subtitle and publish in the Federal Register a notice containing the legal description of such lands.

(b) LEGAL EFFECT.—Such maps and legal descriptions shall have the same force and effect as if they were included in this subtitle, except that the Secretary of the Interior may correct clerical and typographical errors in such maps and legal descriptions.

(c) AVAILABILITY OF MAPS AND LEGAL DESCRIPTION.—Copies of such maps and legal descriptions shall be available for public inspection in the offices of the Colorado State Director and the Canon City District Manager of the Bureau of Land Management and in the offices of the Commander of Fort Carson, Colorado.

(d) COSTS.—The Secretary of the Army shall reimburse the Secretary of the Interior for the costs of implementing this section.

SEC. 2905. MANAGEMENT OF WITHDRAWN LANDS.

(a) MANAGEMENT GUIDELINES.—

(1) MANAGEMENT BY SECRETARY OF THE ARMY.—Except as provided in section 6, during the period of withdrawal, the Secretary of the Army shall manage for military purposes the lands covered by this subtitle and may authorize use of the lands by the other military departments and agencies of

the Department of Defense, and the National Guard, as appropriate.

(2) ACCESS RESTRICTIONS.—When military operations, public safety, or national security, as determined by the Secretary of the Army, require the closure of roads and trails on the lands withdrawn by this subtitle commonly in public use, the Secretary of the Army is authorized to take such action, except that such closures shall be limited to the minimum areas and periods required for the purposes specified in this subsection. Appropriate warning notices shall be kept posted during closures.

(3) SUPPRESSION OF FIRES.—The Secretary of the Army shall take necessary precautions to prevent and suppress brush and range fires occurring within and outside the lands as a result of military activities and may seek assistance from the Bureau of Land Management in suppressing such fires. The memorandum of understanding required by this section shall provide for Bureau of Land Management assistance in the suppression of such fires, and for a transfer of funds from the Department of the Army to the Bureau of Land Management as compensation for such assistance.

(b) MANAGEMENT PLAN.—

(1) DEVELOPMENT REQUIRED.—The Secretary of the Army, with the concurrence of the Secretary of the Interior, shall develop a plan for the management of acquired lands and lands withdrawn under sections 2902 and 2903 for the period of withdrawal. The plan shall—

(A) be consistent with applicable law;

(B) include such provisions as may be necessary for proper resource management and protection of the natural, cultural, and other resources and values of such lands; and

(C) identify those withdrawn and acquired lands, if any, which are to be open to mining or mineral and geothermal leasing, including mineral materials disposal.

(2) TIME FOR DEVELOPMENT.—The management plan required by this subsection shall be developed not later than 5 years after the date of the enactment of this subtitle.

(c) IMPLEMENTATION OF MANAGEMENT PLAN.—

(1) MEMORANDUM OF UNDERSTANDING REQUIRED.—The Secretary of the Army and the Secretary of the Interior shall enter into a memorandum of understanding to implement the management plan developed under subsection (b).

(2) DURATION.—The duration of any such memorandum of understanding shall be the same as the period of withdrawal specified in section 8(a).

(3) AMENDMENT.—The memorandum of understanding may be amended by agreement of both Secretaries.

(d) USE OF CERTAIN RESOURCES.—The Secretary of the Army is authorized to utilize sand, gravel, or similar mineral or mineral material resources from the lands withdrawn by this subtitle when the use of such resources is required for construction needs of the Fort Carson Reservation or Pinon Canyon Maneuver Site.

SEC. 2906. MANAGEMENT OF WITHDRAWN AND ACQUIRED MINERAL RESOURCES.

Except as provided in section 2905(d), the Secretary of the Interior shall manage all withdrawn and acquired mineral resources within the boundaries of the Fort Carson Military Reservation and Pinon Canyon Maneuver Site in the same manner as provided in section 12 of the Military Lands Withdrawal Act of 1986 (Public Law 99–606; 100 Stat. 3466) for mining and mineral leasing on certain lands withdrawn by that Act from all forms of appropriation under the public land laws.

SEC. 2907. HUNTING, FISHING, AND TRAPPING.

All hunting, fishing, and trapping on the lands withdrawn and reserved by this subtitle shall be conducted in accordance with section 2671 of title 10, United States Code.

SEC. 2908. TERMINATION OF WITHDRAWAL AND RESERVATION.

(a) TERMINATION DATE.—The withdrawal and reservation made by this subtitle shall terminate 15 years after the date of the enactment of this subtitle.

(b) DETERMINATION OF CONTINUING MILITARY NEED.—

(1) DETERMINATION REQUIRED.—At least three years before the termination under subsection (a) of the withdrawal and reservation established by this subtitle, the Secretary of the Army shall advise the Secretary of the Interior as to whether or not the Department of the Army will have a continuing military need for any of the lands after the termination date.

(2) METHOD OF MAKING DETERMINATION.—If the Secretary of the Army concludes under paragraph (1) that there will be a continuing military need for any of the lands after the termination date established by subsection (a), the Secretary of the Army, in accordance with applicable law, shall—

(A) evaluate the environmental effects of renewal of such withdrawal and reservation;

(B) hold at least one public hearing in Colorado concerning such evaluation; and

(C) file, after completing the requirements of subparagraphs (A) and (B), an application for extension of the withdrawal and reservation of such lands in accordance with the regulations and procedures of the Department of the Interior applicable to the extension of withdrawals for military uses.

(3) NOTIFICATION.—The Secretary of the Interior shall notify the Congress concerning a filing under paragraph (3)(C).

(c) EARLY RELINQUISHMENT OF WITHDRAWAL.—If the Secretary of the Army concludes under subsection (b) that before the termination date established by subsection (a) there will be no military need for all or any part of the lands withdrawn and reserved by this subtitle, or if, during the period of withdrawal, the Secretary of the Army otherwise decides to relinquish any or all of the lands withdrawn and reserved under this subtitle, the Secretary of the Army shall file with the Secretary of the Interior a notice of intention to relinquish such lands.

(d) ACCEPTANCE OF LANDS PROPOSED FOR RELINQUISHMENT.—Notwithstanding any other provision of law, the Secretary of the Interior, upon deciding that it is in the public interest to accept jurisdiction over the lands proposed for relinquishment, may revoke the withdrawal and reservation established by this subtitle as it applies to the lands proposed for relinquishment. Should the decision be made to revoke the withdrawal and reservation, the Secretary of the Interior shall publish in the Federal Register an appropriate order which shall—

(1) terminate the withdrawal and reservation;

(2) constitute official acceptance of full jurisdiction over the lands by the Secretary of the Interior; and

(3) state the date upon which the lands will be opened to the operation of the public land laws, including the mining laws if appropriate.

SEC. 2909. DETERMINATION OF PRESENCE OF CONTAMINATION AND EFFECT OF CONTAMINATION.

(a) DETERMINATION OF PRESENCE OF CONTAMINATION.—

(1) BEFORE RELINQUISHMENT NOTICE.—Before filing a relinquishment notice under section 2908(c), the Secretary of the Army shall prepare a written determination as to whether and to what ex-

tent the lands to be relinquished are contaminated with explosive, toxic, or other hazardous materials. A copy of the determination made by the Secretary of the Army shall be supplied with the relinquishment notice. Copies of both the relinquishment notice and the determination under this subsection shall be published in the Federal Register by the Secretary of the Interior.

(2) UPON TERMINATION OF WITHDRAWAL.—At the expiration of the withdrawal period made by this Act, the Secretary of the Interior shall determine whether and to what extent the lands withdrawn by this subtitle are contaminated to an extent which prevents opening such contaminated lands to operation of the public land laws.

(b) PROGRAM OF DECONTAMINATION.—

(1) IN GENERAL.—Throughout the duration of the withdrawal and reservation made by this subtitle, the Secretary of the Army, to the extent funds are made available, shall maintain a program of decontamination of the lands withdrawn by this subtitle at least at the level of effort carried out during fiscal year 1992.

(2) DECONTAMINATION OF LANDS TO BE RELINQUISHED.—In the case of lands subject to a re-

linquishment notice under section 2908(c) that are contaminated, the Secretary of the Army shall decontaminate the land to the extent that funds are appropriated for such purpose if the Secretary of the Interior, in consultation with the Secretary of the Army, determines that—

(A) decontamination of the lands is practicable and economically feasible, taking into consideration the potential future use and value of the land; and

(B) upon decontamination, the land could be opened to the operation of some or all of the public land laws, including the mining laws.

(c) AUTHORITY OF SECRETARY OF THE INTERIOR TO REFUSE CONTAMINATED LANDS.—The Secretary of the Interior shall not be required to accept lands proposed for relinquishment if the Secretary of the Army and the Secretary of the Interior conclude that—

(1) decontamination of any or all of the lands proposed for relinquishment is not practicable or economically feasible;

(2) the lands cannot be decontaminated sufficiently to allow them to be opened to the operation of the public land laws; or

(3) insufficient funds are appropriated for the purpose of decontaminating the lands.

(d) EFFECT OF CONTINUED CONTAMINATION.—If the Secretary of the Interior declines under subsection (c) to accept jurisdiction of lands proposed for relinquishment or if the Secretary of the Interior determines under subsection (a)(2) that some of the lands withdrawn by this subtitle are contaminated to an extent that prevents opening the contaminated lands to operation of the public land laws—

(1) the Secretary of the Army shall take appropriate steps to warn the public of the contaminated state of such lands and any risks associated with entry onto such lands;

(2) after the expiration of the withdrawal, the Secretary of the Army shall undertake no activities on such lands except in connection with decontamination of such lands; and

(3) the Secretary of the Army shall report to the Secretary of the Interior and to the Congress concerning the status of such lands and all actions taken under paragraphs (1) and (2).

