

Calendar No. 408

104TH CONGRESS
2^D SESSION

S. 1762

A BILL

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

MAY 16, 1996

Read twice and placed on the calendar

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IN THE SENATE OF THE UNITED STATES

MAY 16, 1996

Mr. THURMOND, from the Committee on Armed Services, reported the following original bill; which was read twice and placed on the calendar

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 1997”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Congressional defense committees defined.

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- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.
- Sec. 105. Reserve components.
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- Sec. 107. Chemical demilitarization program.
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- Sec. 111. Multiyear procurement of Javelin missile system.
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- Sec. 121. EA-6B aircraft reactive jammer program.
- Sec. 122. Penguin missile program.
- Sec. 123. Nuclear attack submarine programs.
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- Sec. 212. Department of Defense Space Architect.
- Sec. 213. Space-based infrared system program.
- Sec. 214. Research for advanced submarine technology.
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- Sec. 1214. Tax-exempt status.
- Sec. 1215. Termination.
- Sec. 1216. Definition.

1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

2 For purposes of this Act, the term “congressional de-
3 fense committees” means—

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

6 (2) the Committee on National Security and the
7 Committee on Appropriations of the House of Rep-
8 resentatives.

9 TITLE I—PROCUREMENT

10 Subtitle A—Authorization of
11 Appropriations

12 SEC. 101. ARMY.

13 Funds are hereby authorized to be appropriated for
14 fiscal year 1997 for procurement for the Army as follows:

15 (1) For aircraft, \$1,508,515,000.

16 (2) For missiles, \$1,160,829,000.

1 (3) For weapons and tracked combat vehicles,
2 \$1,460,115,000.

3 (4) For ammunition, \$1,156,728,000.

4 (5) For other procurement, \$3,298,940,000.

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

6 (a) NAVY.—Funds are hereby authorized to be appro-
7 priated for fiscal year 1997 for procurement for the Navy
8 as follows:

9 (1) For aircraft, \$6,911,352,000.

10 (2) For weapons, including missiles and tor-
11 pedoes, \$1,513,263,000.

12 (3) For shipbuilding and conversion,
13 \$6,567,330,000.

14 (4) For other procurement, \$3,005,040,000.

15 (b) MARINE CORPS.—Funds are hereby authorized to
16 be appropriated for fiscal year 1997 for procurement for
17 the Marine Corps in the amount of \$816,107,000.

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

19 Funds are hereby authorized to be appropriated for
20 fiscal year 1997 for procurement for the Air Force as fol-
21 lows:

22 (1) For aircraft, \$7,003,528,000.

23 (2) For missiles, \$2,847,177,000.

24 (3) For other procurement, \$5,880,519,000.

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

2 Funds are hereby authorized to be appropriated for
3 fiscal year 1997 for Defense-wide procurement in the
4 amount of \$1,908,012,000.

5 **SEC. 105. RESERVE COMPONENTS.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 1997 for procurement of aircraft, vehicles, com-
8 munications equipment, and other equipment for the re-
9 serve components of the Armed Forces as follows:

10 (1) For the Army National Guard,
11 \$224,000,000.

12 (2) For the Air National Guard, \$305,800,000.

13 (3) For the Army Reserve, \$90,000,000.

14 (4) For the Naval Reserve, \$40,000,000.

15 (5) For the Air Force Reserve, \$40,000,000.

16 (6) For the Marine Corps Reserve,
17 \$60,000,000.

18 **SEC. 106. DEFENSE INSPECTOR GENERAL.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 1997 for procurement for the Inspector General
21 of the Department of Defense in the amount of
22 \$2,000,000.

23 **SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.**

24 There is hereby authorized to be appropriated for fis-
25 cal year 1997 the amount of \$802,847,000 for—

1 (1) the destruction of lethal chemical agents
2 and munitions in accordance with section 1412 of
3 the Department of Defense Authorization Act, 1986
4 (50 U.S.C. 1521); and

5 (2) the destruction of chemical warfare materiel
6 of the United States that is not covered by section
7 1412 of such Act.

8 **SEC. 108. DEFENSE HEALTH PROGRAM.**

9 Funds are hereby authorized to be appropriated for
10 fiscal year 1997 for the Department of Defense for pro-
11 curement for carrying out health care programs, projects,
12 and activities of the Department of Defense in the total
13 amount of \$269,470,000.

14 **SEC. 109. DEFENSE NUCLEAR AGENCY.**

15 Of the amounts authorized to be appropriated for the
16 Department of Defense under section 104, \$7,900,000
17 shall be available for the Defense Nuclear Agency.

18 **Subtitle B—Army Programs**

19 **SEC. 111. MULTIYEAR PROCUREMENT OF JAVELIN MISSILE**
20 **SYSTEM.**

21 The Secretary of the Army may, in accordance with
22 section 2306b of title 10, United States Code, enter into
23 multiyear procurement contracts for the procurement of
24 the Javelin missile system.

1 **SEC. 112. ARMY ASSISTANCE FOR CHEMICAL DEMILI-**
2 **TARIZATION CITIZENS' ADVISORY COMMIS-**
3 **SIONS.**

4 Subsections (b) and (f) of section 172 of the National
5 Defense Authorization Act for Fiscal Year 1993 (Public
6 Law 102-484; 106 Stat. 2341; 50 U.S.C. 1521 note) are
7 each amended by striking out “Assistant Secretary of the
8 Army (Installations, Logistics and Environment)” and in-
9 serting in lieu thereof “Assistant Secretary of the Army
10 (Research, Development and Acquisition)”.

11 **Subtitle C—Navy Programs**

12 **SEC. 121. EA-6B AIRCRAFT REACTIVE JAMMER PROGRAM.**

13 (a) LIMITATION.—None of the funds appropriated
14 pursuant to section 102(a)(1) for modifications or up-
15 grades of EA-6B aircraft may be obligated, other than
16 for a reactive jammer program for such aircraft, until 30
17 days after the date on which the Secretary of the Navy
18 submits to the congressional defense committees in writ-
19 ing—

20 (1) a certification that some or all of such
21 funds have been obligated for a reactive jammer pro-
22 gram for EA-6B aircraft; and

23 (2) a report that sets forth a detailed, well-de-
24 fined program for—

25 (A) developing a reactive jamming capabil-
26 ity for EA-6B aircraft; and

1 (B) upgrading the EA-6B aircraft of the
2 Navy to incorporate the reactive jamming capa-
3 bility.

4 (b) CONTINGENT TRANSFER OF FUNDS TO AIR
5 FORCE.—(1) If the Secretary of the Navy has not submit-
6 ted the certification and report described in subsection (a)
7 to the congressional defense committees before June 1,
8 1997, then, on that date, the Secretary of Defense shall
9 transfer to Air Force, out of appropriations available to
10 the Navy for fiscal year 1997 for procurement of aircraft,
11 the amount equal to the amount appropriated to the Navy
12 for fiscal year 1997 for modifications and upgrades of
13 EA-6B aircraft.

14 (2) Funds transferred to the Air Force pursuant to
15 paragraph (1) shall be available for maintaining and up-
16 grading the jamming capability of EF-111 aircraft.

17 **SEC. 122. PENGUIN MISSILE PROGRAM.**

18 (a) MULTIYEAR PROCUREMENT AUTHORITY.—The
19 Secretary of the Navy may, in accordance with section
20 2306b of title 10, United States Code, enter into multiyear
21 procurement contracts for the procurement of not more
22 than 106 Penguin missile systems.

23 (b) LIMITATION ON TOTAL COST.—The total amount
24 obligated or expended for procurement of Penguin missile

1 systems under contracts under subsection (a) may not ex-
2 ceed \$84,800,000.

3 **SEC. 123. NUCLEAR ATTACK SUBMARINE PROGRAMS.**

4 (a) AMOUNTS AUTHORIZED.—(1) Of the amount au-
5 thorized to be appropriated by section 102(a)(3)—

6 (A) \$804,100,000 shall be available for con-
7 struction of the third vessel (designated SSN-23) in
8 the Seawolf attack submarine class;

9 (B) \$296,200,000 shall be available for long-
10 lead and advance construction and procurement of
11 components for construction of a submarine (pre-
12 viously designated by the Navy as the New Attack
13 Submarine) beginning in fiscal year 1998 to be built
14 by Electric Boat Division; and

15 (C) \$701,000,000 shall be available for long-
16 lead and advance construction and procurement of
17 components for construction of a second submarine
18 (previously designated by the Navy as the New At-
19 tack Submarine) beginning in fiscal year 1999 to be
20 built by Newport News Shipbuilding.

21 (2) Funds authorized to be appropriated by section
22 201(2) for the design of the submarine previously des-
23 igned by the Navy as the New Attack Submarine shall
24 be available for obligation and expenditure under contracts
25 with Electric Boat Division and Newport News Shipbuild-

1 ing to carry out the provisions of the “Memorandum of
2 Agreement Among the Department of the Navy, Electric
3 Boat Corporation (EB) and Newport News Shipbuilding
4 and Drydock Company (NNS) Concerning the New At-
5 tack Submarine”, dated April 5, 1996, relating to design
6 data transfer, design improvements, integrated process
7 teams, updated design base, and other research and devel-
8 opment initiatives related to the design of such submarine.

9 (b) CONTRACTS AUTHORIZED.—(1) The Secretary of
10 the Navy is authorized, using funds available pursuant to
11 subparagraphs (B) and (C) of subsection (a)(1), to enter
12 into contracts with Electric Boat Division and Newport
13 News Shipbuilding, and suppliers of components, during
14 fiscal year 1997 for—

15 (A) the procurement of long-lead components
16 for the submarines referred to in such subpara-
17 graphs; and

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

20 (2) The Secretary of the Navy may enter into a con-
21 tract or contracts under this section with the shipbuilder
22 of the submarine referred to in subsection (a)(1)(B) only
23 if the Secretary enters into a contract or contracts under
24 this section with the shipbuilder of the submarine referred
25 to in subsection (a)(1)(C).

1 (c) COMPETITION AND LIMITATIONS ON OBLIGA-
2 TIONS.—(1)(A) Of the amounts made available pursuant
3 to subsection (a)(1), not more than \$100,000,000 may be
4 obligated or expended until the Secretary of Defense cer-
5 tifies in writing to the Committee on Armed Services of
6 the Senate and the Committee on National Security of the
7 House of Representatives that procurement of nuclear at-
8 tack submarines described in subparagraph (B) will be
9 provided for under one or more contracts that are entered
10 into after a competition between Electric Boat Division
11 and Newport News Shipbuilding in which the Secretary
12 of the Navy solicits competitive proposals and awards the
13 contract or contracts on the basis of price.

14 (B) The submarines referred to in subparagraph (A)
15 are nuclear attack submarines that are to be constructed
16 beginning—

17 (i) after fiscal year 1999; or

18 (ii) if four submarines are to be procured as
19 provided for in the plan required under section
20 131(c) of the National Defense Authorization Act
21 for Fiscal Year 1996 (Public Law 104–106; 110
22 Stat. 209), after fiscal year 2001.

23 (2) Of the amounts made available pursuant to sub-
24 section (a)(1), not more than \$100,000,000 may be obli-
25 gated or expended until the Under Secretary of Defense

1 for Acquisition and Technology submits to the committees
2 referred to in paragraph (1) a written report that de-
3 scribes in detail—

4 (A) the oversight activities undertaken by the
5 Under Secretary up to the date of the report pursu-
6 ant to section 131(b)(2)(C) of the National Defense
7 Authorization Act for Fiscal Year 1996 (Public Law
8 104–106; 110 Stat. 207), and the plans for the fu-
9 ture development and improvement of the nuclear
10 attack submarine program of the Navy;

11 (B) the implementation of, and activities con-
12 ducted under, the program required to be estab-
13 lished by the Director of the Defense Advanced Re-
14 search Projects Agency by section 131(i) of such Act
15 (110 Stat. 210) for the development and demonstra-
16 tion of advanced submarine technologies and a rapid
17 prototype acquisition strategy for both land-based
18 and at-sea subsystem and system demonstrations of
19 such technologies; and

20 (C) all research, development, test, and evalua-
21 tion programs, projects, or activities within the De-
22 partment of Defense which, in the opinion of the
23 Under Secretary, are designed to contribute to the
24 development and demonstration of advanced sub-
25 marine technologies leading to a more capable, more

1 affordable nuclear attack submarine, together with a
2 specific identification of ongoing involvement, and
3 plans for future involvement, in any such program,
4 project, or activity by Electric Boat Division, New-
5 port News Shipbuilding, or both.

6 (d) REFERENCES TO SHIPBUILDERS.—For purposes
7 of this section—

8 (1) the shipbuilder referred to as “Electric Boat
9 Division” is the Electric Boat Division of the Gen-
10 eral Dynamics Corporation; and

11 (2) the shipbuilder referred to as “Newport
12 News Shipbuilding” is the Newport News Shipbuild-
13 ing and Drydock Company.

14 **SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.**

15 (a) FUNDING.—(1) Subject to paragraph (3), funds
16 authorized to be appropriated by section 102(a)(3) may
17 be made available for contracts entered into in fiscal year
18 1996 under subsection (b)(1) of section 135 of the Na-
19 tional Defense Authorization Act for Fiscal Year 1996
20 (Public Law 104–106; 110 Stat. 211) for construction for
21 the third of the three Arleigh Burke class destroyers cov-
22 ered by that subsection. Such funds are in addition to
23 amounts made available for such contracts by the second
24 sentence of subsection (a) of that section.

1 (2) Subject to paragraph (3), funds authorized to be
2 appropriated by section 102(a)(3) may be made available
3 for contracts entered into in fiscal year 1997 under sub-
4 section (b)(2) of such section 135 for construction (includ-
5 ing advance procurement) for the Arleigh Burke class de-
6 stroyers covered by such subsection (b)(2).

7 (3) The aggregate amount of funds available under
8 paragraphs (1) and (2) for contracts referred to in such
9 paragraphs may not exceed \$3,483,030,000.

10 (4) Within the amount authorized to be appropriated
11 by section 102(a)(3), \$750,000,000 is authorized to be ap-
12 propriated for advance procurement for construction for
13 the Arleigh Burke class destroyers authorized by sub-
14 section (b).

15 (b) AUTHORITY FOR PROCUREMENT OF TWELVE
16 VESSELS.—The Secretary of the Navy is authorized to
17 construct 12 Arleigh Burke class destroyers in accordance
18 with subsections (c) and (d).

19 (c) CONTRACTS.—(1) The Secretary is authorized, in
20 fiscal year 1998, to enter into contracts for the construc-
21 tion of three Arleigh Burke class destroyers covered by
22 subsection (b), subject to the availability of appropriations
23 for such destroyers.

24 (2) The Secretary is authorized, in fiscal year 1999,
25 to enter into contracts for the construction of three

1 Arleigh Burke class destroyers covered by subsection (b),
2 subject to the availability of appropriations for such de-
3 stroyers. The destroyers covered by this paragraph are in
4 addition to the destroyers covered by paragraph (1).

5 (3) The Secretary is authorized, in fiscal year 2000,
6 to enter into contracts for the construction of three
7 Arleigh Burke class destroyers covered by subsection (b),
8 subject to the availability of appropriations for such de-
9 stroyers. The destroyers covered by this paragraph are in
10 addition to the destroyers covered by paragraphs (1) and
11 (2).

12 (4) The Secretary is authorized, in fiscal year 2001,
13 to enter into contracts for the construction of three
14 Arleigh Burke class destroyers covered by subsection (b),
15 subject to the availability of appropriations for such de-
16 stroyers. The destroyers covered by this paragraph are in
17 addition to the destroyers covered by paragraphs (1), (2),
18 and (3).

19 (d) USE OF AVAILABLE FUNDS.—(1) Subject to
20 paragraph (2), the Secretary may take appropriate actions
21 to use for full funding of a contract entered into in accord-
22 ance with subsection (c)—

23 (A) any funds that, having been appropriated
24 for shipbuilding and conversion programs of the
25 Navy other than Arleigh Burke class destroyer pro-

1 grams pursuant to the authorization in section
2 102(a)(3), become excess to the needs of the Navy
3 for such programs by reason of cost savings achieved
4 for such programs;

5 (B) any unobligated funds that are available to
6 the Secretary for shipbuilding and conversion for
7 any fiscal year before fiscal year 1997; and

8 (C) any funds that are appropriated after the
9 date of the enactment of the Department of Defense
10 Appropriations Act, 1997, to complete the full fund-
11 ing of the contract.

12 (2) The Secretary may not, in the exercise of author-
13 ity provided in subparagraph (A) or (B) of paragraph (1),
14 obligate funds for a contract entered into in accordance
15 with subsection (c) until 30 days after the date on which
16 the Secretary submits to the congressional defense com-
17 mittees in writing a notification of the intent to obligate
18 the funds. The notification shall set forth the source or
19 sources of the funds and the amount of the funds from
20 each such source that is to be so obligated.

21 **Subtitle D—Air Force Programs**

22 **SEC. 131. MULTIYEAR CONTRACTING AUTHORITY FOR THE** 23 **C-17 AIRCRAFT PROGRAM.**

24 (a) MULTIYEAR CONTRACTS AUTHORIZED.—The
25 Secretary of the Air Force may, pursuant to section 2306b

1 of title 10, United States Code (except as provided in sub-
2 section (b)(1)), enter into one or more multiyear contracts
3 for the procurement of not more than a total of 80 C-
4 17 aircraft.

5 (b) CONTRACT PERIOD.—(1) Notwithstanding sec-
6 tion 2306b(k) of title 10, United States Code, the period
7 covered by a contract entered into on a multiyear basis
8 under the authority of subsection (a) may exceed five
9 years, but may not exceed seven years.

10 (2) Paragraph (1) shall not be construed as prohibit-
11 ing the Secretary of the Air Force from entering into a
12 multiyear contract for a period of less than seven years.
13 In determining to do so, the Secretary shall consider
14 whether—

15 (A) sufficient funding is provided for in the fu-
16 ture-years defense program for procurement, within
17 the shorter period, of the total number of aircraft to
18 be procured (within the number set forth in sub-
19 section (a)); and

20 (B) the contractor is capable of delivering that
21 total number of aircraft within the shorter period.

22 (c) OPTION TO CONVERT TO ONE-YEAR PROCURE-
23 MENTS.—Each multiyear contract for the procurement of
24 C-17 aircraft authorized by subsection (a) shall include
25 a clause that permits the Secretary of the Air Force—

1 (1) to terminate the contract as of September
2 30, 1998, without a modification in the price of each
3 aircraft and without incurring any obligation to pay
4 the contractor termination costs; and

5 (2) to then enter into follow-on one-year con-
6 tracts with the contractor for the procurement of C-
7 17 aircraft (within the total number of aircraft au-
8 thorized under subsection (a)) at a negotiated price
9 that is not to exceed the price that is negotiated be-
10 fore September 30, 1998, for the annual production
11 contract for the C-17 aircraft in lot VIII and subse-
12 quent lots.

13 **TITLE II—RESEARCH, DEVELOP-**
14 **MENT, TEST, AND EVALUA-**
15 **TION**

16 **Subtitle A—Authorization of**
17 **Appropriations**

18 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 1997 for the use of the Department of Defense
21 for research, development, test, and evaluation as follows:

22 (1) For the Army, \$4,958,140,000.

23 (2) For the Navy, \$9,041,534,000.

24 (3) For the Air Force, \$14,788,356,000.

1 (4) For Defense-wide activities,
2 \$9,662,542,000, of which—

3 (A) \$252,038,000 is authorized for the ac-
4 tivities of the Director, Test and Evaluation;
5 and

6 (B) \$21,968,000 is authorized for the Di-
7 rector of Operational Test and Evaluation.

8 **SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLOR-**
9 **ATORY DEVELOPMENT.**

10 (a) FISCAL YEAR 1997.—Of the amounts authorized
11 to be appropriated by section 201, \$4,005,787,000 shall
12 be available for basic research and exploratory develop-
13 ment projects.

14 (b) BASIC RESEARCH AND EXPLORATORY DEVELOP-
15 MENT DEFINED.—For purposes of this section, the term
16 “basic research and exploratory development” means work
17 funded in program elements for defense research and de-
18 velopment under Department of Defense category 6.1 or
19 6.2.

20 **SEC. 203. DEFENSE NUCLEAR AGENCY.**

21 Of the amounts authorized to be appropriated for the
22 Department of Defense under section 201, \$221,330,000
23 shall be available for the Defense Nuclear Agency.

1 **Subtitle B—Program Requirements, Restrictions, and Limitations**
2 **ments, Restrictions, and Limitations**
3 **tions**

4 **SEC. 211. SPACE LAUNCH MODERNIZATION.**

5 (a) FUNDING.—Funds appropriated pursuant to the
6 authorization of appropriations in section 201(3) are au-
7 thorized to be made available for space launch moderniza-
8 tion for purposes and in amounts as follows:

9 (1) For the Evolved Expendable Launch Vehi-
10 cle program, \$44,457,000.

11 (2) For a competitive reusable launch vehicle
12 technology program, \$25,000,000.

13 (b) LIMITATIONS.—(1) Of the funds made available
14 for the reusable launch vehicle technology program pursu-
15 ant to subsection (a)(2), the total amount obligated for
16 such purpose may not exceed the total amount allocated
17 in the fiscal year 1997 current operating plan of the Na-
18 tional Aeronautics and Space Administration for the Reus-
19 able Space Launch program of the National Aeronautics
20 and Space Administration.

21 (2) None of the funds made available for the Evolved
22 Expendable Launch Vehicle program pursuant to sub-
23 section (a)(1) may be obligated until the Secretary of De-
24 fense certifies to Congress that the Secretary has made
25 available for obligation the funds, if any, that are made

1 available for the reusable launch vehicle technology pro-
2 gram pursuant to subsection (a)(2).

3 **SEC. 212. DEPARTMENT OF DEFENSE SPACE ARCHITECT.**

4 (a) **REQUIRED PROGRAM ELEMENT.**—The Secretary
5 of Defense shall include the kinetic energy tactical anti-
6 satellite program of the Department of Defense as an ele-
7 ment of the space control architecture being developed by
8 the Department of Defense Space Architect.

9 (b) **LIMITATION ON USE OF FUNDS.**—None of the
10 funds authorized to be appropriated pursuant to this Act,
11 or otherwise made available to the Department of Defense
12 for fiscal year 1997, may be obligated or expended for the
13 Department of Defense Space Architect until the Sec-
14 retary of Defense certifies to Congress that—

15 (1) the Secretary is complying with the require-
16 ment in subsection (a);

17 (2) funds appropriated for the kinetic energy
18 tactical anti-satellite program for fiscal year 1996
19 have been obligated in accordance with section 218
20 of Public Law 104–106 and the Joint Explanatory
21 Statement of the Committee of Conference accom-
22 panying S. 1124 (House Report 104–450 (104th
23 Congress, second session)); and

24 (3) the Secretary has made available for obliga-
25 tion the funds appropriated for the kinetic energy

1 tactical anti-satellite program for fiscal year 1997 in
2 accordance with this Act.

3 **SEC. 213. SPACE-BASED INFRARED SYSTEM PROGRAM.**

4 (a) FUNDING.—Funds appropriated pursuant to the
5 authorization of appropriations in section 201(3) are au-
6 thorized to be made available for the Space-Based Infra-
7 red System program for purposes and in amounts as fol-
8 lows:

9 (1) For Space Segment High, \$192,390,000.

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

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

13 (b) CONDITIONAL TRANSFER OF MANAGEMENT
14 OVERSIGHT.—Not later than 30 days after the date of the
15 enactment of this Act, the Secretary of Defense shall
16 transfer the management oversight responsibilities for the
17 Space and Missile Tracking System from the Secretary
18 of the Air Force to the Director of the Ballistic Missile
19 Defense Organization.

20 (c) CERTIFICATION.—If, within the 30-day period de-
21 scribed in subsection (b), the Secretary of Defense submits
22 to Congress a certification that the Secretary has estab-
23 lished a program baseline for the Space-Based Infrared
24 System that satisfies the requirements of section 216(a)
25 of Public Law 104–106 (110 Stat. 220), then subsection

1 (b) of this section shall cease to be effective on the date
2 on which the Secretary submits the certification.

3 **SEC. 214. RESEARCH FOR ADVANCED SUBMARINE TECH-**
4 **NOLOGY.**

5 Section 132 of the National Defense Authorization
6 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
7 210) is repealed.

8 **SEC. 215. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT**
9 **PROGRAM.**

10 (a) AMOUNT FOR PROGRAM.—Of the amount author-
11 ized to be appropriated under section 201(3), \$50,000,000
12 shall be available for the Clementine 2 micro-satellite
13 near-Earth asteroid interception mission.

14 (b) LIMITATION.—None of the funds authorized to
15 be appropriated pursuant to this Act for the global posi-
16 tioning system (GPS) Block II F Satellite system may be
17 obligated until the Secretary of Defense certifies to Con-
18 gress that—

19 (1) funds appropriated for fiscal year 1996 for
20 the Clementine 2 Micro-Satellite development pro-
21 gram have been obligated in accordance with Public
22 Law 104–106 and the Joint Explanatory Statement
23 of the Committee of Conference accompanying S.
24 1124 (House Report 104–450 (104th Congress, sec-
25 ond session)); and

1 (2) A comparison of the costs of the Predator
2 program with the costs of the Dark Star program.

3 (3) A recommendation on which program
4 should be funded in the event that funds are author-
5 ized to be appropriated, and are appropriated, for
6 only one of the two programs in the future.

7 (b) LIMITATION ON USE OF FUNDS PENDING SUB-
8 MISSION OF REPORT.—Funds appropriated pursuant to
9 section 104 may not be obligated for any contract to be
10 entered into after the date of the enactment of this Act
11 for the procurement of Predator unmanned aerial vehicles
12 until the date that is 60 days after the date on which the
13 Secretary of Defense submits the report required by sub-
14 section (a).

15 **SEC. 218. COST ANALYSIS OF F-22 AIRCRAFT PROGRAM.**

16 (a) REVIEW OF PROGRAM.—The Secretary of De-
17 fense shall direct the Cost Analysis Improvement Group
18 in the Office of the Secretary of Defense to review the
19 F-22 aircraft program, analyze and estimate the produc-
20 tion costs of the program, and submit to the Secretary
21 a report on the results of the review.

22 (b) REPORT.—Not later than March 30, 1997, the
23 Secretary shall transmit to the congressional defense com-
24 mittees the report prepared under paragraph (1), together

1 with the Secretary's views on the matters covered by the
2 report.

3 (c) LIMITATION ON USE OF FUNDS PENDING SUB-
4 MISSION OF REPORT.—Not more than 92 percent of the
5 funds appropriated for the F-22 aircraft program pursu-
6 ant to the authorization of appropriations in section
7 103(1) may be expended until the Secretary of Defense
8 submits the report required by subsection (b).

9 **SEC. 219. F-22 AIRCRAFT PROGRAM REPORTS.**

10 (a) ANNUAL REPORT.—(1) At the same time as the
11 President submits the budget for a fiscal year to Congress
12 pursuant to section 1105(a) of title 31, United States
13 Code, the Secretary of Defense shall submit to Congress
14 a report on event-based decisionmaking for the F-22 air-
15 craft program for that fiscal year. The Secretary shall
16 submit the report for fiscal year 1997 not later than Octo-
17 ber 1, 1996.

18 (2) The report for a fiscal year shall include the fol-
19 lowing:

20 (A) A discussion of each decision (known as an
21 “event-based decision”) that is expected to be made
22 during that fiscal year regarding whether the F-22
23 program is to proceed into a new phase or into a
24 new administrative subdivision of a phase.

1 (B) The criteria (known as “exit criteria”) to
2 be applied, for purposes of making the event-based
3 decision, in determining whether the F-22 aircraft
4 program has demonstrated the specific progress nec-
5 essary for proceeding into the new phase or adminis-
6 trative subdivision of a phase.

7 (b) REPORT ON EVENT-BASED DECISIONS.—Not
8 later than 30 days after an event-based decision has been
9 made for the F-22 aircraft program, the Secretary of De-
10 fense shall submit to Congress a report on the decision.
11 The report shall include the following:

12 (1) A discussion of the commitments made, and
13 the commitments to be made, under the program as
14 a result of the decision.

15 (2) The exit criteria applied for purposes of the
16 decision.

17 (3) How, in terms of the exit criteria, the pro-
18 gram demonstrated the specific progress justifying
19 the decision.

20 **SEC. 220. NONLETHAL WEAPONS AND TECHNOLOGIES PRO-**
21 **GRAMS.**

22 (a) FUNDING.—Of the amount authorized to be ap-
23 propriated under section 201(2), \$15,000,000 shall be
24 available for joint service research, development, test, and
25 evaluation of nonlethal weapons and nonlethal tech-

1 nologies under the program element established pursuant
2 to subsection (b).

3 (b) NEW PROGRAM ELEMENT REQUIRED.—The Sec-
4 retary of Defense shall establish a new program element
5 for the funds authorized to be appropriated under sub-
6 section (a). The funds within that program element shall
7 be administered by the executive agent designated for joint
8 service research, development, test, and evaluation of non-
9 lethal weapons and nonlethal technologies.

10 (c) LIMITATION PENDING RELEASE OF FUNDS.—(1)
11 None of the funds authorized to be appropriated for the
12 Department of Defense for fiscal year 1997 for foreign
13 comparative testing (program element 605130D) may be
14 obligated until the funds authorized to be appropriated in
15 section 219(d) of the National Defense Authorization Act
16 for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
17 223) are released for obligation by the executive agent re-
18 ferred to in subsection (b).

19 (2) Not more than 50 percent of the funds authorized
20 to be appropriated for the Department of Defense for fis-
21 cal year 1997 for NATO research and development (pro-
22 gram element 603790D) may be obligated until the funds
23 authorized to be appropriated in subsection (a) are re-
24 leased for obligation by the executive agent referred to in
25 subsection (b).

1 **SEC. 221. COUNTERPROLIFERATION SUPPORT PROGRAM.**

2 (a) FUNDING.—Of the funds authorized to be appro-
3 priated to the Department of Defense under section
4 201(4), \$176,200,000 shall be available for the
5 Counterproliferation Support Program, of which
6 \$75,000,000 shall be available for a tactical antisatellite
7 technologies program.

8 (b) ADDITIONAL AUTHORITY TO TRANSFER AU-
9 THORIZATIONS.—(1) In addition to the transfer authority
10 provided in section 1001, upon determination by the Sec-
11 retary of Defense that such action is necessary in the na-
12 tional interest, the Secretary may transfer amounts of au-
13 thorizations made available to the Department of Defense
14 in this division for fiscal year 1997 to counterproliferation
15 programs, projects, and activities identified as areas for
16 progress by the Counterproliferation Program Review
17 Committee established by section 1605 of the National
18 Defense Authorization Act for Fiscal Year 1994 (22
19 U.S.C. 2751 note). Amounts of authorizations so trans-
20 ferred shall be merged with and be available for the same
21 purposes as the authorization to which transferred.

22 (2) The total amount of authorizations transferred
23 under the authority of this subsection may not exceed
24 \$50,000,000.

25 (3) The authority provided by this subsection to
26 transfer authorizations—

1 (A) may only be used to provide authority for
2 items that have a higher priority than the items
3 from which authority is transferred; and

4 (B) may not be used to provide authority for an
5 item that has been denied authorization by Con-
6 gress.

7 (4) A transfer made from one account to another
8 under the authority of this subsection shall be deemed to
9 increase the amount authorized for the account to which
10 the amount is transferred by an amount equal to the
11 amount transferred.

12 (5) The Secretary of Defense shall promptly notify
13 Congress of transfers made under the authority of this
14 subsection.

15 (c) LIMITATION ON USE OF FUNDS FOR TECHNICAL
16 STUDIES AND ANALYSES PENDING RELEASE OF
17 FUNDS.—(1) None of the funds authorized to be appro-
18 priated to the Department of Defense for fiscal year 1997
19 for program element 605104D, relating to technical stud-
20 ies and analyses, may be obligated or expended until the
21 funds referred to in paragraph (2) have been released to
22 the program manager of the tactical anti-satellite tech-
23 nology program for implementation of that program.

24 (2) The funds for release referred to in paragraph
25 (1) are as follows:

1 (A) Funds authorized to be appropriated by
2 section 218(a) of the National Defense Authoriza-
3 tion Act for Fiscal Year 1996 (Public Law 104–106;
4 110 Stat. 222) that are available for the program
5 referred to in paragraph (1).

6 (B) Funds authorized to be appropriated to the
7 Department for fiscal year 1997 by this Act for the
8 Counterproliferation Support Program that are to be
9 made available for that program.

10 **SEC. 222. FEDERALLY FUNDED RESEARCH AND DEVELOP-**
11 **MENT CENTERS AND UNIVERSITY-AFFILI-**
12 **ATED RESEARCH CENTERS.**

13 (a) CENTERS COVERED.—Funds authorized to be ap-
14 propriated for the Department of Defense for fiscal year
15 1997 under section 201 may be obligated to procure work
16 from a federally funded research and development center
17 (in this section referred to as an “FFRDC”) or a univer-
18 sity-affiliated research center (in this section referred to
19 as a “UARC”) only in the case of a center named in the
20 report required by subsection (b) and, in the case of such
21 a center, only in an amount not in excess of the amount
22 of the proposed funding level set forth for that center in
23 such report.

24 (b) REPORT ON ALLOCATIONS FOR CENTERS.—(1)
25 Not later than 30 days after the date of the enactment

1 of this Act, the Secretary of Defense shall submit to the
2 Committee on Armed Services of the Senate and the Com-
3 mittee on National Security of the House of Representa-
4 tives a report containing—

5 (A) the name of each FFRDC and UARC from
6 which work is proposed to be procured for the De-
7 partment of Defense for fiscal year 1997; and

8 (B) for each such center, the proposed funding
9 level and the estimated personnel level for fiscal year
10 1997.

11 (2) The total of the proposed funding levels set forth
12 in the report for all FFRDCs and UARCs may not exceed
13 the amount set forth in subsection (d).

14 (c) LIMITATION PENDING SUBMISSION OF RE-
15 PORT.—Not more than 15 percent of the funds authorized
16 to be appropriated for the Department of Defense for fis-
17 cal year 1997 for FFRDCs and UARCs under section 201
18 may be obligated to procure work from an FFRDC or
19 UARC until the Secretary of Defense submits the report
20 required by subsection (b).

21 (d) FUNDING.—Of the amounts authorized to be ap-
22 propriated by section 201, not more than a total of
23 \$1,668,850,000 may be obligated to procure services from
24 the FFRDCs and UARCs named in the report required
25 by subsection (b).

1 (e) AUTHORITY TO WAIVE FUNDING LIMITATION.—
2 The Secretary of Defense may waive the limitation regard-
3 ing the maximum funding amount that applies under sub-
4 section (a) to an FFRDC or UARC. Whenever the Sec-
5 retary proposes to make such a waiver, the Secretary shall
6 submit to the Committee on Armed Services of the Senate
7 and the Committee on National Security of the House of
8 Representatives notice of the proposed waiver and the rea-
9 sons for the waiver. The waiver may then be made only
10 after the end of the 60-day period that begins on the date
11 on which the notice is submitted to those committees, un-
12 less the Secretary determines that it is essential to the
13 national security that funds be obligated for work at that
14 center in excess of that limitation before the end of such
15 period and notifies those committees of that determination
16 and the reasons for the determination.

17 **Subtitle C—Ballistic Missile**
18 **Defense**

19 **SEC. 231. UNITED STATES COMPLIANCE POLICY REGARD-**
20 **ING DEVELOPMENT, TESTING, AND DEPLOY-**
21 **MENT OF THEATER MISSILE DEFENSE SYS-**
22 **TEMS.**

23 (a) FINDINGS.—Congress makes the following find-
24 ings:

1 (1) Pursuant to article VI(a) of the ABM Trea-
2 ty, the United States is bound by the following obli-
3 gations:

4 (A) Not to give missiles, launchers, or ra-
5 dars (other than antiballistic missile interceptor
6 missiles, launchers, or radars) capabilities to
7 counter strategic ballistic missiles or elements
8 of strategic ballistic missiles in the flight trajec-
9 tory.

10 (B) Not to test missiles, launchers, or ra-
11 dars (other than antiballistic missile interceptor
12 missiles, launchers, or radars) in an antiballistic
13 missile mode.

14 (2) It is a sovereign right and obligation of the
15 parties to the ABM Treaty, on a unilateral basis, to
16 establish compliance standards to implement the ob-
17 ligations specified in article VI(a) of the ABM Trea-
18 ty.

19 (3) From October 3, 1972 (the date on which
20 the ABM Treaty entered into force) to the present,
21 the United States has maintained unilateral compli-
22 ance standards with regard to the obligations speci-
23 fied in Article VI(a) of the ABM Treaty, and those
24 standards have changed over time to accommodate

1 evolving technical, political, and strategic cir-
2 cumstances.

3 (4) Pursuant to article XIII of the ABM Trea-
4 ty, the parties established the Standing Consultative
5 Commission in which to “consider questions con-
6 cerning compliance with the obligations assumed and
7 related situations which may be considered”.

8 (b) COMPLIANCE POLICY.—It is the policy of the
9 United States that unless a missile defense system, system
10 upgrade, or system component (including one that exploits
11 data from space-based or other external sensors) is flight
12 tested in an ABM-qualifying flight test (as defined in sub-
13 section (c)), that system, system upgrade, or system com-
14 ponent has not, for purposes of the ABM Treaty, been
15 tested in an ABM mode nor been given capabilities to
16 counter strategic ballistic missiles and, therefore, is not
17 subject to any application, limitation, or obligation under
18 the ABM Treaty.

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

23 (1) a range of 3,500 kilometers; or

24 (2) a velocity of 5 kilometers per second.

1 **SEC. 232. PROHIBITION ON USE OF FUNDS TO IMPLEMENT**
2 **AN INTERNATIONAL AGREEMENT CONCERN-**
3 **ING THEATER MISSILE DEFENSE SYSTEMS.**

4 (a) PROHIBITION ON FUNDING.—Funds appro-
5 priated or otherwise made available to the Department of
6 Defense for fiscal year 1997 may not be obligated or ex-
7 pended to implement any agreement, or any understand-
8 ing with respect to interpretation of the ABM Treaty, be-
9 tween the United States and any of the independent states
10 of the former Soviet Union entered into after January 1,
11 1995, that—

12 (1) would establish a demarcation between the-
13 ater missile defense systems and anti-ballistic missile
14 defense systems for purposes of the ABM Treaty; or

15 (2) would restrict the performance, operations,
16 or deployment of United States theater missile de-
17 fense systems.

18 (b) EXCEPTIONS.—Subsection (a) does not apply—

19 (1) to the extent otherwise provided in a law
20 that is enacted after the date of the enactment of
21 this Act; or

22 (2) to expenditures to implement any agreement
23 or understanding described in subsection (a) that is
24 entered into in the exercise of the treaty-making
25 power under the Constitution.

1 **SEC. 233. CONVERSION OF ABM TREATY TO MULTILATERAL**
2 **TREATY.**

3 (a) FISCAL YEAR 1997.—During fiscal year 1997,
4 the United States shall not be bound by any international
5 agreement entered into by the President that would sub-
6 stantively modify the ABM Treaty, including any agree-
7 ment that would add one or more countries as signatories
8 to the treaty or would otherwise convert the treaty from
9 a bilateral treaty to a multilateral treaty, unless the agree-
10 ment is entered pursuant to the treaty making power of
11 the President under the Constitution.

12 (b) RELATIONSHIP TO OTHER LAW.—This section
13 shall not be construed as superseding section 232 of the
14 National Defense Authorization Act for Fiscal Year 1995
15 (Public Law 103–337; 108 Stat. 2701) for any fiscal year
16 other than fiscal year 1997, including any fiscal year after
17 fiscal year 1997.

18 **SEC. 234. FUNDING FOR UPPER TIER THEATER MISSILE DE-**
19 **FENSE SYSTEMS.**

20 (a) FUNDING.—Funds authorized to be appropriated
21 under section 201(4) shall be available for purposes and
22 in amounts as follows:

23 (1) For the Theater High Altitude Area De-
24 fense (THAAD) System, \$621,798,000.

25 (2) For the Navy Upper Tier (Theater Wide)
26 system, \$304,171,000.

1 (b) LIMITATION.—None of the funds appropriated or
2 otherwise made available for the Department of Defense
3 pursuant to this or any other Act may be obligated or ex-
4 pended by the Office of the Under Secretary of Defense
5 for Acquisition and Technology for official representation
6 activities, or related activities, until the Secretary of De-
7 fense certifies to Congress that—

8 (1) the Secretary has made available for obliga-
9 tion the funds provided under subsection (a) for the
10 purposes specified in that subsection and in the
11 amounts appropriated pursuant to that subsection;
12 and

13 (2) the Secretary has included the Navy Upper
14 Tier theater missile defense system in the theater
15 missile defense core program.

16 **SEC. 235. ELIMINATION OF REQUIREMENTS FOR CERTAIN**
17 **ITEMS TO BE INCLUDED IN THE ANNUAL RE-**
18 **PORT ON THE BALLISTIC MISSILE DEFENSE**
19 **PROGRAM.**

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

23 (1) by striking out paragraphs (3), (4), (7), (9),
24 and (10); and

1 (2) by redesignating paragraphs (5), (6), and
2 (8), as paragraphs (3), (4), and (5), respectively.

3 **SEC. 236. ABM TREATY DEFINED.**

4 In this subtitle, the term “ABM Treaty” means the
5 Treaty Between the United States of America and the
6 Union of Soviet Socialist Republics on the Limitation of
7 Anti-Ballistic Missile Systems, signed in Moscow on May
8 26, 1972, with related protocol, signed in Moscow on July
9 3, 1974.