(e) EFFECT OF SUBSEQUENT DECONTAMINATION.—If the lands described in subsection (d) are subsequently decontaminated, upon certification by the Secretary of the

Army that the lands are safe for all nonmilitary uses, the Secretary of the Interior shall reconsider accepting jurisdiction over the lands.

(f) EFFECT ON OTHER LAWS.—Nothing in this subtitle shall affect, or be construed to affect, the obligations of the Secretary of the Army, if any, to decontaminate lands withdrawn by this subtitle pursuant to applicable law, including the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

SEC. 2910. DELEGATION.

The functions of the Secretary of the Army under this subtitle may be delegated. The functions of the Secretary of the Interior under this subtitle may be delegated, except that the order referred to in section 2908(d) may be approved and signed only by the Secretary of the Interior, the Deputy Secretary of the Interior, or an Assistant Secretary of the Department of the Interior.

SEC. 2911. HOLD HARMLESS.

Any party conducting any mining, mineral, or geothermal leasing activity on lands comprising the Fort Carson Reservation or Pinon Canyon Maneuver Site shall indemnify the United States against any costs, fees, damages, or other liabilities (including costs of litigation) in-

curred by the United States and arising from or relating to such mining activities, including costs of mineral materials disposal, whether arising under the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Solid Waste Disposal Act, or otherwise.

SEC. 2912. AMENDMENT TO MILITARY LANDS WITHDRAWAL ACT OF 1986.

(a) USE OF CERTAIN RESOURCES.—Section 3(f) of the Military Lands Withdrawal Act of 1986 (Public Law 99–606; 100 Stat. 3461) is amended by adding at the end the following new paragraph:

''(2) Subject to valid existing rights, the Secretary of the military department concerned may utilize sand, gravel, or similar mineral or material resources when the use of such resources is required for construction needs on the respective lands withdrawn by this Act.''.

(b) TECHNICAL CORRECTION.—Section 9(b) of the Military Lands Withdrawal Act of 1986 (Public Law 99–606; 100 Stat. 3466) is amended by striking ''section 7(f)'' and inserting in lieu thereof ''section 8(f)''.

SEC. 2913. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this subtitle.

Subtitle B—El Centro Naval Air Facility Ranges Withdrawal

SEC. 2921. SHORT TITLE AND DEFINITIONS.

(a) SHORT TITLE.—This subtitle may be cited as the ''El Centro Naval Air Facility Ranges Withdrawal Act''.

(b) DEFINITIONS.—In this subtitle:

(1) The term ''El Centro'' means the Naval Air Facility, El Centro, California.

(2) The term ''cooperative agreement'' means the cooperative agreement entered into between the Bureau of Land Management, the Bureau of Reclamation, and the Department of the Navy, dated June 29, 1987, with regard to the defense-related uses of Federal lands to further the mission of El Centro.

(3) The term ''relinquishment notice'' means a notice of intention by the Secretary of the Navy under section 2928(a) to relinquish, before the termination date specified in section 2925, the withdrawal and reservation of certain lands withdrawn under this subtitle.

SEC. 2922. WITHDRAWAL AND RESERVATION OF LANDS FOR EL CENTRO.

(a) WITHDRAWALS.—Subject to valid existing rights, and except as otherwise provided in this subtitle, the Fed-

eral lands utilized in the mission of the Naval Air Facility, El Centro, California, that are described in subsection (c) are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws, but not the mineral leasing or geothermal leasing laws or the mineral materials sales laws.

(b) RESERVATION.—The lands withdrawn under subsection (a) are reserved for the use by the Secretary of the Navy—

(1) for defense-related purposes in accordance with the cooperative agreement; and

(2) subject to notice to the Secretary of the Interior under section 2924(e), for other defense-related purposes determined by the Secretary of the Navy.

(c) DESCRIPTION OF WITHDRAWN LANDS.—The lands withdrawn and reserved under subsection (a) are—

(1) the Federal lands comprising approximately 46,600 acres in Imperial County, California, as generally depicted in part on a map entitled ''Exhibit A, Naval Air Facility, El Centro, California, Land Acquisition Map, Range 2510 (West Mesa)'' and dated March 1993 and in part on a map entitled ''Exhibit B, Naval Air Facility, El Centro, California, Land

Acquisition Map Range 2512 (East Mesa)'' and dated March 1993; and

(2) and all other areas within the boundaries of such lands as depicted on such maps that may become subject to the operation of the public land laws.

SEC. 2923. MAPS AND LEGAL DESCRIPTIONS.

(a) PUBLICATION AND FILING REQUIREMENTS.—As soon as practicable after the date of the enactment of this subtitle, the Secretary of the Interior shall—

(1) publish in the Federal Register a notice containing the legal description of the lands withdrawn and reserved under this subtitle; and

(2) file maps and the legal description of the lands withdrawn and reserved under this subtitle with the Committee on Energy and Natural Resources of the Senate and with the Committee on Resources of the House of Representatives.

(b) LEGAL EFFECT.—The maps and legal description prepared under subsection (a) shall have the same force and effect as if they were included in this subtitle, except that the Secretary of the Interior may correct clerical and typographical errors in the maps and legal description.

(c) AVAILABILITY FOR PUBLIC INSPECTION.—Copies of the maps and legal description prepared under subsection (a) shall be available for public inspection in—

(1) the Office of the State Director, California State Office of the Bureau of Land Management, Sacramento, California;

(2) the Office of the District Manager, California Desert District of the Bureau of Land Management, Riverside, California; and

(3) the Office of the Commanding Officer, Marine Corps Air Station, Yuma, Arizona.

(d) REIMBURSEMENT.—The Secretary of Navy shall reimburse the Secretary of the Interior for the cost of implementing this section.

SEC. 2924. MANAGEMENT OF WITHDRAWN LANDS.

(a) MANAGEMENT CONSISTENT WITH COOPERATIVE AGREEMENT.—The lands and resources shall be managed in accordance with the cooperative agreement, revised as necessary to conform to the provisions of this subtitle. The parties to the cooperative agreement shall review the cooperative agreement for conformance with this subtitle and amend the cooperative agreement, if appropriate, within 120 days after the date of the enactment of this subtitle. The term of the cooperative agreement shall be amended so that its duration is at least equal to the duration of

the withdrawal made by section 2925. The cooperative agreement may be reviewed and amended by the managing agencies as necessary.

(b) MANAGEMENT BY SECRETARY OF THE INTERIOR.—

(1) GENERAL MANAGEMENT AUTHORITY.—During the period of withdrawal, the Secretary of the Interior shall manage the lands withdrawn and reserved under this subtitle pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable laws, including this subtitle.

(2) SPECIFIC AUTHORITIES.—To the extent consistent with applicable laws, Executive orders, and the cooperative agreement, the lands withdrawn and reserved under this subtitle may be managed in a manner permitting—

(A) protection of wildlife and wildlife habitat;

(B) control of predatory and other animals;

(C) the prevention and appropriate suppression of brush and range fires resulting from nonmilitary activities; and

(D) geothermal leasing and development and related power production, mineral leasing and development, and mineral material sales.

(3) EFFECT OF WITHDRAWAL.—The Secretary of the Interior shall manage the lands withdrawn and reserved under this subtitle, in coordination with the Secretary of the Navy, such that all nonmilitary use of such lands, including the uses described in paragraph (2), shall be subject to such conditions and restrictions as may be necessary to permit the military use of such lands for the purposes specified in the cooperative agreement or authorized pursuant to this subtitle.

(c) CERTAIN ACTIVITIES SUBJECT TO CONCURRENCE OF NAVY.—The Secretary of the Interior may issue a lease, easement, right-of-way, or other authorization with respect to the nonmilitary use of the withdrawn lands only with the concurrence of the Secretary of the Navy and under the terms of the cooperative agreement.

(d) ACCESS RESTRICTIONS.—If the Secretary of the Navy determines that military operations, public safety, or national security require the closure to public use of any road, trail, or other portion of the lands withdrawn under this subtitle, the Secretary may take such action as the Secretary determines necessary or desirable to ef-

fect and maintain such closure. Any such closure shall be limited to the minimum areas and periods which the Secretary of the Navy determines are required to carry out this subsection. Before and during any closure under this subsection, the Secretary of the Navy shall keep appropriate warning notices posted and take appropriate steps to notify the public concerning such closures.

(e) ADDITIONAL MILITARY USES.—Lands withdrawn under this subtitle may be used for defense-related uses other than those specified in the cooperative agreement. The Secretary of the Navy shall promptly notify the Secretary of the Interior in the event that the lands withdrawn under this subtitle will be used for additional defense-related purposes. Such notification shall indicate the additional use or uses involved, the proposed duration of such uses, and the extent to which such additional military uses of the withdrawn lands will require that additional or more stringent conditions or restrictions be imposed on otherwise-permitted nonmilitary uses of all or any portion of the withdrawn lands.

SEC. 2925. DURATION OF WITHDRAWAL AND RESERVATION.

The withdrawal and reservation made under this subtitle shall terminate 25 years after the date of the enactment of this subtitle.

SEC. 2926. CONTINUATION OF ONGOING DECONTAMINATION ACTIVITIES.

Throughout the duration of the withdrawal and reservation made under this subtitle, and subject to the availability of funds, the Secretary of the Navy shall maintain a program of decontamination of the lands withdrawn under this subtitle at least at the level of decontamination activities performed on such lands in fiscal year 1995. Such activities shall be subject to applicable laws, such as the amendments made by the Federal Facility Compliance Act of 1992 (Public Law 102–386; 106 Stat. 1505) and the Defense Environmental Restoration Program established under section 2701 of title 10, United States Code.

SEC. 2927. REQUIREMENTS FOR EXTENSION.

(a) NOTICE OF CONTINUED MILITARY NEED.—Not later than five years before the termination date specified in section 2925, the Secretary of the Navy shall advise the Secretary of the Interior as to whether or not the Navy will have a continuing military need for any or all of the lands withdrawn and reserved under this subtitle after the termination date.

(b) APPLICATION FOR EXTENSION.—If the Secretary of the Navy determines that there will be a continuing military need for any or all of the withdrawn lands after the termination date specified in section 2925, the Sec-

retary of the Navy shall file an application for extension of the withdrawal and reservation of the lands in accordance with the then existing regulations and procedures of the Department of the Interior applicable to extension of withdrawal of lands for military purposes and that are consistent with this subtitle. Such application shall be filed with the Department of the Interior not later than four years before the termination date.

(c) EXTENSION PROCESS.—The withdrawal and reservation established by this subtitle may not be extended except by an Act or Joint Resolution of Congress.

SEC. 2928. EARLY RELINQUISHMENT OF WITHDRAWAL.

(a) FILING OF RELINQUISHMENT NOTICE.—If, during the period of withdrawal and reservation specified in section 2925, the Secretary of the Navy decides to relinquish all or any portion of the lands withdrawn and reserved under this subtitle, the Secretary of the Navy shall file a notice of intention to relinquish with the Secretary of the Interior.

(b) DETERMINATION OF PRESENCE OF CONTAMINATION.—Before transmitting a relinquishment notice under subsection (a), the Secretary of the Navy, in consultation with the Secretary of the Interior, shall prepare a written determination concerning whether and to what extent the lands to be relinquished are contaminated with explosive,

toxic, or other hazardous wastes and substances. A copy of such determination shall be transmitted with the relinquishment notice.

(c) DECONTAMINATION AND REMEDIATION.—In the case of contaminated lands which are the subject of a relinquishment notice, the Secretary of the Navy shall decontaminate or remediate the land to the extent that funds are appropriated for such purpose if the Secretary of the Interior, in consultation with the Secretary of the Navy, determines that—

(1) decontamination or remediation of the lands is practicable and economically feasible, taking into consideration the potential future use and value of the land; and

(2) upon decontamination or remediation, the land could be opened to the operation of some or all of the public land laws, including the mining laws.

(d) DECONTAMINATION AND REMEDIATION ACTIVITIES SUBJECT TO OTHER LAWS.—The activities of the Secretary of the Navy under subsection (c) are subject to applicable laws and regulations, including the Defense Environmental Restoration Program established under section 2701 of title 10, United States Code, the Comprehensive Environmental Response Compensation and Liability

Act of 1980 (42 U.S.C. 9601 et seq.), and the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(e) AUTHORITY OF SECRETARY OF THE INTERIOR TO REFUSE CONTAMINATED LANDS.—The Secretary of the Interior shall not be required to accept lands specified in a relinquishment notice if the Secretary of the Interior, after consultation with the Secretary of the Navy, concludes that—

(1) decontamination or remediation of any land subject to the relinquishment notice is not practicable or economically feasible;

(2) the land cannot be decontaminated or remediated sufficiently to be opened to operation of some or all of the public land laws; or

(3) a sufficient amount of funds are not appropriated for the decontamination of the land.

(f) STATUS OF CONTAMINATED LANDS.—If, because of the condition of the lands, the Secretary of the Interior declines to accept jurisdiction of lands proposed for relinquishment or, if at the expiration of the withdrawal made under this subtitle, the Secretary of the Interior determines that some of the lands withdrawn under this subtitle are contaminated to an extent which prevents opening such contaminated lands to operation of the public land laws—

(1) the Secretary of the Navy shall take appropriate steps to warn the public of the contaminated state of such lands and any risks associated with entry onto such lands;

(2) after the expiration of the withdrawal, the Secretary of the Navy shall retain jurisdiction over the withdrawn lands, but shall undertake no activities on such lands except in connection with the decontamination or remediation of such lands; and

(3) the Secretary of the Navy shall report to the Secretary of the Interior and to the Congress concerning the status of such lands and all actions taken under paragraphs (1) and (2).

(g) SUBSEQUENT DECONTAMINATION OR REMEDIATION.—If lands covered by subsection (f) are subsequently decontaminated or remediated and the Secretary of the Navy certifies that the lands are safe for nonmilitary uses, the Secretary of the Interior shall reconsider accepting jurisdiction over the lands.

(h) REVOCATION AUTHORITY.—Notwithstanding any other provision of law, upon deciding that it is in the public interest to accept jurisdiction over lands specified in a relinquishment notice, the Secretary of the Interior may revoke the withdrawal and reservation made under this subtitle as it applies to such lands. If the decision be made

to accept the relinquishment and to revoke the withdrawal and reservation, the Secretary of the Interior shall publish in the Federal Register an appropriate order which shall—

(1) terminate the withdrawal and reservation;

(2) constitute official acceptance of full jurisdiction over the lands by the Secretary of the Interior; and

(3) state the date upon which the lands will be opened to the operation of the public land laws, including the mining laws, if appropriate.

SEC. 2929. DELEGATION OF AUTHORITY.

(a) DEPARTMENT OF THE NAVY.—The functions of the Secretary of the Navy under this subtitle may be delegated.

(b) DEPARTMENT OF INTERIOR.—The functions of the Secretary of the Interior under this subtitle may be delegated, except that an order described in section 2928(h) may be approved and signed only by the Secretary of the Interior, the Deputy Secretary of the Interior, or an Assistant Secretary of the Department of the Interior.

SEC. 2930. HUNTING, FISHING, AND TRAPPING.

All hunting, fishing, and trapping on the lands withdrawn under this subtitle shall be conducted in accordance with section 2671 of title 10, United States Code.

SEC. 2931. HOLD HARMLESS.

Any party conducting any mining, mineral, or geothermal leasing activity on lands withdrawn and reserved under this subtitle shall indemnify the United States against any costs, fees, damages, or other liabilities (including costs of litigation) incurred by the United States and arising from or relating to such mining activities, including costs of mineral materials disposal, whether arising under the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Solid Waste Disposal Act, or otherwise.

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.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile stewardship in carrying out weapons activities necessary for national secu-

rity programs in the amount of $1,676,767,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,250,907,000 for fiscal year 1997, to be allocated as follows:

(A) For operation and maintenance, $1,162,570,000.

(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), $88,337,000, to be allocated as follows:

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,250,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,100,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $14,100,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore Na-

tional Laboratory, Livermore, California, $17,100,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,000,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $7,787,000.

(2) For inertial fusion, $366,460,000, to be allocated as follows:

(A) For operation and maintenance, $234,560,000.

(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), $131,900,000 to be allocated as follows:

Project 96–D–111, national ignition facility, TBD, $131,900,000.

(3) For technology transfer and education, $59,400,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $1,923,831,000, to be allocated as follows:

(1) For operation and maintenance, $1,829,470,000.

(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), $94,361,000, to be allocated as follows:

Project 97–D–121, consolidation pit packaging system, Pantex Plant, Amarillo, Texas, $870,000.

Project 97–D–122, nuclear materials storage facility renovation, LANL, Los Alamos, New Mexico, $4,000,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $1,400,000.

Project 97–D–124, steam plant wastewater treatment facility upgrade, Y–12 plant, Oak Ridge, Tennessee, $600,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $100,000.

Project 96–D–123, retrofit HVAC and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $7,000,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $3,825,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $10,900,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $4,900,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,200,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,200,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $14,487,000.

Project 88–D–122, facilities capability assurance program, various locations, $21,940,000.

Project 88–D–123, security enhancement, Pantex Plant, Amarillo, Texas, $9,739,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out weapons activities necessary for national security programs in the amount of $334,404,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,812,194,000, of which $376,648,000 shall be allocated

to the uranium enrichment decontamination and decommissioning fund.

(b) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,536,653,000, to be allocated as follows:

(1) For operation and maintenance, $1,448,326,000.

(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), $88,327,000, to be allocated as follows:

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $7,584,000.

Project 96–D–408, waste management upgrades, various locations, $11,246,000.

Project 95–D–402, install permanent electrical service for the Waste Isolation Pilot Plant, Carlsbad, New Mexico, $752,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $200,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $6,345,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $12,600,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $8,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $20,000,000.

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, $10,000,000.

(c) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for nuclear materials and facili-

ties stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,269,290,000 to be allocated as follows:

(1) For operation and maintenance, $1,151,718,000.

(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), $117,572,000, to be allocated as follows:

Project 97–D–450, Actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $7,900,000.

Project 97–D–451, B-Plant safety class ventilation upgrades, Richland, Washington, $1,500,000.

Project 97–D–470, environmental monitoring laboratory, Savannah River, Aiken, South Carolina, $2,500,000.

Project 97–D–473, health physics site support facility, Savannah River, Aiken, South Carolina, $2,000,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $60,672,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $6,790,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $10,440,000.

Project 96–D–471, CFC HVAC/chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,541,000.

Project 95–E–600, hazardous materials management and emergency response training center, Richland, Washington, $7,900,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $4,137,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,645,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $547,000.

(d) PROGRAM DIRECTION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $375,511,000.

(e) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $303,771,000.

(f) POLICY AND MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for policy and management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $23,155,000.