10 **Subtitle D—Other Matters**

11 **SEC. 241. LIVE-FIRE SURVIVABILITY TESTING OF F-22 AIR-**
12 **CRAFT.**

13 (a) **AUTHORITY FOR RETROACTIVE WAIVER.**—The
14 Secretary of Defense may, in accordance with section
15 2366(e) of title 10, United States Code, waive for the F-
16 22 aircraft program the survivability tests required by
17 that section, notwithstanding that such program has en-
18 tered full-scale engineering development.

19 (b) **REPORTING REQUIREMENT.**—(1) If the Secretary
20 of Defense submits in accordance with section 2366(e)(1)
21 of title 10, United States Code, a certification that live-
22 fire testing of the F-22 aircraft would be unreasonably
23 expensive and impractical, the Secretary of Defense shall
24 require that F-22 aircraft components and subsystems be
25 made available for any alternative live-fire test program.

1 (2) The components and subsystem required by the
2 Secretary to be made available for such a program shall
3 be components that—

4 (A) could affect the survivability of the F-22
5 aircraft; and

6 (B) are sufficiently large and realistic that
7 meaningful conclusions about the survivability of F-
8 22 aircraft can be drawn from the test results.

9 (c) FUNDING.—Funds available for the F-22 aircraft
10 program may be used for carrying out any alternative live-
11 fire testing program for F-22 aircraft.

12 **SEC. 242. LIVE-FIRE SURVIVABILITY TESTING OF V-22 AIR-**
13 **CRAFT.**

14 (a) AUTHORITY FOR RETROACTIVE WAIVER.—The
15 Secretary of Defense may, in accordance with section
16 2366(c) of title 10, United States Code, waive for the V-
17 22 aircraft program the survivability tests required by
18 that section, notwithstanding that such program has en-
19 tered engineering and manufacturing development.

20 (b) ALTERNATIVE SURVIVABILITY TEST REQUIRE-
21 MENTS.—If the Secretary of Defense submits in accord-
22 ance with section 2366(c)(1) of title 10, United States
23 Code, a certification that live-fire testing of the V-22 air-
24 craft would be unreasonably expensive and impractical,
25 the Secretary of Defense shall require that a sufficient

1 number of components critical to the survivability of the
 2 V-22 aircraft be tested in an alternative live-fire test pro-
 3 gram involving realistic threat environments that mean-
 4 ingful conclusions about the survivability of V-22 aircraft
 5 can be drawn from the test results.

6 (c) FUNDING.—Funds available for the V-22 aircraft
 7 program may be used for carrying out any alternative live-
 8 fire testing program for V-22 aircraft.

9 **Subtitle E—National**
 10 **Oceanographic Partnership**

11 **SEC. 251. SHORT TITLE.**

12 This subtitle may be cited as the “National Oceano-
 13 graphic Partnership Act”.

14 **SEC. 252. NATIONAL OCEANOGRAPHIC PARTNERSHIP PRO-**
 15 **GRAM.**

16 (a) PROGRAM REQUIRED.—(1) Subtitle C of title 10,
 17 United States Code, is amended by inserting after chapter
 18 663 the following new chapter:

19 **“CHAPTER 665—NATIONAL OCEANO-**
 20 **GRAPHIC PARTNERSHIP PROGRAM**

“Sec.

“7901. National Oceanographic Partnership Program.

“7902. National Ocean Research Leadership Council.

“7903. Partnership program projects.

1 **“§ 7901. National Oceanographic Partnership Pro-**
2 **gram**

3 “(a) ESTABLISHMENT.—The Secretary of the Navy
4 shall establish a program to be known as the ‘National
5 Oceanographic Partnership Program’.

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

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

13 “(2) To coordinate and strengthen oceano-
14 graphic efforts in support of those goals by—

15 “(A) identifying and carrying out partner-
16 ships among Federal agencies, institutions of
17 higher education, industry, and other members
18 of the oceanographic scientific community in
19 the areas of data, resources, education, and
20 communication; and

21 “(B) reporting annually to Congress on the
22 program.

23 **“§ 7902. National Ocean Research Leadership Council**

24 “(a) COUNCIL.—There is a National Ocean Research
25 Leadership Council (hereinafter in this chapter referred
26 to as the “Council”).

1 “(b) MEMBERSHIP.—The Council is composed of the
2 following members:

3 “(1) The Secretary of the Navy who shall be
4 the chairman of the Council.

5 “(2) The Administrator of the National Oceanic
6 and Atmospheric Administration, who shall be the
7 vice chairman of the Council.

8 “(3) The Director of the National Science
9 Foundation.

10 “(4) The Administrator of the National Aero-
11 nautics and Space Administration.

12 “(5) The Commandant of the Coast Guard.

13 “(6) With their consent, the President of the
14 National Academy of Sciences, the President of the
15 National Academy of Engineering, and the President
16 of the Institute of Medicine.

17 “(7) Up to five members appointed by the
18 Chairman from among individuals who will represent
19 the views of ocean industries, institutions of higher
20 education, and State governments.

21 “(c) TERM OF OFFICE.—The term of office of a
22 member of the Council appointed under paragraph (7) of
23 subsection (b) shall be two years, except that any person
24 appointed to fill a vacancy occurring before the expiration

1 of the term for which his predecessor was appointed shall
2 be appointed for the remainder of such term.

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

7 “(1) A description of activities of the program
8 carried out during the fiscal year before the fiscal
9 year in which the report is prepared. The description
10 also shall include a list of the members of the Ocean
11 Research Partnership Coordinating Group (estab-
12 lished pursuant to subsection (e)), the Ocean Re-
13 search Advisory Panel (established pursuant to sub-
14 section (f)), and any working groups in existence
15 during the fiscal year covered.

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

19 “(3) A summary of projects continued from the
20 fiscal year before the fiscal year in which the report
21 is prepared and projects expected to be started dur-
22 ing the fiscal year in which the report is prepared
23 and during the following fiscal year.

1 “(4) A description of the involvement of the
2 program with Federal interagency coordinating enti-
3 ties.

4 “(5) The amounts requested, in the budget sub-
5 mitted to Congress pursuant to section 1105(a) of
6 title 31 for the fiscal year following the fiscal year
7 in which the report is prepared, for the programs,
8 projects, and activities of the program and the esti-
9 mated expenditures under such programs, projects,
10 and activities during such following fiscal year.

11 “(e) OCEAN RESEARCH PARTNERSHIP COORDINAT-
12 ING GROUP.—(1) The Council shall establish an Ocean
13 Research Partnership Coordinating Group consisting of
14 not more than 10 members appointed by the Council from
15 among officers and employees of the Government, persons
16 employed in the maritime industry, educators at institu-
17 tions of higher education, and officers and employees of
18 State governments.

19 “(2) The Council shall designate a member of the Co-
20 ordinating Group to serve as Chairman of the group.

21 “(3) The Council shall assign to the Coordinating
22 Group responsibilities that the Council considers appro-
23 priate. The Coordinating Group shall be subject to the au-
24 thority, direction, and control of the Council in the per-
25 formance the assigned responsibilities.

1 “(f) OCEAN RESEARCH ADVISORY PANEL.—(1) The
2 Council shall establish an Ocean Research Advisory Panel
3 consisting of members appointed by the Council from
4 among persons eminent in the fields of oceanography,
5 ocean sciences, or marine policy (or related fields) who are
6 representative of the interests of governments, institutions
7 of higher education, and industry in the matters covered
8 by the purposes of the National Oceanographic Partner-
9 ship Program (as set forth in section 7901(b) of this title).

10 “(2) The Council shall assign to the Advisory Panel
11 responsibilities that the Council consider appropriate. The
12 Coordinating Group shall be subject the authority, direc-
13 tion, and control of the Council to in the performance of
14 the assigned responsibilities.

15 **“§ 7903. Partnership program projects**

16 “(a) SELECTION OF PARTNERSHIP PROJECTS.—The
17 National Ocean Research Leadership Council shall select
18 the partnership projects that are to be considered eligible
19 for support under the National Oceanographic Partner-
20 ship Program. A project partnership may be established
21 by any instrument that the Council considers appropriate,
22 including a memorandum of understanding, a cooperative
23 research and development agreement, and any similar in-
24 strument.

1 “(b) CONTRACT AND GRANT AUTHORITY.—(1) The
 2 Council may authorize one or more of the departments
 3 and agencies of the Federal Government represented on
 4 the Council to enter into contracts or to make grants for
 5 the support of partnership projects selected under sub-
 6 section (a).

7 “(2) Funds appropriated or otherwise made available
 8 for the National Oceanographic Partnership Program may
 9 be used for contracts entered into or grants awarded
 10 under authority provided pursuant to paragraph (1).”.

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

“665. National Oceanographic Partnership Program 7901”.

15 (b) INITIAL APPOINTMENTS OF COUNCIL MEM-
 16 BERS.—The Chairman of the National Ocean Research
 17 Leadership Council established under section 7902 of title
 18 10, United States Code, as added by subsection (a)(1),
 19 shall make the appointments required by subsection (b)(7)
 20 of such section not later than December 1, 1996.

21 (c) FIRST ANNUAL REPORT OF NATIONAL OCEAN
 22 RESEARCH LEADERSHIP COUNCIL.—The first annual re-
 23 port required by section 7902(d) of title 10, United States
 24 Code, as added by subsection (a)(1), shall be submitted
 25 to Congress not later than March 1, 1997. The first report

1 shall include, in addition to the information required by
2 such section, information about the terms of office, proce-
3 dures, and responsibilities of the Ocean Research Advisory
4 Panel established by the Council.

5 (d) FUNDING.—Of the funds authorized to be appro-
6 priated by section 201(2), \$13,000,000 shall be available
7 for the National Oceanographic Partnership Program.

8 **TITLE III—OPERATION AND** 9 **MAINTENANCE**

10 **Subtitle A—Authorization of** 11 **Appropriations**

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

13 Funds are hereby authorized to be appropriated for
14 fiscal year 1997 for the use of the Armed Forces and other
15 activities and agencies of the Department of Defense for
16 expenses, not otherwise provided for, for operation and
17 maintenance, in amounts as follows:

18 (1) For the Army, \$18,147,623,000.

19 (2) For the Navy, \$20,298,339,000.

20 (3) For the Marine Corps, \$2,279,477,000.

21 (4) For the Air Force, \$17,953,039,000.

22 (5) For Defense-wide activities,
23 \$9,863,942,000.

24 (6) For the Army Reserve, \$1,094,436,000.

25 (7) For the Naval Reserve, \$851,027,000.

- 1 (8) For the Marine Corps Reserve,
2 \$110,367,000.
- 3 (9) For the Air Force Reserve, \$1,493,553,000.
- 4 (10) For the Army National Guard,
5 \$2,218,477,000.
- 6 (11) For the Air National Guard,
7 \$2,692,473,000.
- 8 (12) For the Defense Inspector General,
9 \$136,501,000.
- 10 (13) For the United States Court of Appeals
11 for the Armed Forces, \$6,797,000.
- 12 (14) For Environmental Restoration, Army,
13 \$356,916,000.
- 14 (15) For Environmental Restoration, Navy,
15 \$302,900,000.
- 16 (16) For Environmental Restoration, Air Force,
17 \$414,700,000.
- 18 (17) For Environmental Restoration, Defense-
19 wide, \$258,500,000.
- 20 (18) For Drug Interdiction and Counter-drug
21 Activities, Defense-wide, \$793,824,000.
- 22 (19) For Medical Programs, Defense,
23 \$9,375,988,000.
- 24 (20) For Cooperative Threat Reduction pro-
25 grams, \$327,900,000.

1 (21) For Overseas Humanitarian, Disaster, and
2 Civic Aid programs, \$49,000,000.

3 **SEC. 302. WORKING CAPITAL FUNDS.**

4 Funds are hereby authorized to be appropriated for
5 fiscal year 1997 for the use of the Armed Forces and other
6 activities and agencies of the Department of Defense for
7 providing capital for working capital and revolving funds
8 in amounts as follows:

9 (1) For the Defense Business Operations Fund,
10 \$947,900,000.

11 (2) For the National Defense Sealift Fund,
12 \$1,268,002,000.

13 **SEC. 303. DEFENSE NUCLEAR AGENCY.**

14 Of the amounts authorized to be appropriated for the
15 Department of Defense under section 301(5),
16 \$88,083,000 shall be available for the Defense Nuclear
17 Agency.

18 **SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCK-**

19 **PILE TRANSACTION FUND.**

20 (a) **TRANSFER AUTHORITY.**—To the extent provided
21 in appropriations Acts, not more than \$150,000,000 is au-
22 thorized to be transferred from the National Defense
23 Stockpile Transaction Fund to operation and maintenance
24 accounts for fiscal year 1997 in amounts as follows:

25 (1) For the Army, \$50,000,000.

1 (2) For the Navy, \$50,000,000.

2 (3) For the Air Force, \$50,000,000.

3 (b) TREATMENT OF TRANSFERS.—Amounts trans-
4 ferred under this section—

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

8 (2) may not be expended for an item that has
9 been denied authorization of appropriations by Con-
10 gress.

11 (c) RELATIONSHIP TO OTHER TRANSFER AUTHOR-
12 ITY.—The transfer authority provided in this section is in
13 addition to the transfer authority provided in section
14 1001.

15 **SEC. 305. CIVIL AIR PATROL.**

16 (a) FUNDING.—Of the amounts authorized to be ap-
17 propriated pursuant to this Act, \$14,526,000 may be
18 made available to the Civil Air Patrol Corporation.

19 (b) AMOUNT FOR SEARCH AND RESCUE OPER-
20 ATIONS.—Of the amount made available pursuant to sub-
21 section (a), not more than 75 percent of such amount may
22 be available for costs other than the costs of search and
23 rescue missions.

1 **SEC. 306. SR-71 CONTINGENCY RECONNAISSANCE FORCE.**

2 Of the funds authorized to be appropriated by section
3 301(4), \$30,000,000 is authorized to be made available
4 for the SR-71 contingency reconnaissance force.

5 **Subtitle B—Program Require-**
6 **ments, Restrictions, and Limita-**
7 **tions**

8 **SEC. 311. FUNDING FOR SECOND AND THIRD MARITIME**
9 **PREPOSITIONING SHIPS OUT OF NATIONAL**
10 **DEFENSE SEALIFT FUND.**

11 (a) NATIONAL DEFENSE SEALIFT FUND.—To the
12 extent provided in appropriations Acts, funds in the Na-
13 tional Defense Sealift Fund may be obligated and ex-
14 pended for the purchase and conversion, or construction,
15 of a total of three ships for the purpose of enhancing Ma-
16 rine Corps prepositioning ship squadrons.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—Of the
18 amount authorized to be appropriated under section
19 302(2), \$240,000,000 is authorized to be appropriated for
20 the purpose stated in subsection (a).

21 **SEC. 312. NATIONAL DEFENSE SEALIFT FUND.**

22 Section 2218 of title 10, United States Code, is
23 amended—

24 (1) in subsection (c)(1)(E), by striking out “,
25 but only for vessels built in United States ship-
26 yards”;

1 (2) in subsection (f)—

2 (A) in paragraph (1)—

3 (i) by striking out “five” and insert-
4 ing in lieu thereof “ten”; and

5 (ii) by striking out “(c)(1)” and in-
6 serting in lieu thereof “(c)(1)(A)”; and

7 (B) in paragraph (2), by striking out
8 “(c)(1)” and inserting in lieu thereof
9 “(c)(1)(A)”; and

10 (3) in subsection (j), by striking out “(c)(1)
11 (A), (B), (C), and (D)” and inserting in lieu thereof
12 “(c)(1) (A), (B), (C), (D), and (E)”.

13 **SEC. 313. NONLETHAL WEAPONS CAPABILITIES.**

14 Of the amount authorized to be appropriated under
15 section 301, \$5,000,000 shall be available for the imme-
16 diate procurement of nonlethal weapons capabilities to
17 meet existing deficiencies in inventories of such capabili-
18 ties, of which—

19 (1) \$2,000,000 shall be available for the Army;

20 and

21 (2) \$3,000,000 shall be available for the Marine

22 Corps.

1 **SEC. 314. RESTRICTION ON COAST GUARD FUNDING.**

2 No funds are authorized by this Act to be appro-
3 priated to the Department of Defense for the Coast Guard
4 within budget subfunction 054.

5 **Subtitle C—Depot-Level Activities**

6 **SEC. 321. DEPARTMENT OF DEFENSE PERFORMANCE OF**
7 **CORE LOGISTICS FUNCTIONS.**

8 Section 2464(a) of title 10, United States Code is
9 amended by striking out paragraph (2) and inserting in
10 lieu thereof the following:

11 “(2) The Secretary of Defense shall maintain within
12 the Department of Defense those logistics activities and
13 capabilities that are necessary to provide the logistics ca-
14 pability described in paragraph (1). The logistics activities
15 and capabilities maintained under this paragraph shall in-
16 clude all personnel, equipment, and facilities that are nec-
17 essary to maintain and repair the weapon systems and
18 other military equipment identified under paragraph (3).

19 “(3) The Secretary of Defense, in consultation with
20 the Joint Chiefs of Staff, shall identify the weapon sys-
21 tems and other military equipment that it is necessary to
22 maintain and repair within the Department of Defense in
23 order to maintain within the department the capability de-
24 scribed in paragraph (1).

25 “(4) The Secretary shall require that the core logis-
26 tics functions identified pursuant to paragraph (3) be per-

1 formed in Government-owned, Government-operated facili-
2 ties of the Department of Defense by Department of De-
3 fense personnel using Department of Defense equip-
4 ment.”.

5 **SEC. 322. INCREASE IN PERCENTAGE LIMITATION ON CON-**
6 **TRACTOR PERFORMANCE OF DEPOT-LEVEL**
7 **MAINTENANCE AND REPAIR WORKLOADS.**

8 (a) FIFTY PERCENT LIMITATION.—Section 2466(a)
9 of title 10, United States Code, is amended by striking
10 out “40 percent” in the first sentence and inserting in
11 lieu thereof “50 percent”.

12 (b) INCREASE DELAYED PENDING RECEIPT OF
13 STRATEGIC PLAN FOR THE PERFORMANCE OF DEPOT-
14 LEVEL MAINTENANCE AND REPAIR.—(1) Notwithstand-
15 ing the first sentence of section 2466(a) of title 10, United
16 States Code (as amended by subsection (a)), until the
17 strategic plan for the performance of depot-level mainte-
18 nance and repair is submitted under section 325, not more
19 than 40 percent of the funds made available in a fiscal
20 year to a military department or a Defense Agency for
21 depot-level maintenance and repair workload may be used
22 to contract for the performance by non-Federal Govern-
23 ment personnel of such workload for the military depart-
24 ment or the Defense Agency.

1 (2) In paragraph (1), the term “depot-level mainte-
2 nance and repair workload” has the meaning given such
3 term in section 2466(f) of title 10, United States Code.

4 **SEC. 323. REPORT ON DEPOT-LEVEL MAINTENANCE AND**
5 **REPAIR.**

6 Subsection (e) of section 2466 of title 10, United
7 States Code, is amended to read as follows:

8 “(e) REPORT.—(1) Not later than February 1 of each
9 year, the Secretary of Defense shall submit to Congress
10 a report identifying, for each military department and De-
11 fense Agency—

12 “(A) the percentage of the funds referred to in
13 subsection (a) that were used during the preceding
14 fiscal year for performance of depot-level mainte-
15 nance and repair workloads by Federal Government
16 personnel; and

17 “(B) the percentage of the funds referred to in
18 subsection (a) that were used during the preceding
19 fiscal year to contract for the performance of depot-
20 level maintenance and repair workloads by non-Fed-
21 eral Government personnel.

22 “(2) Not later than 90 days after the date on which
23 the Secretary submits the annual report under paragraph
24 (1), the Comptroller General shall submit to the Commit-
25 tees on Armed Services and on Appropriations of the Sen-

1 ate and the Committees on National Security and on Ap-
2 propriations of the House of Representatives the Comp-
3 troller's views on whether the Department of Defense has
4 complied with the requirements of subsection (a) for the
5 fiscal year covered by the report.”.

6 **SEC. 324. DEPOT-LEVEL MAINTENANCE AND REPAIR WORK-**
7 **LOAD DEFINED.**

8 Section 2466 of title 10, United States Code, is
9 amended by adding at the end the following:

10 “(f) DEPOT-LEVEL MAINTENANCE AND REPAIR
11 WORKLOAD DEFINED.—In this section, the term ‘depot-
12 level maintenance and repair workload’—

13 “(1) means material maintenance requiring
14 major overhaul or complete rebuilding of parts, as-
15 semblies, or subassemblies, and testing and reclama-
16 tion of equipment as necessary, including all aspects
17 of software maintenance;

18 “(2) includes those portions of interim contrac-
19 tor support, contractor logistics support, or any
20 similar contractor support for the performance of
21 services described in paragraph (1); and

22 “(3) does not include ship modernization and
23 other repair activities that—

1 “(A) are funded out of appropriations
2 available to the Department of Defense for pro-
3 curement; and

4 “(B) were not considered to be depot-level
5 maintenance and repair workload activities
6 under regulations of the Department of Defense
7 in effect on February 10, 1996.”.

8 **SEC. 325. STRATEGIC PLAN RELATING TO DEPOT-LEVEL**
9 **MAINTENANCE AND REPAIR.**

10 (a) **STRATEGIC PLAN REQUIRED.**—(1) As soon as
11 possible after the enactment of this Act, the Secretary of
12 Defense shall submit to the Committee on Armed Services
13 of the Senate and the Committee on National Security of
14 the House of Representatives a strategic plan for the per-
15 formance of depot-level maintenance and repair.

16 (2) The strategic plan shall cover the performance of
17 depot-level maintenance and repair for the Department of
18 Defense in fiscal years 1998 through 2007. The plan shall
19 provide for maintaining the capability described in section
20 2464 of title 10, United States Code.

21 (b) **ADDITIONAL MATTERS COVERED.**—The Sec-
22 retary of Defense shall include in the strategic plan sub-
23 mitted under subsection (a) a detailed discussion of the
24 following matters:

1 (1) For each military department, as deter-
2 mined after consultation with the Secretary of that
3 military department and the Chairman of the Joint
4 Chiefs of Staff, the depot-level maintenance and re-
5 pair activities and workloads that are necessary to
6 perform within the Department of Defense in order
7 to maintain the core logistics capability required by
8 section 2464 of title 10, United States Code.

9 (2) For each military department, as deter-
10 mined after consultation with the Secretary of that
11 military department and the Chairman of the Joint
12 Chiefs of Staff, the depot-level maintenance and re-
13 pair activities and workloads that the Secretary of
14 Defense plans to perform within the Department of
15 Defense in order to satisfy the requirements of sec-
16 tion 2466 of title 10, United States Code.

17 (3) For the activities identified pursuant to
18 paragraphs (1) and (2), a discussion of which spe-
19 cific existing weapon systems or other existing equip-
20 ment, and which specific planned weapon systems or
21 other planned equipment, are weapon systems or
22 equipment for which it is necessary to maintain a
23 core depot-level maintenance and repair capability
24 within the Department of Defense.

1 (4) The core capabilities, including sufficient
2 skilled personnel, equipment, and facilities, that—

3 (A) are of sufficient size—

4 (i) to ensure a ready and controlled
5 source of the technical competencies, and
6 the maintenance and repair capabilities,
7 that are necessary to meet the require-
8 ments of the national military strategy and
9 other requirements for responding to mobi-
10 lizations and military contingencies; and

11 (ii) to provide for rapid augmentation
12 in time of emergency; and

13 (B) are assigned a sufficient workload to
14 ensure cost efficiency and technical proficiency
15 in peacetime.

16 (5) The environmental liability issues associated
17 with any projected privatization of the performance
18 of depot-level maintenance and repair, together with
19 detailed projections of the cost to the United States
20 of satisfying environmental liabilities associated with
21 such privatized performance.

22 (6) Any significant issues and risks concerning
23 exchange of technical data on depot-level mainte-
24 nance and repair between the Federal Government
25 and the private sector.

1 (7) Any deficiencies in Department of Defense
2 financial systems that hinder effective evaluation of
3 competitions (whether among private-sector sources
4 or among depot-level activities owned and operated
5 by the Department of Defense and private-sector
6 sources), and merit-based selections (among depot-
7 level activities owned and operated by the Depart-
8 ment of Defense), for a depot-level maintenance and
9 repair workload, together with plans to correct such
10 deficiencies.

11 (8) The type of facility (whether a private sec-
12 tor facility or a Government owned and operated fa-
13 cility) in which depot-level maintenance and repair
14 of any new weapon systems that will reach full scale
15 development is to be performed.

16 (9) The workloads necessary to maintain Gov-
17 ernment owned and operated depots at 50 percent,
18 70 percent, and 85 percent of operating capacity.

19 (10) A plan for improving the productivity of
20 the Government owned and operated depot mainte-
21 nance and repair facilities, together with manage-
22 ment plans for changing administrative and missions
23 processes to achieve productivity gains, a discussion
24 of any barriers to achieving desired productivity
25 gains at the depots, and any necessary changes in ci-

1 vilian personnel policies that are necessary to im-
2 prove productivity.

3 (11) The criteria used to make decisions on
4 whether to convert to contractor performance of
5 depot-level maintenance and repair, the officials re-
6 sponsible for making the decision to convert, and
7 any depot-level maintenance and repair workloads
8 that are proposed to be converted to contractor per-
9 formance before the end of fiscal year 2001.

10 (12) A detailed analysis of savings proposed to
11 be achieved by contracting for the performance of
12 depot-level maintenance and repair workload by pri-
13 vate sector sources, together with the report on the
14 review of the analysis (and the assumptions underly-
15 ing the analysis) provided for under subsection (c).

16 (c) INDEPENDENT REVIEW OF SAVINGS ANALYSIS.—
17 The Secretary shall provide for a public accounting firm
18 (independent of Department of Defense influence) to re-
19 view the analysis referred to in subsection (b)(13) and the
20 assumptions underlying the analysis for submission to the
21 committees referred to in subsection (a) and to the Comp-
22 troller General.

23 (d) REVIEW BY COMPTROLLER GENERAL.—(1) At
24 the same time that the Secretary of Defense transmits the
25 strategic plan under subsection (a), the Secretary shall

1 transmit a copy of the plan (including the report of the
2 public accounting firm provided for under subsection (e))
3 to the Comptroller General of the United States and make
4 available to the Comptroller General all information used
5 by the Department of Defense in preparing the plan and
6 analysis.

7 (2) Not later than 60 days after the date on which
8 the Secretary submits the strategic plan required by sub-
9 section (a), the Comptroller General shall transmit to Con-
10 gress a report containing a detailed analysis of the strate-
11 gic plan.

12 (e) ADDITIONAL REPORTING REQUIREMENT FOR
13 COMPTROLLER GENERAL.—Not later than February 1,
14 1997, the Comptroller General shall submit to the commit-
15 tees referred to in subsection (a) a report on the effective-
16 ness of the oversight by the Department of Defense of the
17 management of existing contracts with private sector
18 sources of depot-level maintenance and repair of weapon
19 systems, the adequacy of Department of Defense financial
20 and information systems to support effective decisions to
21 contract for private sector performance of depot-level
22 maintenance and repair workloads that are being or have
23 been performed by Government personnel, the status of
24 reengineering efforts at depots owned and operated by the
25 United States, and any overall management weaknesses

1 within the Department of Defense that would hinder effec-
2 tive use of contracting for the performance of depot-level
3 maintenance and repair.

4 **SEC. 326. ANNUAL REPORT ON COMPETITIVE PROCE-**
5 **DURES.**

6 (a) ANNUAL REPORT.—Section 2469 of title 10,
7 United States Code, is amended by adding at the end the
8 following:

9 “(d) ANNUAL REPORT.—Not later than March 31 of
10 each year, the Secretary of Defense shall submit to the
11 Committee on Armed Services of the Senate and the Com-
12 mittee on National Security of the House of Representa-
13 tives a report describing the competitive procedures used
14 during the preceding fiscal year for competitions referred
15 to in subsection (a).”.

16 (b) FIRST REPORT.—The first report under sub-
17 section (d) of section 2469 of title 10, United States Code
18 (as added by subsection (a)), shall be submitted not later
19 than March 31, 1997.

20 **SEC. 327. ANNUAL RISK ASSESSMENTS REGARDING PRI-**
21 **VATE PERFORMANCE OF DEPOT-LEVEL MAIN-**
22 **TENANCE WORK.**

23 (a) REPORTS.—Chapter 146 of title 10, United
24 States Code, is amended by adding at the end the follow-
25 ing:

1 **“§ 2473. Reports on privatization of depot-level main-**
2 **tenance work**

3 “(a) ANNUAL RISK ASSESSMENTS.—(1) Not later
4 than January 1 of each year, the Joint Chiefs of Staff
5 shall submit to the Secretary of Defense a report on the
6 privatization of the performance of the various depot-level
7 maintenance workloads of the Department of Defense.

8 “(2) The report shall include with respect to each
9 depot-level maintenance workload the following:

10 “(A) An assessment of the risk to the readi-
11 ness, sustainability, and technology of the Armed
12 Forces in a full range of anticipated scenarios for
13 peacetime and for wartime of—

14 “(i) using public entities to perform the
15 workload;

16 “(ii) using private entities to perform the
17 workload; and

18 “(iii) using a combination of public entities
19 and private entities to perform the workload.

20 “(B) The recommendation of the Joint Chiefs
21 as to whether public entities, private entities, or a
22 combination of public entities and private entities
23 could perform the workload without jeopardizing
24 military readiness.

25 “(3) Not later than 30 days after receiving the report
26 under paragraph (2)(B), the Secretary shall transmit the

1 report to Congress. If the Secretary does not concur in
2 the recommendation made by the Joint Chiefs pursuant
3 to paragraph (2)(B), the Secretary shall include in the re-
4 port under this paragraph—

5 “(A) the recommendation of the Secretary; and

6 “(B) a justification for the differences between
7 the recommendation of the Joint Chiefs and the rec-
8 ommendation of the Secretary.

9 “(b) ANNUAL REPORT ON PROPOSED PRIVATIZA-
10 TION.—(1) Not later than February 28 of each year, the
11 Joint Chiefs of Staff shall submit to the Secretary of De-
12 fense a report on each depot-level maintenance workload
13 of the Department of Defense that the Joint Chiefs believe
14 could be converted to performance by private entities dur-
15 ing the next fiscal year without jeopardizing military read-
16 iness.

17 “(2) Not later than 30 days after receiving a report
18 under paragraph (1), the Secretary shall transmit the re-
19 port to Congress. If the Secretary does not concur in the
20 proposal of the Joint Chiefs in the report, the Secretary
21 shall include in the report under this paragraph—

22 “(A) each depot-level maintenance workload of
23 the Department that the Secretary proposes to be
24 performed by private entities during the fiscal year
25 concerned; and

1 “(B) a justification for the differences between
2 the proposal of the Joint Chiefs and the proposal of
3 the Secretary.”.

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

“2473. Reports on privatization of depot-level maintenance work.”.

7 **SEC. 328. EXTENSION OF AUTHORITY FOR NAVAL SHIP-**
8 **YARDS AND AVIATION DEPOTS TO ENGAGE IN**
9 **DEFENSE-RELATED PRODUCTION AND SERV-**
10 **ICES.**

11 (a) EXTENSION OF AUTHORITY.—Section 1425(e) of
12 the National Defense Authorization Act for Fiscal Year
13 1991 (Public Law 101–510) is amended by striking out
14 “expires on September 30, 1995” and inserting in lieu
15 thereof “may not be exercised after September 30, 1997”.

16 (b) REVIVAL OF EXPIRED AUTHORITY.—The author-
17 ity provided in section 1425 of the National Defense Au-
18 thorization Act for Fiscal Year 1991 may be exercised
19 after September 30, 1995, subject to the limitation in sub-
20 section (e) of such section as amended by subsection (a)
21 of this section.

22 **SEC. 329. LIMITATION ON USE OF FUNDS FOR F-18 AIR-**
23 **CRAFT DEPOT MAINTENANCE.**

24 Of the amounts authorized to be appropriated by sec-
25 tion 301(2), not more than \$5,000,000 may be used for

1 the performance of depot maintenance on F-18 aircraft
2 until 30 days after the date on which the Secretary of
3 Defense submits to the congressional defense committees
4 a report on aviation depot maintenance. The report shall
5 contain the following:

6 (1) The results of a competition which the Sec-
7 retary shall conduct between all Department of De-
8 fense aviation depots for selection for the perform-
9 ance of depot maintenance on F-18 aircraft.

10 (2) An analysis of the total cost of transferring
11 the F-18 aircraft depot maintenance workload to an
12 aviation depot not performing such workload as of
13 the date of the enactment of this Act.

14 **SEC. 330. DEPOT MAINTENANCE AND REPAIR AT FACILI-**
15 **TIES CLOSED BY BRAC.**

16 The Secretary may not contract for the performance
17 by a private sector source of any of the depot maintenance
18 workload performed as of the date of the enactment of
19 this Act at Sacramento Air Logistics Center or the San
20 Antonio Air Logistics Center until the Secretary—

21 (1) publishes criteria for the evaluation of bids
22 and proposals to perform such workload;

23 (2) conducts a competition for the workload be-
24 tween public and private entities;

1 (3) pursuant to the competition, determines in
 2 accordance with the criteria published under para-
 3 graph (1) that an offer submitted by a private sector
 4 source to perform the workload is the best value for
 5 the United States; and

6 (4) submits to Congress the following—

7 (A) a detailed comparison of the cost of
 8 the performance of the workload by civilian em-
 9 ployees of the Department of Defense with the
 10 cost of the performance of the workload by that
 11 source; and

12 (B) an analysis which demonstrates that
 13 the performance of the workload by that source
 14 will provide the best value for the United States
 15 over the life of the contract.

16 **Subtitle D—Environmental** 17 **Provisions**

18 **SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL** 19 **RESTORATION TRANSFER ACCOUNTS FOR** 20 **EACH MILITARY DEPARTMENT.**

21 (a) ESTABLISHMENT.—(1) Section 2703 of title 10,
 22 United States Code, is amended to read as follows:

23 **“§ 2703. Environmental restoration transfer accounts**

24 “(a) ESTABLISHMENT OF TRANSFER ACCOUNTS.—

1 “(1) ESTABLISHMENT.—There are hereby es-
2 tablished in the Department of Defense the following
3 accounts:

4 “(A) An account to be known as the ‘De-
5 fense Environmental Restoration Account’.

6 “(B) An account to be known as the ‘Army
7 Environmental Restoration Account’.

8 “(C) An account to be known as the ‘Navy
9 Environmental Restoration Account’.

10 “(D) An account to be known as the ‘Air
11 Force Environmental Restoration Account’.

12 “(2) TREATMENT OF APPROPRIATIONS.—All
13 sums appropriated to the Department of Defense to
14 carry out functions of the Secretary of Defense or
15 of the Secretaries of the military departments relat-
16 ing to environmental restoration under this chapter
17 or under any other provision of law shall be appro-
18 priated to the transfer account concerned.

19 “(3) REQUIREMENT OF AUTHORIZATION OF AP-
20 PROPRIATIONS.—No funds may be appropriated to a
21 transfer account unless such sums have been specifi-
22 cally authorized by law.

23 “(4) AVAILABILITY OF FUNDS IN TRANSFER
24 ACCOUNTS.—Amounts appropriated to a transfer ac-

1 count shall remain available until transferred under
2 subsection (b).

3 “(b) AUTHORITY TO TRANSFER TO OTHER AC-
4 COUNTS.—Amounts in a transfer account shall be avail-
5 able for transfer by the Secretary of Defense (in the case
6 of the Defense Environmental Restoration Account) or by
7 the Secretary of a military department (in the case of the
8 environmental restoration account of that military depart-
9 ment) to any appropriation account or fund of the Depart-
10 ment of Defense (including an account or fund of a mili-
11 tary department) for obligation from the account or fund
12 to which transferred.

13 “(c) OBLIGATION OF TRANSFERRED AMOUNTS.—
14 Funds transferred under subsection (b) may only be obli-
15 gated or expended from the account or fund to which
16 transferred in order to carry out the environmental res-
17 toration functions of the Secretary of Defense and the
18 Secretaries of the military departments under this chapter
19 and under any other provision of law.

20 “(d) BUDGET REPORTS.—In proposing the budget
21 for any fiscal year pursuant to section 1105 of title 31,
22 the President shall set forth separately the amounts re-
23 quested for environmental restoration programs of the De-
24 partment of Defense and of each of the military depart-
25 ments under this chapter and under any other Act.

1 “(e) AMOUNTS RECOVERED.—The following amounts
2 shall be credited to the appropriate environmental restora-
3 tion account:

4 “(1) Amounts recovered under CERCLA for re-
5 sponse actions.

6 “(2) Any other amounts recovered from a con-
7 tractor, insurer, surety, or other person to reimburse
8 the Department of Defense or a military department
9 for any expenditure for environmental response ac-
10 tivities.

11 “(f) PAYMENTS OF FINES AND PENALTIES.—None
12 of the funds appropriated to the Defense Environmental
13 Restoration Account for fiscal years 1995 through 1999,
14 or to any environmental restoration account of a military
15 department for fiscal years 1997 through 1999, may be
16 used for the payment of a fine or penalty (including any
17 supplemental environmental project carried out as part of
18 such penalty) imposed against the Department of Defense
19 or a military department unless the act or omission for
20 which the fine or penalty is imposed arises out of an activ-
21 ity funded by the environmental restoration account con-
22 cerned and the payment of the fine or penalty has been
23 specifically authorized by law.”.

24 (2) The table of sections at the beginning of chapter
25 160 of title 10, United States Code, is amended by strik-

1 ing out the item relating to section 2703 and inserting
2 in lieu thereof the following new item:

“2703. Environmental restoration transfer accounts.”.

3 (b) REFERENCES.—Any reference to the Defense En-
4 vironmental Restoration Account in any Federal law, Ex-
5 ecutive Order, regulation, delegation of authority, or docu-
6 ment of or pertaining to the Department of Defense shall
7 be deemed to refer to the appropriate environmental res-
8 toration account established under section 2703(a)(1) of
9 title 10, United States Code (as amended by subsection
10 (a)(1)).

11 (c) CONFORMING AMENDMENT.—Section 2705(g)(1)
12 of title 10, United States Code, is amended by striking
13 out “the Defense Environmental Restoration Account”
14 and inserting in lieu thereof “the environmental restora-
15 tion account concerned”.

16 (d) TREATMENT OF UNOBLIGATED BALANCES.—Any
17 unobligated balances that remain in the Defense Environ-
18 mental Restoration Account under section 2703(a) of title
19 10, United States Code, as of the effective date specified
20 in subsection (e) shall be transferred on such date to the
21 Defense Environmental Restoration Account established
22 under section 2703(a)(1) of title 10, United States Code
23 (as amended by subsection (a)(1)).

24 (e) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on the later of—

1 (1) October 1, 1996; or

2 (2) the date of the enactment of this Act.

3 **SEC. 342. DEFENSE CONTRACTORS COVERED BY REQUIRE-**
4 **MENT FOR REPORTS ON CONTRACTOR REIM-**
5 **BURSEMENT COSTS FOR RESPONSE ACTIONS.**

6 Section 2706(d)(1)(A) of title 10, United States
7 Code, is amended by striking out “100” and inserting in
8 lieu thereof “20”.

9 **SEC. 343. REPEAL OF REDUNDANT NOTIFICATION AND**
10 **CONSULTATION REQUIREMENTS REGARDING**
11 **REMEDIAL INVESTIGATIONS AND FEASIBIL-**
12 **ITY STUDIES AT CERTAIN INSTALLATIONS TO**
13 **BE CLOSED UNDER THE BASE CLOSURE**
14 **LAWS.**

15 Section 334 of the National Defense Authorization
16 Act for Fiscal Years 1992 and 1993 (Public Law 102–
17 190; 105 Stat. 1340; 10 U.S.C. 2687 note) is repealed.

18 **SEC. 344. PAYMENT OF CERTAIN STIPULATED CIVIL PEN-**
19 **ALTIES.**

20 (a) **AUTHORITY.**—The Secretary of Defense may pay
21 to the Hazardous Substance Superfund established under
22 section 9507 of the Internal Revenue Code of 1986 (26
23 U.S.C. 9507) stipulated civil penalties assessed under
24 CERCLA in amounts, and using funds, as follows:

1 (1) Using funds authorized to be appropriated
2 to the Army Environmental Restoration Account es-
3 tablished under section 2703(a)(1)(B) of title 10,
4 United States Code, as amended by section 341 of
5 this Act, \$34,000 assessed against Fort Riley, Kan-
6 sas, under CERCLA.

7 (2) Using funds authorized to be appropriated
8 to the Navy Environmental Restoration Account es-
9 tablished under section 2703(a)(1)(C) of that title,
10 as so amended, \$30,000 assessed against the Naval
11 Education and Training Center, Newport, Rhode Is-
12 land, under CERCLA.

13 (3) Using funds authorized to be appropriated
14 to the Air Force Environmental Restoration Account
15 established under section 2703(a)(1)(D) of that title,
16 as so amended—

17 (A) \$550,000 assessed against the Massa-
18 chusetts Military Reservation, Massachusetts,
19 under CERCLA, of which \$500,000 shall be for
20 the supplemental environmental project for a
21 groundwater modeling project that constitutes a
22 part of the negotiated settlement of a penalty
23 against the reservation; and

24 (B) \$10,000 assessed against F.E. Warren
25 Air Force Base, Wyoming, under CERCLA.