(g) ENVIRONMENTAL SCIENCE PROGRAM.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for the environmental science program in carrying out en-

vironmental restoration and waste management activities necessary for national security programs in the amount of $62,136,000.

(h) ENVIRONMENTAL MANAGEMENT PRIVATIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental management privatization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $185,000,000.

(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) $150,400,000, for use of prior year balances; and

(2) $8,000,000 for Savannah River Pension Refund.

SEC. 3103. DEFENSE FIXED ASSET ACQUISITION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for the defense fixed asset acquisition/privatization program in the amount of $182,000,000.

SEC. 3104. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for other defense activities in carrying out programs necessary for national security in the amount of $1,487,800,000, to be allocated as follows:

(1) For verification and control technology, $399,648,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $194,919,000.

(B) For arms control, $169,544,000.

(C) For intelligence, $35,185,000.

(2) For nuclear safeguards and security, $47,208,000.

(3) For security investigations, $22,000,000.

(4) For emergency management, $16,794,000.

(5) For program direction, nonproliferation, and national security, $95,622,000.

(6) For environment, safety, and health, defense, $63,800,000.

(7) For worker and community transition assistance, $67,000,000.

(8) For fissile materials disposition, $93,796,000, to be allocated as follows:

(A) For operations and maintenance, $76,796,000.

(B) 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 97–D–140, consolidated special nuclear materials storage facility, site to be determined, $17,000,000.

(9) For nuclear security/Russian production reactor shutdown, $6,000,000.

(10) For naval reactors development, $681,932,000, to be allocated as follows:

(A) For operation and infrastructure, $649,330,000.

(B) For program direction, $18,902,000.

(C) 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), $13,700,000, to be allocated as follows:

Project 97–D–201, advanced test reactor secondary coolant refurbishment,

Idaho National Engineering Laboratory, Idaho, $400,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $4,800,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors facility, Idaho, $8,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsection (a) reduced by $6,000,000 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 1997 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 $200,000,000.

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 section 3101, 3102, or 3103, 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 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 period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased

or decreased by more than five 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 relating to weapons activities necessary for national security programs 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 (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 construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of 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.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, 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 operation and maintenance or for plant projects may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. STOCKPILE STEWARDSHIP PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, $100,000,000 shall be available to carry out the following activities within the stockpile stewardship program:

(1) $20,000,000 for enhanced surveillance involving the nuclear production plants and the nuclear weapons design laboratories.

(2) $15,000,000 for a production capability assurance program for critical non-nuclear components.

(3) $25,000,000 for an accelerated capability to produce prototype war reserve-quality plutonium pits.

(4) $20,000,000 for dual revalidation of warheads in the nuclear weapons stockpile.

(5) $20,000,000 for the stockpile life extension program.

(b) REPORT.—Not later than October 15, 1996, the Secretary of Energy shall submit to the congressional defense committees a report on the obligations the Secretary has incurred, and plans to incur, during fiscal year 1997 for the stockpile stewardship program.

SEC. 3132. MANUFACTURING INFRASTRUCTURE FOR NUCLEAR WEAPONS STOCKPILE.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, $125,000,000 shall be available to carry out the stockpile manufacturing infrastructure program.

(b) REQUIRED CAPABILITIES.—The manufacturing infrastructure established under the program shall include the capabilities listed in subsection (b) of section 3137 of Public Law 104–106 (110 Stat. 620).

(c) REPORT.—Not later than October 15, 1996, the Secretary of Energy shall submit to the congressional defense committees a report on the obligations the Secretary has incurred, and plans to incur, during fiscal year 1997 for the stockpile manufacturing infrastructure program.

(d) STOCKPILE MANUFACTURING INFRASTRUCTURE PROGRAM.—In this section, the term ''stockpile manufacturing infrastructure program'' means the program carried out pursuant to section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620).

SEC. 3133. PRODUCTION OF HIGH EXPLOSIVES.

The manufacture and fabrication of high explosives and energetic materials for use as components in nuclear weapons systems shall be carried out at the Pantex Plant, Amarillo, Texas. No funds appropriated or otherwise made available to the Department of Energy may be used to move, or prepare to move, the manufacture and fabrication of high explosives and energetic materials for use as components in nuclear weapons systems from the Pantex Plant to any other site or facility of the Department of Energy.

SEC. 3134. LIMITATION ON USE OF FUNDS BY LABORATORIES FOR LABORATORY-DIRECTED RESEARCH AND DEVELOPMENT.

(a) REDUCTION OF FUNDING.—Section 3132(c) of Public Law 101–510 (104 Stat. 1832) is amended by striking out ''6 percent'' and inserting in lieu thereof ''2 percent''.

(b) LIMITATION.—None of the funds provided in a fiscal year, beginning with fiscal year 1997, by the Secretary of Energy to be used by laboratories for laboratory-directed research and development pursuant to section 3132(c) of Public Law 101–510 (42 U.S.C. 7257a(c)) may be obligated or expended by such laboratories until a period of 15 days has expired after the Secretary of Energy submits to the congressional defense committees a report setting forth in detail information about the manner in which such funds are planned to be used during that fiscal year. The report shall include a description and justification of the planned uses of the funds.

SEC. 3135. PROHIBITION ON FUNDING NUCLEAR WEAPONS ACTIVITIES WITH PEOPLE'S REPUBLIC OF CHINA.

(a) FUNDING PROHIBITION.—Funds authorized to be appropriated to, or otherwise available to, the Department of Energy for fiscal year 1997 may not be obligated or expended for any activity associated with the conduct of cooperative programs relating to nuclear weapons or nuclear weapons technology, including stockpile stewardship, safety, and use control, with the People's Republic of China.

(b) REPORT.—(1) The Secretary of Energy shall prepare, in consultation with the Secretary of Defense, a re-

port containing a description of all discussions and activities between the United States and the People's Republic of China regarding nuclear weapons matters that have occurred before the date of the enactment of this Act and that are planned to occur after such date. For each such discussion or activity, the report shall include—

(A) the authority under which the discussion or activity took or will take place;

(B) the subject of the discussion or activity;

(C) participants or likely participants;

(D) the source and amount of funds used or to be used to pay for the discussion or activity; and

(E) a description of the actions taken or to be taken to ensure that no classified or restricted data were or will be revealed, and a determination of whether classified or restricted data was revealed in previous discussions.

(2) The report shall be submitted to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than October 15, 1996.

SEC. 3136. INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP PROGRAMS.

(a) FUNDING PROHIBITION.—Funds authorized to be appropriated to, or otherwise available to, the Department

of Energy for fiscal year 1997 may not be obligated or expended to conduct any activities associated with international cooperative stockpile stewardship.

(b) EXCEPTION.—Subsection (a) does not apply with respect to such activities conducted between the United States and the United Kingdom, and between the United States and France.

SEC. 3137. TEMPORARY AUTHORITY RELATING TO TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project. Any such transfer may be done only one time in a fiscal year to or from each program or project, and the amount transferred to or from the program or project may not exceed $5,000,000 in a fiscal year.

(b) DETERMINATION.—A transfer may not be carried out by a manager of a field office pursuant to the authority provided under subsection (a) unless the manager determines that such transfer is necessary to address a risk

to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at that field office.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary of Energy, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such a transfer occurs.

(e) LIMITATION.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(f) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A project listed in subsection (b) or (c) of section 3102 being carried out by the office.

(B) A program referred to in subsection (a), (b), (c), (e), (g), or (h) of section 3102 being carried out by the office.

(C) A project or program not described in subparagraph (A) or (B) that is for environmental restoration or waste management activities necessary for national security programs of the Department of Energy, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(g) DURATION OF AUTHORITY.—The authority provided under subsection (a) to a manager of a field office shall be in effect from the date of the enactment of this Act to September 30, 1997.

SEC. 3138. MANAGEMENT STRUCTURE FOR NUCLEAR WEAPONS PRODUCTION FACILITIES AND NUCLEAR WEAPONS LABORATORIES.

(a) LIMITATION ON DELEGATION OF AUTHORITY.—(1) The Secretary of Energy, in carrying out national security programs, may delegate specific management and

planning authority over matters relating to site operation of the facilities and laboratories covered by this section only to the Assistant Secretary of Energy for Defense Programs. Such Assistant Secretary may redelegate such authority only to managers of area offices of the Department of Energy located at such facilities and laboratories.

(2) Nothing in this section may be construed as affecting the delegation by the Secretary of Energy of authority relating to reporting, management, and oversight of matters relating to the Department of Energy generally, or safety, environment, and health at such facilities and laboratories.

(b) REQUIREMENT TO CONSULT WITH AREA OFFICES.—The Assistant Secretary of Energy for Defense Programs, in exercising any delegated authority to oversee management of matters relating to site operation of a facility or laboratory, shall exercise such authority only after direct consultation with the manager of the area office of the Department of Energy located at the facility or laboratory.

(c) REQUIREMENT FOR DIRECT COMMUNICATION FROM AREA OFFICES.—The Secretary of Energy, acting through the Assistant Secretary of Energy for Defense Programs, shall require the head of each area office of the Department of Energy located at each facility and lab-

oratory covered by this section to report on matters relating to site operation other than those matters set forth in subsection (a)(2) directly to the Assistant Secretary of Energy for Defense Programs, without obtaining the approval or concurrence of any other official within the Department of Energy.

(d) DEFENSE PROGRAMS REORGANIZATION PLAN AND REPORT.—(1) The Secretary of Energy shall develop a plan to reorganize the field activities and management of the national security functions of the Department of Energy.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the plan developed under paragraph (1). The report shall specifically identify all significant functions performed by the operations offices relating to any of the facilities and laboratories covered by this section and which of those functions could be performed—

(A) by the area offices of the Department of Energy located at the facilities and laboratories covered by this section; or

(B) by the Assistant Secretary of Energy for Defense Programs.

(3) The report also shall address and make recommendations with respect to other internal streamlining

and reorganization initiatives that the Department could pursue with respect to military or national security programs.

(e) DEFENSE PROGRAMS MANAGEMENT COUNCIL.—The Secretary of Energy shall establish a Defense Programs Management Council to advise the Secretary on policy matters, operational concerns, strategic planning, and development of priorities relating to the national security functions of the Department of Energy. The Council shall be composed of the directors of the facilities and laboratories and shall report directly to the Assistant Secretary of Energy for Defense Programs.

(f) COVERED SITE OPERATIONS.—For purposes of this section, matters relating to site operation of a facility or laboratory include matters relating to personnel, budget, and procurement in national security programs.

(g) COVERED FACILITIES AND LABORATORIES.—This section applies to the following facilities and laboratories of the Department of Energy:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y–12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(5) Los Alamos National Laboratory, Los Alamos, New Mexico.

(6) Sandia National Laboratories, Albuquerque, New Mexico.

(7) Lawrence Livermore National Laboratory, Livermore, California.

(8) The Nevada Test Site, Nevada.

Subtitle D—Other Matters

SEC. 3141. REPORT ON NUCLEAR WEAPONS STOCKPILE MEMORANDUM.

(a) SUBMISSION OF COPY OF MEMORANDUM.—Not less than 15 days after the date of the enactment of this Act, the President shall submit to the congressional defense committees a copy of the Nuclear Weapons Stockpile Memorandum approved by the President in April 1996.

(b) SUBMISSION OF COPY OF MEMORANDUM AND REPORT.—Not less than 30 days after the President has approved any update to the Nuclear Weapons Stockpile Memorandum, the President shall submit to the congressional defense committees a copy of that Memorandum, together with a report describing the changes to the Memorandum compared to the previous submission.

(c) FORM.—The submissions required by this section shall be in classified and unclassified form.

SEC. 3142. REPORT ON PLUTONIUM PIT PRODUCTION AND REMANUFACTURING PLANS.

(a) REPORT REQUIREMENT.—The Secretary of Energy shall submit to the congressional defense committees a report on plans for achieving the capability to produce and remanufacture plutonium pits. The report shall include a description of the baseline plan of the Department of Energy for achieving such capability, including the following:

(1) The funding necessary, by fiscal year, to achieve the capability.

(2) The schedule necessary to achieve the capability, including important technical and programmatic milestones.

(3) Siting, capacity for expansion, and other issues included in the baseline plan.

(b) DEADLINE.—The report required by subsection (a) shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 3143. AMENDMENTS RELATING TO BASELINE ENVIRONMENTAL MANAGEMENT REPORTS.

Section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160;107 Stat. 1950) is amended—

(1) in subsection (b)—

(A) by striking out the first word in the heading and inserting in lieu thereof ''BIENNIAL''; and

(B) in paragraph (2)(B), by inserting before ''year after 1995'' the following: ''odd-numbered''; and

(2) in subsection (d)—

(A) by striking out the first word in the heading and inserting in lieu thereof ''BIENNIAL''; and

(B) in paragraph (1)(B), by striking out ''in each year thereafter'' and inserting in lieu thereof ''in each odd-numbered year thereafter''.

SEC. 3144. REQUIREMENT TO DEVELOP FUTURE USE PLANS FOR ENVIRONMENTAL MANAGEMENT PROGRAM.

(a) AUTHORITY TO DEVELOP FUTURE USE PLANS.—The Secretary may develop future use plans for any defense nuclear facility at which environmental restoration and waste management activities are occurring.

(b) REQUIREMENT TO DEVELOP FUTURE USE PLANS.—The Secretary of Energy shall develop a future use plan for each of the following defense nuclear facilities:

(1) Hanford Site, Richland, Washington.

(2) Rocky Flats Plant, Golden, Colorado.

(3) Savannah River Site, Aiken, South Carolina.

(4) Idaho National Engineering Laboratory, Idaho.

(c) FUTURE USE ADVISORY BOARD.—(1) At a defense nuclear facility where the Secretary of Energy intends to develop a future use plan and no citizen advisory board has been established, the Secretary shall establish a future use advisory board.

(2) The Secretary may prescribe regulations regarding the establishment, characteristics, composition, and funding of future use advisory boards pursuant to this subsection.

(3) The Secretary may authorize the manager of a defense nuclear facility for which a future use plan is developed (or, if there is no such manager, an appropriate official of the Department of Energy designated by the Secretary) to pay routine administrative expenses of a future use advisory board established for that site. Such payments shall be made from funds available to the Secretary for program direction in carrying out environmental restoration and waste management activities necessary for national security programs.

(d) REQUIREMENT TO CONSULT WITH FUTURE USE ADVISORY BOARD.—In developing a future use plan under this section with respect to a defense nuclear facility, the Secretary of Energy shall consult with a future use advisory board established pursuant to subsection (c) or a similar advisory board already in existence as of the date of the enactment of this Act for such facility, affected local governments (including any local future use redevelopment authorities), and other appropriate State agencies.

(e) 50-YEAR PLANNING PERIOD.—A future use plan developed under this section shall cover a period of at least 50 years.

(f) DEADLINES.—For each site listed in subsection (b), the Secretary shall develop a draft plan by October 1, 1997, and a final plan by March 15, 1998.

(g) REPORT.—Not later than 60 days after completing development of a final plan for a site listed in subsection (b), the Secretary of Energy shall submit to Congress a report on the plan. The report shall describe the plan and contain such findings and recommendations with respect to the site as the Secretary considers appropriate.

(h) SAVINGS PROVISIONS.—(1) Nothing in this section or in a future use plan developed under this section with respect to a defense nuclear facility shall be construed as requiring any modification to a future use plan that

was developed before the date of the enactment of this Act.

(2) Nothing in this section may be construed to affect statutory requirements for an environmental restoration or waste management activity or project or to modify or otherwise affect applicable statutory or regulatory environmental restoration and waste management requirements, including substantive standards intended to protect public health and the environment, nor shall anything in this section be construed to preempt or impair any local land use planning or zoning authority or State authority.

SEC. 3145. WORKER HEALTH AND SAFETY IMPROVEMENTS AT DEFENSE NUCLEAR COMPLEX, MIAMISBURG, OHIO.

(a) WORKER HEALTH AND SAFETY ACTIVITIES.—The Secretary of Energy shall carry out the following activities at the defense nuclear complex at Miamisburg, Ohio:

(1) Within 12 months after the date of the enactment of this Act, completion of the evaluation of pre-1989 internal radiation dose assessments for workers who may have received a dose greater than 20 rem.

(2) Installation of state-of-the-art automated personnel contamination monitors at appropriate ra-

diation control points and facility exits, and purchase and installation of an automated personnel access control system.

(3) Upgrading of the radiological records software and integration with a radiation work permit system.

(4) Implementation of a program that will characterize the radiological conditions of the site and facilities prior to decontamination so that radiological hazards are clearly identified and results of the characterization validated.

(5) Review and improvement of the evaluation of continuous air monitoring and implementation of a personal air sampling program within 60 days after the date of the enactment of this Act.

(6) Upgrading of bioassay analytical procedures to ensure that contract laboratories are properly selected and independently validated by the Department of Energy and that quality control is assured.

(7) Implementation of bioassay and internal dose calculation methods that are specific to the radiological hazards identified at the site.

(b) FUNDING.—Of the funds authorized in section 3102(e), $5,000,000 shall be available to the Secretary of Energy to perform the activities required by subsection (a)

and such other activities to improve worker health and safety at the defense nuclear complex at Miamisburg, Ohio, as the Secretary considers appropriate.

(c) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting applicable statutory or regulatory requirements relating to worker health and safety.

Subtitle E—Defense Nuclear Environmental Cleanup and Management

SEC. 3151. PURPOSE.

The purpose of this subtitle is to provide for the expedited environmental restoration and waste management of Department of Energy defense nuclear facilities through the use of cost-effective management mechanisms and innovative technologies.

SEC. 3152. COVERED DEFENSE NUCLEAR FACILITIES.

(a) APPLICABILITY.—This subtitle applies to any defense nuclear facility of the Department of Energy for which the fiscal year 1996 environmental management budget was $350,000,000 or more.

(b) DEFENSE NUCLEAR FACILITY DEFINED.—In this subtitle, the term ''defense nuclear facility'' means a former or current defense nuclear production facility that is owned and managed by the Department of Energy.

SEC. 3153. SITE MANAGER.

(a) APPOINTMENT.—The Secretary of Energy shall expeditiously appoint a Site Manager for each Department of Energy defense nuclear facility (in this subtitle referred to as the ''Site Manager'').

(b) SCOPE.—(1) In addition to other authorities provided for in this Act, the Secretary of Energy may delegate to the Site Manager of a defense nuclear facility authority to oversee and direct environmental management operations at the facility, including the authority to—

(A) enter into and modify contractual agreements to enhance environmental restoration and waste management at the facility;

(B) request that the Department of Energy headquarters submit to Congress a reprogramming package shifting funds among accounts in order to facilitate the most efficient and timely environmental restoration and waste management of the facility, and, in the event that the Department headquarters does not act upon the request within 60 days, submit such request to the appropriate congressional committees for review;

(C) subject to paragraph (2), negotiate amendments to environmental agreements for the Department of Energy;

(D) manage Department of Energy personnel at the facility;

(E) consider the costs, risk reduction benefits, and other benefits for the purposes of ensuring protection of human health and the environment or safety, with respect to any environmental remediation activity the cost of which exceeds $25,000,000; and

(F) have assessments prepared for environmental restoration activities (in several documents or a single document, as determined by the Site Manager).