1 (4) Using funds authorized to be appropriated
2 to the Department of Defense Base Closure Account
3 1990 by section 2406(a)(13) of this Act, \$50,000
4 assessed against Loring Air Force Base, Maine,
5 under CERCLA.

6 (b) CERCLA DEFINED.—In this section, the term
7 “CERCLA” means the Comprehensive Environmental Re-
8 sponse, Compensation, and Liability Act of 1980 (42
9 U.S.C. 9601 et seq.).

10 **SEC. 345. AUTHORITY TO WITHHOLD LISTING OF FEDERAL**
11 **FACILITIES ON NATIONAL PRIORITIES LIST.**

12 Section 120(d) of the Comprehensive Environmental
13 Response, Compensation, and Liability Act of 1980 (42
14 U.S.C. 9620(d)) is amended—

15 (1) by redesignating paragraphs (1) and (2) as
16 subparagraphs (A) and (B), respectively;

17 (2) by striking “Not later than 18 months after
18 the enactment of the Superfund Amendments and
19 Reauthorization Act of 1986, the Administrator”
20 and inserting the following:

21 “(1) IN GENERAL.—The Administrator”; and

22 (3) by striking “Such criteria” and all that fol-
23 lows through the end of the subsection and inserting
24 the following:

25 “(2) APPLICATION OF CRITERIA.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), the criteria referred to in paragraph
3 (1) shall be applied in the same manner as the
4 criteria are applied to facilities that are owned
5 or operated by persons other than the United
6 States.

7 “(B) RESPONSE UNDER OTHER LAW.—
8 That the head of the department, agency, or in-
9 strumentality that owns or operates a facility
10 has arranged with the Administrator or appro-
11 priate State authorities to respond appro-
12 priately, under authority of a law other than
13 this Act, to a release or threatened release of a
14 hazardous substance shall be an appropriate
15 factor to be taken into consideration for the
16 purposes of section 105(a)(8)(A).

17 “(3) COMPLETION.—Evaluation and listing
18 under this subsection shall be completed in accord-
19 ance with a reasonable schedule established by the
20 Administrator.”.

1 **SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FED-**
2 **ERAL PROPERTY BEFORE COMPLETION OF**
3 **REQUIRED REMEDIAL ACTIONS.**

4 Section 120(h)(3) of the Comprehensive Environ-
5 mental Response, Compensation, and Liability Act of
6 1980 (42 U.S.C. 9620(h)(3)) is amended—

7 (1) by redesignating subparagraph (A) as
8 clause (i) and clauses (i), (ii), and (iii) of that sub-
9 paragraph as subclauses (I), (II), and (III), respec-
10 tively;

11 (2) by striking “After the last day” and insert-
12 ing the following:

13 “(A) IN GENERAL.—After the last day”;

14 (3) by redesignating subparagraph (B) as
15 clause (ii) and clauses (i) and (ii) of that subpara-
16 graph as subclauses (I) and (II), respectively;

17 (4) by redesignating subparagraph (C) as
18 clause (iii);

19 (5) by striking “For purposes of subparagraph
20 (B)(i)” and inserting the following:

21 “(B) COMPLETION OF CONSTRUCTION.—

22 For purposes of subparagraph (A)(ii)(I)”;

23 (6) by adding at the end the following:

24 “(C) DEFERRAL.—The Administrator (in
25 the case of real property at a Federal facility
26 that is listed on the National Priorities List) or

1 the Governor of the State in which the facility
2 is located (in the case of real property at a Fed-
3 eral facility not listed on the National Priorities
4 List) may defer the requirement of subpara-
5 graph (A)(ii) with respect to the property if the
6 Administrator or the Governor, as the case may
7 be, determines that—

8 “(i) the property is suitable for trans-
9 fer; and

10 “(ii) the contract of sale or other
11 agreement governing the transfer between
12 the United States and the transferee of the
13 property contains assurances that all ap-
14 propriate remedial action will be taken
15 with respect to any releases or threatened
16 releases at or from the property that oc-
17 curred or existed prior to the transfer.”.

18 **SEC. 347. CLARIFICATION OF MEANING OF**
19 **UNCONTAMINATED PROPERTY FOR PUR-**
20 **POSES OF TRANSFER BY THE UNITED**
21 **STATES.**

22 Section 120(h)(4)(A) of the Comprehensive Environ-
23 mental Response, Compensation, and Liability Act of
24 1980 (42 U.S.C. 9620(h)(4)(A)) is amended in the first
25 sentence by striking “stored for one year or more, known

1 to have been released,” and inserting “known to have been
2 released”.

3 **SEC. 348. SHIPBOARD SOLID WASTE CONTROL.**

4 (a) IN GENERAL.—Section 3(c) of the Act to Prevent
5 Pollution from Ships (33 U.S.C. 1902(c)) is amended—

6 (1) in paragraph (1), by striking “Not later
7 than” and inserting “Except as provided in para-
8 graphs (2) and (3), not later than”; and

9 (2) by striking paragraphs (2), (3), and (4) and
10 inserting the following:

11 “(2)(A) Subject to subparagraph (B), any ship de-
12 scribed in subparagraph (C) may discharge, without re-
13 gard to the special area requirements of Regulation 5 of
14 Annex V to the Convention, the following non-plastic, non-
15 floating garbage:

16 “(i) A slurry of seawater, paper, cardboard, or
17 food waste that is capable of passing through a
18 screen with openings no larger than 12 millimeters
19 in diameter.

20 “(ii) Metal and glass that have been shredded
21 and bagged so as to ensure negative buoyancy.

22 “(B)(i) Garbage described subparagraph (A)(i) may
23 not be discharged within 3 nautical miles of land.

24 “(ii) Garbage described in subparagraph (A)(ii) may
25 not be discharged within 12 nautical miles of land.

1 “(C) This paragraph applies to any ship that is
2 owned or operated by the Department of the Navy that,
3 as determined by the Secretary of the Navy—

4 “(i) has unique military design, construction,
5 manning, or operating requirements; and

6 “(ii) cannot fully comply with the special area
7 requirements of Regulation 5 of Annex V to the
8 Convention because compliance is not technologically
9 feasible or would impair the operations or oper-
10 ational capability of the ship.

11 “(3)(A) Not later than December 31, 2000, the Sec-
12 retary of the Navy shall prescribe and publish in the Fed-
13 eral Register standards to ensure that each ship described
14 in subparagraph (B) is, to the maximum extent prac-
15 ticable without impairing the operations or operational ca-
16 pabilities of the ship, operated in a manner that is consist-
17 ent with the special area requirements of Regulation 5 of
18 Annex V to the Convention.

19 “(B) Subparagraph (A) applies to surface ships that
20 are owned or operated by the Department of the Navy
21 that the Secretary plans to decommission during the pe-
22 riod beginning on January 1, 2001, and ending on Decem-
23 ber 31, 2005.

24 “(C) At the same time that the Secretary publishes
25 standards under subparagraph (A), the Secretary shall

1 publish in the Federal Register a list of the ships covered
2 by subparagraph (B).”.

3 (b) SENSE OF CONGRESS.—

4 (1) COMPLIANCE WITH ANNEX V.—It is the
5 sense of Congress that it should be an objective of
6 the Navy to achieve full compliance with Annex V to
7 the Convention as part of the Navy’s development of
8 ships that are environmentally sound.

9 (2) DEFINITION.—In this subsection, the terms
10 “Convention” and “ship” have the meanings pro-
11 vided in section 2(a) of the Act to Prevent Pollution
12 from Ships (33 U.S.C. 1901(a)).

13 **SEC. 349. COOPERATIVE AGREEMENTS FOR THE MANAGE-**
14 **MENT OF CULTURAL RESOURCES ON MILI-**
15 **TARY INSTALLATIONS.**

16 (a) AUTHORITY TO ENTER INTO AGREEMENTS.—
17 Chapter 159 of title 10, United States Code, is amended
18 by adding at the end the following new section:

19 **“§ 2694. Cooperative agreements for management of**
20 **cultural resources on military installa-**
21 **tions**

22 “(a) AUTHORITY TO ENTER INTO AGREEMENTS.—
23 The Secretary of Defense and the Secretaries of the mili-
24 tary departments may enter into cooperative agreements
25 with States, local governments, and appropriate public and

1 private entities in order to provide for the preservation,
2 management, maintenance, and rehabilitation of cultural
3 resources on military installations.

4 “(b) INAPPLICABILITY OF CERTAIN FEDERAL FI-
5 NANCIAL MANAGEMENT LAWS.—A cooperative agreement
6 under subsection (a) shall not be treated as a cooperative
7 agreement for purposes of chapter 63 of title 31.

8 “(c) LIMITATION ON AUTHORITY TO CARRY OUT
9 AGREEMENTS.—The authority of the Secretary of Defense
10 or the Secretary of a military department to carry out an
11 agreement entered into under subsection (a) shall be sub-
12 ject to the availability of funds for that purpose.

13 “(d) DEFINITION.—For purposes of this section, the
14 term ‘cultural resource’ means any of the following:

15 “(1) A building, structure, site, district, or ob-
16 ject eligible for or included in the National Register
17 of Historic Places maintained under section 101(a)
18 of the National Historic Preservation Act (16 U.S.C.
19 470a(a)).

20 “(2) A cultural item as that term is defined in
21 section 2(3) of the Native American Graves Protec-
22 tion and Repatriation Act (25 U.S.C. 3001(3)).

23 “(3) An archaeological resource as that term is
24 defined in section 3(1) of the Archaeological Re-

1 sources Protection Act of 1979 (16 U.S.C.
2 470bb(1)).

3 “(4) An archaeological artifact collection and
4 associated records covered by section 79 of title 36,
5 Code of Federal Regulations.”.

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

“2694. Cooperative agreements for management of cultural resources on mili-
tary installations.”.

9 **SEC. 350. REPORT ON WITHDRAWAL OF PUBLIC LANDS AT**
10 **EL CENTRO NAVAL AIR FACILITY, CALIFOR-**
11 **NIA.**

12 (a) REPORT.—Not later than March 15, 1997, the
13 Secretary of Defense, acting through the Deputy Under
14 Secretary of Defense for Environmental Security, shall
15 submit to the congressional defense committees a report
16 that assesses the effects of the proposed withdrawal of
17 public lands at El Centro Naval Air Facility, California,
18 on the operational and training requirements of the De-
19 partment of Defense at that facility.

20 (b) REPORT ELEMENTS.—The report under sub-
21 section (a) shall—

22 (1) describe in detail the operational and train-
23 ing requirements of the Department of Defense at
24 El Centro Naval Air Facility;

1 (2) assess the effects of the proposed with-
2 drawal on such operational and training require-
3 ments;

4 (3) describe the relationship, if any, of the pro-
5 posed withdrawal to the withdrawal of other public
6 lands under the California Desert Protection Act of
7 1994 (Public Law 103–433);

8 (4) assess the additional responsibilities, if any,
9 of the Navy for land management at the facility as
10 a result of the proposed withdrawal; and

11 (5) assess the costs, if any, to the Navy result-
12 ing from the proposed withdrawal.

13 **SEC. 351. USE OF HUNTING AND FISHING PERMIT FEES**
14 **COLLECTED AT CLOSED MILITARY RESERVA-**
15 **TIONS.**

16 Subparagraph (B) of section 101(b)(4) of the Act of
17 September 15, 1960 (commonly known as the “Sikes
18 Act”; 16 U.S.C. 670a(b)(4)), is amended to read as fol-
19 lows:

20 “(B) the fees collected under this para-
21 graph—

22 “(i) shall be expended at the military
23 reservation with respect to which collected;

24 or

1 “(ii) if collected with respect to a mili-
2 tary reservation that is closed, shall be
3 available for expenditure at any other mili-
4 tary reservation for purposes of the protec-
5 tion, conservation, and management of fish
6 and wildlife at such reservation.”.

7 **Subtitle E—Other Matters**

8 **SEC. 361. FIREFIGHTING AND SECURITY-GUARD FUNC-** 9 **TIONS AT FACILITIES LEASED BY THE GOV-** 10 **ERNMENT.**

11 Section 2465(b) of title 10, United States Code, is
12 amended—

13 (1) by striking out “or” at the end of para-
14 graph (2);

15 (2) by striking out the period at the end of
16 paragraph (3) and inserting in lieu thereof “; or”;
17 and

18 (3) by adding at the end the following:

19 “(4) to a contract to be carried out at a private
20 facility at which a Federal Government activity is lo-
21 cated pursuant to a lease of the facility to the Gov-
22 ernment.”.

1 **SEC. 362. AUTHORIZED USE OF RECRUITING FUNDS.**

2 (a) AUTHORITY.—Chapter 31 of title 10, United
3 States Code, is amended by adding at the end the follow-
4 ing new section:

5 **“§ 520c. Authorized use of recruiting funds**

6 “(a) MEALS AND REFRESHMENTS.—Under regula-
7 tions prescribed by the Secretary concerned, funds appro-
8 priated to the Department of Defense for recruitment of
9 military personnel may be expended for small meals and
10 refreshments that are provided in the performance of per-
11 sonnel recruiting functions of the armed forces to—

12 “(1) persons who have enlisted under the De-
13 layed Entry Program authorized by section 513 of
14 this title;

15 “(2) persons who are objects of armed forces
16 recruiting efforts;

17 “(3) influential persons in communities when
18 assisting the military departments in recruiting ef-
19 forts;

20 “(4) members of the armed forces and Federal
21 Government employees when attending recruiting
22 events in accordance with a requirement to do so;
23 and

24 “(5) other persons when contributing to recruit-
25 ing efforts by attending recruiting events.

1 “(b) ANNUAL REPORT.—Not later than February 1
2 of each year, the Secretary of Defense shall submit to Con-
3 gress a report on the extent to which the authority under
4 subsection (a) was exercised during the fiscal year ending
5 in the preceding year.

6 “(c) TERMINATION OF AUTHORITY.—(1) The author-
7 ity in subsection (a) may not be exercised after September
8 30, 2001.

9 “(2) No report is required under subsection (b) after
10 2002.”.

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

“520c. Authorized use of recruiting funds.”.

14 **SEC. 363. NONCOMPETITIVE PROCUREMENT OF BRAND-**
15 **NAME COMMERCIAL ITEMS FOR RESALE IN**
16 **COMMISSARY STORES.**

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

20 “(e) The Secretary of Defense may not, under the
21 exception provided in section 2304(c)(5) of this title, use
22 procedures other than competitive procedures for the pro-
23 curement of a brand-name commercial item for resale in
24 commissary stores unless the commercial item is regularly
25 sold outside of commissary stores under the same brand

1 name as the commercial item will be sold in commissary
2 stores.”.

3 (b) EFFECT ON EXISTING CONTRACTS.—The amend-
4 ment made by subsection (a) shall not affect the terms,
5 conditions, or duration of any contract entered into by the
6 Secretary of Defense before the date of the enactment of
7 this Act for the procurement of commercial items for re-
8 sale in commissary stores.

9 **SEC. 364. ADMINISTRATION OF MIDSHIPMEN’S STORE AND**
10 **OTHER NAVAL ACADEMY SUPPORT ACTIVI-**
11 **TIES AS NONAPPROPRIATED FUND INSTRU-**
12 **MENTALITIES.**

13 (a) IN GENERAL.—(1) Chapter 603 of title 10, Unit-
14 ed States Code, is amended by striking out sections 6970
15 and 6971 and inserting in lieu thereof the following new
16 section:

17 **“§ 6970. Midshipmen’s store and Naval Academy**
18 **shops, laundry, and dairy: nonappro-**
19 **priated fund accounts**

20 “(a) IN GENERAL.—Under regulations prescribed by
21 the Secretary of the Navy, the Superintendent of the
22 Naval Academy shall administer a nonappropriated fund
23 account for each of the Academy activities referred to in
24 subsection (b).

1 **“§ 2543. Equipment and services: Presidential inau-**
2 **gural committees**

3 “(a) ASSISTANCE AUTHORIZED.—The Secretary of
4 Defense may provide the assistance referred to in sub-
5 section (b) to the following committees:

6 “(1) An Inaugural Committee established under
7 the first section of the Presidential Inaugural Cere-
8 monies Act (36 U.S.C. 721).

9 “(2) A joint committee of the Senate and
10 House of Representatives appointed under section 9
11 of that Act (36 U.S.C. 729).

12 “(b) ASSISTANCE.—The following assistance may be
13 provided under subsection (a):

14 “(1) Planning and carrying out activities relat-
15 ing to security and safety.

16 “(2) Planning and carrying out ceremonial ac-
17 tivities.

18 “(3) Loan of property.

19 “(4) Any other assistance that the Secretary
20 considers appropriate.

21 “(c) REIMBURSEMENT.—(1) An inaugural committee
22 referred to in subsection (a)(1) shall reimburse the Sec-
23 retary for any costs incurred in connection with the provi-
24 sion to the committee of assistance referred to in sub-
25 section (b)(4).

1 “(2) Costs reimbursed under paragraph (1) shall be
 2 credited to the appropriations from which the costs were
 3 paid. The amount credited to an appropriation shall be
 4 proportionate to the amount of the costs charged to that
 5 appropriation.

6 “(d) LOANED PROPERTY.—(1) Property loaned for
 7 a presidential inauguration under subsection (b)(3) shall
 8 be returned within nine days after the date of the cere-
 9 mony inaugurating the President.

10 “(2) An inaugural committee referred to in sub-
 11 section (a)(1) shall give good and sufficient bond for the
 12 return in good order and condition of property loaned to
 13 the committee under subsection (b)(3).

14 “(3) An inaugural committee referred to in sub-
 15 section (a)(1) shall—

16 “(A) indemnify the United States for any loss
 17 of, or damage to, property loaned to the committee
 18 under subsection (b)(3); and

19 “(B) defray any expense incurred for the deliv-
 20 ery, return, rehabilitation, replacement, or operation
 21 of the property.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
 23 at the beginning of subchapter II of chapter 152 of such
 24 title is amended by striking out the item relating to section
 25 2543 and inserting in lieu thereof the following:

“2543. Equipment and services: Presidential inaugural committees.”.

1 **SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORT-**
2 **ING EVENTS.**

3 (a) LOCAL SUPPORT.—The Secretary of Defense may
4 authorize the commander of a military installation or
5 other facility of the Department of Defense or the com-
6 mander of a specified or unified combatant command to
7 provide assistance for the World Cup Soccer Games, the
8 Goodwill Games, the Olympics, and any other major civil-
9 ian sporting event in support of essential security and
10 safety at such event, but only in accordance with an agree-
11 ment entered into by the Secretary and one or more orga-
12 nizations sponsoring the event and only to the extent that
13 the essential security and safety needs cannot reasonably
14 be met by a source other than the Department of Defense.

15 (b) AGREEMENT.—(1) An agreement entered into
16 with an organization under this section shall provide for
17 the Department of Defense to be reimbursed for amounts
18 expended by the Department of Defense in providing sup-
19 port for the event, except that the agreement—

20 (A) may not require reimbursement to be made
21 by an organization before the sporting event covered
22 by the agreement is complete and all of the costs
23 under the organization's other contractual obliga-
24 tions relating to the event have been paid; and

1 (B) shall include a clause providing that the
2 amount of the reimbursement shall be the lesser
3 of—

4 (i) the amount, if any, of the organiza-
5 tion's surplus funds remaining after payment of
6 all of the costs referred to in subparagraph (A);
7 or

8 (ii) the amount expended by the Depart-
9 ment in providing support for the event.

10 (2) The Secretary of Defense may include in the
11 agreement such additional terms and conditions as the
12 Secretary considers appropriate in the interests of the
13 Federal Government.

14 (3) Paragraph (1) does not apply to support for civil-
15 ian sporting events known as of the date of the enactment
16 of this Act as “Special Olympics” or “Paralympics”.

17 (c) INAPPLICABILITY TO EVENTS ALREADY FUND-
18 ED.—This section does not apply with respect to a sport-
19 ing event for which funds have been appropriated before
20 the date of the enactment of this Act.

21 (d) SURPLUS FUNDS DEFINED.—For the purposes
22 of this section, the term “surplus funds”, with respect to
23 an organization sponsoring a sporting event, means the
24 amount equal to the excess of—

1 (1) the total amount of the funds received by
2 the organization for the event other than revenues
3 derived from any tax, over

4 (2) the total amount expended by the organiza-
5 tion for payment of all of the costs under the organi-
6 zation's contractual obligations (other than an
7 agreement entered into with the Secretary of De-
8 fense under this section) that relate to the event.

9 **SEC. 367. RENOVATION OF BUILDING FOR DEFENSE FI-**
10 **NANCE AND ACCOUNTING SERVICE CENTER,**
11 **FORT BENJAMIN HARRISON, INDIANA.**

12 (a) **TRANSFER AUTHORITY.**—Subject to subsection
13 (b), the Secretary of Defense may transfer funds available
14 to the Department of Defense for the Defense Finance
15 and Accounting Service for a fiscal year for operation and
16 maintenance to the Administrator of General Services for
17 paying the costs of planning, design, and renovation of
18 Building One, Fort Benjamin Harrison, Indiana, for use
19 as a Defense Finance and Accounting Service Center.

20 (b) **AUTHORITY SUBJECT TO AUTHORIZATIONS AND**
21 **APPROPRIATIONS.**—To the extent provided in appropria-
22 tions Acts—

23 (1) of funds appropriated for fiscal year 1997,
24 \$9,000,000 may be transferred pursuant to sub-
25 section (a); and

1 (2) of funds appropriated for fiscal years 1998,
2 1999, 2000, and 2001, funds may transferred pur-
3 suant to subsection (a) in such amounts as are au-
4 thorized to be transferred in an Act enacted after
5 the date of the enactment of this Act.

6 **TITLE IV—MILITARY**
7 **PERSONNEL AUTHORIZATIONS**
8 **Subtitle A—Active Forces**

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

10 The Armed Forces are authorized strengths for active
11 duty personnel as of September 30, 1997, as follows:

12 (1) The Army, 495,000, of which not more than
13 80,300 may be commissioned officers.

14 (2) The Navy, 407,318, of which not more than
15 56,165 may be commissioned officers.

16 (3) The Marine Corps, 174,000, of which not
17 more than 17,978 may be commissioned officers.

18 (4) The Air Force, 381,222, of which not more
19 than 74,445 may be commissioned officers.

20 **SEC. 402. TEMPORARY FLEXIBILITY RELATING TO PERMA-**
21 **NENT END STRENGTH LEVELS.**

22 Section 691(d) of title 10, United States Code, is
23 amended by striking out “not more than 0.5 percent” and
24 inserting in lieu thereof “not more than 5 percent”.

1 **SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED**
 2 **OFFICERS IN GRADES O-4, O-5, AND O-6.**

3 (a) ARMY, AIR FORCE, AND MARINE CORPS.—The
 4 table in section 523(a)(1) of title 10, United States Code,
 5 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:			
20,000	6,848	5,253	1,613
25,000	7,539	5,642	1,796
30,000	8,231	6,030	1,980
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
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”.

6 (b) NAVY.—The table in section 523(a)(2) of title 10,
 7 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 grade of:		
	Lieutenant Commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116
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".

1 (c) REPEAL OF TEMPORARY AUTHORITY FOR VARI-
2 ATIONS IN END STRENGTHS.—The following provisions of
3 law are repealed:

4 (1) Section 402 of the National Defense Au-
5 thorization Act for Fiscal Year 1994 (Public Law
6 103–160; 107 Stat. 1639; 10 U.S.C. 523 note).

7 (2) Section 402 of the National Defense Au-
8 thorization Act for Fiscal Year 1995 (Public Law
9 103–337; 108 Stat. 2743; 10 U.S.C. 523 note).

10 (3) Section 402 of the National Defense Au-
11 thorization Act for Fiscal Year 1996 (Public Law
12 104–106; 110 Stat. 286; 10 U.S.C. 523 note).

13 (d) EFFECTIVE DATE.—The amendments made by
14 subsections (a), (b), and (c) shall take effect on September
15 1, 1997.

1 **SEC. 404. EXTENSION OF REQUIREMENT FOR REC-**
2 **COMMENDATIONS REGARDING APPOINT-**
3 **MENTS TO JOINT 4-STAR OFFICER POSI-**
4 **TIONS.**

5 Section 604(c) of title 10, United States Code, is
6 amended by striking out “September 30, 1997” and in-
7 serting in lieu thereof “September 30, 2000”.

8 **SEC. 405. INCREASE IN AUTHORIZED NUMBER OF GENERAL**
9 **OFFICERS ON ACTIVE DUTY IN THE MARINE**
10 **CORPS.**

11 Section 526(a)(4) of title 10, United States Code, is
12 amended by striking out “68” and inserting in lieu thereof
13 “80”.

14 **Subtitle B—Reserve Forces**

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

16 (a) IN GENERAL.—The Armed Forces are authorized
17 strengths for Selected Reserve personnel of the reserve
18 components as of September 30, 1997, as follows:

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

21 (2) The Army Reserve, 214,925.

22 (3) The Naval Reserve, 96,304.

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

24 (5) The Air National Guard of the United
25 States, 108,594.

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

1 (7) The Coast Guard Reserve, 8,000.

2 (b) WAIVER AUTHORITY.—The Secretary of Defense
3 may vary the end strength authorized by subsection (a)
4 by not more than 2 percent.

5 (c) ADJUSTMENTS.—The end strengths prescribed by
6 subsection (a) for the Selected Reserve of any reserve com-
7 ponent for a fiscal year shall be proportionately reduced
8 by—

9 (1) the total authorized strength of units orga-
10 nized to serve as units of the Selected Reserve of
11 such component which are on active duty (other
12 than for training) at the end of the fiscal year, and

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

19 Whenever such units or such individual members are re-
20 leased from active duty during any fiscal year, the end
21 strength prescribed for such fiscal year for the Selected
22 Reserve of such reserve component shall be proportion-
23 ately increased by the total authorized strengths of such
24 units and by the total number of such individual members.

1 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**
 2 **DUTY IN SUPPORT OF THE RESERVES.**

3 Within the end strengths prescribed in section
 4 411(a), the reserve components of the Armed Forces are
 5 authorized, as of September 30, 1997, the following num-
 6 ber of Reserves to be serving on full-time active duty or
 7 full-time duty, in the case of members of the National
 8 Guard, for the purpose of organizing, administering, re-
 9 cruiting, instructing, or training the reserve components:

10 (1) The Army National Guard of the United
 11 States, 22,798.

12 (2) The Army Reserve, 11,475.

13 (3) The Naval Reserve, 16,603.

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

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

17 (6) The Air Force Reserve, 655.

18 **Subtitle C—Authorization of**
 19 **Appropriations**

20 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**
 21 **TARY PERSONNEL.**

22 There is hereby authorized to be appropriated to the
 23 Department of Defense for military personnel for fiscal
 24 year 1997 a total of \$69,878,430,000. The authorization
 25 in the preceding sentence supersedes any other authoriza-

1 tion of appropriations (definite or indefinite) for such pur-
2 pose for fiscal year 1997.

3 **TITLE V—MILITARY PERSONNEL**
4 **POLICY**
5 **Subtitle A—Officer Personnel**
6 **Policy**

7 **SEC. 501. EXTENSION OF AUTHORITY FOR TEMPORARY**
8 **PROMOTIONS FOR CERTAIN NAVY LIEUTEN-**
9 **ANTS WITH CRITICAL SKILLS.**

10 Section 5721(g) of title 10, United States Code, is
11 amended by striking out “September 30, 1996” and in-
12 serting in lieu thereof “September 30, 1997”.

13 **SEC. 502. EXCEPTION TO BACCALAUREATE DEGREE RE-**
14 **QUIREMENT FOR APPOINTMENT IN THE**
15 **NAVAL RESERVE IN GRADES ABOVE O-2.**

16 Section 12205(b)(3) of title 10, United States Code,
17 is amended by inserting “or the Seaman to Admiral pro-
18 gram” after “(NAVCAD) program”.

1 **SEC. 503. TIME FOR AWARD OF DEGREES BY**
2 **UNACCREDITED EDUCATIONAL INSTITU-**
3 **TIONS FOR GRADUATES TO BE CONSIDERED**
4 **EDUCATIONALLY QUALIFIED FOR APPOINT-**
5 **MENT AS RESERVE OFFICERS IN GRADE O-3.**

6 Section 12205(c)(2)(C) of title 10, United States
7 Code, is amended by striking out “three years” and insert-
8 ing in lieu thereof “eight years”.

9 **SEC. 504. CHIEF WARRANT OFFICER PROMOTIONS.**

10 (a) **REDUCTION OF MINIMUM TIME IN GRADE RE-**
11 **QUIRED FOR CONSIDERATION FOR PROMOTION.**—Section
12 574(e) of title 10, United States Code, is amended by
13 striking out “three years of service” and inserting in lieu
14 thereof “two years of service”.

15 (b) **BELOW-ZONE SELECTION.**—Section 575(b)(1) of
16 such title is amended by inserting “chief warrant officer,
17 W-3,” in the first sentence after “to consider warrant offi-
18 cers for selection for promotion to the grade of”.

19 **SEC. 505. FREQUENCY OF PERIODIC REPORT ON PRO-**
20 **MOTION RATES OF OFFICERS CURRENTLY OR**
21 **FORMERLY SERVING IN JOINT DUTY ASSIGN-**
22 **MENTS.**

23 Section 662(b) of title 10, United States Code, is
24 amended by striking out “not less often than every six
25 months” in the parenthetical in the first sentence and in-

1 serting in lieu thereof “not less often than every twelve
2 months”.

3 **Subtitle B—Matters Relating to**
4 **Reserve Components**

5 **SEC. 511. CLARIFICATION OF DEFINITION OF ACTIVE STA-**
6 **TUS.**

7 Section 101(d)(4) of title 10, United States Code, is
8 amended by striking out “a reserve commissioned officer,
9 other than a commissioned warrant officer,” and inserting
10 in lieu thereof the following: “a member of a reserve com-
11 ponent”.

12 **SEC. 512. AMENDMENTS TO RESERVE OFFICER PERSONNEL**
13 **MANAGEMENT ACT PROVISIONS.**

14 (a) **SERVICE REQUIREMENT FOR RETIREMENT IN**
15 **HIGHEST GRADE HELD.**—Section 1370(d) of title 10,
16 United States Code, is amended—

17 (1) by redesignating paragraph (3) as para-
18 graph (4);

19 (2) in paragraph (2)(A), by striking out “(A)”;

20 (3) by redesignating paragraph (2)(B) as para-
21 graph (3); and

22 (4) in paragraph (3), as so redesignated—

23 (A) by designating the first sentence as
24 subparagraph (A);

1 (B) by designating the second sentence as
2 subparagraph (B) and realigning such subpara-
3 graph, as so redesignated, flush to the left mar-
4 gin;

5 (C) in subparagraph (B), as so redesign-
6 nated, by striking out “the preceding sentence”
7 and inserting in lieu thereof “subparagraph
8 (A)”; and

9 (D) by adding at the end the following:

10 “(C) If a person covered by subparagraph (A) has
11 completed at least six months of satisfactory service in
12 grade, the person was serving in that grade while serving
13 in a position of adjutant general required under section
14 314 of title 32 or while serving in a position of assistant
15 adjutant general subordinate to such a position of adju-
16 tant general, and the person has failed to complete three
17 years of service in that grade solely because the person’s
18 appointment to such position has been terminated or va-
19 cated as described in section 324(b) of such title, then
20 such person may be credited with satisfactory service in
21 that grade, notwithstanding the failure to complete three
22 years of service in that grade.

23 “(D) To the extent authorized by the Secretary of
24 the military department concerned, a person who, after
25 having been recommended for promotion in a report of

1 a promotion board but before being promoted to the rec-
2 ommended grade, served in a position for which that grade
3 is the minimum authorized grade may be credited for pur-
4 poses of subparagraph (A) as having served in that grade
5 for the period for which the person served in that position
6 while in the next lower grade. The period credited may
7 not include any period before the date on which the Senate
8 provides advice and consent for the appointment of that
9 person in the recommended grade.

10 “(E) To the extent authorized by the Secretary of
11 the military department concerned, a person who, after
12 having been extended temporary Federal recognition as a
13 reserve officer of the Army National Guard in a particular
14 grade under section 308 of title 32 or temporary Federal
15 recognition as a reserve officer of the Air National Guard
16 in a particular grade under such section, served in a posi-
17 tion for which that grade is the minimum authorized grade
18 may be credited for purposes of subparagraph (A) as hav-
19 ing served in that grade for the period for which the per-
20 son served in that position while extended the temporary
21 Federal recognition, but only if the person was subse-
22 quently extended permanent Federal recognition as a re-
23 serve officer in that grade and also served in that position
24 after being extended the permanent Federal recognition.”.

1 (b) EXCEPTION TO REQUIREMENT FOR RETENTION
 2 OF RESERVE OFFICERS UNTIL COMPLETION OF RE-
 3 QUIRED SERVICE.—Section 12645(b)(2) of such title is
 4 amended by inserting “or a reserve active-status list” after
 5 “active-duty list”.

6 (c) TECHNICAL CORRECTION.—Section
 7 14314(b)(2)(B) of such title is amended by striking out
 8 “of the Air Force”.

9 **SEC. 513. REPEAL OF REQUIREMENT FOR PHYSICAL EXAMI-**
 10 **NATIONS OF MEMBERS OF NATIONAL GUARD**
 11 **CALLED INTO FEDERAL SERVICE.**

12 (a) REPEAL.—Section 12408 of title 10, United
 13 States Code, is repealed.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 1209 is amended by striking
 16 out the item relating to section 12408.

17 **SEC. 514. AUTHORITY FOR A RESERVE ON ACTIVE DUTY TO**
 18 **WAIVE RETIREMENT SANCTUARY.**

19 Section 12686 of title 10, United States Code, is
 20 amended—

21 (1) by inserting “(a) LIMITATION.—” before
 22 “Under regulations”; and

23 (2) by adding at the end the following new sub-
 24 section:

1 “(b) WAIVER.—(1) The Secretary concerned may au-
 2 thorize a member described in paragraph (2) to waive the
 3 applicability of the limitation under subsection (a) to the
 4 member for the period of active duty described in that
 5 paragraph. A member shall exercise any such waiver op-
 6 tion, if at all, before the period of active duty begins.

7 “(2) The authority provided in paragraph (1) applies
 8 to a member of a reserve component who is on active duty
 9 (other than for training) pursuant to an order to active
 10 duty under section 12301 of this title that specifies a pe-
 11 riod of less than 180 days.”.

12 **SEC. 515. RETIREMENT OF RESERVES DISABLED BY INJURY**
 13 **OR DISEASE INCURRED OR AGGRAVATED**
 14 **DURING OVERNIGHT STAY BETWEEN INAC-**
 15 **TIVE DUTY TRAINING PERIODS.**

16 Paragraph (2) of section 1204 of title 10, United
 17 States Code, is amended to read as follows:

18 “(2) the disability is a result of—

19 “(A) performing active duty or inactive-
 20 duty training;

21 “(B) traveling directly to or from the place
 22 at which such duty is performed; or

23 “(C) an injury, illness, or disease incurred
 24 or aggravated while remaining overnight, be-
 25 tween successive periods of inactive-duty train-

1 ing, at or in the vicinity of the site of the inac-
2 tive duty training, if the site is outside reason-
3 able commuting distance of the member's resi-
4 dence;”.

5 **SEC. 516. RESERVE CREDIT FOR PARTICIPATION IN THE**
6 **HEALTH PROFESSIONS SCHOLARSHIP AND**
7 **FINANCIAL ASSISTANCE PROGRAM.**

8 (a) CREDIT AUTHORIZED.—Section 2126 of title 10,
9 United States Code, is amended—

10 (1) by striking out “Service performed” and in-
11 serting in lieu thereof “(a) SERVICE NOT CRED-
12 ITABLE.—Except as provided in subsection (b), serv-
13 ice performed”; and

14 (2) by adding at the end the following:

15 “(b) EXCEPTION.—(1) The Secretary concerned may
16 authorize service performed by a member of the program
17 in pursuit of a course of study under this subchapter to
18 be counted in accordance with this subsection if the mem-
19 ber—

20 “(A) completes the course of study;

21 “(B) completes the active duty obligation im-
22 posed under section 2123(a) of this title; and

23 “(C) possesses a specialty designated by the
24 Secretary concerned as critically needed in wartime.

1 “(2) Service credited under paragraph (1) counts
2 only for the following purposes:

3 “(A) Award of retirement points for computa-
4 tion of years of service under section 12732 of this
5 title and for computation of retired pay under sec-
6 tion 12733 of this title.

7 “(B) Computation of years of service creditable
8 under section 205 of title 37.

9 “(3) For purposes of paragraph (2)(A), a member
10 may be credited in accordance with paragraph (1) with
11 not more than 50 points for each year of participation in
12 a course of study that the member satisfactorily completes
13 as a member of the program.

14 “(4) Service may not be counted under paragraph (1)
15 for more than four years of participation in a course of
16 study as a member of the program.

17 “(5) A member who is dropped from the program
18 under section 2123(c) of this title may not receive any
19 credit under paragraph (1) for participation in a course
20 of study as a member of the program. Any credit awarded
21 for participation in the program before the member is
22 dropped shall be rescinded.

23 “(6) A member is not entitled to any retroactive
24 award of, or increase in, pay or allowances under title 37

1 by reason of an award of service credit under paragraph
2 (1).”.

3 (b) AWARD OF RETIREMENT POINTS.—(1) Section
4 12732(a)(2) of such title is amended—

5 (A) by inserting after clause (C) the following:

6 “(D) Points credited for the year under
7 section 2126(b) of this title.”; and

8 (B) in the matter following clause (D), as in-
9 serted by paragraph (1), by striking out “and (C)”
10 and inserting in lieu thereof “(C), and (D)”.

11 (2) Section 12733(3) of such title is amended by
12 striking out “or (C)” and inserting in lieu thereof “(C),
13 or (D)”.

14 **SEC. 517. REPORT ON GUARD AND RESERVE FORCE STRUC-**
15 **TURE.**

16 (a) REPORT.—Not later than March 1, 1997, the
17 Secretary of Defense shall submit to Congress a report
18 on the current force structure and the projected force
19 structure of the National Guard and the other reserve
20 components.

21 (b) REPORT ELEMENTS.—The report required by
22 subsection (a) shall address the following:

23 (1) The role of specific guard and reserve units
24 in the current force structure of the guard and re-
25 serves.

1 (c) UNITED STATES NAVAL ACADEMY.—Section
2 6958(a)(1) of title 10, United States Code, is amended
3 by striking out “twenty-second birthday” and inserting in
4 lieu thereof “twenty-third birthday”.

5 (d) UNITED STATES AIR FORCE ACADEMY.—Section
6 9346(a) of title 10, United States Code, is amended by
7 striking out “twenty-second birthday” and inserting in
8 lieu thereof “twenty-third birthday”.

9 **SEC. 522. DEMONSTRATION PROJECT FOR INSTRUCTION**
10 **AND SUPPORT OF ARMY ROTC UNITS BY**
11 **MEMBERS OF THE ARMY RESERVE AND NA-**
12 **TIONAL GUARD.**

13 (a) IN GENERAL.—The Secretary of the Army shall
14 carry out a demonstration project in order to assess the
15 feasibility and advisability of providing instruction and
16 similar support to units of the Reserve Officers Training
17 Corps of the Army through members of the Army Reserve
18 (including members of the Individual Ready Reserve) and
19 members of the Army National Guard.

20 (b) PROJECT REQUIREMENTS.—(1) The Secretary
21 shall carry out the demonstration project at least one in-
22 stitution.

23 (2) In order to enhance the value of the project, the
24 Secretary may take actions to ensure that members of the
25 Army Reserve and the Army National Guard provide in-

1 instruction and support under the project in a variety of
2 innovative ways.

3 (c) INAPPLICABILITY OF LIMITATION ON RESERVES
4 IN SUPPORT OF ROTC.—The assignment of a member of
5 the Army Reserve or the Army National Guard to provide
6 instruction or support under the demonstration project
7 shall not be treated as an assignment of the member to
8 duty with a unit of a Reserve Officer Training Corps pro-
9 gram for purposes of section 12321 of title 10, United
10 States Code.

11 (d) REPORTS.—Not later than February 1 in each
12 of 1998, 1999, 2000, and 2001, the Secretary shall submit
13 to Congress a report assessing the activities under the
14 project during the preceding year. The report submitted
15 in 2000 shall include the Secretary's recommendation as
16 to the advisability of continuing or expanding the author-
17 ity for the project.

18 (e) TERMINATION.—The authority of the Secretary
19 to carry out the demonstration project shall expire four
20 years after the date of the enactment of this Act.

1 **Subtitle D—Other Matters**

2 **SEC. 531. RETIREMENT AT GRADE TO WHICH SELECTED**
3 **FOR PROMOTION WHEN A PHYSICAL DISABIL-**
4 **ITY IS FOUND AT ANY PHYSICAL EXAMINA-**
5 **TION.**

6 Section 1372(3) of title 10, United States Code, is
7 amended by striking out “his physical examination for
8 promotion” and inserting in lieu thereof “a physical exam-
9 ination”.

10 **SEC. 532. LIMITATIONS ON RECALL OF RETIRED MEMBERS**
11 **TO ACTIVE DUTY.**

12 (a) **NUMBER ON ACTIVE DUTY CONCURRENTLY.—**
13 Subsection (c) of section 688 of title 10, United States
14 Code, is amended—

15 (1) by striking out “(c) Except in time of war,
16 or of national emergency declared by Congress or
17 the President after November 30, 1980, not” and
18 inserting in lieu thereof “(c)(1) Not”; and

19 (2) by adding at the end the following:

20 “(2) Not more than 25 officers of any one armed
21 force may be serving on active duty concurrently pursuant
22 to orders to active duty issued under this section.”.

23 (b) **OFFICERS RETIRED ON SELECTIVE EARLY RE-**
24 **TIREMENT BASIS.—**Such section is amended by adding at
25 the end the following:

1 “(e) The following officers may not be ordered to ac-
2 tive duty under this section:

3 “(1) An officer who retired under section 638
4 of this title.

5 “(2) An officer who—

6 “(A) after having been notified that the of-
7 ficer was to be considered for early retirement
8 under section 638 of this title by a board con-
9 vened under section 611(b) of this title and be-
10 fore being considered by that board, requested
11 retirement under section 3911, 6323, or 8911
12 of this title; and

13 “(B) was retired pursuant to that re-
14 quest.”.

15 (c) LIMITATION OF PERIOD OF RECALL SERVICE.—
16 Such section, as amended by subsection (b), is further
17 amended by adding at the end the following:

18 “(f)(1) A member ordered to active duty under sub-
19 section (a) may not serve on active duty pursuant to or-
20 ders under such subsection for more than 12 months with-
21 in the 24 months following the first day of the active duty
22 to which ordered under this section.

23 “(2) Paragraph (1) does not apply to the following:

1 “(A) A chaplain who is assigned to duty as a
2 chaplain for the period of active duty to which or-
3 dered.

4 “(B) A health care professional (as character-
5 ized by the Secretary concerned) who is assigned to
6 duty as a health care professional for the period of
7 the active duty to which ordered.

8 “(C) Any officer assigned to duty with the
9 American Battle Monuments Commission for the pe-
10 riod of active duty to which ordered.”.

11 (d) WAIVER FOR PERIODS OF WAR OR NATIONAL
12 EMERGENCY.—Such section, as amended by subsection
13 (c), is further amended by adding at the end the following:

14 “(g)(1) Subsection (c)(1) does not apply in time of
15 war or of national emergency declared by Congress or the
16 President after November 30, 1980.

17 “(2) Subsections (c)(2), (e), and (f) do not apply in
18 time of war or of national emergency declared by Congress
19 or the President.”.

20 **SEC. 533. DISABILITY COVERAGE FOR OFFICERS GRANTED**
21 **EXCESS LEAVE FOR EDUCATIONAL PUR-**
22 **POSES.**

23 (a) ELIGIBILITY FOR RETIREMENT.—Section 1201
24 of title 10, United States Code, is amended—

1 (1) by inserting “(a) RETIREMENT.—” before
2 “Upon a determination”;

3 (2) by striking out “a member of a regular
4 component of the armed forces entitled to basic pay,
5 or any other member of the armed forces entitled to
6 basic pay who has been called or ordered to active
7 duty (other than for training under section 10148(a)
8 of this title) for a period of more than 30 days,” and
9 inserting in lieu thereof “a member described in sub-
10 section (b)”;

11 (3) by inserting after “incurred while entitled to
12 basic pay” the following: “or incurred while absent
13 as described in section 502(b) of title 37 to partici-
14 pate in an educational program (even though not en-
15 titled to basic pay by operation of such section)”;
16 and

17 (4) by adding at the end the following:

18 “(b) ELIGIBLE MEMBERS.—This section applies to
19 the following members:

20 “(1) A member of a regular component of the
21 armed forces entitled to basic pay.

22 “(2) Any other member of the armed forces en-
23 titled to basic pay who has been called or ordered to
24 active duty (other than for training under section

1 10148(a) of this title) for a period of more than 30
2 days.

3 “(3) A member of a regular component of the
4 armed forces who is on active duty but is absent as
5 described in section 502(b) of title 37 to participate
6 in an educational program.”.

7 (b) ELIGIBILITY FOR PLACEMENT ON TEMPORARY
8 DISABILITY RETIREMENT LIST.—Section 1202 of title 10,
9 United States Code, is amended—

10 (1) by inserting “(a) TEMPORARY RETIRE-
11 MENT.—” before “Upon a determination”; and

12 (2) by striking out “a member of a regular
13 component of the armed forces entitled to basic pay,
14 or any other member of the armed forces entitled to
15 basic pay who has been called or ordered to active
16 duty (other than for training under section 10148(a)
17 of this title) for a period of more than 30 days,” and
18 inserting in lieu thereof “a member described in sec-
19 tion 1201(b) of this title”.

20 (c) ELIGIBILITY FOR SEPARATION.—Section 1203 of
21 title 10, United States Code, is amended—

22 (1) by inserting “(a) SEPARATION.—” before
23 “Upon a determination”;

24 (2) by striking out “a member of a regular
25 component of the armed forces entitled to basic pay,

1 or any other member of the armed forces entitled to
2 basic pay who has been called or ordered to active
3 duty (other than for training under section 10148(a)
4 of this title) for a period of more than 30 days,” and
5 inserting in lieu thereof “a member described in sec-
6 tion 1201(b) of this title”; and

7 (3) by inserting after “incurred while entitled to
8 basic pay” the following: “or incurred while absent
9 as described in section 502(b) of title 37 to partici-
10 pate in an educational program (even though not en-
11 titled to basic pay by operation of such section)”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act and shall apply with respect to physical disabil-
15 ities incurred on or after such date.

16 **SEC. 534. UNIFORM POLICY REGARDING RETENTION OF**
17 **MEMBERS WHO ARE PERMANENTLY NON-**
18 **WORLDWIDE ASSIGNABLE.**

19 (a) POLICY REQUIRED.—Chapter 59 of title 10,
20 United States Code, is amended by inserting after section
21 1176 the following:

1 **“§ 1177. Uniform policy regarding retention of mem-**
 2 **bers who are permanently nonworldwide**
 3 **assignable**

4 “The Secretary of Defense shall prescribe regulations
 5 setting forth uniform policies and procedures regarding re-
 6 tention of members of the Army, Navy, Air Force, and
 7 Marine Corps who are permanently nonworldwide assign-
 8 able for medical reasons.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
 10 at the beginning of such chapter is amended by inserting
 11 after the item relating to section 1176 the following:

“1177. Uniform policy regarding retention of members who are permanently
 nonworldwide assignable.”.

12 **SEC. 535. AUTHORITY TO EXTEND PERIOD FOR ENLIST-**
 13 **MENT IN REGULAR COMPONENT UNDER THE**
 14 **DELAYED ENTRY PROGRAM.**

15 (a) AUTHORITY.—Section 513(b) of title 10, United
 16 States Code, is amended by inserting after the first sen-
 17 tence the following: “The Secretary concerned may extend
 18 the 365-day period for a person for up to 180 additional
 19 days if the Secretary determines that it is in the best in-
 20 terests of the armed force under the Secretary’s jurisdic-
 21 tion to do so.”.

22 (b) TECHNICAL AMENDMENTS.—Section 513(b) of
 23 such title, as amended by subsection (a), is further amend-
 24 ed—

1 (1) by inserting “(1)” after “(b)”;

2 (2) by designating the third sentence as para-
3 graph (2) and realigning such paragraph, as so des-
4 ignated, flush to the left margin; and

5 (3) in paragraph (2), as so designated, by strik-
6 ing out “the preceding sentence” and inserting in
7 lieu thereof “paragraph (1)”.

8 **SEC. 536. CAREER SERVICE REENLISTMENTS FOR MEM-**
9 **BERS WITH AT LEAST 10 YEARS OF SERVICE.**

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

12 “(d)(1) The Secretary concerned may accept a reen-
13 listment in the Regular Army, Regular Navy, Regular Air
14 Force, Regular Marine Corps, or Regular Coast Guard,
15 as the case may be, for a period determined under this
16 subsection.

17 “(2) In the case of a member who has less than 10
18 years of service in the armed forces as of the day before
19 the first day of the period for which reenlisted, the period
20 for which the member reenlists shall be at least two years
21 but not more than six years.

22 “(3) In the case of a member who has at least 10
23 years of service in the armed forces as of the day before
24 the first day of the period for which reenlisted, the Sec-
25 retary concerned may accept a reenlistment for either—

1 “(A) a specified period of at least two
2 years but not more than six years; or

3 “(B) an unspecified period.

4 “(4) No enlisted member is entitled to be reenlisted
5 for a period that would expire before the end of the mem-
6 ber’s current enlistment.”.

7 **SEC. 537. REVISIONS TO MISSING PERSONS AUTHORITIES.**

8 (a) **REPEAL OF APPLICABILITY OF AUTHORITIES TO**
9 **DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND**
10 **CONTRACTOR EMPLOYEES.**—(1) Section 1501 of title 10,
11 United States Code, is amended—

12 (A) by striking out subsection (c) and inserting
13 in lieu thereof the following new subsection (c):

14 “(c) **COVERED PERSONS.**—Section 1502 of this title
15 applies in the case of any member of the armed forces
16 on active duty who becomes involuntarily absent as a re-
17 sult of a hostile action, or under circumstances suggesting
18 that the involuntary absence is a result of a hostile action,
19 and whose status is undetermined or who is unaccounted
20 for.”; and

21 (B) by striking out subsection (f).

22 (2) Section 1503(c) of such title is amended—

23 (A) in paragraph (1), by striking out “one indi-
24 vidual described in paragraph (2)” and inserting in
25 lieu thereof “one military officer”;

1 (B) by striking out paragraph (2); and

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

4 (3) Section 1504(d) of such title is amended—

5 (A) by striking out the text of paragraph (1)
6 and inserting in lieu thereof the following new text:

7 “A board under this section shall be composed of at
8 least three members who are officers having the
9 grade of major or lieutenant commander or above.”;

10 and

11 (B) in paragraph (4), by striking out “section
12 1503(c)(4)” and inserting in lieu thereof “section
13 1503(c)(3)”.

14 (4) Paragraph (1) of section 1513 of such title is
15 amended to read as follows:

16 “(1) The term ‘missing person’ means a mem-
17 ber of the armed forces on active duty who is in a
18 missing status.”.

19 (b) REPORT ON PRELIMINARY ASSESSMENT OF STA-
20 TUS.—(1) Section 1502 of title 10, United States Code,
21 is amended—

22 (A) in subsection (a)(2)—

23 (i) by striking out “48 hours” and insert-
24 ing in lieu thereof “10 days”; and

1 (ii) by striking out “theater component
2 commander with jurisdiction over the missing
3 person” and inserting in lieu thereof “Secretary
4 concerned”;

5 (B) by striking out subsection (b);

6 (C) by redesignating subsection (c) as sub-
7 section (b); and

8 (D) in subsection (b), as so redesignated, by
9 striking out the second sentence.

10 (2) Section 1503(a) of such title is amended by strik-
11 ing out “section 1502(b)” and inserting in lieu thereof
12 “section 1502(a)”.

13 (3) Section 1513 of such title is amended by striking
14 out paragraph (8).

15 (c) REPEAL OF REQUIREMENTS FOR COUNSELS FOR
16 MISSING PERSONS.—(1) Section 1503 of title 10, United
17 States Code, is amended—

18 (A) by striking out subsection (f); and

19 (B) by redesignating subsections (g) through
20 (k) as subsections (f) through (j), respectively.

21 (2) Section 1504 of such title is amended—

22 (A) by striking out subsection (f); and

23 (B) by redesignating subsections (g) through
24 (m) as subsections (f) through (l), respectively.

25 (3) Such section 1503 is further amended—

1 (A) in subsection (g)(3), as redesignated by
2 paragraph (1)(B) of this subsection, by striking out
3 “subsection (j)” and inserting in lieu thereof “sub-
4 section (i)”;

5 (B) in subsection (h)(1), as so redesignated, by
6 striking out “subsection (h)” and inserting in lieu
7 thereof “subsection (g)”;

8 (C) in subsection (i), as so redesignated—

9 (i) by striking out “subsection (i)” in the
10 matter preceding paragraph (1) and inserting
11 in lieu thereof “subsection (h)”;

12 (ii) in paragraph (1)(B), by striking out
13 “subsection (h)” and inserting in lieu thereof
14 “subsection (g)”;

15 (D) in subsection (j), as so redesignated, by
16 striking out “subsection (i)” and inserting in lieu
17 thereof “subsection (h)”.

18 (4) Such section 1504 of such title is amended—

19 (A) in subsection (a), by striking out “section
20 1503(i)” and inserting in lieu thereof “section
21 1503(h)”;

22 (B) in subsection (e)(1), by striking out “sec-
23 tion 1503(h)” and inserting in lieu thereof “section
24 1503(g)”;

1 (C) in subsection (f), as redesignated by para-
2 graph (2)(B) of this subsection, by striking out
3 “subsection (i)” each place it appears in paragraphs
4 (4)(D) and (5)(B) and inserting in lieu thereof “sub-
5 section (h)”;

6 (D) in subsection (g)(3)(A), as so redesignated,
7 by striking out “and the counsel for the missing per-
8 son appointed under subsection (f)”;

9 (E) in subsection (j), as so redesignated—

10 (i) in paragraph (1)—

11 (I) by striking out “subsection (j)” in
12 the matter preceding subparagraph (A)
13 and inserting in lieu thereof “subsection
14 (i)”;

15 (II) by inserting “and” at the end of
16 subparagraph (A);

17 (III) by striking out subparagraph
18 (B); and

19 (IV) by redesignating subparagraph
20 (C) as subparagraph (B) and in that sub-
21 paragraph, as so redesignated, by striking
22 out “subsection (g)(5)” and inserting in
23 lieu thereof “subsection (f)(5)”; and

1 (ii) in paragraph (2), by striking out “sub-
2 paragraph (C)” and inserting in lieu thereof
3 “subparagraph (B)”;

4 (F) in subsection (k), as redesignated by para-
5 graph (2)(B) of this subsection, by striking out
6 “subsection (k)” in the matter preceding paragraph
7 (1) and inserting in lieu thereof “subsection (j)”;
8 and

9 (G) in subsection (l), as so redesignated, by
10 striking out “subsection (k)” and inserting in lieu
11 thereof “subsection (l)”.

12 (5) Section 1505(c) of such title is amended—

13 (A) in paragraph (2), by striking out “(A) the
14 designated missing person’s counsel for that person,
15 and (B)”;

16 (B) in paragraph (3), by striking out “, with
17 the advice” and all that follows through “paragraph
18 (2),”.

19 (6) Section 1509(a) of such title is amended by strik-
20 ing out “section 1504(g)” and inserting in lieu thereof
21 “section 1504(f)”.

22 (d) FREQUENCY OF SUBSEQUENT REVIEWS.—Sub-
23 section (b) of section 1505 of title 10, United States Code,
24 is amended to read as follows:

1 “(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The
2 Secretary concerned shall conduct inquiries into the
3 whereabouts and status of a person under subsection (a)
4 upon receipt of information that may result in a change
5 of status of the person. The Secretary concerned shall ap-
6 point a board to conduct such inquiries.”.

7 (e) REPEAL OF STATUTORY PENALTIES FOR WRONG-
8 FUL WITHHOLDING OF INFORMATION.—Section 1506 of
9 title 10, United States Code, is amended—

10 (1) by striking out subsection (e); and

11 (2) by redesignating subsection (f) as sub-
12 section (e).

13 (f) INFORMATION TO ACCOMPANY RECOMMENDA-
14 TION OF STATUS OF DEATH.—Section 1507(b) of title 10,
15 United States Code, is amended by striking out para-
16 graphs (3) and (4).

17 (g) REPEAL OF RIGHT OF JUDICIAL REVIEW.—Sec-
18 tion 1508 of title 10, United States Code, is repealed.

19 (h) SCOPE OF PREENACTMENT REVIEW.—(1) Sec-
20 tion 1509 of title 10, United States Code, is amended—

21 (A) in subsection (b)—

22 (i) by striking out paragraph (1); and

23 (ii) by redesignating paragraphs (2) and
24 (3) as paragraphs (1) and (2), respectively;

25 (B) by striking out subsection (c);

1 (C) by redesignating subsection (d) as sub-
2 section (c); and

3 (D) in subsection (c), as so redesignated—

4 (i) by striking out paragraph (1); and

5 (ii) by redesignating paragraphs (2) and
6 (3) as paragraphs (1) and (2), respectively.

7 (2) The section heading of such section is amended
8 by striking out “, **special interest cases**”.

9 (i) CLERICAL AMENDMENTS.—The table of sections
10 at the beginning of chapter 76 of title 10, United States
11 Code, is amended—

12 (1) in the item relating to section 1509, by
13 striking out “, special interest cases”; and

14 (2) by striking out the item relating to section
15 1509.

16 **SEC. 538. INAPPLICABILITY OF SOLDIERS’ AND SAILORS’**
17 **CIVIL RELIEF ACT OF 1940 TO THE PERIOD**
18 **OF LIMITATIONS FOR FILING CLAIMS FOR**
19 **CORRECTIONS OF MILITARY RECORDS.**

20 (a) EXTENSION OF PERIOD.—Section 1552(b) of title
21 10, United States Code, is amended—

22 (1) by inserting “(1)” after “(b)”; and

23 (2) by adding at the end the following:

24 “(2) Notwithstanding the provisions of section 205
25 of the Soldiers’ and Sailors’ Civil Relief Act of 1940 (50

1 U.S.C. App. 525), and any other provision of law, the
2 three-year period for filing a request for correction of
3 records is not extended by reason of military service. How-
4 ever, in determining under paragraph (1) whether it is in
5 the interest of justice to excuse a failure timely to file a
6 request for correction, the board shall consider the claim-
7 ant's military service and its effect on the claimant's abil-
8 ity to file a claim.”.

9 (b) EFFECTIVE DATE.—Paragraph (2) of section
10 1552(b) of such title, as added by subsection (a), shall
11 take effect three years after the date of the enactment of
12 this Act.

13 **SEC. 539. MEDAL OF HONOR FOR CERTAIN AFRICAN-AMER-**
14 **ICAN SOLDIERS WHO SERVED IN WORLD WAR**
15 **II.**

16 (a) INAPPLICABILITY OF TIME LIMITATIONS.—Not-
17 withstanding the time limitations in section 3744(b) of
18 title 10, United States Code, or any other time limitation,
19 the President may award the Medal of Honor to each per-
20 son identified in subsection (b), each such person having
21 distinguished himself conspicuously by gallantry and intrep-
22 idity at the risk of his life above and beyond the call of
23 duty while serving in the United States Army during
24 World War II.

1 (b) APPLICABILITY.—The authority in this section
2 applies with respect to the following persons:

3 (1) Vernon J. Baker, who served as a first lieu-
4 tenant in the 370th Infantry Regiment, 92nd Infan-
5 try Division.

6 (2) Edward A. Carter, who served as a staff
7 sergeant in the 56th Armored Infantry Battalion,
8 12th Armored Division.

9 (3) John R. Fox, who served as a first lieuten-
10 ant in the 366th Infantry Regiment, 92nd Infantry
11 Division.

12 (4) Willy F. James, Jr., who served as a private
13 first class in the 413th Infantry Regiment, 104th
14 Infantry Division.

15 (5) Ruben Rivers, who served as a staff ser-
16 geant in the 761st Tank Battalion.

17 (6) Charles L. Thomas, who served as a first
18 lieutenant in the 614th Tank Destroyer Battalion.

19 (7) George Watson, who served as a private in
20 the 29th Quartermaster Regiment.

21 (c) POSTHUMOUS AWARD.—The Medal of Honor may
22 be awarded under this section posthumously, as provided
23 in section 3752 of title 10, United States Code.

1 (d) PRIOR AWARD.—The Medal of Honor may be
2 awarded under this section for service for which a Distin-
3 guished-Service Cross, or other award, has been awarded.

4 **Subtitle E—Commissioned Corps of**
5 **the Public Health Service**

6 **SEC. 561. APPLICABILITY TO PUBLIC HEALTH SERVICE OF**
7 **PROHIBITION ON CREDITING CADET OR MID-**
8 **SHIPMEN SERVICE AT THE SERVICE ACAD-**
9 **EMIES.**

10 Section 971(b) of title 10, United States Code, is
11 amended—

12 (1) in subsection (a), by inserting before the pe-
13 riod at the end the following: “or an officer in the
14 Commissioned Corps of the Public Health Service”;
15 and

16 (2) in subsection (b)—

17 (A) by striking out “and” at the end of
18 paragraph (2);

19 (B) by striking out the period at the end
20 of paragraph (3) and inserting in lieu thereof “;
21 and”; and

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

24 “(4) no officer in the Commissioned Corps of
25 the Public Health Service may be credited with serv-

1 ice as a midshipman at the United States Naval
2 Academy or as a cadet at the United States Military
3 Academy, United States Air Force Academy, or
4 United States Coast Guard Academy.”.

5 **SEC. 562. EXCEPTION TO GRADE LIMITATIONS FOR PUBLIC**
6 **HEALTH SERVICE OFFICERS ASSIGNED TO**
7 **THE DEPARTMENT OF DEFENSE.**

8 Section 206 of the Public Health Service Act (42
9 U.S.C. 207 et seq.) is amended by adding at the end there-
10 of the following new subsection:

11 “(f) EXCEPTION TO GRADE LIMITATIONS FOR OFFI-
12 CERS ASSIGNED TO DEPARTMENT OF DEFENSE.—In
13 computing the maximum number of commissioned officers
14 of the Public Health Service authorized by law to hold a
15 grade which corresponds to the grade of captain, major,
16 lieutenant colonel, or colonel, there may be excluded from
17 such computation officers who hold such a grade while the
18 officers are assigned to duty in the Department of De-
19 fense.”.

1 **Subtitle F—Defense Economic Ad-**
 2 **justment, Diversification, Con-**
 3 **version, and Stabilization**

4 **SEC. 571. AUTHORITY TO EXPAND LAW ENFORCEMENT**
 5 **PLACEMENT PROGRAM TO INCLUDE FIRE-**
 6 **FIGHTERS.**

7 Section 1152(g) of title 10, United States Code, is
 8 amended—

9 (1) by striking out “(g) CONDITIONAL EXPAN-
 10 SION OF PLACEMENT TO INCLUDE FIRE-
 11 FIGHTERS.—(1) Subject to paragraph (2), the” and
 12 inserting in lieu thereof “(g) AUTHORITY TO EX-
 13 PAND PLACEMENT TO INCLUDE FIREFIGHTERS.—
 14 The”; and

15 (2) in paragraph (2), by striking out the first
 16 sentence.

17 **SEC. 572. TROOPS-TO-TEACHERS PROGRAM IMPROVE-**
 18 **MENTS.**

19 (a) SEPARATED MEMBERS OF THE ARMED
 20 FORCES.—(1) Subsection (a) of section 1151 of title 10,
 21 United States Code, is amended by striking out “may es-
 22 tablish” and inserting in lieu thereof “shall establish”.

23 (2) Such section is further amended—

1 (A) in subsection (f)(2), by striking out “five
2 school years” in subparagraphs (A) and (B) and in-
3 serting in lieu thereof “two school years”; and

4 (B) in subsection (h)(3)(A), by striking out
5 “five consecutive school years” and inserting in lieu
6 thereof “two consecutive school years”.

7 (3) Subsection (g)(2) of such section is amended—

8 (A) by striking out the comma after “section
9 1174a of this title” and inserting in lieu thereof
10 “or”; and

11 (B) by striking out “, or retires pursuant to the
12 authority provided in section 4403 of the National
13 Defense Authorization Act for fiscal year 1993
14 (Public Law 102–484; 10 U.S.C. 1293 note)”.

15 (4) Subsection (h)(3)(B) of such section is amend-
16 ed—

17 (A) in clause (i), by striking out “\$25,000” and
18 inserting in lieu thereof “\$17,000”;

19 (B) in clause (ii)—

20 (i) by striking out “40 percent” and insert-
21 ing in lieu thereof “25 percent”; and

22 (ii) by striking out “\$10,000” and insert-
23 ing in lieu thereof “\$8,000”; and

24 (C) by striking out clauses (iii), (iv), and (v).

1 (b) SAVINGS PROVISION.—The amendments made by
 2 this section do not effect obligations under agreements en-
 3 tered into in accordance with section 1151 of title 10,
 4 United States Code, before the date of the enactment of
 5 this Act.

6 **Subtitle G—Armed Forces**
 7 **Retirement Home**

8 **SEC. 581. REFERENCES TO ARMED FORCES RETIREMENT**
 9 **HOME ACT OF 1991.**

10 Except as otherwise expressly provided, whenever in
 11 this subtitle an amendment or repeal is expressed in terms
 12 of an amendment to, or repeal of, a section or other provi-
 13 sion, the reference shall be considered to be made to a
 14 section or other provision of the Armed Forces Retirement
 15 Home Act of 1991 (title XV of Public Law 101–510; 24
 16 U.S.C. 401 et seq.).

17 **SEC. 582. ACCEPTANCE OF UNCOMPENSATED SERVICES.**

18 (a) AUTHORITY.—Part A is amended by adding at
 19 the end the following:

20 **“SEC. 1522. AUTHORITY TO ACCEPT CERTAIN UNCOMPEN-**
 21 **SATED SERVICES.**

22 “(a) AUTHORITY TO ACCEPT SERVICES.—Subject to
 23 subsection (b) and notwithstanding section 1342 of title
 24 31, United States Code, the Chairman of the Retirement
 25 Home Board or the Director of each establishment of the

1 Retirement Home may accept from any person voluntary
2 personal services or gratuitous services unless the accept-
3 ance of the voluntary services is disapproved by the Retire-
4 ment Home Board.

5 “(b) REQUIREMENTS AND LIMITATIONS.—(1) The
6 Chairman of the Retirement Home Board or the Director
7 of the establishment accepting the services shall notify the
8 person of the scope of the services accepted.

9 “(2) The Chairman or Director shall—

10 “(A) supervise the person providing the services
11 to the same extent as that official would supervise
12 a compensated employee providing similar services;
13 and

14 “(B) ensure that the person is licensed, privi-
15 leged, has appropriate credentials, or is otherwise
16 qualified under applicable laws or regulations to pro-
17 vide such services.

18 “(3) A person providing services accepted under sub-
19 section (a) may not—

20 “(A) serve in a policymaking position of the Re-
21 tirement Home; or

22 “(B) be compensated for the services by the Re-
23 tirement Home.

24 “(c) AUTHORITY TO RECRUIT AND TRAIN PERSONS
25 PROVIDING SERVICES.—The Chairman of the Retirement

1 Home Board or the Director of an establishment of the
2 Retirement Home may recruit and train persons to pro-
3 vide services authorized to be accepted under subsection
4 (a).

5 “(d) STATUS OF PERSONS PROVIDING SERVICES.—
6 (1) Subject to paragraph (3), while providing services ac-
7 cepted under subsection (a) or receiving training under
8 subsection (c), a person shall be considered to be an em-
9 ployee of the Federal Government only for purposes of the
10 following provisions of law:

11 “(A) Subchapter I of chapter 81 of title 5,
12 United States Code (relating to compensation for
13 work-related injuries).

14 “(B) Chapter 171 of title 28, United States
15 Code (relating to claims for damages or loss).

16 “(2) A person providing services accepted under sub-
17 section (a) shall be considered to be an employee of the
18 Federal Government under paragraph (1) only with re-
19 spect to services that are within the scope of the services
20 accepted.

21 “(3) For purposes of determining the compensation
22 for work-related injuries payable under chapter 81 of title
23 5, United States Code (pursuant to this subsection) to a
24 person providing services accepted under subsection (a),

1 the monthly pay of the person for such services shall be
 2 deemed to be the amount determined by multiplying—

3 “(A) the average monthly number of hours that
 4 the person provided the services, by

5 “(B) the minimum wage determined in accord-
 6 ance with section 6(a)(1) of the Fair Labor Stand-
 7 ards Act of 1938 (29 U.S.C. 206(a)(1)).

8 “(e) REIMBURSEMENT OF INCIDENTAL EXPENSES.—
 9 The Chairman of the Retirement Board or the Director
 10 of the establishment accepting services under subsection
 11 (a) may provide for reimbursement of a person for inciden-
 12 tal expenses incurred by the person in providing the serv-
 13 ices accepted under subsection (a). The Chairman or Di-
 14 rector shall determine which expenses qualify for reim-
 15 bursement under this subsection.”.

16 (b) FEDERAL STATUS OF RESIDENTS PAID FOR
 17 PART-TIME OR INTERMITTENT SERVICES.—Paragraph
 18 (2) of section 1521(b) (24 U.S.C. 421(b)) is amended to
 19 read as follows:

20 “(2) being an employee of the United States for
 21 any purpose other than—

22 “(A) subchapter I of chapter 81 of title 5,
 23 United States Code (relating to compensation
 24 for work-related injuries); and

1 “(B) chapter 171 of title 28, United States
2 Code (relating to claims for damages or loss).”.

3 **SEC. 583. DISPOSAL OF REAL PROPERTY.**

4 (a) **DISPOSAL AUTHORIZED.**—Notwithstanding title
5 II the Federal Property and Administrative Services Act
6 of 1949 (40 U.S.C. 481 et seq.), title VIII of such Act
7 (40 U.S.C. 531 et seq.), section 501 of the Stewart B.
8 McKinney Homeless Assistance Act (42 U.S.C. 11411),
9 or any other provision of law relating to the management
10 and disposal of real property by the United States, but
11 subject to subsection (d), the Retirement Home Board
12 may, by sale or otherwise, convey all right, title, and inter-
13 est of the United States in a parcel of real property, in-
14 cluding improvements thereof, consisting of approximately
15 49 acres located in Washington, District of Columbia, east
16 of North Capitol Street, and recorded as District Parcel
17 121/19.

18 (b) **MANNER, TERMS, AND CONDITIONS OF DIS-**
19 **POSAL.**—The Retirement Home may determine—

20 (1) the manner for the disposal of the real
21 property under subsection (a); and

22 (2) the terms and conditions for the conveyance
23 of that property, including any terms and conditions
24 that the Board considers necessary to protect the in-
25 terests of the United States.

1 (c) DESCRIPTION OF PROPERTY.—The exact acreage
2 and legal description of the real property to be conveyed
3 under subsection (a) shall be determined by a survey satis-
4 factory to the Board. The cost of the survey shall be borne
5 by the party or parties to which the property is to be con-
6 veyed.

7 (d) CONGRESSIONAL NOTIFICATION.—(1) Before dis-
8 posing of real property under subsection (a), the Board
9 shall notify the Committee on Armed Services of the Sen-
10 ate and the Committee on National Security of the House
11 of Representatives of the proposed disposal. The Board
12 may not dispose of the real property until the later of—

13 (A) the date that is 60 days after the date on
14 which the notification is received by the committees;
15 or

16 (B) the date of the next day following the expi-
17 ration of the first period of 30 days of continuous
18 session of Congress that follows the date on which
19 the notification is received by the committees.

20 (2) For the purposes of paragraph (1)—

21 (A) continuity of session is broken only by an
22 adjournment of Congress sine die; and

23 (B) the days on which either House is not in
24 session because of an adjournment of more than
25 three days to a day certain are excluded in the com-

1 putation of any period of time in which Congress is
2 in continuous session.

3 **SEC. 584. MATTERS CONCERNING PERSONNEL.**

4 (a) TERMS OF APPOINTMENT TO GOVERNING
5 BOARDS.—Section 1515(e) (24 U.S.C. 415(e)) is amend-
6 ed—

7 (1) in paragraph (1), by striking out “sub-
8 section (f)” and inserting in lieu thereof “paragraph
9 (2)”;

10 (2) by redesignating paragraph (2) as para-
11 graph (4); and

12 (3) by adding after paragraph (1) the following
13 new paragraphs:

14 “(2)(A) In the case of a member of a board who is
15 appointed or designated under subsection (b) or (c) on the
16 basis of a particular status described in a paragraph under
17 that subsection, the appointment or designation of that
18 member terminates on the date on which the member
19 ceases to hold that status. The preceding sentence applies
20 only to members of the Armed Forces on active duty and
21 employees of the United States.

22 “(B) Paragraph (1) does not apply with respect to
23 an appointment or designation of a member of a board
24 for a term of less than five years that is made in accord-
25 ance with subsection (f).

1 “(3) A member of the Retirement Home Board and
2 a member of a Local Board may be reappointed for one
3 consecutive term by the Chairman of that board.”.

4 (b) DUAL COMPENSATION.—(1) Section 1517 (24
5 U.S.C. 417) is amended—

6 (A) by redesignating subsection (f) as sub-
7 section (g); and

8 (B) by inserting after subsection (e) the follow-
9 ing new subsection (f):

10 “(f) DUAL COMPENSATION.—(1) The Retirement
11 Home Board may waive the application of section 5532
12 of title 5, United States Code, to the Director of an estab-
13 lishment of the Retirement Home or any employee of the
14 Retirement Home (to the extent that such section would
15 otherwise apply to the Director or employee by reason of
16 the employment as Director or employee). The Chairman
17 of the Board shall notify the Secretary of the Treasury
18 of any waiver exercised under the preceding sentence and
19 the effective date of the waiver.

20 “(2) If the application of section 5532 of title 5,
21 United States Code, to a Director or employee is waived
22 under paragraph (1), the rate of pay payable out of the
23 Retirement Home Trust Fund for the Director or em-
24 ployee shall be the amount equal to the excess, if any, of
25 the periodic rate of pay fixed for the position of the Direc-

1 tor or employee over the amount by which the retired or
2 retainer pay payable to the Director or employee would
3 have been reduced (computed on the basis of that periodic
4 rate of pay for that position) if section 5532 of title 5,
5 United States Code, had not been waived.

6 “(3)(A) In the case of a Director or employee paid
7 at a rate of pay that is reduced under paragraph (2), the
8 amounts deducted and withheld from pay for purposes of
9 chapter 81, subchapter III of chapter 83, chapter 84,
10 chapter 87, or chapter 89 of title 5, United States Code,
11 all agency contributions required under such provisions of
12 law, the maximum amount of contributions that may be
13 made to the Thrift Saving Fund under subchapter III of
14 chapter 84 of title 5, United States Code, the rate of dis-
15 ability compensation payable under subchapter I of chap-
16 ter 81 of such title, the levels of life insurance coverage
17 provided under chapter 87 of such title, and the amounts
18 of annuities under subchapter III of chapter 83 of such
19 title and subchapter II of chapter 84 of such title shall
20 be computed as if the Director or employee were paid the
21 full rate of pay fixed for the position of the Director or
22 employee for the period for which the Director was paid
23 at the reduced rate of pay under that paragraph.

24 “(B) If the amount payable to a Director or employee
25 under paragraph (2) is less than the total amount required

1 to be deducted and withheld from the pay of the Director
2 or employee under a provision of law referred to in sub-
3 paragraph (A), the amount of the deficiency shall be paid
4 by the Director or employee. The participation or benefits
5 available to a Director or employee who fails to pay a defi-
6 ciency promptly shall be restricted in accordance with reg-
7 ulations which the Director of the Office of Personnel
8 Management shall prescribe.

9 “(4) In this section, the term ‘retired or retainer pay’
10 has the meaning given such term in section 5531 of title
11 5, United States Code.”.

12 (2) Section 1516(f) (24 U.S.C. 416(f)) is amended—

13 (A) by inserting “(1)” after “(f) ANNUAL RE-
14 PORT.—”; and

15 (B) by adding at the end the following:

16 “(2) In addition to other matters covered by the an-
17 nual report for a fiscal year, the annual report shall iden-
18 tify each Director or employee, if any, whose pay was re-
19 duced for any period during that fiscal year pursuant to
20 an exercise of the waiver authority under section 1517(f),
21 and shall include a discussion that demonstrates that the
22 unreduced rate of pay established for the position of that
23 Director or employee is comparable to the prevailing rates
24 of pay provided for personnel in the retirement home in-

1 dustry who perform functions similar to those performed
2 by the Director or employee.”.

3 (3) Subsection (f) of section 1517 (as added by para-
4 graph (1)(B)) and subsection (f)(2) of section 1516 (as
5 added by paragraph (2)(B)) shall apply with respect to
6 pay periods beginning on or after January 1, 1997.

7 **SEC. 585. FEES FOR RESIDENTS.**

8 (a) ONE-YEAR DELAY IN IMPLEMENTATION OF NEW
9 FEE STRUCTURE.—(1) Subsection (d)(2) of section 371
10 of the National Defense Authorization Act for Fiscal Year
11 1995 (Public Law 103–337; 108 Stat. 2735; 24 U.S.C.
12 414 note) is amended by striking out “October 1, 1997”
13 and inserting in lieu thereof “October 1, 1998”.

14 (2) Subsection (b)(2)(B) of such section is amended
15 by striking out “1998”, “1999”, and “2000” in para-
16 graphs (1) and (2) of the subsection (d) that is set forth
17 in such subsection (b)(2)(B) as an amendment to section
18 1514 of the Armed Forces Retirement Home Act of 1991
19 and inserting in lieu thereof “1999”, “2000”, and
20 “2001”, respectively.

21 (b) REPORT ON FUNDING THE ARMED FORCES RE-
22 TIREMENT HOME.—(1) Not later than March 3, 1997, the
23 Secretary of Defense shall submit to Congress a report
24 on meeting the funding needs of the Armed Forces Retire-
25 ment Home in a manner that is fair and equitable to the

1 residents and to the members of the Armed Forces who
2 provide required monthly contributions for the home.

3 (2) The report shall include the following:

4 (A) The increment between levels of income of
5 a resident of the Armed Forces Retirement Home
6 that is appropriate for applying the next higher
7 monthly fee to a resident under a monthly fee struc-
8 ture for the residents of the home.

9 (B) The categories of income and disability
10 payments that should generally be considered as
11 monthly income for the purpose of determining the
12 fee applicable to a resident and the conditions under
13 which each such category should be considered as
14 monthly income for such purpose.

15 (C) The degree of flexibility that should be pro-
16 vided the Armed Forces Retirement Home Board for
17 the setting of fees for residents.

18 (D) A discussion of whether the Armed Forces
19 Retirement Home Board has and should have au-
20 thority to vary the fee charged a resident under ex-
21 ceptional circumstances, together with any rec-
22 ommended legislation regarding such an authority.

23 (E) A discussion of how to ensure fairness and
24 equitable treatment of residents and of warrant offi-
25 cers and enlisted members of the Armed Forces in

1 meeting the funding needs of the Armed Forces Re-
2 tirement Home.

3 (F) The advisability of exercising existing au-
4 thority to increase the amount deducted from the
5 pay of warrant officers and enlisted personnel for
6 the Armed Forces Retirement Home under section
7 1007(i) of title 37, United States Code.

8 (G) Options for ways to meet the funding needs
9 of the Armed Forces Retirement Home without in-
10 creasing the amount deducted from pay under sec-
11 tion 1007(i) of title 37, United States Code.

12 (H) Any other matters that the Secretary of
13 Defense, after the consultation required by para-
14 graph (3), considers appropriate regarding funding
15 of the Armed Forces Retirement Home.

16 (3) The Secretary shall consult the Armed Forces Re-
17 tirement Home Board and the secretaries of the military
18 departments in preparing the report under this subsection.

19 **SEC. 586. AUTHORIZATION OF APPROPRIATIONS.**

20 There is hereby authorized to be appropriated for fis-
21 cal year 1997 from the Armed Forces Retirement Home
22 Trust Fund the sum of \$57,345,000 for the operation of
23 the Armed Forces Retirement Home.

1 **TITLE VI—COMPENSATION AND**
2 **OTHER PERSONNEL BENEFITS**
3 **Subtitle A—Pay and Allowances**

4 **SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.**

5 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any
6 adjustment required by section 1009 of title 37, United
7 States Code, in elements of compensation of members of
8 the uniformed services to become effective during fiscal
9 year 1997 shall not be made.

10 (b) INCREASE IN BASIC PAY AND BAS.—Effective
11 January 1, 1997, the rates of basic pay and basic allow-
12 ance for subsistence of members of the uniformed services
13 are increased by 3.0 percent.

14 (c) INCREASE IN BAQ.—Effective January 1, 1997,
15 the rates of basic allowance for quarters of members of
16 the uniformed services are increased by 4.0 percent.

17 **SEC. 602. RATE OF CADET AND MIDSHIPMAN PAY.**

18 Section 203(e) of title 37, United States Code, is
19 amended—

20 (1) by striking out paragraph (2); and

21 (2) in paragraph (1), by striking out “(1)”.

22 **SEC. 603. PAY OF SENIOR NONCOMMISSIONED OFFICERS**
23 **WHILE HOSPITALIZED.**

24 (a) IN GENERAL.—Section 210 of title 37, United
25 States Code, is amended—

1 (1) by redesignating subsection (b) as sub-
2 section (c); and

3 (2) by inserting after subsection (a) the follow-
4 ing new subsection (b):

5 “(b) A senior enlisted member of an armed force shall
6 continue to be entitled to the rate of basic pay authorized
7 for the senior enlisted member of that armed force while
8 the member is hospitalized, beginning on the day of the
9 hospitalization and ending on the day the member is dis-
10 charged from the hospital, but not for more than 180
11 days.”.

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

14 **“§ 210. Pay of the senior noncommissioned officer of**
15 **an armed force during terminal leave and**
16 **while hospitalized”.**

17 (2) The item relating to such section in the table of
18 sections at the beginning of chapter 3 of title 10, United
19 States Code, is amended to read as follows:

“210. Pay of the senior noncommissioned officer of an armed force during ter-
minal leave and while hospitalized.”.

20 **SEC. 604. BASIC ALLOWANCE FOR QUARTERS FOR MEM-**
21 **BERS ASSIGNED TO SEA DUTY.**

22 (a) ENTITLEMENT OF SINGLE MEMBERS ABOVE
23 GRADE E-5.—Section 403(c)(2) of title 37, United States
24 Code, is amended by striking out the second sentence.

1 (b) ENTITLEMENT OF CERTAIN SINGLE MEMBERS IN
2 GRADE E-5.—Section 403(c)(2) of such title, as amended
3 by subsection (a), is further amended by adding at the
4 end the following: “However, the Secretary concerned may
5 authorize payment of the basic allowance for quarters to
6 members of a uniformed service without dependents who
7 are in pay grade E-5, are on sea duty, and are not pro-
8 vided Government quarters ashore.”.