(2) In using the authority described in paragraph (1)(C), a Site Manager may not negotiate an amendment that is expected to result in additional significant life cycle costs to the Department of Energy without the approval of the Secretary of Energy.

(3) In using any authority described in paragraph (1), a Site Manager of a facility shall consult with the State where the facility is located and the advisory board for the facility.

(4) The delegation of any authority pursuant to this subsection shall not be construed as restricting the Secretary of Energy's authority to delegate other authorities as necessary.

(c) INFORMATION TO SECRETARY OF ENERGY.—The Site Manager of a defense nuclear facility shall regularly inform the Secretary of Energy, Congress, and the advisory board for the facility of the progress made by the Site Manager to achieve the expedited environmental restoration and waste management of the facility.

SEC. 3154. DEPARTMENT OF ENERGY ORDERS.

An order imposed after the date of the enactment of this Act relating to the execution of environmental restoration, waste management, or technology development activities at a defense nuclear facility under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) may be imposed by the Secretary of Energy at the defense nuclear facility only if the Secretary finds that the order is necessary for the protection of human health and the environment or safety, or the fulfillment of current legal requirements.

SEC. 3155. DEPLOYMENT OF TECHNOLOGY FOR REMEDIATION OF DEFENSE NUCLEAR WASTE.

(a) IN GENERAL.—The Secretary of Energy shall encourage the Site Manager of each defense nuclear facility to promote the deployment of innovative environmental technologies for remediation of defense nuclear waste at the facility.

(b) CRITERIA.—To carry out subsection (a), the Secretary shall encourage the Site Manager of a defense nu-

clear facility to establish a program at the facility to enhance the deployment of innovative environmental technologies at the facility. The Secretary may require the Site Manager, in establishing such a program—

(1) to establish a simplified, standardized, and timely process for the acceptance and deployment of environmental technologies;

(2) to solicit applications to deploy environmental technologies suitable for environmental restoration and waste management activities at the facility, including prevention, control, characterization, treatment, and remediation of contamination;

(3) to enter into contracts and other agreements with other public and private entities to deploy environmental technologies at the facility; and

(4) to include incentives, such as product performance specifications, in contracts to encourage the implementation of innovative environmental technologies.

SEC. 3156. PERFORMANCE-BASED CONTRACTING.

(a) PROGRAM.—The Secretary of Energy shall develop and implement a program for performance-based contracting for contracts entered into for environmental remediation at defense nuclear facilities. The program

shall ensure that, to the maximum extent practicable and appropriate, such contracts include the following:

(1) Clearly stated and results oriented performance criteria and measures.

(2) Appropriate incentives for contractors to meet and exceed the performance criteria effectively and efficiently.

(3) Appropriate criteria and incentives for contractors to seek and engage subcontractors who may more effectively and efficiently perform either unique and technologically challenging tasks or routine and interchangeable services.

(4) Specific incentives for cost savings.

(5) Financial accountability.

(6) When appropriate, allocation of fee or profit reduction for failure to meet minimum performance criteria and standards.

(b) CRITERIA AND MEASURES.—Performance criteria and measures should take into consideration, at a minimum, the following: managerial control; elimination or reduction of risk to public health and the environment; workplace safety; financial control; goal-oriented work scope; use of innovative and alternative technologies and techniques that result in cleanups being performed less ex-

pensively, more quickly, and within quality parameters; and performing within benchmark cost estimates.

(c) CONSULTATION.—In implementing this section, the Secretary of Energy shall consult with interested parties.

(d) DEADLINE.—The Secretary of Energy shall implement this section not later than October 1, 1997, unless the Secretary submits to Congress before that date a report with a schedule for completion of action under this section.

SEC. 3157. DESIGNATION OF DEFENSE NUCLEAR FACILITIES AS NATIONAL ENVIRONMENTAL CLEANUP DEMONSTRATION AREAS.

(a) DESIGNATION.—The Secretary of Energy, upon receipt of a request from a Governor of a State in which a defense nuclear facility is situated, may designate the facility as a ''National Environmental Cleanup Demonstration Area'' to carry out the purposes of this subtitle.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal and State regulatory agencies, members of the community surrounding the facilities designated under subsection (a), and other affected parties should work to develop expedited and streamlined processes and systems for cleaning up the facilities, to elimi-

nate unnecessary bureaucratic delay, and to proceed expeditiously with environmental restoration activities.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1997, $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

Subtitle A—Authorization of Disposals and Use of Funds

SEC. 3301. DEFINITIONS.

In this title:

(1) 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).

(2) The term ''National Defense Stockpile Transaction Fund'' means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1997, the National Defense Stockpile Manager may obligate up to $60,000,000 of the funds in the National Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(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.

Subtitle B—Programmatic Change

SEC. 3311. BIENNIAL REPORT ON STOCKPILE REQUIREMENTS.

(a) NATIONAL EMERGENCY PLANNING ASSUMPTIONS.—Section 14 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5) is amended—

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

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

''(b) Each report under this section shall set forth the national emergency planning assumptions used by the Secretary in making the Secretary's recommendations under subsection (a)(1) with respect to stockpile requirements. The Secretary shall base the national emergency planning assumptions on a military conflict scenario consistent with the scenario used by the Secretary in budgeting and defense planning purposes. The assumptions to be set forth include assumptions relating to each of the following:

''(1) The length and intensity of the assumed military conflict.

''(2) The military force structure to be mobilized.

''(3) The losses anticipated from enemy action.

''(4) The military, industrial, and essential civilian requirements to support the national emergency.

''(5) The availability of supplies of strategic and critical materials from foreign sources during the mobilization period, the military conflict, and the

subsequent period of replenishment, taking into consideration possible shipping losses.

''(6) The domestic production of strategic and critical materials during the mobilization period, the military conflict, and the subsequent period of replenishment, taking into consideration possible shipping losses.

''(7) Civilian austerity measures required during the mobilization period and military conflict.

''(c) The stockpile requirements shall be based on those strategic and critical materials necessary for the United States to replenish or replace, within three years of the end of the military conflict scenario required under subsection (b), all munitions, combat support items, and weapons systems that would be consumed or exhausted during such a military conflict.

''(d) The Secretary shall also include in each report under this section an examination of the effect that alternative mobilization periods under the military conflict scenario required under subsection (b), as well as a range of other military conflict scenarios addressing potentially more serious threats to national security, would have on the Secretary's recommendations under subsection (a)(1) with respect to stockpile requirements.''.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (50 U.S.C. 98a) is amended by striking out subsection (c) and inserting in lieu thereof the following new subsection:

''(c) The purpose of the National Defense Stockpile is to serve the interest of national defense only. The National Defense Stockpile is not to be used for economic or budgetary purposes.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996.

SEC. 3312. NOTIFICATION REQUIREMENTS.

(a) PROPOSED CHANGES IN STOCKPILE QUANTITIES.—Section 3(c)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(c)(2)) is amended—

(1) by striking out ''effective on or after the 30th legislative day following'' and inserting in lieu thereof ''after the end of the 45-day period beginning on''; and

(2) by striking out the last sentence.

(b) WAIVER OF ACQUISITION AND DISPOSAL REQUIREMENTS.—Section 6(d)(1) of such Act (50 U.S.C. 98e(d)(1)) is amended by striking out ''thirty days'' and inserting in lieu thereof ''45 days''.

(c) TIME TO BEGIN DISPOSAL.—Section 6(d)(2) of such Act (50 U.S.C. 98e(d)(2)) is amended by striking out ''thirty days'' and inserting in lieu thereof ''45 days''.

SEC. 3313. IMPORTATION OF STRATEGIC AND CRITICAL MATERIALS.

Section 13 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–4) is amended—

(1) by striking out ''as a Communist-dominated country or area''; and

(2) by striking out ''such Communist-dominated countries or areas'' and inserting in lieu thereof ''a country or area listed in such general note''.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $149,500,000 for fiscal year 1997 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 1997.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1997, 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.

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, Fiscal Year 1997''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Commission Revolving Fund 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, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, im-

provement, and administration of the Panama Canal for fiscal year 1997.

(b) LIMITATIONS.—For fiscal year 1997, the Panama Canal Commission may expend funds in the Panama Canal Commission Revolving Fund not more than $73,000 for reception and representation expenses, of which—

(1) not more than $18,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provisions of law, the funds available to the Commission shall be available for the purchase and transportation to the Republic of Panama, of passenger motor vehicles built in the United States, including large, heavy-duty vehicles.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

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—Amendments to Panama Canal Act of 1979

SEC. 3521. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the ''Panama Canal Act Amendments of 1996''.

(b) REFERENCES.—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 the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3522. DEFINITIONS AND RECOMMENDATION FOR LEGISLATION.

(a) IN GENERAL.—In section 3 (22 U.S.C. 3602)—

(1) the heading is amended to read as follows:

''DEFINITIONS

(2) in subsection (b), by inserting ''and'' after the semicolon at the end of paragraph (4), by striking the semicolon at the end of paragraph (5) and

inserting a period, and striking paragraphs (6) and (7); and

(3) by striking subsection (d).

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended in the item relating to section 3 by striking ''and recommendation for legislation''.