9 (c) ENTITLEMENT WHEN BOTH SPOUSES IN
10 GRADES BELOW GRADE E-6 ARE ASSIGNED TO SEA
11 DUTY.—Section 403(c)(2) of such title, as amended by
12 subsections (a) and (b), is further amended—

13 (1) by inserting “(A)” after “(2)”; and

14 (2) by adding at the end the following: “Not-
15 withstanding section 421 of this title, two members
16 of the uniformed services in pay grades below E-6
17 who are married to each other, have no dependent
18 other than the spouse, and are simultaneously as-
19 signed to sea duty on ships are jointly entitled to
20 one basic allowance for quarters at the rate provided
21 for members with dependents in the highest pay
22 grade in which either spouse is serving.”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 subsections (a), (b), and (c) shall take effect on October
25 1, 1996.

1 **SEC. 605. UNIFORM APPLICABILITY OF DISCRETION TO**
2 **DENY AN ELECTION NOT TO OCCUPY GOV-**
3 **ERNMENT QUARTERS.**

4 Section 403(b)(3) of title 37, United States Code, is
5 amended by striking out “A member” and inserting in lieu
6 thereof “Subject to the provisions of subsection (j), a
7 member”.

8 **SEC. 606. FAMILY SEPARATION ALLOWANCE FOR MEMBERS**
9 **SEPARATED BY MILITARY ORDERS FROM**
10 **SPOUSES WHO ARE MEMBERS.**

11 Section 427(b) of title 37, United States Code, is
12 amended—

13 (1) in paragraph (1)—

14 (A) by striking out “or” at the end of sub-
15 paragraph (B);

16 (B) by striking out the period at the end
17 of subparagraph (C) and inserting in lieu there-
18 of “; or”; and

19 (C) by adding at the end the following:

20 “(D) the member is married to a member of a
21 uniformed service, the member has no dependent
22 other than the spouse, the two members are sepa-
23 rated by reason of the execution of military orders,
24 and the two members were residing together imme-
25 diately before being separated by reason of execution
26 of military orders.”; and

1 (2) by adding at the end the following:

2 “(5) Section 421 of this title does not apply to bar
3 an entitlement to an allowance under paragraph (1)(D).
4 However, not more than one monthly allowance may be
5 paid with respect to a married couple under paragraph
6 (1)(D) for any month.”.

7 **SEC. 607. WAIVER OF TIME LIMITATIONS FOR CLAIM FOR**
8 **PAY AND ALLOWANCES.**

9 Section 3702 of title 31, United States Code, is
10 amended by adding at the end the following:

11 “(e)(1) Upon the request of the Secretary concerned
12 (as defined in section 101 of title 37), the Comptroller
13 General may waive the time limitations set forth in sub-
14 section (b) or (c) in the case of a claim for pay or allow-
15 ances provided under title 37 and, subject to paragraph
16 (2), settle the claim.

17 “(2) Payment of a claim settled under paragraph (1)
18 shall be subject to the availability of appropriations for
19 payment of that particular claim.

20 “(3) This subsection does not apply to a claim in ex-
21 cess of \$25,000.”.

1 **Subtitle B—Bonuses and Special**
2 **and Incentive Pays**

3 **SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE**
4 **FORCES.**

5 (a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME
6 HEALTH SPECIALISTS IN THE SELECTED RESERVES.—
7 Section 302g(f) of title 37, United States Code, is amend-
8 ed by striking out “September 30, 1997” and inserting
9 in lieu thereof “September 30, 1998”.

10 (b) SELECTED RESERVE REENLISTMENT BONUS.—
11 Section 308b(f) of title 37, United States Code, is amend-
12 ed by striking out “September 30, 1997” and inserting
13 in lieu thereof “September 30, 1998”.

14 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
15 tion 308c(e) of title 37, United States Code, is amended
16 by striking out “September 30, 1997” and inserting in
17 lieu thereof “September 30, 1998”.

18 (d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE
19 SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRI-
20 ORITY UNITS.—Section 308d(c) of title 37, United States
21 Code, is amended by striking out “September 30, 1997”
22 and inserting in lieu thereof “September 30, 1998”.

23 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-
24 tion 308e(e) of title 37, United States Code, is amended

1 by striking out “September 30, 1997” and inserting in
2 lieu thereof “September 30, 1998”.

3 (f) **READY RESERVE ENLISTMENT AND REENLIST-**
4 **MENT BONUS.**—Section 308h(g) of title 37, United States
5 Code, is amended by striking out “September 30, 1997”
6 and inserting in lieu thereof “September 30, 1998”.

7 (g) **PRIOR SERVICE ENLISTMENT BONUS.**—Section
8 308i(i) of title 37, United States Code, is amended by
9 striking out “September 30, 1997” and inserting in lieu
10 thereof “September 30, 1998”.

11 **SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
12 **PAY FOR NURSE OFFICER CANDIDATES, REG-**
13 **ISTERED NURSES, AND NURSE ANES-**
14 **THETISTS.**

15 (a) **NURSE OFFICER CANDIDATE ACCESSION PRO-**
16 **GRAM.**—Section 2130a(a)(1) of title 10, United States
17 Code, is amended by striking out “September 30, 1997”
18 and inserting in lieu thereof “September 30, 1998”.

19 (b) **ACCESSION BONUS FOR REGISTERED NURSES.**—
20 Section 302d(a)(1) of title 37, United States Code, is
21 amended by striking out “September 30, 1997” and in-
22 serting in lieu thereof “September 30, 1998”.

23 (c) **INCENTIVE SPECIAL PAY FOR NURSE ANES-**
24 **THETISTS.**—Section 302e(a)(1) of title 37, United States

1 Code, is amended by striking out “September 30, 1997”
2 and inserting in lieu thereof “September 30, 1998”.

3 **SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAY-**
4 **MENT OF OTHER BONUSES AND SPECIAL**
5 **PAYS.**

6 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
7 tion 301b(a) of title 37, United States Code, is amended
8 by striking out “September 30, 1997” and inserting in
9 lieu thereof “September 30, 1998,”.

10 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
11 BERS.—Section 308(g) of title 37, United States Code, is
12 amended by striking out “September 30, 1997” and in-
13 serting in lieu thereof “September 30, 1998”.

14 (c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—
15 Sections 308a(e) and 308f(e) of title 37, United States
16 Code, are each amended by striking out “September 30,
17 1997” and inserting in lieu thereof “September 30,
18 1998”.

19 (d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFI-
20 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
21 312(e) of title 37, United States Code, is amended by
22 striking out “September 30, 1997” and inserting in lieu
23 thereof “September 30, 1998”.

24 (e) NUCLEAR CAREER ACCESSION BONUS.—Section
25 312b(c) of title 37, United States Code, is amended by

1 striking out “September 30, 1997” and inserting in lieu
2 thereof “September 30, 1998”.

3 (f) NUCLEAR CAREER ANNUAL INCENTIVE
4 BONUS.—Section 312c(d) of title 37, United States Code,
5 is amended by striking out “October 1, 1997” and insert-
6 ing in lieu thereof “October 1, 1998”.

7 (g) REPAYMENT OF EDUCATION LOANS FOR CER-
8 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
9 LECTED RESERVE.—Section 16302(d) of title 10, United
10 States Code, is amended by striking out “October 1,
11 1997” and inserting in lieu thereof “October 1, 1998”.

12 **SEC. 614. INCREASED SPECIAL PAY FOR DENTAL OFFICERS**
13 **OF THE ARMED FORCES.**

14 (a) INCREASED RATES.—Section 302b(a) of title 37,
15 United States Code, is amended—

16 (1) in paragraph (2)—

17 (A) in subparagraph (A), by striking out
18 “\$1,200” and inserting in lieu thereof
19 “\$3,000”;

20 (B) in subparagraph (B), by striking out
21 “\$2,000” and inserting in lieu thereof
22 “\$7,000”; and

23 (C) in subparagraph (C), by striking out
24 “\$4,000” and inserting in lieu thereof
25 “\$7,000”;

1 (2) in paragraph (4), by redesignating subpara-
2 graphs (A), (B), and (C) as subparagraphs (B), (C),
3 and (D), respectively, and by inserting before sub-
4 paragraph (B), as so redesignated, the following new
5 subparagraph (A):

6 “(A) \$4,000 per year, if the officer has less
7 than three years of creditable service.”; and

8 (3) in paragraph (5)—

9 (A) in subparagraph (A)—

10 (i) by striking out “\$2,000” and in-
11 serting in lieu thereof “\$2,500”; and

12 (ii) by striking out “12 years” and in-
13 serting in lieu thereof “10 years”;

14 (B) in subparagraph (B)—

15 (i) by striking out “\$3,000” and in-
16 serting in lieu thereof “\$3,500”; and

17 (ii) by striking out “12 but less than
18 14 years” and inserting in lieu thereof “10
19 but less than 12 years”; and

20 (C) in subparagraph (C), by striking out

21 “14 or more years” and inserting in lieu thereof

22 “12 or more years”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall take effect on October 1, 1996.

1 **SEC. 615. RETENTION SPECIAL PAY FOR PUBLIC HEALTH**
2 **SERVICE OPTOMETRISTS.**

3 Section 302a(b) of title 37, United States Code, is
4 amended—

5 (1) in paragraph (2)—

6 (A) by striking out “an armed force” in
7 the matter preceding subparagraph (A) and in-
8 serting in lieu thereof “a uniformed service”;
9 and

10 (B) by striking out “of the military depart-
11 ment” in subparagraph (C); and

12 (2) in paragraph (4), by striking out “of the
13 military department”.

14 **SEC. 616. SPECIAL PAY FOR NONPHYSICIAN HEALTH CARE**
15 **PROVIDERS IN THE PUBLIC HEALTH SERV-**
16 **ICE.**

17 Section 302c(d) of title 37, United States Code, is
18 amended—

19 (1) in the matter preceding paragraph (1), by
20 striking out “Secretary of Defense” and inserting in
21 lieu thereof “Secretary concerned”; and

22 (2) in paragraph (1)—

23 (A) by striking out “or” the third place it
24 appears; and

25 (B) by inserting before the period at the
26 end the following: “, or an officer in the Regu-

1 lar or Reserve Corps of the Public Health Serv-
2 ice”.

3 **SEC. 617. FOREIGN LANGUAGE PROFICIENCY PAY FOR PUB-**
4 **LIC HEALTH SERVICE AND NATIONAL OCE-**
5 **ANIC AND ATMOSPHERIC ADMINISTRATION**
6 **OFFICERS.**

7 (a) ELIGIBILITY.—Section 316 of title 37, United
8 States Code, is amended in subsection (a)—

9 (1) in the matter preceding paragraph (1), by
10 striking out “armed forces” and inserting in lieu
11 thereof “uniformed services”;

12 (2) in paragraph (2)—

13 (A) by striking out “Secretary of Defense”
14 and inserting in lieu thereof “Secretary con-
15 cerned”; and

16 (B) by inserting “or public health” after
17 “national defense”; and

18 (3) in paragraph (3)—

19 (A) in subparagraph (A), by striking out
20 “military” and inserting in lieu thereof “uni-
21 formed services”;

22 (B) in subparagraph (C), by striking out
23 “military”; and

24 (C) in subparagraph (D)—

1 (i) by striking out “Department of
2 Defense” and inserting in lieu thereof
3 “uniformed service”; and

4 (ii) by striking out “Secretary of De-
5 fense” and inserting in lieu thereof “Sec-
6 retary concerned”.

7 (b) ADMINISTRATION.—Subsection (d) of such sec-
8 tion is amended—

9 (1) by striking out “his jurisdiction and” and
10 inserting in lieu thereof “the Secretary’s jurisdic-
11 tion,”; and

12 (2) by inserting before the period at the end “,
13 by the Secretary of Health and Human Services for
14 the Commissioned Corps of the Public Health Serv-
15 ice, and by the Secretary of Commerce for the Na-
16 tional Oceanic and Atmospheric Administration”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 subsections (a) and (b) shall take effect on October 1,
19 1996, and apply with respect to months beginning on or
20 after such date.

1 **Subtitle C—Travel and**
2 **Transportation Allowances**

3 **SEC. 621. ROUND TRIP TRAVEL ALLOWANCES FOR SHIP-**
4 **PING MOTOR VEHICLES AT GOVERNMENT EX-**
5 **PENSE.**

6 (a) IN GENERAL.—Section 406(b)(1)(B) of title 37,
7 United States Code, is amended as follows—

8 (1) in clause (i)(I), by inserting “, including re-
9 turn travel to the old duty station,” after “nearest
10 the old duty station”; and

11 (2) in clause (ii), by inserting “, including trav-
12 el from the new duty station to the port of debarka-
13 tion to pick up the vehicle” after “to the new duty
14 station”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall take effect on April 1, 1997.

17 **SEC. 622. OPTION TO STORE INSTEAD OF TRANSPORT A**
18 **PRIVATELY OWNED VEHICLE AT THE EX-**
19 **PENSE OF THE UNITED STATES.**

20 (a) IN GENERAL.—Section 2634 of title 10, United
21 States Code, is amended—

22 (1) by redesignating subsection (b) as sub-
23 section (g);

24 (2) by transferring subsection (g), as so redес-
25 ignated, to the end of such section; and

1 (3) by inserting after subsection (a) the follow-
2 ing new subsection (b):

3 “(b) When a member is ordered to make a change
4 of permanent station to a foreign country and the member
5 is authorized under subsection (a) to have a vehicle trans-
6 ported under that subsection, the Secretary may authorize
7 the member to store the vehicle (instead of having it trans-
8 ported) if restrictions imposed by the foreign country or
9 the United States preclude entry of the vehicle into that
10 country or require extensive modification of the vehicle as
11 a condition for entry of the vehicle into the country. The
12 cost of the storage of the vehicle, and costs associated with
13 the delivery of the vehicle for storage and removal of the
14 vehicle for delivery from storage shall be paid by the Unit-
15 ed States. Costs paid under this subsection may not exceed
16 reasonable amounts, as determined under regulations pre-
17 scribed by the Secretary of Defense (and the Secretary
18 of Transportation with respect to the Coast Guard when
19 it is not operating as a service in the Navy).”.

20 (b) UNACCOMPANIED TOURS.—Subsection (h)(1)(B)
21 of section 406 of title 37, United States Code, is amended
22 to read as follows:

23 “(B) in the case of a member described in para-
24 graph (2)(A), authorize the transportation of one
25 motor vehicle that is owned by the member (or a de-

1 pendent of a member) and is for his dependent's
2 personal use to that location by means of transpor-
3 tation authorized under section 2634 of title 10, or
4 authorize storage of such motor vehicle if the stor-
5 age of the motor vehicle is otherwise authorized
6 under that section.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect on October 1, 1996.

9 **SEC. 623. DEFERRAL OF TRAVEL WITH TRAVEL AND TRANS-**
10 **PORTATION ALLOWANCES IN CONNECTION**
11 **WITH LEAVE BETWEEN CONSECUTIVE OVER-**
12 **SEAS TOURS.**

13 (a) AUTHORITY FOR ADDITIONAL DEFERRAL OF
14 TRAVEL.—Section 411b(a)(2) of title 37, United States
15 Code, is amended by adding at the end the following: “A
16 member may defer the travel for one additional year if,
17 due to participation in a contingency operation, the mem-
18 ber is unable to commence the travel within the one-year
19 period provided for under the preceding sentence.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection shall (a) take effect as of November 1, 1995,
22 and shall apply with respect to members of the uniformed
23 services who, on or after that date, participate in critical
24 operational missions, as determined under the third sen-

1 tence of section 411b(a)(2) of title 37, United States Code
 2 (as added by subsection (a)).

3 **SEC. 624. FUNDING FOR TRANSPORTATION OF HOUSEHOLD**
 4 **EFFECTS OF PUBLIC HEALTH SERVICE OFFI-**
 5 **CERS.**

6 Section 406(j)(1) of title 37, United States Code, is
 7 amended in the first sentence—

8 (1) by inserting “, and appropriations available
 9 to the Department of Health and Human Services
 10 for providing transportation of household effects of
 11 members of the Commissioned Corps of the Public
 12 Health Service under subsection (b),” after “mem-

13 bers of the armed forces under subsection (b)”; and

14 (2) by striking out “of the military depart-
 15 ment”.

16 **Subtitle D—Retired Pay, Survivor**
 17 **Benefits, and Related Matters**

18 **SEC. 631. EFFECTIVE DATE FOR MILITARY RETIREE COST-**
 19 **OF-LIVING ADJUSTMENT FOR FISCAL YEAR**
 20 **1998.**

21 (a) REPEAL OF ADJUSTMENT OF EFFECTIVE DATE
 22 FOR FISCAL YEAR 1998.—Section 1401a(b)(2)(B) of title
 23 10, United States Code, is amended—

24 (1) by striking out “(B) SPECIAL RULES” and
 25 all that follows through “In the case of” in clause

1 (i) and inserting in lieu thereof “(B) SPECIAL RULE
2 FOR FISCAL YEAR 1996.—In the case of”; and

3 (2) by striking out clause (ii).

4 (b) REPEAL OF CONTINGENT ALTERNATIVE DATE
5 FOR FISCAL YEAR 1998.—Section 631 of the National
6 Defense Authorization Act for Fiscal Year 1996 (Public
7 Law 104–106; 110 Stat. 364) is amended by striking out
8 subsection (b).

9 **SEC. 632. ALLOTMENT OF RETIRED OR RETAINER PAY.**

10 (a) AUTHORITY.—(1) Part II of subtitle A of title
11 10, United States Code, is amended by inserting after
12 chapter 71 the following new chapter:

13 **“CHAPTER 72—MISCELLANEOUS RETIRED**
14 **AND RETAINER PAY AUTHORITIES**

“Sec.
“1421. Allotments.

15 **“§ 1421. Allotments**

16 “(a) AUTHORITY.—Subject to such conditions and re-
17 strictions as may be provided in regulations prescribed
18 under subsection (b), a member or former member of the
19 armed forces entitled to retired or retainer pay may trans-
20 fer or assign the member or former member’s retired or
21 retainer pay account when due and payable.

22 “(b) REGULATIONS.—The Secretaries of the military
23 departments and the Secretary of Transportation (with re-
24 spect to the Coast Guard when it is not operating as a

1 service in the Navy) shall prescribe uniform regulations
 2 for the administration of subsection (a).”.

3 (2) The tables of chapters at the beginning of subtitle
 4 A of such title and the beginning of part II of such subtitle
 5 are amended by inserting after the item relating to chap-
 6 ter 71 the following:

“72. Miscellaneous retired and retainer pay authorities 1421”.

7 (b) IMPLEMENTATION.—(1) Notwithstanding section
 8 1421 of title 10, United States Code (as added by sub-
 9 section (a)), a person entitled to retired or retainer pay
 10 may not initiate a transfer or assignment of retired or re-
 11 tainer pay under such section until regulations prescribed
 12 under subsection (b) of such section take effect.

13 (2) The Secretaries of the military departments and
 14 the Secretary of Transportation shall prescribe regulations
 15 under subsection (b) of such section that ensure that, be-
 16 ginning not later than October 1, 1997, a person may
 17 make up to six transfers or assignments of the person’s
 18 retired or retainer pay account when due and payable for
 19 payment of any financial obligations.

20 **SEC. 633. COST-OF-LIVING INCREASES IN SBP CONTRIBU-**
 21 **TIONS TO BE EFFECTIVE CONCURRENTLY**
 22 **WITH PAYMENT OF RELATED RETIRED PAY**
 23 **COST-OF-LIVING INCREASES.**

24 (a) SURVIVOR BENEFIT PLAN.—Section 1452(h) of
 25 title 10, United States Code, is amended—

1 (1) by inserting “(1)” after “(h)”; and

2 (2) by adding at the end the following new sub-
3 section:

4 “(2)(A) Notwithstanding paragraph (1), when the
5 initial payment of an increase in retired pay under section
6 1401a of this title (or any other provision of law) to a
7 person is later than the effective date of that increase by
8 reason of the application of subsection (b)(2)(B) of such
9 section (or section 631(b) of Public Law 104–106 (110
10 Stat. 364)), then the amount of the reduction in the per-
11 son’s retired pay shall be effective on the date of that ini-
12 tial payment of the increase in retired pay rather than
13 the effective date of the increase in retired pay.

14 “(B) Subparagraph (A) may not be construed as de-
15 laying, for purposes of determining the amount of a
16 monthly annuity under section 1451 of this title, the effec-
17 tive date of an increase in a base amount under subsection
18 (h) of such section from the effective date of an increase
19 in retired pay under section 1401a of this title to the date
20 on which the initial payment of that increase in retired
21 pay is made in accordance with subsection (b)(2)(B) of
22 such section 1401a.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect with respect to retired pay

1 payable for months beginning on or after the date of the
2 enactment of this Act.

3 **SEC. 634. ANNUITIES FOR CERTAIN MILITARY SURVIVING**
4 **SPOUSES.**

5 (a) SURVIVOR ANNUITY.—(1) The Secretary con-
6 cerned shall pay an annuity to the qualified surviving
7 spouse of each member of the uniformed services who—

8 (A) died before March 21, 1974, and was enti-
9 tled to retired or retainer pay on the date of death;
10 or

11 (B) was a member of a reserve component of
12 the Armed Forces during the period beginning on
13 September 21, 1972, and ending on October 1,
14 1978, and at the time of his death would have been
15 entitled to retired pay under chapter 67 of title 10,
16 United States Code (as in effect before December 1,
17 1994), but for the fact that he was under 60 years
18 of age.

19 (2) A qualified surviving spouse for purposes of this
20 section is a surviving spouse who has not remarried and
21 who is not eligible for an annuity under section 4 of Public
22 Law 92–425 (10 U.S.C. 1448 note).

23 (b) AMOUNT OF ANNUITY.—(1) An annuity under
24 this section shall be paid at the rate of \$165 per month,
25 as adjusted from time to time under paragraph (3).

1 (2) An annuity paid to a surviving spouse under this
2 section shall be reduced by the amount of any dependency
3 and indemnity compensation (DIC) to which the surviving
4 spouse is entitled under section 1311(a) of title 38, United
5 States Code.

6 (3) Whenever after the date of the enactment of this
7 Act retired or retainer pay is increased under section
8 1401a(b)(2) of title 10, United States Code, each annuity
9 that is payable under this section shall be increased at
10 the same time and by the same total percent. The amount
11 of the increase shall be based on the amount of the month-
12 ly annuity payable before any reduction under this section.

13 (c) APPLICATION REQUIRED.—No benefit shall be
14 paid to any person under this section unless an application
15 for such benefit is filed with the Secretary concerned by
16 or on behalf of such person.

17 (d) DEFINITIONS.—For purposes of this section:

18 (1) The terms “uniformed services” and “Sec-
19 retary concerned” have the meanings given such
20 terms in section 101 of title 37, United States Code.

21 (2) The term “surviving spouse” has the mean-
22 ing given the terms “widow” and “widower” in para-
23 graphs (3) and (4) of section 1447 of title 10, Unit-
24 ed States Code.

1 (e) PROSPECTIVE APPLICABILITY.—(1) Annuities
 2 under this section shall be paid for months beginning after
 3 the month in which this Act is enacted.

4 (2) No benefit shall accrue to any person by reason
 5 of the enactment of this section for any period before the
 6 first month referred to in paragraph (1).

7 **SEC. 635. ADJUSTED ANNUAL INCOME LIMITATION APPLI-**
 8 **CABLE TO ELIGIBILITY FOR INCOME SUPPLE-**
 9 **MENT FOR CERTAIN WIDOWS OF MEMBERS**
 10 **OF THE UNIFORMED SERVICES.**

11 Section 4 of Public Law 92–425 (10 U.S.C. 1448
 12 note) is amended by striking out “\$2,340” in subsection
 13 (a)(3) and in the first sentence of subsection (b) and in-
 14 serting in lieu thereof “\$5,448”.

15 **Subtitle E—Other Matters**

16 **SEC. 641. REIMBURSEMENT FOR ADOPTION EXPENSES IN-**
 17 **CURRED IN ADOPTIONS THROUGH PRIVATE**
 18 **PLACEMENTS.**

19 (a) DEPARTMENT OF DEFENSE.—Section 1052(g)(1)
 20 of title 10, United States Code, is amended by striking
 21 out “adoption or by a nonprofit, voluntary adoption agen-
 22 cy which is authorized by State or local law to place chil-
 23 dren for adoption” and inserting in lieu thereof “adoption,
 24 by a nonprofit, voluntary adoption agency which is author-
 25 ized by State or local law to place children for adoption,

1 or by any other source if the adoption is supervised by
2 a court under State or local law”.

3 (b) COAST GUARD.—Section 514(g)(1) of title 14,
4 United States Code, is amended by striking out “adoption
5 or by a nonprofit, voluntary adoption agency which is au-
6 thorized by State or local law to place children for adop-
7 tion” and inserting in lieu thereof “adoption, by a non-
8 profit, voluntary adoption agency which is authorized by
9 State or local law to place children for adoption, or by
10 any other source if the adoption is supervised by a court
11 under State or local law”.

12 **SEC. 642. WAIVER OF RECOUPMENT OF AMOUNTS WITH-**
13 **HELD FOR TAX PURPOSES FROM CERTAIN**
14 **SEPARATION PAY RECEIVED BY INVOLUN-**
15 **TARILY SEPARATED MEMBERS AND FORMER**
16 **MEMBERS OF THE ARMED FORCES.**

17 (a) IN GENERAL.—Section 1174(h) of title 10, Unit-
18 ed States Code, is amended—

19 (1) in paragraph (1), by inserting “(less the
20 amount of Federal income tax withheld from such
21 pay)” before the period at the end; and

22 (2) in paragraph (2), by inserting “(less the
23 amount of Federal income tax withheld from such
24 pay)” before the period at the end of the first sen-
25 tence.

1 (b) EFFECTIVE DATE.—The amendments made by
 2 this section shall take effect on October 1, 1996, and shall
 3 apply to payments of separation pay, severance pay, or
 4 readjustment pay that are made after October 1, 1996.

5 **TITLE VII—HEALTH CARE**
 6 **PROVISIONS**

7 **SEC. 701. IMPLEMENTATION OF REQUIREMENT FOR SE-**
 8 **LECTED RESERVE DENTAL INSURANCE PLAN.**

9 (a) IMPLEMENTATION BY CONTRACT.—Section
 10 1076b(a) of title 10, United States Code, is amended—

11 (1) by inserting “(1)” after “(a) AUTHORITY
 12 TO ESTABLISH PLAN.—”;

13 (2) by designating the third sentence as para-
 14 graph (3); and

15 (3) by inserting after paragraph (1), as des-
 16 ignated by paragraph (1) of this subsection, the fol-
 17 lowing:

18 “(2) The Secretary shall provide benefits under the
 19 plan through one or more contracts awarded after full and
 20 open competition.”.

21 (b) SCHEDULE FOR IMPLEMENTATION.—Section
 22 705(b) of the National Defense Authorization Act for Fis-
 23 cal Year 1996 (Public Law 104–106; 110 Stat. 373; 10
 24 U.S.C. 1076b note) is amended—

1 (1) by striking out “Beginning not later than
2 October 1, 1996” in the first sentence and inserting
3 in lieu thereof “During fiscal year 1997”;

4 (2) by striking out “fiscal year 1996” both
5 places it appears and inserting in lieu thereof “fiscal
6 years 1996 and 1997”; and

7 (3) in the second sentence, by striking out “by
8 that date” and inserting in lieu thereof “during fis-
9 cal year 1997”.

10 **SEC. 702. DENTAL INSURANCE PLAN FOR MILITARY RETIR-**
11 **EES AND CERTAIN DEPENDENTS.**

12 (a) IN GENERAL.—(1) Chapter 55 of title 10, United
13 States Code, is amended by inserting after section 1076b
14 the following new section:

15 **“§ 1076c. Military retirees’ dental insurance plan**

16 “(a) REQUIREMENT.—(1) The Secretary of Defense
17 shall establish a dental insurance plan for—

18 “(A) members and former members of the
19 Armed Forces who are entitled to retired or retainer
20 pay;

21 “(B) members of the Retired Reserve who, ex-
22 cept for not having attained 60 years of age, would
23 be entitled to retired pay; and

1 “(C) eligible dependents of members and former
2 members covered by the enrollment of such members
3 or former members in the plan.

4 “(2) The dental insurance plan shall provide for vol-
5 untary enrollment of participants and shall authorize a
6 member or former member to enroll for self only or for
7 self and eligible dependents.

8 “(3) The plan shall be administered under regula-
9 tions prescribed by the Secretary of Defense, in consulta-
10 tion with the Secretary of Transportation.

11 “(b) PREMIUMS.—(1) Subject to paragraph (2), a
12 member or former member enrolled in the dental insur-
13 ance plan shall pay the premiums charged for the insur-
14 ance coverage. The amount of the premiums payable by
15 a member or former member entitled to retired or retainer
16 pay shall be deducted and withheld from the retired or
17 retainer pay and shall be disbursed to pay the premiums.
18 The regulations prescribed under subsection (a)(3) shall
19 specify the procedures for payment of the premiums by
20 other enrolled members and former members.

21 “(2) The Secretary of Defense may provide for pre-
22 mium-sharing between the Department of Defense and the
23 members and former members enrolled in the plan.

24 “(c) BENEFITS AVAILABLE UNDER PLAN.—The den-
25 tal insurance plan established under subsection (a) shall

1 provide benefits for basic dental care and treatment, in-
2 cluding diagnostic services, preventative services, basic re-
3 storative services (including endodontics), surgical serv-
4 ices, and emergency services.

5 “(d) COVERAGE.—(1) The Secretary shall prescribe
6 a minimum required period for enrollment by a member
7 or former member in the dental insurance plan established
8 under subsection (a).

9 “(2) The Secretary shall terminate the enrollment in
10 the plan of any member or former member, and any de-
11 pendents covered by the enrollment, upon the occurrence
12 of one of the following events:

13 “(A) Termination of the member or former
14 member’s entitlement to retired pay or retainer pay.

15 “(B) Termination of the member or former
16 member’s status as a member of the Retired Re-
17 serve.

18 “(e) CONTINUATION OF DEPENDENTS’ ENROLLMENT
19 UPON DEATH OF ENROLLEE.—Coverage of a dependent
20 under an enrollment of a member or former member who
21 dies during the period of enrollment shall continue until
22 the end of that period, except that the coverage may be
23 terminated on any earlier date when the premiums paid
24 are no longer sufficient to cover continuation of the enroll-
25 ment. The Secretary shall prescribe in regulations the par-

1 ties responsible for paying the remaining premiums due
 2 on the enrollment and the manner for collection of the pre-
 3 miums.

4 “(f) ELIGIBLE DEPENDENT DEFINED.—In this sec-
 5 tion, the term ‘eligible dependent’ means a dependent de-
 6 scribed in subparagraph (A), (D), or (I) of section 1072(2)
 7 of this title.”.

8 (2) The table of sections at the beginning of such
 9 chapter is amended by inserting after the item relating
 10 to section 1076b the following new item:

“1076c. Military retirees’ dental insurance plan.”.

11 (b) IMPLEMENTATION.—Beginning not later than
 12 October 1, 1997, the Secretary of Defense shall offer
 13 members and former members of the Armed Forces re-
 14 ferred to in subsection (a)(1) of section 1076c of title 10,
 15 United States Code (as added by subsection (a)(1) of this
 16 section), the opportunity to enroll in the dental insurance
 17 plan required under such section and to receive the bene-
 18 fits under the plan immediately upon enrollment.

19 **SEC. 703. UNIFORM COMPOSITE HEALTH CARE SYSTEM**
 20 **SOFTWARE.**

21 (a) REQUIREMENT FOR USE OF UNIFORM SOFT-
 22 WARE.—The Secretary of Defense, in consultation with
 23 the other administering Secretaries, shall take such action
 24 as is necessary promptly—

1 (1) to provide a uniform software package for
2 use by providers of health care under the TRICARE
3 program and by military treatment facilities for the
4 computerized processing of information; and

5 (2) to require such providers to use the uniform
6 software package in connection with providing health
7 care under the TRICARE program or otherwise
8 under chapter 55 of title 10, United States Code.

9 (b) CONTENT OF UNIFORM SOFTWARE PACKAGE.—

10 The uniform software package required to be used under
11 subsection (a) shall, at a minimum, provide for processing
12 of the following information:

13 (1) TRICARE program enrollment.

14 (2) Determinations of eligibility for health care.

15 (3) Provider network information.

16 (4) Eligibility of beneficiaries to receive health
17 benefits from other sources.

18 (5) Appointment scheduling.

19 (c) MODIFICATION OF CONTRACTS.—Notwithstand-
20 ing any other provision of law, the Secretary may modify
21 any existing contract with a health care provider under
22 the TRICARE program as necessary to require the health
23 care provider to use the uniform software package re-
24 quired under subsection (a).

25 (d) DEFINITIONS.—In this section:

1 (1) The term “administering Secretaries” has
2 the meaning given such term in section 1072(3) of
3 title 10, United States Code.

4 (2) The term “military treatment facility”—

5 (A) means a facility of the uniformed serv-
6 ices in which health care is provided under
7 chapter 55 of title 10, United States Codes;
8 and

9 (B) includes a facility deemed to be a facil-
10 ity of the uniformed services by virtue of section
11 911(a) of the Military Construction Authoriza-
12 tion Act, 1982 (42 U.S.C. 248c(a)).

13 (3) The term “TRICARE program” means the
14 managed health care program that is established by
15 the Secretary of Defense under the authority of
16 chapter 55 of title 10, United States Code, prin-
17 cipally section 1097 of such title, and includes the
18 competitive selection of contractors to financially un-
19 derwrite the delivery of health care services under
20 the Civilian Health and Medical Program of the
21 Uniformed Services.

1 **SEC. 704. CLARIFICATION OF APPLICABILITY OF CHAMPUS**
2 **PAYMENT RULES TO PRIVATE CHAMPUS PRO-**
3 **VIDERS FOR CARE PROVIDED TO ENROLLEES**
4 **IN HEALTH CARE PLANS OF UNIFORMED**
5 **SERVICES TREATMENT FACILITIES.**

6 Section 1074(d)(1) of title 10, United States Code,
7 is amended—

8 (1) by striking out “may require” and inserting
9 in lieu thereof “shall require”;

10 (2) by striking out “member of the uniformed
11 services” and inserting in lieu thereof “covered bene-
12 ficiary”; and

13 (3) by striking out “when the health care” and
14 all that follows through “facility”.

15 **SEC. 705. ENHANCEMENT OF THIRD-PARTY COLLECTION**
16 **AND SECONDARY PAYER AUTHORITIES**
17 **UNDER CHAMPUS.**

18 (a) **RETENTION AND USE BY TREATMENT FACILI-**
19 **TIES OF AMOUNTS COLLECTED.**—Subsection (g)(1) of
20 section 1095 of title 10, United States Code, is amended
21 by inserting “or through” after “provided at”.

22 (b) **EXPANSION OF DEFINITION OF THIRD PARTY**
23 **PAYER.**—Subsection (h) of such section is amended—

24 (1) in the first sentence of paragraph (1), by
25 inserting “and a workers’ compensation program or
26 plan” before the period; and

1 (2) in paragraph (2)—

2 (A) by striking out “organization and” and
3 inserting in lieu thereof a “organization,”; and

4 (B) by inserting “, and a personal injury
5 protection plan or medical payments benefit
6 plan for personal injuries resulting from the op-
7 eration of a motor vehicle” before the period.

8 (c) **APPLICABILITY OF SECONDARY PAYER REQUIRE-**
9 **MENT.**—Section 1079(j)(1) of such title is amended by in-
10 sserting “, including any plan offered by a third party
11 payer (as defined in section 1095(h)(1) of this title),”
12 after “or health plan”.

13 **SEC. 706. CODIFICATION OF AUTHORITY TO CREDIT**
14 **CHAMPUS COLLECTIONS TO PROGRAM AC-**
15 **COUNTS.**

16 (a) **CREDITS TO CHAMPUS ACCOUNTS.**—Chapter
17 55 of title 10, United States Code, is amended by inserting
18 after section 1079 the following:

19 **“§ 1079a. Crediting of CHAMPUS collections to pro-**
20 **gram accounts**

21 “All refunds and other amounts collected by or for
22 the United States in the administration of the Civilian
23 Health and Medical Program of the Uniformed Services
24 (CHAMPUS) shall be credited to the appropriation avail-

1 able for that program for the fiscal year in which col-
2 lected.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of such chapter is amended by inserting
5 after the item relating to section 1079 the following new
6 item:

“1079a. Crediting of CHAMPUS collections to program accounts.”.

7 **SEC. 707. COMPTROLLER GENERAL REVIEW OF HEALTH**
8 **CARE ACTIVITIES OF THE DEPARTMENT OF**
9 **DEFENSE RELATING TO PERSIAN GULF ILL-**
10 **NESSES.**

11 (a) MEDICAL RESEARCH AND CLINICAL CARE PRO-
12 GRAMS.—The Comptroller General shall analyze the effec-
13 tiveness of the medical research programs and clinical care
14 programs of the Department of Defense that relate to ill-
15 nesses that might have been contracted by members of the
16 Armed Forces as a result of service in the Southwest Asia
17 theater of operations during the Persian Gulf War.

18 (b) EXPERIMENTAL DRUGS.—The Comptroller Gen-
19 eral shall analyze the scope and effectiveness of the poli-
20 cies of the Department of Defense with respect to the in-
21 vestigational use of drugs, the experimental use of drugs,
22 and the use of drugs not approved by the Food and Drug
23 Administration to treat illnesses referred to in subsection
24 (a).

1 (c) ADMINISTRATION OF MEDICAL RECORDS.—The
2 Comptroller General shall analyze the administration of
3 medical records by the military departments in order to
4 assess the extent to which such records accurately reflect
5 the pre-deployment medical assessments, immunization
6 records, informed consent releases, complaints during rou-
7 tine sick call, emergency room visits, visits with unit med-
8 ics during deployment, and other relevant medical infor-
9 mation relating to the members and former members re-
10 ferred to in subsection (a) with respect to the illnesses re-
11 ferred to in that subsection.

12 (d) REPORTS.—The Comptroller General shall sub-
13 mit to Congress a separate report on each of the analyses
14 required under subsections (a), (b), and (c). The Comp-
15 troller General shall submit the reports not later than
16 March 1, 1997.

17 **TITLE VIII—ACQUISITION POL-**
18 **ICY, ACQUISITION MANAGE-**
19 **MENT, AND RELATED MAT-**
20 **TERS**

21 **SEC. 801. PROCUREMENT TECHNICAL ASSISTANCE PRO-**
22 **GRAMS.**

23 (a) FUNDING.—Of the amount authorized to be ap-
24 propriated under section 301(5), \$12,000,000 shall be

1 available for carrying out the provisions of chapter 142
2 of title 10, United States Code.

3 (b) SPECIFIC PROGRAMS.—Of the amounts made
4 available pursuant to subsection (a), \$600,000 shall be
5 available for fiscal year 1997 for the purpose of carrying
6 out programs sponsored by eligible entities referred to in
7 subparagraph (D) of section 2411(1) of title 10, United
8 States Code, that provide procurement technical assist-
9 ance in distressed areas referred to in subparagraph (B)
10 of section 2411(2) of such title. If there is an insufficient
11 number of satisfactory proposals for cooperative agree-
12 ments in such distressed areas to allow effective use of
13 the funds made available in accordance with this sub-
14 section in such areas, the funds shall be allocated among
15 the Defense Contract Administration Services regions in
16 accordance with section 2415 of such title.

17 **SEC. 802. EXTENSION OF PILOT MENTOR-PROTEGE PRO-**
18 **GRAM.**

19 Section 831(j) of the National Defense Authorization
20 Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amend-
21 ed—

22 (1) in paragraph (1), by striking out “1995”
23 and inserting in lieu thereof “1998”; and

24 (2) in paragraph (2), by striking out “1996”
25 and inserting in lieu thereof “1999”.

1 **SEC. 803. MODIFICATION OF AUTHORITY TO CARRY OUT**
2 **CERTAIN PROTOTYPE PROJECTS.**

3 (a) **AUTHORIZED OFFICIALS.**—(1) Subsection (a) of
4 section 845 of the National Defense Authorization Act for
5 Fiscal Year 1994 (107 Stat. 1547; 10 U.S.C. 2371 note)
6 is amended by inserting “, the Secretary of a military de-
7 partment, or any other official designated by the Secretary
8 of Defense” after “Agency”.

9 (2) Subsection (b)(2) of such section is amended to
10 read as follows:

11 “(2) To the maximum extent practicable, competitive
12 procedures shall be used when entering into agreements
13 to carry out projects under subsection (a).”.

14 (b) **EXTENSION OF AUTHORITY.**—Subsection (c) of
15 such section is amended by striking out “terminate” and
16 all that follows and inserting in lieu thereof “terminate
17 at the end of September 30, 2001.”.

18 **SEC. 804. REVISIONS TO THE PROGRAM FOR THE ASSESS-**
19 **MENT OF THE NATIONAL DEFENSE TECH-**
20 **NOLOGY AND INDUSTRIAL BASE.**

21 (a) **NATIONAL DEFENSE PROGRAM FOR ANALYSIS**
22 **OF THE TECHNOLOGY AND INDUSTRIAL BASE.**—Section
23 2503 of title 10, United States Code, is amended—

24 (1) in subsection (a)—

25 (A) by striking out “(1) The Secretary of
26 Defense, in consultation with the National De-

1 fense Technology and Industrial Base Council”
2 in paragraph (1) and inserting in lieu thereof
3 “The Secretary of Defense, in consultation with
4 the Secretary of Commerce”; and

5 (B) by striking out paragraphs (2), (3),
6 and (4); and

7 (2) in subsection (c)(3)(A)—

8 (A) by striking out “the National Defense
9 Technology and Industrial Base Council in”
10 and inserting in lieu thereof “the Secretary of
11 Defense for”; and

12 (B) by striking out “and the periodic plans
13 required by section 2506 of this title”.

14 (b) PERIODIC DEFENSE CAPABILITY ASSESS-
15 MENTS.—(1) Section 2505 of title 10, United States Code,
16 is amended to read as follows:

17 “**§ 2505. National technology and industrial base:**
18 **periodic defense capability assessments**

19 “(a) PERIODIC ASSESSMENT.—Each fiscal year, the
20 Secretary of Defense shall prepare selected assessments
21 of the capability of the national technology and industrial
22 base to attain the national security objectives set forth in
23 section 2501(a) of this title.

1 “(b) ASSESSMENT PROCESS.—The Secretary of De-
2 fense shall ensure that technology and industrial capability
3 assessments—

4 “(1) describe sectors or capabilities, their un-
5 derlying infrastructure and processes;

6 “(2) analyze present and projected financial
7 performance of industries supporting the sectors or
8 capabilities in the assessment; and

9 “(3) identify technological and industrial capa-
10 bilities and processes for which there is potential for
11 the national industrial and technology base not to be
12 able to support the achievement of national security
13 objectives.

14 “(c) FOREIGN DEPENDENCY CONSIDERATIONS.—In
15 the preparation of the periodic assessments, the Secretary
16 shall include considerations of foreign dependency.

17 “(d) INTEGRATED PROCESS.—The Secretary of De-
18 fense shall ensure that consideration of the technology and
19 industrial base assessments is integrated into the overall
20 budget, acquisition, and logistics support decision proc-
21 esses of the Department of Defense.”.

22 (2) Section 2502(b) of title 10, United States Code,
23 is amended—

24 (A) by striking out “the following responsibil-
25 ities:” and all that follows through “effective co-

1 operation” and inserting in lieu thereof “the respon-
2 sibility to ensure effective cooperation”; and

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

4 (3) by redesignating subparagraphs (A), (B),
5 and (C) as paragraphs (1), (2), and (3), respectively,
6 and adjusting the margin of such paragraphs two
7 ems to the left.

8 (c) REPEAL OF REQUIREMENT FOR PERIODIC DE-
9 FENSE CAPABILITY PLAN.—Section 2506 of title 10,
10 United States Code, is repealed.

11 (d) DEPARTMENT OF DEFENSE TECHNOLOGY AND
12 INDUSTRIAL BASE POLICY GUIDANCE.—Subchapter II of
13 chapter 148 of title 10, United States Code, is amended
14 by inserting after section 2505 the following new section
15 2506:

16 **“§ 2506. Department of Defense technology and in-**
17 **ustrial base policy guidance**

18 “(a) DEPARTMENTAL GUIDANCE.—The Secretary of
19 Defense shall prescribe departmental guidance for the at-
20 tainment of each of the national security objectives set
21 forth in section 2501(a) of this title. Such guidance shall
22 provide for technological and industrial capability consid-
23 erations to be integrated into the budget allocation, weap-
24 ons acquisition, and logistics support decision processes.

1 “(b) REPORT TO CONGRESS.—The Secretary of De-
2 fense shall report on the implementation of the depart-
3 mental guidance in the annual report to Congress submit-
4 ted pursuant to section 2508 of this title.”.

5 (e) ANNUAL REPORT TO CONGRESS.—Such sub-
6 chapter is amended by inserting after section 2507 the
7 following new section:

8 **“§ 2508. Annual report to Congress**

9 “The Secretary of Defense shall transmit to the Com-
10 mittee on Armed Services of the Senate and the Commit-
11 tee on National Security of the House of Representatives
12 by March 1 of each year a report which shall include the
13 following information:

14 “(1) A description of the departmental guidance
15 prepared pursuant to section 2506 of this title.

16 “(2) A description of the methods and analyses
17 being undertaken by the Department of Defense
18 alone or in cooperation with other Federal agencies,
19 to identify and address concerns regarding techno-
20 logical and industrial capabilities of the national
21 technology and industrial base.

22 “(3) A description of the assessments prepared
23 pursuant to section 2505 of this title and other anal-
24 yses used in developing the budget submission of the
25 Department of Defense for the next fiscal year.

1 “(4) Identification of each program designed to
2 sustain specific essential technological and industrial
3 capabilities and processes of the national technology
4 and industrial base.”.

5 (f) REPEAL OF REQUIREMENT TO COORDINATE THE
6 ENCOURAGEMENT OF TECHNOLOGY TRANSFER WITH
7 THE COUNCIL.—Subsection 2514(c) of title 10, United
8 States Code, is amended by striking out paragraph (5).

9 (g) CLERICAL AMENDMENTS.—The table of sections
10 at the beginning of subchapter II of chapter 148 of title
11 10, United States Code, is amended—

12 (1) by striking out the item relating to section
13 2506 and inserting in lieu thereof the following:

“2506. Department of Defense technology and industrial base policy guidance.”;

14 and

15 (2) by adding at the end the following:

“2508. Annual report to Congress.”.

16 (h) REPEAL OF SUPERSEDED AND EXECUTED
17 LAW.—Sections 4218, 4219, and 4220 of the National
18 Defense Authorization Act for Fiscal Year 1993 (Public
19 Law 102–484; 10 U.S.C. 2505 note and 2506 note) are
20 repealed.

1 **SEC. 805. PROCUREMENTS TO BE MADE FROM SMALL ARMS**
2 **INDUSTRIAL BASE FIRMS.**

3 (a) REQUIREMENT.—Chapter 146 of title 10, United
4 States Code, is amended by adding at the end the follow-
5 ing:

6 **“§ 2473. Procurements from the small arms industrial**
7 **base**

8 “(a) AUTHORITY TO DESIGNATE EXCLUSIVE
9 SOURCES.—To the extent that the Secretary of Defense
10 determines necessary to preserve the part of the national
11 technology and industrial base that supplies property and
12 services described in subsection (b), the Secretary may re-
13 quire that the procurements of such items for the Depart-
14 ment of Defense be made only from the firms listed in
15 the plan entitled ‘Preservation of Critical Elements of the
16 Small Arms Industrial Base’, dated January 8, 1994, that
17 was prepared by an independent assessment panel of the
18 Army Science Board.

19 “(b) COVERED ITEMS.—The authority provided in
20 subsection (a) applies to the following property and serv-
21 ices:

22 “(1) Repair parts for small arms.

23 “(2) Modifications of parts to improve small
24 arms used by the armed forces.

25 “(3) Overhaul of unserviceable small arms of
26 the armed forces.”.

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

“2473. Procurements from the small arms industrial base.”.

4 **SEC. 806. EXCEPTION TO PROHIBITION ON PROCUREMENT**
 5 **OF FOREIGN GOODS.**

6 Section 2534(d)(3) of title 10, United States Code,
 7 is amended by inserting “or would impede the reciprocal
 8 procurement of defense items under a memorandum of un-
 9 derstanding providing for reciprocal procurement of de-
 10 fense items that is entered into under section 2531 of this
 11 title,” after “a foreign country,”.

12 **SEC. 807. TREATMENT OF DEPARTMENT OF DEFENSE**
 13 **CABLE TELEVISION FRANCHISE AGREE-**
 14 **MENTS.**

15 (a) TREATMENT AS CONTRACT FOR TELECOMMUNI-
 16 CATIONS SERVICES.—Subject to subsection (b), a cable
 17 television franchise agreement for the Department of De-
 18 fense shall be considered a contract for telecommuni-
 19 cations services for purposes of part 49 of the Federal Ac-
 20 quisition Regulation.

21 (b) LIMITATION.—The treatment of a cable television
 22 franchise agreement as a contract for telecommunications
 23 services shall be subject to such terms, conditions, limita-
 24 tions, restrictions, and requirements relating to the power
 25 of the executive branch to treat such an agreement as such

1 a contract as are identified in the advisory opinion re-
2 quired under section 823 of the National Defense Author-
3 ization Act for Fiscal Year 1996 (Public Law 104–106;
4 110 Stat. 399).

5 (c) APPLICABILITY.—This section applies to cable tel-
6 evision franchise agreements for the Department of De-
7 fense only if the United States Court of Federal Claims
8 states in an advisory opinion referred to in subsection (b)
9 that it is within the power of the executive branch to treat
10 cable television franchise agreements for the construction,
11 installation, or capital improvement of cable television sys-
12 tems at military installations of the Department of De-
13 fense as contracts under part 49 of the Federal Acquisi-
14 tion Regulation without violating title VI of the Commu-
15 nications Act of 1934 (47 U.S.C. 521 et seq.).

16 **SEC. 808. REMEDIES FOR REPRISALS AGAINST CONTRAC-**
17 **TOR EMPLOYEE WHISTLEBLOWERS.**

18 Section 2409(c)(1) of title 10, United States Code,
19 is amended by striking out subparagraph (B) and insert-
20 ing in lieu thereof the following:

21 “(B) Order the contractor either—

22 “(i) to reinstate the person to the position
23 that the person held before the reprisal, to-
24 gether with the compensation (including back
25 pay), employment benefits, and other terms and

1 conditions of employment that would apply to
2 the person in that position if the reprisal had
3 not been taken; or

4 “(ii) without reinstating the person, to pay
5 the person an amount equal to the compensa-
6 tion (including back pay) that, if the reprisal
7 had not been taken, would have been paid the
8 person in that position up to the date on which
9 the head of the agency determines that the per-
10 son has been subjected to a reprisal prohibited
11 under subsection (a).”.

12 **SEC. 809. IMPLEMENTATION OF INFORMATION TECH-**
13 **NOLOGY MANAGEMENT REFORM.**

14 (a) REPORT.—(1) The Secretary of Defense shall in-
15 clude in the report submitted in 1997 under section 381
16 of Public Law 103–337 (108 Stat. 2739) a discussion of
17 the following matters relating to information resources
18 management by the Federal Government:

19 (A) The progress made in implementing the In-
20 formation Technology Management Reform Act of
21 1996 (division E of Public Law 104–106; 110 Stat.
22 679; 40 U.S.C. 1401 et seq.) and the amendments
23 made by that Act.

24 (B) The progress made in implementing the
25 strategy for the development or modernization of

1 automated information systems for the Department
2 of Defense, as required by section 366 of Public
3 Law 104–106 (110 Stat 275; 10 U.S.C. 113 note).

4 (C) Plans of the Department of Defense for es-
5 tablishing an integrated framework for management
6 of information resources within the department.

7 (2) The discussion of matters under paragraph (1)
8 shall specifically include a discussion of the following:

9 (A) The status of the implementation of a set
10 of strategic, outcome-oriented performance meas-
11 ures.

12 (B) The specific actions being taken to link the
13 proposed performance measures to the planning,
14 programming, and budgeting system of the Depart-
15 ment of Defense and to the life-cycle management
16 processes of the department.

17 (C) The results of pilot program testing of pro-
18 posed performance measures.

19 (D) The additional training necessary for the
20 implementation of performance-based information
21 management.

22 (E) Plans for integrating management improve-
23 ment programs of the Department of Defense.

1 (F) The department-wide actions that are nec-
2 essary to comply with the requirements of the follow-
3 ing provisions of law:

4 (i) The amendments made by the Govern-
5 ment Performance and Results Act of 1993
6 (Public Law 103–62; 107 Stat. 285).

7 (ii) The Information Management Reform
8 Act of 1996 (division E of Public Law 104–
9 106; 110 Stat 679; 40 U.S.C. 1401 et seq.) and
10 the amendments made by that Act.

11 (iii) Title V of the Federal Acquisition
12 Management Streamlining Act of 1994 (Public
13 Law 103–355; 108 Stat. 3349) and the amend-
14 ments made by that title.

15 (iv) The Chief Financial Officers Act of
16 1990 (Public Law 101–576; 104 Stat. 2838)
17 and the amendments made by that Act.

18 (G) A strategic information resources plan for
19 the Department of Defense that is based on the
20 strategy of the Secretary of Defense for support of
21 the department’s overall strategic goals by the core
22 and supporting processes of the department.

23 (b) YEAR 2000 SOFTWARE CONVERSION.—(1) The
24 Secretary of Defense shall ensure that all information
25 technology acquired by the Department of Defense pursu-

1 ant to contracts entered into after September 30, 1996,
2 have the capabilities that comply with time and date
3 standards established by the National Institute of Stand-
4 ards and Technology or, if there is no such standard, gen-
5 erally accepted industry standards for providing fault-free
6 processing of date and date-related data in 2000.

7 (2) The Secretary, acting through the chief informa-
8 tion officers within the department (as designated pursu-
9 ant to section 3506 of title 44, United States Code), shall
10 assess all information technology within the Department
11 of Defense to determine the extent to which such tech-
12 nology have the capabilities to operate effectively with
13 technology that meet the standards referred to in para-
14 graph (1).

15 (3) Not later than January 1, 1997, the Secretary
16 shall submit to Congress a detailed plan for eliminating
17 any deficiencies identified pursuant to paragraph (2). The
18 plan shall include—

19 (A) a prioritized list of all affected programs;

20 (B) a description of how the deficiencies could
21 affect the national security of the United States; and

22 (C) an estimate of the resources that are nec-
23 essary to eliminated the deficiencies.

1 **TITLE IX—DEPARTMENT OF DE-**
 2 **FENSE ORGANIZATION AND**
 3 **MANAGEMENT**

4 **Subtitle A—General Matters**

5 **SEC. 901. REPEAL OF REORGANIZATION OF OFFICE OF SEC-**
 6 **RETARY OF DEFENSE.**

7 Sections 901 and 903 of the National Defense Au-
 8 thorization Act for Fiscal Year 1996 (Public Law 104-
 9 106; 110 Stat. 399 and 401) are repealed.

10 **SEC. 902. CODIFICATION OF REQUIREMENTS RELATING TO**
 11 **CONTINUED OPERATION OF THE UNIFORMED**
 12 **SERVICES UNIVERSITY OF THE HEALTH**
 13 **SCIENCES.**

14 (a) CODIFICATION OF EXISTING LAW.—(1) Chapter
 15 104 of title 10, United States Code, is amended by insert-
 16 ing after section 2112 the following:

17 **“§ 2112a. Continued operation of University**

18 “(a) CLOSURE PROHIBITED.—The University may
 19 not be closed.

20 “(b) PERSONNEL STRENGTH.—During the five-year
 21 period beginning on October 1, 1996, the personnel staff-
 22 ing levels for the University may not be reduced below the
 23 personnel staffing levels for the University on October 1,
 24 1993.”

1 (2) The table of sections at the beginning of such
2 chapter is amended by inserting after the item relating
3 to section 2112 the following:

“2112a. Continued operation of University.”.

4 (b) **REPEAL OF SUPERSEDED LAW.**—(1) Section 922
5 of the National Defense Authorization Act for Fiscal Year
6 1995 (Public Law 103–337; 108 Stat. 282; 10 U.S.C.
7 2112 note) is amended by striking out subsection (a).

8 (2) Section 1071 of the National Defense Authoriza-
9 tion Act for Fiscal Year 1996 (Public Law 104–106; 110
10 Stat. 445; 10 U.S.C. 2112 note) is amended by striking
11 out subsection (b).

12 **SEC. 903. CODIFICATION OF REQUIREMENT FOR UNITED**
13 **STATES ARMY RESERVE COMMAND.**

14 (a) **REQUIREMENT FOR ARMY RESERVE COM-**
15 **MAND.**—(1) Chapter 307 of title 10, United States Code,
16 is amended by inserting after section 3074 the following:
17 **“§ 3074a. United States Army Reserve Command**

18 “(a) **COMMAND.**—The United States Army Reserve
19 Command is a separate command of the Army com-
20 manded by the Chief of Army Reserve.

21 “(b) **CHAIN OF COMMAND.**—Except as otherwise pre-
22 scribed by the Secretary of Defense, the Secretary of the
23 Army shall prescribe the chain of command for the United
24 States Army Reserve Command.

1 “(c) ASSIGNMENT OF FORCES.—The Secretary of the
2 Army—

3 “(1) shall assign to the United States Army Re-
4 serve Command all forces of the Army Reserve in
5 the continental United States other than forces as-
6 signed to the unified combatant command for special
7 operations forces established pursuant to section 167
8 of this title; and

9 “(2) except as otherwise directed by the Sec-
10 retary of Defense in the case of forces assigned to
11 carry out functions of the Secretary of the Army
12 specified in section 3013 of this title, shall assign all
13 such forces of the Army Reserve to the commander
14 of the United States Atlantic Command.”.

15 (2) The table of sections at the beginning of such
16 chapter is amended by inserting after the item relating
17 to section 3074 the following:

“3074a. United States Army Reserve Command.”.

18 (b) REPEAL OF SUPERSEDED LAW.—Section 903 of
19 the National Defense Authorization Act for Fiscal Year
20 1991 (Public Law 101–510; 104 Stat. 1620; 10 U.S.C.
21 3074 note) is repealed.

22 **SEC. 904. TRANSFER OF AUTHORITY TO CONTROL TRANS-**
23 **PORTATION SYSTEMS IN TIME OF WAR.**

24 (a) AUTHORITY OF SECRETARY OF DEFENSE.—Sec-
25 tion 4742 of title 10, United States Code, is amended by

1 striking out “Secretary of the Army” and inserting in lieu
2 thereof “Secretary of Defense”.

3 (b) TRANSFER OF SECTION.—Such section, as
4 amended by subsection (a), is transferred to the end of
5 chapter 157 of such title and is redesignated as section
6 2644.

7 (c) CONFORMING AMENDMENT.—Section 9742 of
8 such title is repealed.

9 (d) CLERICAL AMENDMENTS.—(1) The table of sec-
10 tions at the beginning of chapter 157 of such title is
11 amended by inserting after the item relating to section
12 2643 the following new item:

“2644. Control of transportation systems in time of war.”.

13 (2) The table of sections at the beginning of chapter
14 447 of such title is amended by striking out the item relat-
15 ing to section 4742.

16 (3) The table of sections at the beginning of chapter
17 947 of such title is amended by striking out the item relat-
18 ing to section 9742.

19 **SEC. 905. EXECUTIVE OVERSIGHT OF DEFENSE HUMAN IN-**
20 **TELLIGENCE PERSONNEL.**

21 Section 193 of title 10, United States Code, is
22 amended—

23 (1) by redesignating subsection (f) as sub-
24 section (g); and

1 (2) by inserting after subsection (e) the follow-
2 ing new subsection (f):

3 “(f) HUMAN INTELLIGENCE PERSONNEL.—(1) Not-
4 withstanding any other provision of law, subject to the au-
5 thority, direction, and control of the President, the Sec-
6 retary of Defense shall perform the responsibility within
7 the executive branch for oversight of the clandestine activi-
8 ties of Department of Defense human intelligence person-
9 nel. The Secretary may delegate authority to carry out
10 such responsibility only to the Deputy Secretary of De-
11 fense.”.

12 **SEC. 906. COORDINATION OF DEFENSE INTELLIGENCE**
13 **PROGRAMS AND ACTIVITIES.**

14 (a) DIRECTOR OF MILITARY INTELLIGENCE AND DE-
15 FENSE INTELLIGENCE BOARD.—Subchapter II of chapter
16 8 of title 10, United States Code, is amended by adding
17 at the end the following:

18 **“§ 203. Director of Military Intelligence; Defense In-**
19 **telligence Board**

20 “(a) DESIGNATION OF DIRECTOR.—The Director of
21 the Defense Intelligence Agency is the Director of Military
22 Intelligence. The Director performs the duties of the posi-
23 tion under the authority, direction, and control of the Sec-
24 retary of Defense and reports directly to the Secretary.

1 “(b) DUTIES.—In addition to any other duties that
2 are assigned to the Director by the Secretary of Defense,
3 the Director—

4 “(1) manages the General Defense Intelligence
5 Program; and

6 “(2) is Chairman of the Military Intelligence
7 Board.

8 “(c) MILITARY INTELLIGENCE BOARD.—(1) There is
9 a Military Intelligence Board within the Department of
10 Defense.

11 “(2) The Military Intelligence Board consists of the
12 Director of Military Intelligence, the Director of the Na-
13 tional Security Agency, the Director of the National Im-
14 agery and Mapping Agency, the Director of the Defense
15 Information Systems Agency, the senior intelligence offi-
16 cer of each armed force (as designated by the Secretary
17 of the military department having jurisdiction over that
18 armed force or, in the case of the Coast Guard, the Com-
19 mandant of the Coast Guard), the Deputy Director of the
20 Defense Intelligence Agency, the Director for Joint Staff
21 Intelligence, and any other persons designated as members
22 of the board by the Secretary of Defense.

23 “(3) The Military Intelligence Board shall be the
24 principal forum for coordination of the intelligence pro-
25 grams and activities of the Department of Defense.”.

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

“203. Director of Military Intelligence; Military Intelligence Board.”.

4 **SEC. 907. REDESIGNATION OF OFFICE OF NAVAL RECORDS**
5 **AND HISTORY FUND AND CORRECTION OF**
6 **RELATED REFERENCES.**

7 (a) NAME OF FUND.—Subsection (a) of section 7222
8 of title 10, United States Code, is amended by striking
9 out “‘Office of Naval Records and History Fund’” in the
10 second sentence and inserting in lieu thereof “‘Naval His-
11 torical Center Fund’”.

12 (b) CORRECTION OF REFERENCE TO ADMINISTERING
13 OFFICE.—Subsection (a) of such section, as amended by
14 subsection (a), is further amended by striking out “Office
15 of Naval Records and History” in the first sentence and
16 inserting in lieu thereof “Naval Historical Center”.

17 (c) CONFORMING REFERENCE.—Subsection (c) of
18 such section is amended by striking out “Office of Naval
19 Records and History Fund” in the second sentence and
20 inserting in lieu thereof “Naval Historical Center Fund”.

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

1 **“§ 7222. Naval Historical Center Fund”.**

2 (2) The item relating to such section in the table of
3 sections at the beginning of chapter 631 of title 10, United
4 States Code, is amended to read as follows:

“7222. Naval Historical Center Fund.”.

5 **Subtitle B—National Imagery and**
6 **Mapping Agency**

7 **SEC. 911. SHORT TITLE.**

8 This subtitle may be cited as the “National Imagery
9 and Mapping Agency Act of 1996”.

10 **SEC. 912. FINDINGS.**

11 Congress makes the following findings:

12 (1) There is a need within the Department of
13 Defense and the Intelligence Community of the
14 United States to provide a single agency focus for
15 the growing number and diverse types of customers
16 for imagery and geospatial information resources
17 within the Government, to ensure visibility and ac-
18 countability for those resources, and to harness, le-
19 verage, and focus rapid technological developments
20 to serve the imagery, imagery intelligence, and
21 geospatial information customers.

22 (2) There is a need for a single Government
23 agency to solicit and advocate the needs of that
24 growing and diverse pool of customers.

1 (3) A single combat support agency dedicated
2 to imagery, imagery intelligence, and geospatial in-
3 formation could act as a focal point for support of
4 all imagery intelligence and geospatial information
5 customers, including customers in the Department
6 of Defense, the Intelligence Community, and related
7 agencies outside of the Department of Defense.

8 (4) Such an agency would best serve the needs
9 of the imagery, imagery intelligence, and geospatial
10 information customers if it were organized—

11 (A) to carry out its mission responsibilities
12 under the authority, direction, and control of
13 the Secretary of Defense, with the advice of the
14 Chairman of the Joint Chiefs of Staff; and

15 (B) to carry out its responsibilities to na-
16 tional intelligence customers in accordance with
17 policies and priorities established by the Direc-
18 tor of Central Intelligence.

19 **PART I—ESTABLISHMENT**

20 **SEC. 921. ESTABLISHMENT, MISSIONS, AND AUTHORITY.**

21 (a) ESTABLISHMENT IN TITLE 10, UNITED STATES
22 CODE.—Part I of subtitle A of title 10, United States
23 Code, is amended—

24 (1) by redesignating chapter 22 as chapter 23;

25 and

1 (2) by inserting after chapter 21 the following
 2 new chapter 22:

3 **“CHAPTER 22—NATIONAL IMAGERY AND**
 4 **MAPPING AGENCY**

“Subchapter	Sec.
“I. Establishment, Missions, and Authority	441
“II. Maps, Charts, and Geodetic Products	451
“III. Personnel Management	461
“IV. Definitions	471

5 **“SUBCHAPTER I—ESTABLISHMENT, MISSIONS,**
 6 **AND AUTHORITY**

“Sec.	
“441. Establishment.	
“442. Missions.	
“443. Imagery intelligence and geospatial information support for foreign coun- tries	
“444. Support from Central Intelligence Agency.	
“445. Limitation on oversight by Inspector General of the Central Intelligence Agency.	
“446. Protection of agency identifications and organizational information.	

7 **“§ 441. Establishment**

8 “(a) ESTABLISHMENT.—The National Imagery and
 9 Mapping Agency is a combat support agency of the De-
 10 partment of Defense.

11 “(b) DIRECTOR.—(1) The Director of the National
 12 Imagery and Mapping Agency is the head of the agency.
 13 The President shall appoint the Director, by and with the
 14 advice and consent of the Senate, from among the officers
 15 of the regular components of the armed forces.

16 “(2) The position of Director is a position of impor-
 17 tance and responsibility for purposes of section 601 of this

1 title and carries the grade of lieutenant general or, in the
2 case of an officer of the Navy, vice admiral.

3 **“§ 442. Missions**

4 “(a) DEPARTMENT OF DEFENSE MISSIONS.—The
5 National Imagery and Mapping Agency shall—

6 “(1) provide timely, relevant, and accurate im-
7 agery, imagery intelligence, and geospatial informa-
8 tion in support of the national security objectives of
9 the United States;

10 “(2) improve means of navigating vessels of the
11 Navy and the merchant marine by providing, under
12 the authority of the Secretary of Defense, accurate
13 and inexpensive nautical charts, sailing directions,
14 books on navigation, and manuals of instructions for
15 the use of all vessels of the United States and of
16 navigators generally; and

17 “(3) prepare and distribute maps, charts,
18 books, and geodetic products as authorized under
19 subchapter II of this chapter.

20 “(b) NATIONAL MISSION.—(1) The National Imagery
21 and Mapping Agency shall also support the imagery re-
22 quirements of the Department of State and other depart-
23 ments and agencies of the United States outside the De-
24 partment of Defense.

1 “(2)(A) The Director of Central Intelligence shall es-
2 tablish requirements and priorities to govern the collection
3 of national intelligence by the National Imagery and Map-
4 ping Agency under paragraph (1).

5 “(B) The Director of Central Intelligence shall de-
6 velop and implement such policies and programs as the
7 Secretary of Defense and the Director jointly determine
8 necessary to review and correct deficiencies identified in
9 the capabilities of the National Imagery and Mapping
10 Agency to accomplish assigned national missions. The Di-
11 rector shall consult with the Secretary of Defense on the
12 development and implementation of such policies and pro-
13 grams. The Secretary of Defense shall obtain the advice
14 of the Chairman of the Joint Chiefs of Staff regarding
15 the matters on which the Director and the Secretary are
16 to consult under the preceding sentence.

17 “(C) The President may direct the Secretary of De-
18 fense to exercise authority of the Director of Central Intel-
19 ligence under subparagraphs (A) and (B) during a war,
20 military crisis, or military operation.

21 “(c) LIFE CYCLE SUPPORT.—The National Imagery
22 and Mapping Agency may, in furtherance of a mission of
23 the agency, design, develop, deploy, operate, and maintain
24 systems related to the processing and dissemination of im-

1 imagery intelligence and geospatial information that may be
2 transferred to, accepted or used by, or used on behalf of—

3 “(1) the armed forces, including any combatant
4 command, component of a combatant command,
5 joint task force, or tactical unit; or

6 “(2) to any other department or agency of the
7 United States.

8 **“§ 443. Imagery intelligence and geospatial informa-**
9 **tion support for foreign countries**

10 “(a) APPROPRIATED FUNDS.—The Director of the
11 National Imagery and Mapping Agency may use appro-
12 priated funds available to the National Imagery and Map-
13 ping Agency to provide foreign countries with imagery in-
14 telligence and geospatial information support.

15 “(b) FUNDS OTHER THAN APPROPRIATED FUNDS.—
16 (1) Subject to paragraphs (2), (3), and (4), the Director
17 is also authorized to use funds other than appropriated
18 funds to provide foreign countries with imagery intel-
19 ligence and geospatial information support.

20 “(2) Funds other than appropriated funds may not
21 be expended, in whole or in part, by or for the benefit
22 of the National Imagery and Mapping Agency for a pur-
23 pose for which Congress had previously denied funds.

1 “(3) Proceeds from the sale of imagery intelligence
2 or geospatial information items may be used only to pur-
3 chase replacement items similar to the items that are sold.

4 “(4) Funds other than appropriated funds may not
5 be expended to acquire items or services for the principal
6 benefit of the United States.

7 “(5) The authority to use funds other than appro-
8 priated funds under this section may be exercised notwith-
9 standing provisions of law relating to the expenditure of
10 funds of the United States.

11 “(c) ACCOMMODATION PROCUREMENTS.—The au-
12 thority under this section may be exercised to conduct ac-
13 commodation procurements on behalf of foreign countries.

14 “(d) COORDINATION WITH DIRECTOR OF CENTRAL
15 INTELLIGENCE.—The Director shall coordinate with the
16 Director of Central Intelligence any action under this sec-
17 tion that involves imagery intelligence or intelligence prod-
18 ucts or involves providing support to an intelligence or se-
19 curity service of a foreign country.

20 **“§ 444. Support from Central Intelligence Agency**

21 “(a) SUPPORT AUTHORIZED.—The Director of
22 Central Intelligence may provide support in accordance
23 with this section to the Director of the National Imagery
24 and Mapping Agency. The Director of the National Im-

1 agery and Mapping Agency may accept support provided
2 under this section.

3 “(b) ADMINISTRATIVE AND CONTRACT SERVICES.—

4 (1) In furtherance of the national intelligence effort, the
5 Director of Central Intelligence may provide administra-
6 tive and contract services to the National Imagery and
7 Mapping Agency as if that agency were an organizational
8 element of the Central Intelligence Agency.

9 “(2) Services provided under paragraph (1) may in-
10 clude the services of security police. For purposes of sec-
11 tion 15 of the Central Intelligence Agency Act of 1949
12 (50 U.S.C. 403o), an installation of the National Imagery
13 and Mapping Agency provided security police services
14 under this section shall be considered an installation of
15 the Central Intelligence Agency.

16 “(3) Support provided under this subsection shall be
17 provided under terms and conditions agreed upon by the
18 Secretary of Defense and the Director of Central Intel-
19 ligence.

20 “(c) DETAIL OF PERSONNEL.—The Director of
21 Central Intelligence may detail Central Intelligence Agen-
22 cy personnel indefinitely to the National Imagery and
23 Mapping Agency without regard to any limitation on the
24 duration of interagency details of Federal Government
25 personnel.

1 “(d) REIMBURSABLE OR NONREIMBURSABLE SUP-
2 PORT.—Support under this section may be provided and
3 accepted on either a reimbursable basis or a nonreimburs-
4 able basis.

5 “(e) AUTHORITY TO TRANSFER FUNDS.—(1) The
6 Director of the National Imagery and Mapping Agency
7 may transfer funds available for the agency to the Direc-
8 tor of Central Intelligence for the Central Intelligence
9 Agency.

10 “(2) The Director of Central Intelligence—

11 “(A) may accept funds transferred under para-
12 graph (1); and

13 “(B) shall expend such funds, in accordance
14 with the Central Intelligence Agency Act of 1949
15 (50 U.S.C. 403a et seq.), to provide administrative
16 and contract services or detail personnel to the Na-
17 tional Imagery and Mapping Agency under this sec-
18 tion.

19 **“§ 445. Limitation on oversight by Inspector General**
20 **of the Central Intelligence Agency**

21 “The Inspector General of the Central Intelligence
22 Agency may not conduct any inspection, investigation, or
23 audit of the National Imagery and Mapping Agency with-
24 out the written consent of the Inspector General of the
25 Department of Defense. In conducting an inspection, in-

1 vestigation, or audit of the National Imagery and Mapping
2 Agency, the Inspector General of the Central Intelligence
3 Agency shall be subject to the authority, direction, and
4 control of the Secretary of Defense to the same extent as
5 is the Inspector General of the Department of Defense
6 under section 8 of the Inspector General Act of 1978 (5
7 U.S.C. App.).

8 **“§ 446. Protection of agency identifications and orga-**
9 **nizational information**

10 “(a) UNAUTHORIZED USE OF AGENCY NAME, INI-
11 TIALS, OR SEAL.—(1) Except with the written permission
12 of the Secretary of Defense, no person may knowingly use,
13 in connection with any merchandise, retail product, imper-
14 sonation, solicitation, or commercial activity in a manner
15 reasonably calculated to convey the impression that such
16 use is approved, endorsed, or authorized by the Secretary
17 of Defense, any of the following:

18 “(A) The words ‘National Imagery and Map-
19 ping Agency’, the initials ‘NIMA’, or the seal of the
20 National Imagery and Mapping Agency.

21 “(B) The words ‘Defense Mapping Agency’, the
22 initials ‘DMA’, or the seal of the Defense Mapping
23 Agency.

24 “(C) Any colorable imitation of such words, ini-
25 tials, or seals.

“454. Exchange of mapping, charting, and geodetic data with foreign countries and international organizations.

“455. Maps, charts, and geodetic data: public availability; exceptions.

“456. Civil actions barred.

1 “SUBCHAPTER III—PERSONNEL MANAGEMENT

“Sec.

“461. Civilian personnel management generally.

“462. National Imagery and Mapping Senior Executive Service.

“463. Management rights.

2 “§ 461. Civilian personnel management generally

3 “(a) GENERAL PERSONNEL AUTHORITY.—The Sec-
4 retary of Defense may, without regard to the provisions
5 of any other law relating to the appointment, number,
6 classification, or compensation of Federal employees—

7 “(1) establish such excepted service positions
8 for employees in the National Imagery and Mapping
9 Agency as the Secretary considers necessary to carry
10 out the functions of those agencies, including posi-
11 tions designated under subsection (f) as National
12 Imagery and Mapping Senior Level positions;

13 “(2) appoint individuals to those positions; and

14 “(3) fix the compensation for service in those
15 positions.

16 “(b) AUTHORITY TO FIX RATES OF BASIC PAY AND
17 OTHER ALLOWANCES AND BENEFITS.—(1) The Secretary
18 of Defense shall, subject to subsection (c), fix the rates
19 of basic pay for positions established under subsection (a)
20 in relation to the rates of basic pay provided in subpart
21 D of part III of title 5 for positions subject to that title

1 which have corresponding levels of duties and responsibil-
2 ities. Except as otherwise provided by law, an employee
3 of the National Imagery and Mapping Agency may not
4 be paid basic pay at a rate in excess of the maximum rate
5 payable under section 5376 of title 5.

6 “(2) The Secretary of Defense may provide employees
7 in positions of the National Imagery and Mapping Agency
8 compensation (in addition to basic pay under paragraph
9 (1)) and benefits, incentives, and allowances consistent
10 with, and not in excess of the levels authorized for, com-
11 parable positions authorized by title 5.

12 “(c) PREVAILING RATES SYSTEMS.—The Secretary
13 of Defense may, consistent with section 5341 of title 5,
14 adopt such provisions of that title as provide for prevailing
15 rate systems of basic pay and may apply those provisions
16 to positions in or under which the National Imagery and
17 Mapping Agency may employ individuals described in sec-
18 tion 5342(a)(2)(A) of such title.

19 “(d) ALLOWANCES BASED ON LIVING COSTS AND
20 ENVIRONMENT FOR EMPLOYEES STATIONED OUTSIDE
21 CONTINENTAL UNITED STATES OR IN ALASKA.—(1) In
22 addition to the basic compensation payable under sub-
23 section (b), employees of the National Imagery and Map-
24 ping Agency described in paragraph (3) may be paid an
25 allowance, in accordance with regulations prescribed by

1 the Secretary of Defense, at a rate not in excess of the
2 allowance authorized to be paid under section 5941(a) of
3 title 5 for employees whose rates of basic pay are fixed
4 by statute.

5 “(2) Such allowance shall be based on—

6 “(A) living costs substantially higher than in
7 the District of Columbia;

8 “(B) conditions of environment which—

9 “(i) differ substantially from conditions of
10 environment in the continental United States;
11 and

12 “(ii) warrant an allowance as a recruit-
13 ment incentive; or

14 “(C) both of those factors.

15 “(3) This subsection applies to employees who—

16 “(A) are citizens or nationals of the United
17 States; and

18 “(B) are stationed outside the continental Unit-
19 ed States or in Alaska.

20 “(e) TERMINATION OF EMPLOYEES.—(1) Notwith-
21 standing any other provision of law, the Secretary of De-
22 fense may terminate the employment of any employee of
23 the National Imagery and Mapping Agency if the Sec-
24 retary—

1 “(A) considers such action to be in the interests
2 of the United States; and

3 “(B) determines that the procedures prescribed
4 in other provisions of law that authorize the termi-
5 nation of the employment of such employee cannot
6 be invoked in a manner consistent with the national
7 security.

8 “(2) A decision by the Secretary of Defense to termi-
9 nate the employment of an employee under this subsection
10 is final and may not be appealed or reviewed outside the
11 Department of Defense.

12 “(3) The Secretary of Defense shall promptly notify
13 the Committee on National Security and the Permanent
14 Select Committee on Intelligence of the House of Rep-
15 resentatives and the Committee on Armed Services and
16 the Select Committee on Intelligence of the Senate when-
17 ever the Secretary terminates the employment of any em-
18 ployee under the authority of this subsection.

19 “(4) Any termination of employment under this sub-
20 section shall not affect the right of the employee involved
21 to seek or accept employment with any other department
22 or agency of the United States if that employee is declared
23 eligible for such employment by the Director of the Office
24 of Personnel Management.

1 “(5) The authority of the Secretary of Defense under
2 this subsection may be delegated only to the Deputy Sec-
3 retary of Defense and the Director of the National Im-
4 agery and Mapping Agency. An action to terminate em-
5 ployment of an employee by any such officer may be ap-
6 pealed to the Secretary of Defense.

7 “(f) NATIONAL IMAGERY AND MAPPING SENIOR
8 LEVEL POSITIONS.—(1) In carrying out subsection (a)(1),
9 the Secretary may designate positions described in para-
10 graph (3) as National Imagery and Mapping Senior Level
11 positions.

12 “(2) Positions designated under this subsection shall
13 be treated as equivalent for purposes of compensation to
14 the senior level positions to which section 5376 of title
15 5 is applicable.

16 “(3) Positions that may be designated as National
17 Imagery and Mapping Senior Level positions are positions
18 in the National Imagery and Mapping Agency that (A)
19 are classified above the GS–15 level, (B) emphasize func-
20 tion expertise and advisory activity, but (C) do not have
21 the organizational or program management functions nec-
22 essary for inclusion in the National Imagery and Mapping
23 Senior Executive Service.

24 “(4) Positions referred to in paragraph (3) include
25 National Imagery and Mapping Senior Technical positions

1 and National Imagery and Mapping Senior Professional
2 positions. For purposes of this subsection National Im-
3 agery and Mapping Senior Technical positions are posi-
4 tions covered by paragraph (3) if—

5 “(A) the positions involve—

6 “(i) research and development;

7 “(ii) test and evaluation;

8 “(iii) substantive analysis, liaison, or advi-
9 sory activity focusing on engineering, physical
10 sciences, computer science, mathematics, biol-
11 ogy, chemistry, medicine, or other closely relat-
12 ed scientific and technical fields; or

13 “(iv) intelligence disciplines including pro-
14 duction, collection, and operations in close asso-
15 ciation with any of the activities described in
16 clauses (i), (ii), and (iii) or related activities; or

17 “(B) the positions emphasize staff, liaison, ana-
18 lytical, advisory, or other activity focusing on intel-
19 ligence, law, finance and accounting, program and
20 budget, human resources management, training, in-
21 formation services, logistics, security, and other ap-
22 propriate fields.

23 “(g) ‘EMPLOYEE’ DEFINED AS INCLUDING OFFI-
24 CERS.—In this section, the term ‘employee’, with respect

1 to the National Imagery and Mapping Agency, includes
2 any civilian officer of that agency.

3 **“§ 462. National Imagery and Mapping Senior Execu-**
4 **tive Service**

5 “(a) ESTABLISHMENT.—The Secretary of Defense
6 may establish a National Imagery and Mapping Senior
7 Executive Service for senior civilian personnel within the
8 National Imagery and Mapping Agency.