SEC. 3523. ADMINISTRATOR.

(a) IN GENERAL.—Section 1103 (22 U.S.C. 3613) is amended to read as follows:

''ADMINISTRATOR

''SEC. 1103. (a) There shall be an Administrator of the Commission who shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President.

''(b) The Administrator shall be paid compensation in an amount, established by the Board, not to exceed level III of the Executive Schedule.''.

(b) SAVINGS PROVISIONS.—Nothing in this section (or section 3549(3)) shall be considered to affect—

(1) the tenure of the individual serving as Administrator of the Commission on the day before subsection (a) takes effect; or

(2) until modified under section 1103(b) of the Panama Canal Act of 1979, as amended by subsection (a), the compensation of the individual so serving.

SEC. 3524. DEPUTY ADMINISTRATOR AND CHIEF ENGINEER.

(a) IN GENERAL.—Section 1104 (22 U.S.C. 3614) is amended to read as follows:

"DEPUTY ADMINISTRATOR

"SEC. 1104. (a) There shall be a Deputy Administrator of the Commission who shall be appointed by the President. The Deputy Administrator shall perform such duties as may be prescribed by the Board.

"(b) The Deputy Administrator shall be paid compensation at a rate of pay, established by the Board, which does not exceed the rate of basic pay in effect for level IV of the Executive Schedule, and, if eligible, shall be paid the overseas recruitment and retention difference provided for in section 1217 of this Act.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended in the item relating to section 1104 by striking "and Chief Engineer".

(c) SAVINGS PROVISIONS.—Nothing in this section shall be considered to affect—

(1) the tenure of the individual serving as Deputy Administrator of the Commission on the day before subsection (a) takes effect; or

(2) until modified under section 1104(b) of the Panama Canal Act of 1979, as amended by subsection (a), the compensation of the individual so serving.

SEC. 3525. OFFICE OF OMBUDSMAN.

Section 1113 (22 U.S.C. 3623) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

SEC. 3526. APPOINTMENT AND COMPENSATION; DUTIES.

Section 1202 (22 U.S.C. 3642) is amended to read as follows:

"APPOINTMENT AND COMPENSATION; DUTIES

"SEC. 1202. (a) In accordance with this chapter, the Commission may appoint, fix the compensation of, and define the authority and duties of officers and employees (other than the Administrator and Deputy Administrator) necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

"(b) Individuals serving in any Executive agency (other than the Commission) or the Smithsonian Institution, including individuals in the uniform services, may, if appointed under this section or section 1104 of this Act, serve as officers or employees of the Commission.".

SEC. 3527. APPLICABILITY OF CERTAIN BENEFITS.

(a) IN GENERAL.—Section 1209 (22 U.S.C. 3649) is amended to read as follows:

"APPLICABILITY OF CERTAIN BENEFITS

"SEC. 1209. Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapters

83 and 84 of such title 5, relating to retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are applicable to Commission employees, except any individual—

"(1) who is not a citizen of the United States;

"(2) whose initial appointment by the Commission occurs after October 1, 1979; and

"(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 1209 and inserting the following:

"Sec. 1209. Applicability of certain benefits.".

SEC. 3528. TRAVEL AND TRANSPORTATION EXPENSES.

Section 1210 (22 U.S.C. 3650) is amended to read as follows:

"TRAVEL AND TRANSPORTATION EXPENSES

"SEC. 1210. (a) Subject to subsections (b) and (c), the Commission may pay travel and transportation expenses for employees in accordance with subchapter II of chapter 57 of title 5, United States Code.

"(b) For an employee to whom section 1206 applies, the Commission may pay travel and transportation expenses associated with vacation leave for the employee and

the immediate family of the employee notwithstanding requirements regarding periods of service established by subchapter II of chapter 57 of title 5, United States Code, or the regulations promulgated thereunder.

''(c) For an employee to whom section 1206 does not apply, the Commission may pay travel and transportation expenses associated with vacation leave for the employee and the immediate family of the employee notwithstanding requirements regarding a written agreement concerning the duration of a continuing service obligation established by subchapter II of chapter 57 of title 5, United States Code or the regulations promulgated thereunder.''.

SEC. 3529. CLARIFICATION OF DEFINITION OF AGENCY.

Subparagraph (B) of section 1211(1) (22 U.S.C. 3651(1)(B)) is amended to read as follows:

> ''(B) any other Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 1212(b) of this Act;''.

SEC. 3530. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS.

(a) IN GENERAL.—Section 1212 (22 U.S.C. 3652) is amended to read as follows:

"PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS

"SEC. 1212. (a) The Commission shall establish a Panama Canal Employment System and prescribe the regulations necessary for its administration. The Panama Canal Employment System shall—

"(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

"(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

"(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service;

"(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service; and

"(5) not be subject to the provisions of title 5, United States Code, unless specifically made applicable by this Act.

"(b)(1) The head of any Executive agency (other than the Commission) and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

"(2) Any Executive agency (other than the Commission) and the Smithsonian Institution, to the extent of any election under paragraph (1), shall conduct its employment and pay practices relating to employees in accordance with the Panama Canal Employment System.

"(c) The Commission may exclude any employee or position from coverage under any provision of this subchapter, other than the interchange rights extended under subsection (a)(4).".

(b) SAVINGS PROVISIONS.—The Panama Canal Employment System and all elections, rules, regulations, and orders relating thereto, as last in effect before the amendment made by subsection (a) takes effect, shall continue in effect, according to their terms, until modified, terminated, or superseded under section 1212 of the Panama Canal Act of 1979, as amended by subsection (a).

SEC. 3531. EMPLOYMENT STANDARDS.

Section 1213 (22 U.S.C. 3653) is amended in the first sentence by striking ''The head of each agency'' and inserting ''The Commission''.

SEC. 3532. REPEAL OF OBSOLETE PROVISION REGARDING INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM.

(a) REPEAL.—Section 1214 (22 U.S.C. 3654) is repealed.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 1214.

SEC. 3533. REPEAL OF PROVISION RELATING TO RECRUITMENT AND RETENTION REMUNERATION.

Section 1217(d) (22 U.S.C. 3657(d)) is repealed.

SEC. 3534. BENEFITS BASED ON BASIC PAY.

Section 1218(2) (22 U.S.C. 3658(2)) is amended to read as follows:

''(2) benefits under subchapter III of chapter 83 and subchapter II of chapter 84 of title 5, United States Code, relating to retirement;''.

SEC. 3535. VESTING OF GENERAL ADMINISTRATIVE AUTHORITY OF COMMISSION.

(a) IN GENERAL.—Section 1223 (22 U.S.C. 3663) is amended to read as follows:

"CENTRAL EXAMINING OFFICE

"SEC. 1223. The Commission shall establish a Central Examining Office. The purpose of the office shall be to implement the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters relating to employment of the Commission.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 1223 and inserting the following:

"Sec. 1223. Central Examining Office.".

SEC. 3536. APPLICABILITY OF CERTAIN LAWS.

(a) IN GENERAL.—Section 1224 (22 U.S.C. 3664) is amended to read as follows:

"APPLICABILITY OF TITLE 5, UNITED STATES CODE

"SEC. 1224. The following provisions of title 5, United States Code, apply to the Panama Canal Commission:

"(1) Part I of title 5 (relating to agencies generally).

"(2) Chapter 21 (relating to employee definitions).

"(3) Section 2302(b)(8) (relating to whistleblower protection) and all provisions of title 5 relating to the administration or enforcement or any other aspect thereof, as identified in regulations pre-

scribed by the Commission in consultation with the Office of Personnel Management.

''(4) All provisions relating to preference eligibles.

''(5) Section 5514 (relating to offset from salary).

''(6) Section 5520a (relating to garnishments).

''(7) Sections 5531-5535 (relating to dual pay and employment).

''(8) Subchapter VI of chapter 55 (relating to accumulated and accrued leave).

''(9) Subchapter IX of chapter 55 (relating to severance and back pay).

''(10) Chapter 57 (relating to travel and transportation).

''(11) Chapter 59 (relating to allowances).

''(12) Chapter 63 (relating to leave).

''(13) Section 6323 (relating to military leave; Reserves and National Guardsmen).

''(14) Chapter 71 (relating to labor relations).

''(15) Subchapters II and III of chapter 73 (relating to employment limitations and political activities, respectively) and all provisions of title 5 relating to the administration or enforcement or any other aspect thereof, as identified in regulations pre-

scribed by the Commission in consultation with the Office of Personnel Management.

"(16) Chapter 81 (relating to compensation for work injuries).

"(17) Chapters 83 and 84 (relating to retirement).

"(18) Chapter 85 (relating to unemployment compensation).

"(19) Chapter 87 (relating to life insurance).

"(20) Chapter 89 (relating to health insurance).".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 1224 and inserting the following:

"Sec. 1224. Applicability of title 5, United States Code.".

SEC. 3537. REPEAL OF PROVISION RELATING TO TRANSFERRED OR REEMPLOYED EMPLOYEES.

Section 1231(a)(3) (22 U.S.C. 3671(a)(3)) is repealed.

SEC. 3538. ADMINISTRATION OF SPECIAL DISABILITY BENEFITS.

(a) IN GENERAL.—Section 1245 (22 U.S.C. 3682) is amended by striking so much as precedes subsection (b) and inserting the following:

"ADMINISTRATION OF CERTAIN DISABILITY BENEFITS

"SEC. 1245. (a)(1) The Commission, or any other United States Government agency or private entity acting pursuant to an agreement with the Commission, under the Act entitled 'An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act', approved July 8, 1937 (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease.