9 “(b) REQUIREMENTS FOR THE SERVICE.—In estab-
10 lishing a National Imagery and Mapping Senior Executive
11 Service the Secretary shall—

12 “(1) meet the requirements set forth for the
13 Senior Executive Service in section 3131 of title 5;

14 “(2) ensure that the National Imagery and
15 Mapping Senior Executive Service positions satisfy
16 requirements that are consistent with the provisions
17 of section 3132(a)(2) of title 5;

18 “(3) prescribe rates of pay for the National Im-
19 agery and Mapping Senior Executive Service that
20 are not in excess of the maximum rate of basic pay,
21 nor less than the minimum rate of basic pay, estab-
22 lished for the Senior Executive Service under section
23 5382 of title 5;

24 “(4) provide for adjusting the rates of pay at
25 the same time and to the same extent as rates of

1 basic pay for the Senior Executive Service are ad-
2 justed;

3 “(5) provide a performance appraisal system for
4 the National Imagery and Mapping Senior Executive
5 Service that conforms to the provisions of sub-
6 chapter II of chapter 43 of title 5;

7 “(6) provide for removal consistent with section
8 3592 of title 5, and removal or suspension consistent
9 with subsections (a), (b), and (c) of section 7543 of
10 title 5 (except that any hearing or appeal to which
11 a member of the National Imagery and Mapping
12 Senior Executive Service is entitled shall be held or
13 decided pursuant to procedures established by the
14 Secretary of Defense);

15 “(7) permit the payment of performance awards
16 to members of the National Imagery and Mapping
17 Senior Executive Service consistent with the provi-
18 sions applicable to performance awards under sec-
19 tion 5384 of title 5;

20 “(8) provide that members of the National Im-
21 agery and Mapping Senior Executive Service may be
22 granted sabbatical leaves consistent with the provi-
23 sions of section 3396(c) of title 5; and

24 “(9) provide for the recertification of members
25 of the National Imagery and Mapping Senior Execu-

1 tive Service consistent with the provisions of section
2 3393a of title 5.

3 “(c) AUTHORITY.—Except as otherwise provided in
4 subsection (b), the Secretary of Defense may—

5 “(1) make applicable to the National Imagery
6 and Mapping Senior Executive Service any of the
7 provisions of title 5 that are applicable to applicants
8 for or members of the Senior Executive Service; and

9 “(2) appoint, promote, and assign individuals to
10 positions established within the National Imagery
11 and Mapping Senior Executive Service without re-
12 gard to the provisions of title 5 governing appoint-
13 ments and other personnel actions in the competitive
14 service.

15 “(d) AWARD OF RANK.—The President, based on the
16 recommendations of the Secretary of Defense, may award
17 ranks to individuals who occupy positions in the National
18 Imagery and Mapping Senior Executive Service in a man-
19 ner consistent with the provisions of section 4507 of title
20 5.

21 “(e) DETAILS AND ASSIGNMENTS.—Notwithstanding
22 any other provisions of this section, the Secretary of De-
23 fense may detail or assign any member of the National
24 Imagery and Mapping Senior Executive Service to serve
25 in a position outside the National Imagery and Mapping

1 Agency in which the member's expertise and experience
2 may be of benefit to the National Imagery and Mapping
3 Agency or another Government agency. Any such member
4 shall not by reason of such detail or assignment lose any
5 entitlement or status associated with membership in the
6 National Imagery and Mapping Senior Executive Service.

7 **“§ 463. Management rights**

8 “(a) SCOPE.—If there is no obligation under the pro-
9 visions of chapter 71 of title 5 for the head of an agency
10 of the United States to consult or negotiate with a labor
11 organization on a particular matter by reason of that mat-
12 ter being covered by a provision of law or a Government-
13 wide regulation, the Director of the National Imagery and
14 Mapping Agency is not obligated to consult or negotiate
15 with a labor organization on that matter even if that provi-
16 sion of law or regulation is inapplicable to the National
17 Imagery and Mapping Agency.

18 “(b) BARGAINING UNITS.—The National Imagery
19 and Mapping Agency shall accord exclusive recognition to
20 a labor organization under section 7111 of title 5 only for
21 a bargaining unit that was recognized as appropriate for
22 the Defense Mapping Agency on the day before the date
23 on which employees and positions of the Defense Mapping
24 Agency in that bargaining unit became employees and po-
25 sitions of the National Imagery and Mapping Agency

1 under the National Imagery and Mapping Agency Act of
2 1996 (subtitle B of title IX of the National Defense Au-
3 thorization Act for Fiscal Year 1997).

4 “(c) TERMINATION OF BARGAINING UNIT COVERAGE
5 OF POSITION MODIFIED TO AFFECT NATIONAL SECUR-
6 RITY DIRECTLY.—(1) If the Director of the National Im-
7 agery and Mapping Agency determines that the respon-
8 sibilities of a position within a collective bargaining unit
9 should be modified to include intelligence, counterintel-
10 ligence, investigative, or security duties not previously as-
11 signed to that position and that the performance of the
12 newly assigned duties directly affects the national security
13 of the United States, then, upon such a modification of
14 the responsibilities of that position, the position shall cease
15 to be covered by the collective bargaining unit and the em-
16 ployee in that position shall cease to be entitled to rep-
17 resentation by a labor organization accorded exclusive rec-
18 ognition for that collective bargaining unit.

19 “(2) A determination described in paragraph (1) that
20 is made by the Director of the National Imagery and Map-
21 ping Agency may not be reviewed by the Federal Labor
22 Relations Authority or any court of the United States.

23 “SUBCHAPTER IV—DEFINITIONS

“Sec.

“471. Definitions.

1 **“§ 471. Definitions**

2 “In this chapter:

3 “(1) The term ‘function’ means any duty, obli-
4 gation, responsibility, privilege, activity, or program.

5 “(2)(A) The term ‘imagery’ means, except as
6 provided in subparagraph (B), a likeness or presen-
7 tation of any natural or manmade feature or related
8 object or activity and the positional data acquired at
9 the same time the likeness or representation was ac-
10 quired, including—

11 “(i) products produced by space-based na-
12 tional intelligence reconnaissance systems; and

13 “(ii) likenesses or presentations produced
14 by satellites, airborne platforms, unmanned aer-
15 ial vehicles, or other similar means.

16 “(B) The term does not include handheld or
17 clandestine photography taken by or on behalf of
18 human intelligence collection organizations.

19 “(3) The term ‘imagery intelligence’ means the
20 technical, geographic, and intelligence information
21 derived through the interpretation or analysis of im-
22 agery and collateral materials.

23 “(4) The term ‘geospatial information’ means
24 information that identifies the geographic location
25 and characteristics of natural or constructed fea-
26 tures and boundaries on the earth and includes—

1 “(A) statistical data and information de-
 2 rived from, among other things, remote sensing,
 3 mapping, and surveying technologies;

4 “(B) mapping, charting, and geodetic data;
 5 and

6 “(C) geodetic products, as defined in sec-
 7 tion 455(e) of this title.”.

8 (b) TRANSFER OF CHAPTER 167 PROVISIONS.—Sec-
 9 tions 2792, 2793, 2794, 2795, 2796, and 2798 of title
 10 10, United States Code, are transferred to subchapter II
 11 of chapter 22 of such title, as added by subsection (a),
 12 are inserted in that sequence in such subchapter following
 13 the table of sections, and are redesignated in accordance
 14 with the following table:

Section transferred	Section as redesignated
2792	451
2793	452
2794	453
2795	454
2796	455
2798	456.

15 (c) CONSULTATION ON APPOINTMENT OF DIREC-
 16 TOR.—Section 201 of title 10, United States Code, is
 17 amended by striking out “or Director of the National Se-
 18 curity Agency” and inserting in lieu thereof “, Director
 19 of the National Security Agency, or Director of the Na-
 20 tional Imagery and Mapping Agency”.

1 (d) OVERSIGHT OF AGENCY AS A COMBAT SUPPORT
2 AGENCY.—Section 193 of title 10, United States Code,
3 is amended—

4 (1) in subsection (d)—

5 (A) by striking out the caption and insert-
6 ing in lieu thereof “REVIEW OF NATIONAL SE-
7 CURITY AGENCY AND NATIONAL IMAGERY AND
8 MAPPING AGENCY.—”;

9 (B) in paragraph (1)—

10 (i) by inserting “and the National Im-
11 agery and Mapping Agency” after “the
12 National Security Agency”; and

13 (ii) by striking out “the Agency” and
14 inserting in lieu thereof “that the agen-
15 cies”; and

16 (C) in paragraph (2), by inserting “and
17 the National Imagery and Mapping Agency”
18 after “the National Security Agency”;

19 (2) in subsection (e)—

20 (A) by striking out “DIA AND NSA” in
21 the caption and inserting in lieu thereof the fol-
22 lowing: “DIA, NSA, AND NIMA.—”; and

23 (B) by striking out “and the National Se-
24 curity Agency” and inserting in lieu thereof “,

1 the National Security Agency, and the National
2 Imagery and Mapping Agency”; and

3 (3) in subsection (f), by striking out paragraph
4 (4) and inserting in lieu thereof the following:

5 “(4) The National Imagery and Mapping Agen-
6 cy.”.

7 (e) SPECIAL PRINTING AUTHORITY FOR AGENCY.—

8 (1) Section 207(a)(2)(B) of the Legislative Branch Appro-
9 priations Act, 1993 (Public Law 102–392; 44 U.S.C. 501
10 note) is amended by inserting “National Imagery and
11 Mapping Agency,” after “Defense Intelligence Agency,”.

12 (2) Section 1336 of title 44, United States Code, is
13 amended—

14 (A) by striking out “Secretary of the Navy”
15 and inserting in lieu thereof “Director of the Na-
16 tional Imagery and Mapping Agency”; and

17 (B) by striking out “United States Naval
18 Oceanographic Office” and inserting in lieu thereof
19 “National Imagery and Mapping Agency”.

20 **SEC. 922. TRANSFERS.**

21 (a) DEPARTMENT OF DEFENSE.—The missions and
22 functions of the following elements of the Department of
23 Defense are transferred to the National Imagery and Map-
24 ping Agency:

25 (A) The Defense Mapping Agency.

1 (B) The Central Imagery Office.

2 (C) Other elements of the Department of De-
3 fense as provided in the classified annex to this Act.

4 (b) CENTRAL INTELLIGENCE AGENCY.—The mis-
5 sions and functions of the following elements of the
6 Central Intelligence Agency are transferred to the Na-
7 tional Imagery and Mapping Agency:

8 (A) The National Photographic Interpretation
9 Center.

10 (B) Other elements of the Central Intelligence
11 Agency as provided in the classified annex to this
12 Act.

13 (c) PERSONNEL AND ASSETS.—(1) Subject to para-
14 graphs (2) and (3), the personnel, assets, unobligated bal-
15 ances of appropriations and authorizations of appropria-
16 tions, and, to the extent jointly determined appropriate by
17 the Secretary of Defense and Director of Central Intel-
18 ligence, obligated balances of appropriations and author-
19 izations of appropriations employed, used, held, arising
20 from, or available in connection with the missions and
21 functions transferred under subsection (a) or (b) are
22 transferred to the National Imagery and Mapping Agency.
23 A transfer may not be made under the preceding sentence
24 for any program or function for which funds are not ap-
25 propriated to the National Imagery and Mapping Agency

1 for fiscal year 1997. Transfers of appropriations from the
2 Central Intelligence Agency under this paragraph shall be
3 made in accordance with section 1531 of title 31, United
4 States Code.

5 (2) Not earlier than two years after the effective date
6 of this subtitle, the Secretary of Defense and the Director
7 of Central Intelligence shall determine which, if any, posi-
8 tions and personnel of the Central Intelligence Agency are
9 to be transferred to the National Imagery and Mapping
10 Agency. The positions to be transferred, and the employ-
11 ees serving in such positions, shall be transferred to the
12 National Imagery and Mapping Agency under terms and
13 conditions prescribed by the Secretary of Defense and the
14 Director of Central Intelligence.

15 (3) If the National Photographic Interpretation Cen-
16 ter of the Central Intelligence Agency or any imagery-re-
17 lated activity of the Central Intelligence Agency author-
18 ized to be performed by the National Imagery and Map-
19 ping Agency is not completely transferred to the National
20 Imagery and Mapping Agency, the Secretary of Defense
21 and the Director of Central Intelligence shall—

22 (A) jointly determine which, if any, contracts,
23 leases, property, and records employed, used, held,
24 arising from, available to, or otherwise relating to

1 such Center or activity is to be transferred to the
2 National Imagery and Intelligence Agency; and

3 (B) provide by written agreement for the trans-
4 fer of such items.

5 **SEC. 923. COMPATIBILITY WITH AUTHORITY UNDER THE**
6 **NATIONAL SECURITY ACT OF 1947.**

7 (a) AGENCY FUNCTIONS.—Section 105(b) of the Na-
8 tional Security Act of 1947 (50 U.S.C. 403–5(b)) is
9 amended by striking out paragraph (2) and inserting in
10 lieu thereof the following:

11 “(2) through the National Imagery and Map-
12 ping Agency (except as otherwise directed by the
13 President or the National Security Council), with
14 appropriate representation from the intelligence
15 community, the continued operation of an effective
16 unified organization within the Department of De-
17 fense—

18 “(A) for carrying out tasking of imagery
19 collection;

20 “(B) for the coordination of imagery proc-
21 essing and exploitation activities;

22 “(C) for ensuring the dissemination of im-
23 agery in a timely manner to authorized recipi-
24 ents; and

1 “(D) notwithstanding any other provision
2 of law, for—

3 “(i) prescribing technical architecture
4 and standards related to imagery intel-
5 ligence and geospatial information and en-
6 suring compliance with such architecture
7 and standards; and

8 “(ii) developing and fielding systems
9 of common concern related to imagery in-
10 telligence and geospatial information;”.

11 (b) APPOINTMENT OF DIRECTOR.—Section 106 of
12 such Act (50 U.S.C. 403–6) is amended—

13 (1) by striking out subsection (b); and

14 (2) in subsection (a)—

15 (A) by inserting “the National Imagery
16 and Mapping Agency,” after “the National Re-
17 connaissance Office,”; and

18 (B) by striking out “(a) CONSULTATION
19 WITH REGARD TO CERTAIN APPOINT-
20 MENTS.—”.

21 **SEC. 924. OTHER PERSONNEL MANAGEMENT AUTHORITIES.**

22 (a) COMPARABLE TREATMENT WITH OTHER INTEL-
23 LIGENCE SENIOR EXECUTIVE SERVICES.—Title 5, United
24 States Code, is amended as follows:

1 (1) In section 2108(3), by inserting “the Na-
2 tional Imagery and Mapping Senior Executive Serv-
3 ice,” after “the Senior Cryptologic Executive Serv-
4 ice,” in the matter following subparagraph (F)(iii).

5 (2) In section 6304(f)(1), by—

6 (A) by striking out “or” at the end of sub-
7 paragraph (D);

8 (B) by striking out the period at the end
9 of in subparagraph (E) and inserting in lieu
10 thereof “; or”; and

11 (C) by adding at the end the following:

12 “(F) the National Imagery and Mapping
13 Senior Executive Service.”.

14 (3) In sections 8336(h)(2) and 8414(a)(2), by
15 striking out “or the Senior Cryptologic Executive
16 Service” and inserting in lieu thereof “, the Senior
17 Cryptologic Executive Service, or the National Im-
18 agery and Mapping Senior Executive Service”.

19 (b) CENTRAL IMAGERY OFFICE PERSONNEL MAN-
20 AGEMENT AUTHORITIES.—

21 (1) NONDUPLICATION OF COVERAGE BY DE-
22 FENSE INTELLIGENCE SENIOR EXECUTIVE SERV-
23 ICE.—Section 1601 of title 10, United States Code,
24 is amended—

1 (A) in subsection (a), by striking out “and
2 the Central Imagery Office”;

3 (B) in subsection (d), by striking out “or
4 the Central Imagery Office in which the mem-
5 ber’s expertise and experience may be of benefit
6 to the Defense Intelligence Agency, the Central
7 Imagery Office,” in the first sentence and in-
8 serting in lieu thereof “in which the member’s
9 expertise and experience may be of benefit to
10 the Defense Intelligence Agency”; and

11 (C) in subsection (e), by striking out “and
12 the Central Imagery Office” in the first sen-
13 tence.

14 (2) MERIT PAY.—Section 1602 of such title is
15 amended by striking out “and Central Imagery Of-
16 fice”.

17 (3) MISCELLANEOUS AUTHORITIES.—Sub-
18 section 1604 of such title is amended—

19 (A) in subsection (a)(1)—

20 (i) by striking out “and the Central
21 Imagery Office”; and

22 (ii) by striking out “and Office”;

23 (B) in subsection (b)—

1 (i) in paragraph (1), by striking out
2 “or the Central Imagery Office” in the sec-
3 ond sentence; and

4 (ii) in paragraph (2), by striking out
5 “and the Central Imagery Office”;

6 (C) in subsection (c), by striking out “or
7 the Central Imagery Office”;

8 (D) in subsection (d)(1), by striking out
9 “and the Central Imagery Office”;

10 (E) in subsection (e)—

11 (i) in paragraph (1), by striking out
12 “or the Central Imagery Office”; and

13 (ii) in paragraph (5) by striking out
14 “, the Director of the Defense Intelligence
15 Agency (with respect to employees of the
16 Defense Intelligence Agency), and the Di-
17 rector of the Central Imagery Office (with
18 respect to employees of the Central Im-
19 agery Office)” and inserting in lieu thereof
20 “and the Director of the Defense Intel-
21 ligence Agency (with respect to employees
22 of the Defense Intelligence Agency)”;

23 (F) in subsection (f)(3), by striking out
24 “and Central Imagery Office”; and

25 (G) in subsection (g)—

1 (i) by striking out “or the Central Im-
2 agery Office”; and

3 (ii) by striking out “or Office”.

4 (c) APPLICABILITY OF FEDERAL LABOR-MANAGE-
5 MENT RELATIONS SYSTEM.—Section 7103(a)(3) of title
6 5, United States Code is amended—

7 (1) by inserting “or” at the end of subpara-
8 graph (F);

9 (2) by striking out “; or” at the end of sub-
10 paragraph (G) and inserting in lieu thereof a period;
11 and

12 (3) by striking out subparagraph (H).

13 (d) APPLICABILITY OF AUTHORITY AND PROCE-
14 DURES FOR IMPOSING CERTAIN ADVERSE ACTIONS.—
15 Section 7511(b)(8) of title 5, United States Code, is
16 amended by striking out “Central Imagery Office”.

17 **SEC. 925. CREDITABLE CIVILIAN SERVICE FOR CAREER**
18 **CONDITIONAL EMPLOYEES OF THE DEFENSE**
19 **MAPPING AGENCY.**

20 In the case of an employee of the National Imagery
21 and Mapping Agency who, on the day before the effective
22 date of this subtitle, was an employee of the Defense Map-
23 ping Agency in a career-conditional status, the continuous
24 service of that employee as an employee of the National
25 Imagery and Mapping Agency on and after such date shall

1 be considered creditable service for the purpose of any de-
2 termination of the career status of the employee.

3 **SEC. 926. SAVING PROVISIONS.**

4 (a) CONTINUING EFFECT ON LEGAL DOCUMENTS.—

5 All orders, determinations, rules, regulations, permits,
6 agreements, international agreements, grants, contracts,
7 leases, certificates, licenses, registrations, privileges, and
8 other administrative actions—

9 (1) which have been issued, made, granted, or
10 allowed to become effective by the President, any
11 Federal agency or official thereof, or by a court of
12 competent jurisdiction, in connection with any of the
13 functions which are transferred under this subtitle
14 or any function that the National Imagery and Map-
15 ping Agency is authorized to perform by law, and

16 (2) which are in effect at the time this title
17 takes effect, or were final before the effective date
18 of this subtitle and are to become effective on or
19 after the effective date of this subtitle,

20 shall continue in effect according to their terms until
21 modified, terminated, superseded, set aside, or revoked in
22 accordance with law by the President, the Secretary of De-
23 fense, the Director of the National Imagery and Mapping
24 Agency or other authorized official, a court of competent
25 jurisdiction, or by operation of law.

1 (b) PROCEEDINGS NOT AFFECTED.—This subtitle
2 and the amendments made by this subtitle shall not affect
3 any proceedings, including notices of proposed rule-
4 making, or any application for any license, permit, certifi-
5 cate, or financial assistance pending before an element of
6 the Department of Defense or Central Intelligence Agency
7 at the time this subtitle takes effect, with respect to func-
8 tion of that element transferred by section 922, but such
9 proceedings and applications shall be continued. Orders
10 shall be issued in such proceedings, appeals shall be taken
11 therefrom, and payments shall be made pursuant to such
12 orders, as if this subtitle had not been enacted, and orders
13 issued in any such proceedings shall continue in effect
14 until modified, terminated, superseded, or revoked by a
15 duly authorized official, by a court of competent jurisdic-
16 tion, or by operation of law. Nothing in this section shall
17 be deemed to prohibit the discontinuance or modification
18 of any such proceeding under the same terms and condi-
19 tions and to the same extent that such proceeding could
20 have been discontinued or modified if this subtitle had not
21 been enacted.

22 (c) SEVERABILITY.—If any provision of this subtitle
23 (or any amendment made by this subtitle), or the applica-
24 tion of such provision (or amendment) to any person or
25 circumstance is held unconstitutional, the remainder of

1 this subtitle (or of the amendments made by this subtitle)
2 shall not be affected by that holding.

3 **SEC. 927. DEFINITIONS.**

4 In this part, the terms “function”, “imagery”, “im-
5 agery intelligence”, and “geospatial information” have the
6 meanings given those terms in section 461 of title 10,
7 United States Code, as added by section 921.

8 **SEC. 928. AUTHORIZATION OF APPROPRIATIONS.**

9 Funds are authorized to be appropriated for the Na-
10 tional Imagery and Mapping Agency for fiscal year 1997
11 in amounts and for purposes, and subject to the terms,
12 conditions, limitations, restrictions, and requirements,
13 that are set forth in the Classified Annex to this Act.

14 **PART II—CONFORMING AMENDMENTS AND**
15 **EFFECTIVE DATES**

16 **SEC. 931. REDESIGNATION AND REPEALS.**

17 (a) REDESIGNATION.—Chapter 23 of title 10, United
18 States Code (as redesignated by section 921(a)(1)) is
19 amended by redesignating the section in that chapter as
20 section 481.

21 (b) REPEAL OF SUPERSEDED LAW.—Chapter 167 of
22 such title, as amended by section 921(b), is repealed.

23 **SEC. 932. REFERENCES.**

24 (a) TITLE 5, UNITED STATES CODE.—Title 5, Unit-
25 ed States Code, is amended as follows:

1 (1) CENTRAL IMAGERY OFFICE.—In sections
2 2302(a)(2)(C)(ii), 3132(a)(1)(B), 4301(1) (in clause
3 (ii)), 4701(a)(1)(B), 5102(a)(1) (in clause (xi)),
4 5342(a)(1)(L), 6339(a)(1)(E), and
5 7323(b)(2)(B)(i)(XIII), by striking out “Central Im-
6 agery Office” and inserting in lieu thereof “National
7 Imagery and Mapping Agency”.

8 (2) DIRECTOR, CENTRAL IMAGERY OFFICE.—In
9 section 6339(a)(2)(E), by striking out “Central Im-
10 agery Office, the Director of the Central Imagery
11 Office” and inserting in lieu thereof “National Im-
12 agery and Mapping Agency, the Director of the Na-
13 tional Imagery and Mapping Agency”.

14 (b) TITLE 10, UNITED STATES CODE.—Title 10,
15 United States Code, is amended as follows:

16 (1) CENTRAL IMAGERY OFFICE.—In section
17 1599(f)(4), by striking out “Central Imagery Office”
18 and inserting in lieu thereof “National Imagery and
19 Mapping Agency”.

20 (2) DEFENSE MAPPING AGENCY.—In sections
21 451(1), 452, 453, 454, and 455 (in subsections (a)
22 and (b)(1)(C)), and 456, as redesignated by section
23 921(b), by striking out “Defense Mapping Agency”
24 each place it appears and inserting in lieu thereof
25 “National Imagery and Mapping Agency”.

1 (c) OTHER LAWS.—

2 (1) NATIONAL SECURITY ACT OF 1947.—Section
3 3(4)(E) of the National Security Act of 1947 (50
4 U.S.C. 401a(4)(E) is amended by striking out
5 “Central Imagery Office” and inserting in lieu
6 thereof “National Imagery and Mapping Agency”.

7 (2) ETHICS IN GOVERNMENT ACT OF 1978.—
8 Section 105(a) of the Ethics in Government Act of
9 1978 (Public Law 95–521; 5 U.S.C. App. 4) is
10 amended by striking out “Central Imagery Office”
11 and inserting in lieu thereof “National Imagery and
12 Mapping Agency”.

13 (3) EMPLOYEE POLYGRAPH PROTECTION
14 ACT.—Section 7(b)(2)(A)(i) of the Employee Poly-
15 graph Protection Act of 1988 (Public Law 100–347;
16 29 U.S.C. 2006(b)(2)(A)(i)) is amended by striking
17 out “Central Imagery Office” and inserting in lieu
18 thereof “National Imagery and Mapping Agency”.

19 (d) CROSS REFERENCE.—Section 82 of title 14,
20 United States Code, is amended by striking out “chapter
21 167” and inserting in lieu thereof “subchapter II of chap-
22 ter 22”.

23 **SEC. 933. HEADINGS AND CLERICAL AMENDMENTS.**

24 (a) TITLE 10, UNITED STATES CODE.—

1 (1) **HEADING.**—The heading of chapter 83 of
 2 title 10, United States Code, is amended to read as
 3 follows:

4 **“CHAPTER 83—DEFENSE INTELLIGENCE**
 5 **AGENCY CIVILIAN PERSONNEL”.**

6 (2) **CLERICAL AMENDMENTS.**—(A) The table of
 7 chapters at the beginning of subtitle A of title 10,
 8 United States Code, is amended—

9 (i) by striking out the item relating to
 10 chapter 22 and inserting in lieu thereof the fol-
 11 lowing:

“22. National Imagery and Mapping Agency 441
 “23. Miscellaneous Studies and Reports 471”;

12 (ii) by striking out the item relating to
 13 chapter 83 and inserting in lieu thereof the fol-
 14 lowing:

“83. Defense Intelligence Agency Civilian Personnel 1601”;

15 and

16 (iii) by striking out the item relating to
 17 chapter 167.

18 (B) The table of chapters at the beginning of
 19 part I of such subtitle is amended by striking out
 20 the item relating to chapter 22 and inserting in lieu
 21 thereof the following:

“22. National Imagery and Mapping Agency 441
 “23. Miscellaneous Studies and Reports 471”;

1 (C) The item relating to chapter 83 in the table
 2 of chapters at the beginning of part II of such sub-
 3 title is amended to read as follows:

“83. Defense Intelligence Agency Civilian Personnel 1601”.

4 (D) The table of chapters at the beginning of
 5 part IV of such subtitle is amended by striking out
 6 the item relating to chapter 167.

7 (E) The item in the table of sections at the be-
 8 ginning of chapter 23 of title 10, United States
 9 Code (as redesignated by section 921), is amended
 10 to read as follows:

“481. Racial and ethnic issues; biennial survey; biennial report.”.

11 (b) TITLE 44, UNITED STATES CODE.—

12 (1) SECTION HEADING.—The heading of section
 13 1336 of title 44, United States Code, is amended to
 14 read as follows:

15 **“§ 1336. National Imagery and Mapping Agency: spe-
 16 cial publications”.**

17 (2) CLERICAL AMENDMENT.—The item relating
 18 to such section in the tables of sections at the begin-
 19 ning of chapter 13 of such title is amended to read
 20 as follows:

“1336. National Imagery and Mapping Agency: special publications.”.

21 (c) NATIONAL SECURITY ACT OF 1947.—(1) The
 22 heading of section 106 of the National Security Act of
 23 1947 (50 U.S.C. 403–6) is amended to read as follows:

1 available for the same purposes as the authorization to
2 which transferred.

3 (2) The total amount of authorizations that the Sec-
4 retary of Defense may transfer under the authority of this
5 section may not exceed \$2,000,000,000.

6 (b) LIMITATIONS.—The authority provided by this
7 section to transfer authorizations—

8 (1) may only be used to provide authority for
9 items that have a higher priority than the items
10 from which authority is transferred; and

11 (2) may not be used to provide authority for an
12 item that has been denied authorization by Con-
13 gress.

14 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
15 transfer made from one account to another under the au-
16 thority of this section shall be deemed to increase the
17 amount authorized for the account to which the amount
18 is transferred by an amount equal to the amount trans-
19 ferred.

20 (d) NOTICE TO CONGRESS.—The Secretary shall
21 promptly notify Congress of each transfer made under
22 subsection (a).

1 **SEC. 1002. AUTHORITY FOR OBLIGATION OF CERTAIN UN-**
2 **AUTHORIZED FISCAL YEAR 1996 DEFENSE AP-**
3 **PROPRIATIONS.**

4 (a) **AUTHORITY.**—The amounts described in sub-
5 section (b) may be obligated and expended for programs,
6 projects, and activities of the Department of Defense in
7 accordance with fiscal year 1996 defense appropriations.

8 (b) **COVERED AMOUNTS.**—The amounts referred to
9 in subsection (a) are the amounts provided for programs,
10 projects, and activities of the Department of Defense in
11 fiscal year 1996 defense appropriations that are in excess
12 of the amounts provided for such programs, projects, and
13 activities in fiscal year 1996 defense authorizations.

14 (c) **DEFINITIONS.**—For the purposes of this section:

15 (1) **FISCAL YEAR 1996 DEFENSE APPROPRIA-**
16 **TIONS.**—The term “fiscal year 1996 defense appro-
17 priations” means amounts appropriated or otherwise
18 made available to the Department of Defense for fis-
19 cal year 1996 in the Department of Defense Appro-
20 priations Act, 1996 (Public Law 104–61).

21 (2) **FISCAL YEAR 1996 DEFENSE AUTHORIZA-**
22 **TIONS.**—The term “fiscal year 1996 defense author-
23 izations” means amounts authorized to be appro-
24 priated for the Department of Defense for fiscal
25 year 1996 in the National Defense Authorization
26 Act for Fiscal Year 1996 (Public Law 104–106).

1 **SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUP-**
2 **PLEMENTAL APPROPRIATIONS FOR FISCAL**
3 **YEAR 1996.**

4 Amounts authorized to be appropriated to the De-
5 partment of Defense for fiscal year 1996 in the National
6 Defense Authorization Act for Fiscal Year 1996 (Public
7 Law 104–106) are hereby adjusted, with respect to any
8 such authorized amount, by the amount by which appro-
9 priations pursuant to such authorization were increased
10 (by a supplemental appropriation) or decreased (by a re-
11 scission), or both, in the Omnibus Consolidated Rescis-
12 sions and Appropriations Act of 1996 (Public Law 104–
13 134).

14 **SEC. 1004. USE OF FUNDS TRANSFERRED TO THE COAST**
15 **GUARD.**

16 (a) **LIMITATION.**—Funds appropriated to the Depart-
17 ment of Defense for fiscal year 1997 that are transferred
18 to the Coast Guard may be used only for the performance
19 of national security functions of the Coast Guard in sup-
20 port of the Department of Defense.

21 (b) **CERTIFICATION REQUIRED.**—Funds described in
22 subsection (a) may not be transferred to the Coast Guard
23 until the Secretary of Defense and the Secretary of Trans-
24 portation jointly certify to Congress that the funds so
25 transferred will be used only as described in subsection
26 (a).

1 (c) GAO AUDIT.—The Comptroller General of the
2 United States shall—

3 (1) audit, from time to time, the use of funds
4 transferred to the Coast Guard from appropriations
5 for the Department of Defense for fiscal year 1997
6 in order to verify that the funds are being used in
7 accordance with the limitation in subsection (a); and

8 (2) notify the congressional defense committees
9 of any use of such funds that, in the judgment of
10 the Comptroller General, is a significant violation of
11 such limitation.

12 **SEC. 1005. USE OF MILITARY-TO-MILITARY CONTACTS**
13 **FUNDS FOR PROFESSIONAL MILITARY EDU-**
14 **CATION AND TRAINING.**

15 Section 168(c) of title 10, United States Code, is
16 amended by adding at the end the following:

17 “(9) Military education and training for mili-
18 tary and civilian personnel of foreign countries (in-
19 cluding transportation expenses, expenses for trans-
20 lation services, and administrative expenses to the
21 extent that the expenses are related to the providing
22 of such education and training to such personnel).”.

1 **SEC. 1006. PAYMENT OF CERTAIN EXPENSES RELATING TO**
2 **HUMANITARIAN AND CIVIC ASSISTANCE.**

3 Section 401(e) of title 10, United States Code, is
4 amended—

5 (1) by redesignating paragraph (2) as para-
6 graph (3); and

7 (2) by inserting after paragraph (1) the follow-
8 ing new paragraph (2):

9 “(2) Expenses covered by paragraph (1) include the
10 following expenses incurred in the providing of assistance
11 described in subsection (e)(5):

12 “(A) Travel, transportation, and subsistence ex-
13 penses of Department of Defense personnel provid-
14 ing the assistance.

15 “(B) The cost of any equipment, services, or
16 supplies acquired for the purpose of providing the
17 assistance.”.

18 **SEC. 1007. PROHIBITION ON EXPENDITURE OF DEPART-**
19 **MENT OF DEFENSE FUNDS BY OFFICIALS**
20 **OUTSIDE THE DEPARTMENT.**

21 (a) PROHIBITION.—Section 2215 of title 10, United
22 States Code, is amended to read as follows:

1 **“§ 2215. Prohibition on expenditure of Department of**
 2 **Defense intelligence funds by officials**
 3 **outside the department**

4 “(a) IN GENERAL.—Funds appropriated for the De-
 5 partment of Defense for intelligence activities of that de-
 6 partment may not be obligated or expended by an officer
 7 or employee of the United States who is not an officer
 8 or employee of the Department of Defense.

9 “(b) DELEGATION OF AUTHORITY PROHIBITED.—An
 10 officer or employee of the Department of Defense may not
 11 delegate to an officer or employee of the United States
 12 who is not an officer or employee of the Department of
 13 Defense any authority to obligate or expend funds de-
 14 scribed in subsection (a).”.

15 (b) CLERICAL AMENDMENT.—The item relating to
 16 such section in the table of sections at the beginning of
 17 chapter 131 is amended to read as follows:

“2215. Prohibition on expenditure of Department of Defense intelligence funds
 by officials outside the department.”.

18 **SEC. 1008. PROHIBITION ON USE OF FUNDS FOR OFFICE OF**
 19 **NAVAL INTELLIGENCE REPRESENTATION OR**
 20 **RELATED ACTIVITIES.**

21 None of the funds authorized to be appropriated by
 22 this Act or otherwise made available for the Navy for fiscal
 23 year 1997 may be obligated or expended by the Office of

1 Naval Intelligence for official representation activities or
2 related activities.

3 **SEC. 1009. REIMBURSEMENT OF DEPARTMENT OF DEFENSE**
4 **FOR COSTS OF DISASTER ASSISTANCE PRO-**
5 **VIDED OUTSIDE THE UNITED STATES.**

6 Section 404 of title 10, United States Code, is
7 amended—

8 (1) by redesignating subsection (d) as sub-
9 section (e); and

10 (2) by inserting after subsection (c) the follow-
11 ing new subsection (d):

12 “(d) REIMBURSEMENT POLICY.—It is the sense of
13 Congress that, whenever the President directs the Sec-
14 retary of Defense to provide disaster assistance outside the
15 United States under subsection (a)—

16 “(1) the President should direct the Adminis-
17 trator of the Agency for International Development
18 to reimburse the Department of Defense for the cost
19 to the Department of Defense of the assistance pro-
20 vided; and

21 “(2) a reimbursement by the Administrator
22 should be paid out of funds available under chapter
23 9 of part I of the Foreign Assistance Act of 1961
24 for international disaster assistance for the fiscal
25 year in which the cost is incurred.”.

1 **SEC. 1010. FISHER HOUSE TRUST FUND FOR THE NAVY.**

2 (a) **AUTHORITY.**—Section 2221 of title 10, United
3 States Code, is amended—

4 (1) in subsection (a), by adding at the end the
5 following:

6 “(3) The Fisher House Trust Fund, Depart-
7 ment of the Navy.”;

8 (2) in subsection (c)—

9 (A) by redesignating paragraph (3) as
10 paragraph (4); and

11 (B) by inserting after paragraph (2) the
12 following new paragraph (3):

13 “(3) Amounts in the Fisher House Trust Fund, De-
14 partment of the Navy, that are attributable to earnings
15 or gains realized from investments shall be available for
16 the operation and maintenance of Fisher houses that are
17 located in proximity to medical treatment facilities of the
18 Navy.”; and

19 (3) in subsection (d)(1), by striking out “or the
20 Air Force” and inserting in lieu thereof “, the Air
21 Force, or the Navy”.

22 (b) **CORPUS OF TRUST FUNDS.**—The Secretary of
23 the Navy shall transfer to the Fisher House Trust Fund,
24 Department of the Navy, established by section
25 2221(a)(3) of title 10, United States Code (as added by
26 subsection (a)(1)), all amounts in the accounts for Navy

1 installations and other facilities that, as of the date of the
2 enactment of this Act, are available for operation and
3 maintenance of Fisher houses, as defined in section
4 2221(d) of such title.

5 (c) CONFORMING AMENDMENTS.—Section 1321 of
6 title 31, United States Code, is amended—

7 (1) in subsection (a), by adding at the end the
8 following:

9 “(94) Fisher House Trust Fund, Department
10 of the Navy.”; and

11 (2) in subsection (b)(2), by adding at the end
12 the following:

13 “(D) Fisher House Trust Fund, Department of
14 the Navy.”.

15 **SEC. 1011. DESIGNATION AND LIABILITY OF DISBURSING**
16 **AND CERTIFYING OFFICIALS FOR THE COAST**
17 **GUARD.**

18 (a) DISBURSING OFFICIALS.—(1) Section 3321(c) of
19 title 31, United States Code, is amended by adding at the
20 end the following:

21 “(3) The Department of Transportation (with
22 respect to public money available for expenditure by
23 the Coast Guard when it is not operating as a serv-
24 ice in the Navy).”.

1 (2)(A) Chapter 17 of title 14, United States Code,
2 is amended by adding at the end the following:

3 **“§ 673. Designation, powers, and accountability of**
4 **deputy disbursing officials**

5 “(a)(1) Subject to paragraph (3), a disbursing official
6 of the Coast Guard may designate a deputy disbursing of-
7 ficial—

8 “(A) to make payments as the agent of the dis-
9 bursing official;

10 “(B) to sign checks drawn on disbursing ac-
11 counts of the Secretary of the Treasury; and

12 “(C) to carry out other duties required under
13 law.

14 “(2) The penalties for misconduct that apply to a dis-
15 bursing official apply to a deputy disbursing official des-
16 ignated under this subsection.

17 “(3) A disbursing official may make a designation
18 under paragraph (1) only with the approval of the Sec-
19 retary of Transportation (when the Coast Guard is not
20 operating as a service in the Navy).

21 “(b)(1) If a disbursing official of the Coast Guard
22 dies, becomes disabled, or is separated from office, a dep-
23 uty disbursing official may continue the accounts and pay-
24 ments in the name of the former disbursing official until
25 the last day of the second month after the month in which

1 the death, disability, or separation occurs. The accounts
2 and payments shall be allowed, audited, and settled as pro-
3 vided by law. The Secretary of the Treasury shall honor
4 checks signed in the name of the former disbursing official
5 in the same way as if the former disbursing official had
6 continued in office.

7 “(2) The deputy disbursing official, and not the
8 former disbursing official or the estate of the former dis-
9 bursing official, is liable for the actions of the deputy dis-
10 bursing official under this subsection.

11 “(c)(1) Except as provided in paragraph (2), this sec-
12 tion does not apply to the Coast Guard when section 2773
13 of title 10 applies to the Coast Guard by reason of the
14 operation of the Coast Guard as a service in the Navy.

15 “(2) A designation of a deputy disbursing official
16 under subsection (a) that is made while the Coast Guard
17 is not operating as a service in the Navy continues in ef-
18 fect for purposes of section 2773 of title 10 while the
19 Coast Guard operates as a service in the Navy unless and
20 until the designation is terminated by the disbursing offi-
21 cial who made the designation or an official authorized
22 to approve such a designation under subsection (a)(3) of
23 such section.”.

24 (B) The table of sections at the beginning of such
25 chapter is amended by adding at the end the following:

“673. Designation, powers, and accountability of deputy disbursing officials.”.

1 (b) DESIGNATION OF MEMBERS OF THE ARMED
2 FORCES TO HAVE AUTHORITY TO CERTIFY VOUCH-
3 ERS.—Section 3325(b) of title 31, United States Code, is
4 amended by striking out “members of the armed forces
5 under the jurisdiction of the Secretary of Defense may cer-
6 tify vouchers when authorized, in writing, by the Secretary
7 to do so” and inserting in lieu thereof “members of the
8 armed forces may certify vouchers when authorized, in
9 writing, by the Secretary of Defense or, in the case of the
10 Coast Guard when it is not operating as a service in the
11 Navy, by the Secretary of Transportation”.

12 (c) CONFORMING AMENDMENTS.—(1) Section
13 1007(a) of title 37, United States Code, is amended by
14 inserting after “Secretary of Defense” the following: “(or
15 the Secretary of Transportation, in the case of an officer
16 of the Coast Guard when the Coast Guard is not operating
17 as a service in the Navy)”.

18 (2) Section 3527(b)(1) of title 31, United States
19 Code, is amended—

20 (A) in subparagraph (A)(i), by inserting after
21 “Department of Defense” the following: “(or the
22 Secretary of Transportation, in the case of a dis-
23 bursing official of the Coast Guard when the Coast
24 Guard is not operating as a service in the Navy)”;
25 and

1 (B) in subparagraph (B), by inserting after “or
2 the Secretary of the appropriate military depart-
3 ment” the following: “(or the Secretary of Transpor-
4 tation, in the case of a disbursing official of the
5 Coast Guard when the Coast Guard is not operating
6 as a service in the Navy)”.