"(2) Subject to subsection (b), cash relief under this subsection may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama

Canal Company, or their predecessor agencies on the Isthmus of Panama.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 1245 and inserting the following:

''Sec. 1245. Administration of certain disability benefits.''.

SEC. 3539. PANAMA CANAL REVOLVING FUND.

Section 1302 of the Panama Canal Act of 1979 (22 U.S.C. 3712) is amended to read as follows:

''PANAMA CANAL REVOLVING FUND

''SEC. 1302. (a) There is established in the Treasury of the United States a revolving fund to be known as 'Panama Canal Revolving Fund'. The Panama Canal Revolving Fund shall, subject to subsection (b), be available to the Commission to carry out the purposes, functions, and powers authorized by this Act, including for—

''(1) the hire of passenger motor vehicles and aircraft;

''(2) uniforms or allowances therefor;

''(3) official receptions and representation expenses of the Board, the Secretary of the Commission, and the Administrator;

''(4) the operation of guide services;

''(5) a residence for the Administrator;

''(6) disbursements by the Administrator for employee and community projects;

"(7) the procurement of expert and consultant services;

"(8) promotional activities, including the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, film, or other media presentation designed to promote the Panama Canal as a resource of the world shipping industry; and

"(9) the purchase and transportation to the Republic of Panama of passenger motor vehicles built in the United States, including large, heavy-duty vehicles.

"(b)(1) There shall be deposited in the Panama Canal Revolving Fund, on a continuing basis, toll receipts (other than amounts of toll receipts deposited into the Panama Canal Commission Dissolution Fund under section 1305) and all other receipts of the Commission. Except as provided in section 1303, no funds may be obligated or expended by the Commission in any fiscal year unless such obligation or expenditure has been specifically authorized by law.

"(2) No funds may be authorized for the use of the Commission, or obligated or expended by the Commission in any fiscal year, in excess of—

"(A) the amount of revenues deposited in the Panama Canal Revolving Fund and the Panama Canal Dissolution Fund during such fiscal year, plus

"(B) the amount of revenues deposited in the Panama Canal Revolving Fund before such fiscal year and remaining unobligated at the beginning of such fiscal year; plus

"(C) the $100,000,000 borrowing authority provided for in section 1304 of this Act.

Not later than 30 days after the end of each fiscal year, the Secretary of the Treasury shall report to the Congress the amount of revenues deposited in the Panama Canal Revolving Fund during such fiscal year.

"(c) With the approval of the Secretary of the Treasury, the Commission may deposit amounts in the Panama Canal Revolving Fund in any Federal Reserve bank, any depository for public funds, or such other place and in such manner as the Commission and the Secretary may agree.

"(d)(1) It is the sense of the Congress that the additional costs resulting from the implementation of the Panama Canal Treaty of 1977 and related agreements should be kept to the absolute minimum level. To this end, the Congress declares appropriated costs of implementation to be borne by the taxpayers over the life of such Treaty

should be kept to a level no greater than the March 1979 estimate of those costs ($870,700,000) presented to the Congress by the executive branch during consideration of this Act by the Congress, less personnel retirement costs of $205,000,000, which were subtracted and charged to tolls, therefore resulting in net taxpayer cost of approximately $665,700,000, plus appropriate adjustments for inflation.

''(2) It is further the sense of the Congress that the actual costs of implementation be consistent with the obligations of the United States to operate the Panama Canal safely and efficiently and keep it secure.''.

SEC. 3540. PRINTING.

(a) IN GENERAL.—Title I is amended in chapter 3 (22 U.S.C. 3711 et seq.) by adding at the end of subchapter I the following new section:

''PRINTING

''SEC. 1306. (a) Section 501 of title 44, United States Code, shall not apply to direct purchase by the Commission for its use of printing, binding, and blankbook work in the Republic of Panama when the Commission determines that such direct purchase is in the best interest of the Government.

''(b) This section shall not affect the Commission's authority, under chapter 5 of title 44, United States Code, to operate a field printing plant.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by inserting after the item relating to section 1305 the following new item:

"Sec. 1306. Printing.".

SEC. 3541. ACCOUNTING POLICIES.

Section 1311 (22 U.S.C. 3721), the first sentence in subsection (a) is amended to read as follows: "The Commission shall establish and maintain its accounts in accordance with chapter 91 of title 31, United States Code, and the provisions of this chapter.".

SEC. 3542. INTERAGENCY SERVICES; REIMBURSEMENTS.

Section 1321(e) (22 U.S.C. 3731(e)) is amended by adding at the end the following sentence:

"Notwithstanding section 5924 of title 5, United States Code, the Commission shall by regulation determine the extent to which costs of educational services may be defrayed under this subsection.".

SEC. 3543. POSTAL SERVICE.

Section 1331 (22 U.S.C. 3741) is amended to read as follows:

"POSTAL SERVICE

"SEC. 1331. (a) The Commission shall take possession of and administer the funds of the Canal Zone postal service and shall assume its obligations.

"(b) Effective December 1, 1999, neither the Commission nor the United States Government shall be re-

sponsible for the distribution of any accumulated unpaid balances relating to Canal Zone postal-savings deposits, postal-savings certificates, and postal money orders.

''(c) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Armed Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Commission shall furnish personnel, records, and other services to such military post offices to assure wherever appropriate the distribution, rerouting, or return of such mail.''.

SEC. 3544. INVESTIGATION OF ACCIDENTS OR INJURY GIVING RISE TO CLAIM.

Section 1417(1) (22 U.S.C. 3777(1)) is amended to read as follows:

''(1) an investigation of the accident or injury giving rise to the claim has been completed, which shall include a hearing by the Board of Local Inspectors of the Commission; and''.

SEC. 3545. OPERATIONS REGULATIONS.

Section 1801 (22 U.S.C. 3811) is amended by striking ''President'' and inserting ''Commission''.

SEC. 3546. MISCELLANEOUS REPEALS.

(a) REPEALS.—The following provisions are repealed:

(1) Section 1605 (22 U.S.C. 3795), relating to interim toll adjustment.

(2) Section 1701 (22 U.S.C. 3801), relating to the authority of the President to prescribe certain regulations.

(3) Section 1702 (22 U.S.C. 3802), relating to the authority of the Panama Canal Commission to prescribe certain regulations.

(4) Title II (22 U.S.C. 3841–3852), relating to the Treaty transition period.

(5) Chapter 1 of title III (22 U.S.C. 3861), relating to cemeteries.

(6) Section 1246, relating to appliances for certain injured employees.

(7) Section 1251, relating to leave for jury or witness service.

(8) Section 1301, relating to Canal Zone Government funds.

(9) Section 1313(c), relating to audits.

(b) CLERICAL AMENDMENTS.—Section 1 is amended in the table of contents by striking each of the items relating to a title, chapter, or section repealed by subsection (a).

SEC. 3547. EXEMPTION.

(a) IN GENERAL.—Section 3302 is amended to read as follows:

"EXEMPTION

"SEC. 3302. The Commission is exempt from the provisions of subchapter II of chapter 6 of title 15, United States Code.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking the item relating to section 3302 and inserting the following:

"Sec. 3302. Exemption.".

SEC. 3548. MISCELLANEOUS CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended—

(1) in section 3401(1) by striking clause (v) and redesignating clauses (vi) through (viii) as clauses (v) through (vii), respectively;

(2) in section 5102(a)(1) by striking clause (vi) and redesignating clauses (vii) through (xi) as clauses (vi) through (ix), respectively;

(3) in section 5315 by striking "Administrator of the Panama Canal Commission.";

(4) in section 5342(a)(1) by striking subparagraph (G) and redesignating subparagraphs (H) through (L) as subparagraphs (G) through (K), respectively;

(5) in section 5343(a)(5) by striking ''the areas and installations'' and all that follows through ''Panama Canal Act of 1979),'';

(6) in section 5348—

(A) by striking subsection (b) and redesignating subsection (c) as subsection (b); and

(B) in subsection (a) by striking ''subsections (b) and (c)'' and inserting ''subsection (b)'';

(7) in section 5373 by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively;

(8) in section 5537(c) by striking ''the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands.'' and inserting ''the District Court of Guam and the District Court of the Virgin Islands.'';

(9) in section 5541(2)(xii)—

(A) by inserting ''or'' after ''Services Administration,''; and

(B) by striking '', or a vessel employee of the Panama Canal Commission'';

(10) in section 7901 by amending subsection (f) to read as follows:

"(f) The health programs conducted by the Tennessee Valley Authority are not affected by this section.";

(11) in section 5102(c) by repealing paragraph (12);

(12) in section 5924(3) by striking the last sentence thereof; and

(13) in section 6322(a) by striking ", or the Republic of Panama".

SEC. 3549. REPEAL OF PANAMA CANAL CODE.

Section 3303 (22 U.S.C. 3602 note) is amended by adding at the end the following new subsection:

"(c) The Panama Canal Code is repealed effective on the date of the enactment of the Panama Canal Act Amendments of 1996.".

SEC. 3550. MISCELLANEOUS CLERICAL AND CONFORMING AMENDMENTS.

(a) CLERICAL AMENDMENTS.—The table of contents in section 1 is amended in the items relating to sections 1101, 1102a, 1102b, and 1313 by inserting "Sec." before the section number.

(b) CONFORMING AMENDMENT.—Section 1303 (22 U.S.C. 3713) is amended by striking "section 1302(c)(1)" each place it appears and inserting "section 1302(b)(1)".

Passed the House of Representatives May 15, 1996.

Attest: ROBIN H. CARLE,

Clerk.