7 **SEC. 1012. AUTHORITY TO SUSPEND OR TERMINATE COL-**
8 **LECTION ACTIONS AGAINST DECEASED MEM-**
9 **BERS OF THE COAST GUARD.**

10 Section 3711(g) of title 31, United States Code, is
11 amended—

12 (1) in paragraph (1), by striking out “or Ma-
13 rine Corps” and inserting in lieu thereof “Marine
14 Corps, or Coast Guard”;

15 (2) by redesignating paragraph (2) as para-
16 graph (3); and

17 (3) by inserting after paragraph (1) the follow-
18 ing new paragraph (2):

19 “(2) The Secretary of Transportation may suspend
20 or terminate an action by the Secretary under subsection
21 (a) to collect a claim against the estate of a person who
22 died while serving on active duty as a member of the Coast
23 Guard if the Secretary determines that, under the cir-
24 cumstances applicable with respect to the deceased person,
25 it is appropriate to do so.”.

1 **SEC. 1013. CHECK CASHING AND EXCHANGE TRANS-**
2 **ACTIONS WITH CREDIT UNIONS OUTSIDE THE**
3 **UNITED STATES.**

4 Section 3342(b) of title 31, United States Code, is
5 amended—

6 (1) by striking out “and” at the end of para-
7 graph (5);

8 (2) by striking out the period at the end of
9 paragraph (6) and inserting in lieu thereof “; and”;
10 and

11 (3) by adding at the end the following:

12 “(7) a Federal credit union (as defined in sec-
13 tion 101(1) of the Federal Credit Union Act (12
14 U.S.C. 1752(1)) that is operating at Department of
15 Defense invitation in a foreign country where con-
16 tractor-operated military banking facilities are not
17 available.”.

18 **Subtitle B—Naval Vessels and**
19 **Shipyards**

20 **SEC. 1021. AUTHORITY TO TRANSFER NAVAL VESSELS.**

21 (a) EGYPT.—The Secretary of the Navy may transfer
22 to the Government of Egypt the “OLIVER HAZARD
23 PERRY” frigate GALLERY. Such transfer shall be on
24 a sales basis under section 21 of the Arms Export Control
25 Act (22 U.S.C. 2761; relating to the foreign military sales
26 program).

1 (b) MEXICO.—The Secretary of the Navy may trans-
2 fer to the Government of Mexico the “KNOX” class frig-
3 ates STEIN (FF 1065) and MARVIN SHIELDS (FF
4 1066). Such transfers shall be on a sales basis under sec-
5 tion 21 of the Arms Export Control Act (22 U.S.C. 2761).

6 (c) NEW ZEALAND.—The Secretary of the Navy may
7 transfer to the Government of New Zealand the “STAL-
8 WART” class ocean surveillance ship TENACIOUS. Such
9 transfer shall be on a sales basis under section 21 of the
10 Arms Export Control Act (22 U.S.C. 2761).

11 (d) PORTUGAL.—The Secretary of the Navy may
12 transfer to the Government of Portugal the “STAL-
13 WART” class ocean surveillance ship AUDACIOUS. Such
14 transfer shall be on a grant basis under section 516 of
15 the Foreign Assistance Act of 1961 (22 U.S.C. 2321j; re-
16 lating to transfers of excess defense articles).

17 (e) TAIWAN.—The Secretary of the Navy may trans-
18 fer to the Taipei Economic and Cultural Representative
19 Office in the United States (which is the Taiwan instru-
20 mentality designated pursuant to section 10(a) of the Tai-
21 wan Relations Act) the following:

22 (1) The “KNOX” class frigates AYLWIN (FF
23 1081), PHARRIS (FF 1094), and VALDEZ (FF
24 1096). Such transfers shall be on a sales basis under

1 section 21 of the Arms Export Control Act (22
2 U.S.C. 2761).

3 (2) The “NEWPORT” class tank landing ship
4 NEWPORT (LST 1179). Such transfer shall be on
5 a lease basis under section 61 of the Arms Export
6 Control Act (22 U.S.C. 2796).

7 (f) THAILAND.—The Secretary of the Navy may
8 transfer to the Government of Thailand the “KNOX”
9 class frigate OUELLET (FF 1077). Such transfer shall
10 be on a sales basis under section 21 of the Arms Export
11 Control Act (22 U.S.C. 2761).

12 (g) COSTS OF TRANSFER.—Any expense of the Unit-
13 ed States in connection with a transfer authorized by this
14 section shall be charged to the recipient.

15 (h) REPAIR AND REFURBISHMENT OF VESSELS.—
16 The Secretary of the Navy shall require, to the maximum
17 extent possible, as a condition of a transfer of a vessel
18 under this section, that the country to which the vessel
19 is transferred have such repair or refurbishment of the
20 vessel as is needed, before the vessel joins the naval forces
21 of that country, performed at a shipyard located in the
22 United States, including a United States Navy shipyard.

23 (i) EXPIRATION OF AUTHORITY.—Any authority for
24 transfer granted by this section shall expire at the end

1 of the 2-year period beginning on the date of the enact-
2 ment of this Act.

3 **SEC. 1022. TRANSFER OF CERTAIN OBSOLETE TUGBOATS**
4 **OF THE NAVY.**

5 (a) REQUIREMENT TO TRANSFER VESSELS.—The
6 Secretary of the Navy shall transfer the six obsolete tug-
7 boats of the Navy specified in subsection (b) to the North-
8 east Wisconsin Railroad Transportation Commission, an
9 instrumentality of the State of Wisconsin. Such transfers
10 shall be made without reimbursement to the United
11 States.

12 (b) VESSELS COVERED.—The requirement in sub-
13 section (a) applies to the six decommissioned Cherokee
14 class tugboats, listed as of the date of the enactment of
15 this Act as being surplus to the Navy, that are designated
16 as ATF-105, ATF-110, ATF-149, ATF-158, ATF-159,
17 and ATF-160.

18 (c) CONDITION RELATING TO ENVIRONMENTAL COM-
19 PLIANCE.—The Secretary shall require as a condition of
20 the transfer of a vessel under subsection (a) that use of
21 the vessel by the Commission not commence until the
22 terms of any necessary environmental compliance letter or
23 agreement with respect to that vessel have been complied
24 with.

1 (d) ADDITIONAL TERMS AND CONDITIONS.—The
2 Secretary may require such additional terms and condi-
3 tions (including a requirement that the transfer be at no
4 cost to the Government) in connection with the transfers
5 required by subsection (a) as the Secretary considers ap-
6 propriate.

7 **SEC. 1023. REPEAL OF REQUIREMENT FOR CONTINUOUS**
8 **APPLICABILITY OF CONTRACTS FOR PHASED**
9 **MAINTENANCE OF AE CLASS SHIPS.**

10 Section 1016 of the National Defense Authorization
11 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
12 425) is repealed.

13 **SEC. 1024. CONTRACT OPTIONS FOR LMSR VESSELS.**

14 (a) FINDINGS.—Congress reaffirms the findings set
15 forth in section 1013(a) of the National Defense Author-
16 ization Act for Fiscal Year 1996 (Public Law 104–106;
17 110 Stat. 422), and makes the following modifications and
18 supplemental findings:

19 (1) Since the findings set forth in section
20 1013(a) of such Act were originally formulated, the
21 Secretary of the Navy has exercised options for the
22 acquisition of two of the six additional large, me-
23 dium-speed, roll-on/roll-off (LMSR) vessels that may
24 be acquired by exercise of options provided for under

1 contracts covering the acquisition of a total of 17
2 LMSR vessels.

3 (2) Therefore, under those contracts, the Sec-
4 retary has placed orders for the acquisition of 13
5 LMSR vessels and has remaining options for the ac-
6 quisition of four more LMSR vessels, all of which
7 would be new construction vessels.

8 (3) The remaining options allow the Secretary
9 to place orders for one vessel to be constructed at
10 each of two shipyards for award before December
11 31, 1996, and December 31, 1997, respectively.

12 (b) SENSE OF CONGRESS.—Congress also reaffirms
13 its declaration of the sense of Congress, as set forth in
14 section 1013(b) of Public Law 104–106, that the Sec-
15 retary of the Navy should plan for, and budget to provide
16 for, the acquisition as soon as possible of a total of 19
17 large, medium-speed, roll-on/roll-off (LMSR) vessels (the
18 number determined to be required in the report entitled
19 “Mobility Requirements Study Bottom-Up Review Up-
20 date”, submitted by the Secretary of Defense to Congress
21 in April 1995), rather than only 17 such vessels (which
22 is the number of vessels under contract as of April 1996).

23 (c) ADDITIONAL NEW CONSTRUCTION CONTRACT
24 OPTION.—The Secretary of the Navy should negotiate
25 with each of the two shipyards holding new construction

1 contracts referred to in subsection (a)(1) (Department of
2 the Navy contracts numbered N00024-93-C-2203 and
3 N00024-93-C-2205) for an option under each such con-
4 tract for construction of one additional such LMSR vessel,
5 with such option to be available to the Secretary for exer-
6 cise not earlier than fiscal year 1998, subject to the avail-
7 ability of funds authorized and appropriated for such pur-
8 pose. Nothing in this subsection shall be construed to pre-
9 clude the Secretary of the Navy from competing the award
10 of the two options between the two shipyards holding new
11 construction contracts referred to in subsection (a)(1).

12 (d) REPORT.—The Secretary of the Navy shall sub-
13 mit to the congressional defense committees, by March 31,
14 1997, a report stating the intentions of the Secretary re-
15 garding the acquisition of options for the construction of
16 two additional LMSR vessels as described in subsection
17 (c).

18 (e) REPEAL OF SUPERSEDED PROVISION.—Section
19 1013 of the National Defense Authorization Act for Fiscal
20 Year 1996 (Public Law 104-106; 110 Stat 422) is amend-
21 ed by striking out subsection (c).

1 **Subtitle C—Counter-Drug**
2 **Activities**

3 **SEC. 1031. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT**
4 **FOR COUNTER-DRUG ACTIVITIES OF MEXICO.**

5 (a) **AUTHORITY TO PROVIDE ADDITIONAL SUP-**
6 **PORT.**—The Secretary of Defense may, during fiscal year
7 1997, provide the Government of Mexico the support de-
8 scribed in subsection (b) for the counter-drug activities of
9 the Government of Mexico. Such support shall be in addi-
10 tion to support provided the Government of Mexico under
11 any other provision of law.

12 (b) **TYPES OF SUPPORT.**—The Secretary may provide
13 the following support under subsection (a):

14 (1) The transfer of spare parts and non-lethal
15 equipment and materiel, including radios, night vi-
16 sion goggles, global positioning systems, uniforms,
17 command, control, communications, and intelligence
18 (C³I) integration equipment, detection equipment,
19 and monitoring equipment.

20 (2) The maintenance and repair of equipment
21 of the Government of Mexico that is used for
22 counter-narcotics activities.

23 (c) **APPLICABILITY OF OTHER SUPPORT AUTHORI-**
24 **TIES.**—Except as otherwise provided in this section, the
25 provisions of section 1004 of the National Defense Au-

1 thORIZATION Act for Fiscal Year 1991 (10 U.S.C. 374 note)
2 shall apply to the provision of support under this section.

3 (d) FUNDING.—Of the amounts authorized to be ap-
4 propriated for fiscal year 1997 for the Department of De-
5 fense for drug interdiction and counter-drug activities, not
6 more than \$10,000,000 shall be available in that fiscal
7 year for the provision of support under this section.

8 **SEC. 1032. LIMITATION ON DEFENSE FUNDING OF THE NA-**
9 **TIONAL DRUG INTELLIGENCE CENTER.**

10 (a) LIMITATION ON USE OF FUNDS.—Except as pro-
11 vided in subsection (b), funds appropriated or otherwise
12 made available for the Department of Defense pursuant
13 to this or any other Act may not be obligated or expended
14 for the National Drug Intelligence Center, Johnstown,
15 Pennsylvania.

16 (b) EXCEPTION.—If the Attorney General operates
17 the National Drug Intelligence Center using funds avail-
18 able for the Department of Justice, the Secretary of De-
19 fense may continue to provide Department of Defense in-
20 telligence personnel to support intelligence activities at the
21 Center. The number of such personnel providing support
22 to the Center after the date of the enactment of this Act
23 may not exceed the number of the Department of Defense
24 intelligence personnel who are supporting intelligence ac-
25 tivities at the Center on the day before such date.

1 **SEC. 1033. INVESTIGATION OF THE NATIONAL DRUG INTEL-**
2 **LIGENCE CENTER.**

3 (a) INVESTIGATION REQUIRED.—The Inspector Gen-
4 eral of the Department of Defense, the Inspector General
5 of the Department of Justice, the Inspector General of
6 the Central Intelligence Agency, and the Comptroller Gen-
7 eral of the United States shall—

8 (1) jointly investigate the operations of the Na-
9 tional Drug Intelligence Center, Johnstown, Penn-
10 sylvania; and

11 (2) not later than March 31, 1997, jointly sub-
12 mit to the President pro tempore of the Senate and
13 the Speaker of the House of Representatives a re-
14 port on the results of the investigation.

15 (b) CONTENT OF REPORT.—The joint report shall
16 contain a determination regarding whether there is a sig-
17 nificant likelihood that the funding of the operation of the
18 National Drug Intelligence Center, a domestic law en-
19 forcement program, through an appropriation under the
20 control of the Director of Central Intelligence will result
21 in a violation of the National Security Act of 1947 or Ex-
22 ecutive Order 12333.

1 **Subtitle D—Matters Relating to**
2 **Foreign Countries**

3 **SEC. 1041. AGREEMENTS FOR EXCHANGE OF DEFENSE PER-**
4 **SONNEL BETWEEN THE UNITED STATES AND**
5 **FOREIGN COUNTRIES.**

6 (a) EXCHANGE AUTHORITY.—Subchapter II of chap-
7 ter 138 of title 10, United States Code, is amended by
8 adding at the end the following new section:

9 **“§ 23501. Exchange of defense personnel between the**
10 **United States and foreign countries**

11 “(a) INTERNATIONAL EXCHANGE AGREEMENTS AU-
12 THORIZED.—The Secretary of Defense is authorized to
13 enter into agreements with the governments of allies of
14 the United States and other friendly foreign countries for
15 the exchange of military and civilian personnel of the De-
16 partment of Defense and military and civilian personnel
17 of the defense ministries of such foreign governments.

18 “(b) ASSIGNMENT OF PERSONNEL.—(1) Pursuant to
19 an agreement entered into under subsection (a), personnel
20 of the defense ministry of a foreign government may be
21 assigned to positions in the Department of Defense, and
22 personnel of the Department of Defense may be assigned
23 to positions in the defense ministry of that foreign govern-
24 ment. Positions to which exchanged personnel are as-
25 signed may include positions of instructors.

1 “(2) An agreement for the exchange of personnel en-
2 gaged in research and development activities may provide
3 for assignment of Department of Defense personnel to po-
4 sitions in private industry that support the defense min-
5 istry of the host foreign government.

6 “(3) A specific position and the individual to be as-
7 signed to that position shall be acceptable to both govern-
8 ments.

9 “(c) RECIPROCITY OF PERSONNEL QUALIFICATIONS
10 REQUIRED.—Each government shall be required under an
11 agreement authorized by subsection (a) to provide person-
12 nel having qualifications, training, and skills that are es-
13 sentially equal to those of the personnel provided by the
14 other government.

15 “(d) PAYMENT OF PERSONNEL COSTS.—(1) Each
16 government shall pay the salary, per diem, cost of living,
17 travel, cost of language or other training, and other costs
18 for its own personnel in accordance with the laws and reg-
19 ulations of such government that pertain to such matters.

20 “(2) The requirement in paragraph (1) does not
21 apply to the following costs:

22 “(A) Cost of temporary duty directed by the
23 host government.

24 “(B) Costs of training programs conducted to
25 familiarize, orient, or certify exchanged personnel re-

1 garding unique aspects of the exchanged personnel's
2 assignments.

3 “(C) Costs incident to the use of host govern-
4 ment facilities in the performance of assigned duties.

5 “(e) PROHIBITED CONDITIONS.—No personnel ex-
6 changed pursuant to an agreement under this section may
7 take or be required to take an oath of allegiance to the
8 host country or to hold an official capacity in the govern-
9 ment of such country.

10 “(f) RELATIONSHIP TO OTHER AUTHORITY.—Noth-
11 ing in this section limits any authority of the secretaries
12 of the military departments to enter into an agreement
13 with the government of a foreign country to provide for
14 exchange of members of the armed forces and military
15 personnel of the foreign country except that subsections
16 (c) and (d) shall apply in the exercise of that authority.
17 The Secretary of Defense may prescribe regulations for
18 the application of such subsections in the exercise of such
19 authority.”.

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

“2350l. Exchange of defense personnel between the United States and foreign
countries.”.

1 **SEC. 1042. AUTHORITY FOR RECIPROCAL EXCHANGE OF**
2 **PERSONNEL BETWEEN THE UNITED STATES**
3 **AND FOREIGN COUNTRIES FOR FLIGHT**
4 **TRAINING.**

5 Section 544 of the Foreign Assistance Act of 1961
6 (22 U.S.C. 2347c) is amended—

7 (1) by inserting “, and for attendance of foreign
8 military personnel at flight training schools or pro-
9 grams (including test pilot schools) in the United
10 States,” after “(other than service academies)”; and

11 (2) by striking out “and comparable institu-
12 tions” and inserting in lieu thereof “ or flight train-
13 ing schools or programs, as the case may be, and
14 comparable institutions, schools, or programs”.

15 **SEC. 1043. EXTENSION OF COUNTERPROLIFERATION AU-**
16 **THORITIES.**

17 Section 1505 of the Weapons of Mass Destruction
18 Control Act of 1992 (title XV of Public Law 104–484;
19 22 U.S.C. 5859a) is amended—

20 (1) in subsection (d)(3)—

21 (A) by striking out “fiscal year 1995, or”
22 and inserting in lieu thereof “fiscal year
23 1995,”; and

24 (B) by inserting before the period at the
25 end the following: “, \$15,000,000 for fiscal year

1 1997, or \$15,000,000 for fiscal year 1998”;
2 and

3 (2) in subsection (f), by striking out “fiscal
4 year 1996” and inserting in lieu thereof “fiscal year
5 1998”.

6 **Subtitle E—Miscellaneous**
7 **Reporting Requirements**

8 **SEC. 1051. ANNUAL REPORT ON EMERGING OPERATIONAL**
9 **CONCEPTS.**

10 (a) REPORT REQUIRED.—Not later than March 1 of
11 each year, the Chairman of the Joint Chiefs of Staff shall
12 submit to the Committee on Armed Services of the Senate
13 and the Committee on National Security of the House of
14 Representatives a report on emerging operational con-
15 cepts. The report shall contain a description, for the year
16 preceding the year in which submitted, of the following:

17 (1) The process undertaken in each of the
18 Army, Navy, Air Force, and Marine Corps to define
19 and develop doctrine, operational concepts, organiza-
20 tional concepts, and acquisition strategies based
21 on—

22 (A) the potential of emerging technologies
23 for significantly improving the operational effec-
24 tiveness of that armed force;

1 (B) changes in the international order that
2 may necessitate changes in the operational ca-
3 pabilities of that armed force;

4 (C) emerging capabilities of potential ad-
5 versary states; and

6 (D) changes in defense budget projections
7 that put existing acquisition programs of the
8 service at risk.

9 (2) The manner in which the process under-
10 taken in each of the Army, Navy, Air Force, and
11 Marine Corps is harmonized with a joint vision and
12 with the similar processes of the other armed forces
13 to ensure that there is a sufficient consideration of
14 the development of joint doctrine, operational con-
15 cepts, and acquisition strategies.

16 (3) The manner in which the process under-
17 taken by each of the Army, Navy, Air Force, and
18 Marine Corps is coordinated through the Joint Re-
19 quirements Oversight Council or another entity to
20 ensure that the results of the process are considered
21 in the planning, programming, and budgeting proc-
22 ess of the Department of Defense.

23 (4) Proposals under consideration by the Joint
24 Requirements Oversight Council or other entity
25 within the Department of Defense to modify the

1 roles and missions of any of the Army, Navy, Air
2 Force, and Marine Corps as a result of the processes
3 described in paragraph (1).

4 (b) FIRST REPORT.—The first report under this sec-
5 tion shall be submitted not later than March 1, 1997.

6 (c) TERMINATION OF REQUIREMENT AFTER FOURTH
7 REPORT.—Notwithstanding subsection (a), no report is
8 required under this section after 2000.

9 **SEC. 1052. ANNUAL JOINT WARFIGHTING SCIENCE AND**
10 **TECHNOLOGY PLAN.**

11 (a) ANNUAL PLAN REQUIRED.—On March 1 of each
12 year, the Secretary of Defense shall submit to the Com-
13 mittee on Armed Services of the Senate and the Commit-
14 tee on National Security of the House of Representatives
15 a plan for ensuring that the science and technology pro-
16 gram of the Department of Defense supports the develop-
17 ment of the future joint warfighting capabilities identified
18 as priority requirements for the Armed Forces.

19 (b) FIRST PLAN.—The first plan shall be submitted
20 not later than March 1, 1997.

21 **SEC. 1053. REPORT ON MILITARY READINESS REQUIRE-**
22 **MENTS OF THE ARMED FORCES.**

23 (a) REQUIREMENT.—Not later than January 31,
24 1997, the Chairman of the Joint Chiefs of Staff shall sub-
25 mit to the congressional defense committees a report on

1 the military readiness requirements of the active and re-
2 serve components of the Armed Forces (including combat
3 units, combat support units, and combat service support
4 units) prepared by the officers referred to in subsection
5 (b). The report shall assess such requirements under a
6 tiered readiness and response system that categorizes a
7 given unit according to the likelihood that it will be re-
8 quired to respond to a military conflict and the time in
9 which it will be required to respond.

10 (b) OFFICERS.—The report required by subsection
11 (a) shall be prepared jointly by the Chief of Staff of the
12 Army, the Chief of Naval Operations, the Chief of Staff
13 of the Air Force, the Commandant of the Marine Corps,
14 and the Commander of the Special Operations Command.

15 (c) ASSESSMENT SCENARIO.—The report shall assess
16 readiness requirements in a scenario based on the follow-
17 ing assumptions:

18 (1) The conflict is in a generic theater of oper-
19 ations located anywhere in the world and does not
20 exceed the notional limits for a major regional con-
21 tingency.

22 (2) The forces available for deployment include
23 the forces described in the Bottom Up Review force
24 structure, including all planned force enhancements.

25 (3) Assistance is not available from allies.

1 (d) ASSESSMENT ELEMENTS.—The report shall iden-
2 tify by unit type, and assess the readiness requirements
3 of, all active and reserve component units. Each such unit
4 shall be categorized within one of the following classifica-
5 tions:

6 (1) Forward-deployed and crisis response
7 forces, or “Tier I” forces, that possess limited inter-
8 nal sustainment capability and do not require imme-
9 diate access to regional air bases or ports or over-
10 flight rights, including the following:

11 (A) Force units that are routinely deployed
12 forward at sea or on land outside the United
13 States.

14 (B) Combat-ready crises response forces
15 that are capable of mobilizing and deploying
16 within 10 days after receipt of orders.

17 (C) Forces that are supported by
18 prepositioning equipment afloat or are capable
19 of being inserted into a theater upon the cap-
20 ture of a port or airfield by forcible entry
21 forces.

22 (2) Combat-ready follow-on forces, or “Tier II”
23 forces, that can be mobilized and deployed to a thea-
24 ter within approximately 60 days after receipt of or-
25 ders.

1 (2) The amendments made by paragraph (1) shall
2 take effect as of April 1, 1996, and shall apply to any
3 case in which a sentence is adjudged by a court-martial
4 on or after that date.

5 (b) EXCEPTED SERVICE APPOINTMENTS TO CERTAIN
6 NONATTORNEY POSITIONS OF THE UNITED STATES
7 COURT OF APPEALS FOR THE ARMED FORCES.—(1)
8 Subsection (c) of section 943 of title 10, United States
9 Code (article 143(c) of the Uniform Code of Military Jus-
10 tice) is amended in paragraph (1), by inserting after the
11 first sentence the following: “A position of employment
12 under the Court that is provided primarily for the service
13 of one judge of the court, reports directly to the judge,
14 and is a position of a confidential character is excepted
15 from the competitive service.”.

16 (2) The caption for such subsection is amended by
17 striking out “ATTORNEY” in the subsection caption and
18 inserting in lieu thereof “CERTAIN”.

19 **SEC. 1062. LIMITATION ON RETIREMENT OR DISMANTLE-**
20 **MENT OF STRATEGIC NUCLEAR DELIVERY**
21 **SYSTEMS.**

22 (a) FUNDING LIMITATION.—Funds available to the
23 Department of Defense may not be obligated or expended
24 during fiscal year 1997 for retiring or dismantling, or for

1 preparing to retire or dismantle, any of the following stra-
2 tegic nuclear delivery systems:

3 (1) B-52H bomber aircraft.

4 (2) Trident ballistic missile submarines.

5 (3) Minuteman III intercontinental ballistic
6 missiles.

7 (4) Peacekeeper intercontinental ballistic mis-
8 siles.

9 (b) WAIVER AUTHORITY.—If the START II Treaty
10 enters into force during fiscal year 1997, the Secretary
11 of Defense may waive the application of the limitation
12 under paragraphs (2), (3), and (4) of subsection (a) to
13 Trident ballistic missile submarines, Minuteman III inter-
14 continental ballistic missiles, and Peacekeeper interconti-
15 nental ballistic missiles, respectively, to the extent that the
16 Secretary determines necessary in order to implement the
17 treaty.

18 (c) START II TREATY DEFINED.—In this section,
19 the term “START II Treaty” means the Treaty Between
20 the United States of America and the Russian Federation
21 on Further Reduction and Limitation of Strategic Offen-
22 sive Arms, signed at Moscow on January 3, 1993, includ-
23 ing the following protocols and memorandum of under-
24 standing, all such documents being integral parts of and

1 collectively referred to as the “START II Treaty” (con-
2 tained in Treaty Document 103–1):

3 (1) The Protocol on Procedures Governing
4 Elimination of Heavy ICBMs and on Procedures
5 Governing Conversion of Silo Launchers of Heavy
6 ICBMs Relating to the Treaty Between the United
7 States of America and the Russian Federation on
8 Further Reduction and Limitation of Strategic Of-
9 fensive Arms (also known as the “Elimination and
10 Conversion Protocol”).

11 (2) The Protocol on Exhibitions and Inspec-
12 tions of Heavy Bombers Relating to the Treaty Be-
13 tween the United States and the Russian Federation
14 on Further Reduction and Limitation of Strategic
15 Offensive Arms (also known as the “Exhibitions and
16 Inspections Protocol”).

17 (3) The Memorandum of Understanding on
18 Warhead Attribution and Heavy Bomber Data Re-
19 lating to the Treaty Between the United States of
20 America and the Russian Federation on Further Re-
21 duction and Limitation of Strategic Offensive Arms
22 (also known as the “Memorandum on Attribution”).

1 **SEC. 1063. CORRECTION OF REFERENCES TO DEPARTMENT**
2 **OF DEFENSE ORGANIZATIONS.**

3 (a) NORTH AMERICAN AEROSPACE DEFENSE COM-
4 MAND.—Section 162 of title 10, United States Code, is
5 amended in paragraphs (1), (2), and (3) of subsection (a)
6 by striking out “North American Air Defense Command”
7 and inserting in lieu thereof “North American Aerospace
8 Defense Command”.

9 (b) DEFENSE DISTRIBUTION CENTER, ANNISTON.—
10 The Corporation for the Promotion of Rifle Practice and
11 Firearms Safety Act (title XVI of Public Law 104–106;
12 110 Stat. 515; 36 U.S.C. 5501 et seq.) is amended by
13 striking out “Anniston Army Depot” each place it appears
14 in the following provisions and inserting in lieu thereof
15 “Defense Distribution Depot, Anniston”:

16 (1) Section 1615(a)(3) (36 U.S.C. 5505(a)(3)).

17 (2) Section 1616(b) (36 U.S.C. 5506(b)).

18 (3) Section 1619(a)(1) (36 U.S.C. 5509(a)(1)).

19 **SEC. 1064. AUTHORITY OF CERTAIN MEMBERS OF THE**
20 **ARMED FORCES TO PERFORM NOTARIAL OR**
21 **CONSULAR ACTS.**

22 Section 1044a(b) of title 10, United States Code, is
23 amended—

24 (1) in paragraph (1), by striking out “on active
25 duty or performing inactive-duty for training” and
26 inserting in lieu thereof “of the armed forces, includ-

1 ing members of reserve components who are judge
2 advocates (whether or not in a duty status)”;

3 (2) in paragraph (3), by striking out “adjutants
4 on active duty or performing inactive-duty training”
5 and inserting in lieu thereof “adjutants, including
6 members of reserve components acting as such an
7 adjutant (whether or not in a duty status)”; and

8 (3) in paragraph (4), by striking out “persons
9 on active duty or performing inactive-duty training”
10 and inserting in lieu thereof “members of the armed
11 forces, including members of reserve components
12 (whether or not in a duty status),”.

13 **SEC. 1065. TRAINING OF MEMBERS OF THE UNIFORMED**
14 **SERVICES AT NON-GOVERNMENT FACILITIES.**

15 (a) USE OF NON-GOVERNMENT FACILITIES.—Sec-
16 tion 4105 of title 5, United States Code, is amended—

17 (1) by inserting “and members of a uniformed
18 service under the jurisdiction of the head of the
19 agency” after “employees of the agency”; and

20 (2) by adding at the end the following: “For the
21 purposes of this section, the term ‘agency’ includes
22 a military department.”.

23 (b) EXPENSES OF TRAINING.—Section 4109 of such
24 title is amended—

25 (1) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
2 by striking out “under regulations prescribed
3 under section 4118(a)(8) of this title and”;

4 (B) in paragraph (1), by inserting after
5 “an employee of the agency” the following: “,
6 or the pay of a member of a uniformed service
7 within the agency, who is”; and

8 (C) in paragraph (2)—

9 (i) in the matter preceding subpara-
10 graph (A), by inserting “or member of a
11 uniformed service” after “reimburse the
12 employee”;

13 (ii) in subparagraph (A), by striking
14 out “commissioned officers of the National
15 Oceanic and Atmospheric Administration”
16 and inserting in lieu thereof “a member of
17 a uniformed service”; and

18 (iii) in subparagraph (B), by striking
19 out “commissioned officers of the National
20 Oceanic and Atmospheric Administration”
21 and inserting in lieu thereof “a member of
22 a uniformed service”; and

23 (2) by adding at the end the following:

24 “(d) In the exercise of authority under subsection (a)
25 with respect to an employee of an agency, the head of the

1 agency shall comply with regulations prescribed under sec-
2 tion 4118(a)(8) of this title.

3 “(e) For the purposes of this section, the term ‘agen-
4 cy’ includes a military department.”.

5 **SEC. 1066. THIRD-PARTY LIABILITY TO UNITED STATES FOR**
6 **TORTIOUS INFLICTION OF INJURY OR DIS-**
7 **EASE ON MEMBERS OF THE UNIFORMED**
8 **SERVICES.**

9 (a) RECOVERY OF PAY AND ALLOWANCES.—Section
10 1 of Public Law 87–693 (42 U.S.C. 2651) is amended—

11 (1) in the first sentence of subsection (a)—

12 (A) by inserting “or pay for” after “re-
13 quired by law to furnish”; and

14 (B) by striking out “or to be furnished”
15 each place that phrase appears and inserting in
16 lieu thereof “, to be furnished, paid for, or to
17 be paid for”;

18 (2) by redesignating subsections (b) and (c) as
19 subsections (d) and (e), respectively;

20 (3) by inserting after subsection (a), the follow-
21 ing new subsections:

22 “(b) If a member of the uniformed services is injured,
23 or contracts a disease, under circumstances creating a tort
24 liability upon a third person (other than or in addition
25 to the United States and except employers of seamen re-

1 ferred to in subsection (a)) for damages for such injury
2 or disease and the member is unable to perform the mem-
3 ber's regular military duties as a result of the injury or
4 disease, the United States shall have a right (independent
5 of the rights of the member) to recover from the third
6 person or an insurer of the third person, or both, the
7 amount equal to the total amount of the pay that accrues
8 and is to accrue to the member for the period for which
9 the member is unable to perform such duties as a result
10 of the injury or disease and is not assigned to perform
11 other military duties.

12 “(c)(1) If, pursuant to the laws of a State that are
13 applicable in a case of a member of the uniformed services
14 who is injured or contracts a disease as a result of tortious
15 conduct of a third person, there is in effect for such a
16 case (as a substitute or alternative for compensation for
17 damages through tort liability) a system of compensation
18 or reimbursement for expenses of hospital, medical, sur-
19 gical, or dental care and treatment or for lost pay pursu-
20 ant to a policy of insurance, contract, medical or hospital
21 service agreement, or similar arrangement, the United
22 States shall be deemed to be a third-party beneficiary of
23 such a policy, contract, agreement, or arrangement.

24 “(2) For the purposes of paragraph (1)—

1 “(A) the expenses incurred or to be incurred by
2 the United States for care and treatment for an in-
3 jured or diseased member as described in subsection
4 (a) shall be deemed to have been incurred by the
5 member;

6 “(B) the cost to the United States of the pay
7 of the member as described in subsection (b) shall
8 be deemed to have been pay lost by the member as
9 a result of the injury or disease; and

10 “(C) the United States shall be subrogated to
11 any right or claim that the injured or diseased mem-
12 ber or the member’s guardian, personal representa-
13 tive, estate, dependents, or survivors have under a
14 policy, contract, agreement, or arrangement referred
15 to in paragraph (1) to the extent of the reasonable
16 value of the care and treatment and the total
17 amount of the pay deemed lost under subparagraph
18 (B).”;

19 (4) in subsection (d), as redesignated by para-
20 graph (2), by inserting “or paid for” after “treat-
21 ment is furnished”; and

22 (5) by adding at the end the following:

23 “(f)(1) Any amounts recovered under this section for
24 medical care and related services furnished by a military
25 medical treatment facility or similar military activity shall

1 be credited to the appropriation or appropriations support-
2 ing the operation of that facility or activity, as determined
3 under regulations prescribed by the Secretary of Defense.

4 “(2) Any amounts recovered under this section for
5 the cost to the United States of pay of an injured or dis-
6 eased member of the uniformed services shall be credited
7 to the appropriation that supports the operation of the
8 command, activity, or other unit to which the member was
9 assigned at the time of the injury or illness, as determined
10 under regulations prescribed by the Secretary concerned.

11 “(g) For the purposes of this section:

12 “(A) The term ‘uniformed services’ has the
13 meaning given such term in section 1072(1) of title
14 10, United States Code.

15 “(B) The term ‘tortious conduct’ includes any
16 tortious omission.

17 “(C) The term ‘pay’, with respect to a member
18 of the uniformed services, means basic pay, special
19 pay, and incentive pay that the member is author-
20 ized to receive under title 37, United States Code,
21 or any other law providing pay for service in the uni-
22 formed services.

23 “(D) The term ‘Secretary concerned’ means—

24 “(i) the Secretary of Defense, with respect
25 to the Army, the Navy, the Air Force, the Ma-

1 rine Corps, and the Coast Guard (when it is op-
2 erating as a service in the Navy);

3 “(ii) the Secretary of Transportation, with
4 respect to the Coast Guard when it is not oper-
5 ating as a service in the Navy;

6 “(iii) the Secretary of Health and Human
7 Services, with respect to the Commissioned
8 Corps of the Public Health Service; and

9 “(iv) the Secretary of Commerce, with re-
10 spect to the Commissioned Corps of the Na-
11 tional Oceanic and Atmospheric Administra-
12 tion.”.

13 (b) CONFORMING AMENDMENTS.—Section 1 of Pub-
14 lic Law 87–693 (42 U.S.C. 2651) is amended—

15 (1) in the first sentence of subsection (a)—

16 (A) by inserting “(independent of the
17 rights of the injured or diseased person)” after
18 “a right to recover”; and

19 (B) by inserting “, or that person’s in-
20 surer,” after “from said third person”;

21 (2) in subsection (d), as redesignated by sub-
22 section (a)(2)—

23 (A) by striking out “such right,” and in-
24 serting in lieu thereof “a right under sub-
25 sections (a), (b), and (c)”; and

1 (B) by inserting “, or the insurance carrier
2 or other entity responsible for the payment or
3 reimbursement of medical expenses or lost
4 pay,” after “the third person who is liable for
5 the injury or disease” each place that it ap-
6 pears.

7 (c) APPLICABILITY.—The authority to collect pursu-
8 ant to the amendments made by this section shall apply
9 to expenses described in the first section of Public Law
10 87–693 (as amended by this section) that are incurred,
11 or are to be incurred, by the United States on or after
12 the date of the enactment of this Act, whether the event
13 from which the claim arises occurred before, on, or after
14 that date.

15 **SEC. 1067. DISPLAY OF STATE FLAGS AT INSTALLATIONS**
16 **AND FACILITIES OF THE DEPARTMENT OF**
17 **DEFENSE.**

18 (a) IN GENERAL.—Except as provided in subsection
19 (b) and notwithstanding any other provision of law, no
20 funds appropriated or otherwise made available to the De-
21 partment of Defense may be used to adopt or enforce any
22 rule or other prohibition that discriminates against the
23 display of the official flag of a particular State, territory,
24 or possession of the United States at an official ceremony
25 at any installation or other facility of the Department of

1 Defense at which the official flags of the other States, ter-
2 ritories, or possessions of the United States are being dis-
3 played.

4 (b) POSITION AND MANNER OF DISPLAY.—The dis-
5 play of an official flag referred to in subsection (a) at an
6 installation or other facility of the Department shall be
7 governed by the provisions of section 3 of the Joint Reso-
8 lution of June 22, 1942 (56 Stat. 378, chapter 435; 36
9 U.S.C. 175), and any modification of such provisions
10 under section 8 of that Joint Resolution (36 U.S.C. 178).

11 **SEC. 1068. GEORGE C. MARSHALL EUROPEAN CENTER FOR**
12 **STRATEGIC SECURITY STUDIES.**

13 (a) AUTHORITY TO ACCEPT FUNDS, MATERIALS,
14 AND SERVICES.—(1) The Secretary of Defense may, on
15 behalf of the George C. Marshall European Center for
16 Strategic Security Studies, accept gifts or donations of
17 funds, materials (including research materials), property,
18 and services (including lecture services and faculty serv-
19 ices) from foreign governments, foundations and other
20 charitable organizations in foreign countries, and individ-
21 uals in foreign countries in order to defray the costs of
22 the operation of the Center.

23 (2) Funds received by the Secretary under paragraph
24 (1) shall be credited to appropriations available for the
25 Department of Defense for the George C. Marshall Euro-

1 pean Center for Strategic Security Studies. Funds so cred-
2 ited shall be merged with the appropriations to which cred-
3 ited and shall be available for the Center for the same
4 purposes and same period as the appropriations with
5 which merged.

6 (b) PARTICIPATION OF FOREIGN NATIONS OTHER-
7 WISE PROHIBITED.—(1) The Secretary may permit rep-
8 resentatives of a foreign government to participate in a
9 program of the George C. Marshall European Center for
10 Strategic Security Studies, notwithstanding any other pro-
11 vision of law that would otherwise prevent representatives
12 of that foreign government from participating in the pro-
13 gram. Before doing so, the Secretary shall determine, in
14 consultation with the Secretary of State, that the partici-
15 pation of representatives of that foreign government in the
16 program is in the national interest of the United States.

17 (2) Not later than January 31 of each year, the Sec-
18 retary of Defense shall, with the assistance of the Director
19 of the Center, submit to Congress a report setting forth
20 the foreign governments permitted to participate in pro-
21 grams of the Center during the preceding year under the
22 authority provided in paragraph (1).

23 (c) WAIVER OF CERTAIN REQUIREMENTS FOR
24 BOARD OF VISITORS.—(1) The Secretary may waive the
25 application of any financial disclosure requirement im-

1 posed by law to a foreign member of the Board of Visitors
2 of the Center if that requirement would otherwise apply
3 to the member solely by reason of the service as a member
4 of the Board. The authority under the preceding sentence
5 applies only in the case of a foreign member who serves
6 on the Board without compensation.

7 (2) Notwithstanding any other provision of law, a
8 member of the Board of Visitors may not be required to
9 register as an agent of a foreign government solely by rea-
10 son of service as a member of the Board.

11 **SEC. 1069. AUTHORITY TO AWARD TO CIVILIAN PARTICI-**
12 **PANTS IN THE DEFENSE OF PEARL HARBOR**
13 **THE CONGRESSIONAL MEDAL PREVIOUSLY**
14 **AUTHORIZED ONLY FOR MILITARY PARTICI-**
15 **PANTS IN THE DEFENSE OF PEARL HARBOR.**

16 (a) **AUTHORITY.**—The Speaker of the House of Rep-
17 resentatives and the President pro tempore of the Senate
18 are authorized jointly to present, on behalf of Congress,
19 a bronze medal provided for under section 1492 of the
20 National Defense Authorization Act for Fiscal Year 1991
21 (104 Stat. 1721) to any person who meets the eligibility
22 requirements set forth in subsection (d) of that section
23 other than the requirement for membership in the Armed
24 Forces, as certified under subsection (e) of that section
25 or under subsection (b) of this section.

1 (b) CERTIFICATION.—The Secretary of Defense shall,
2 not later than 12 months after the date of the enactment
3 of this Act, certify to the Speaker of the House of Rep-
4 resentatives and the President pro tempore of the Senate
5 the names of persons who are eligible for award of the
6 medal under this Act and have not previously been cer-
7 tified under section 1492(e) of the National Defense Au-
8 thorization Act for Fiscal Year 1991.

9 (c) APPLICATIONS.—Subsections (d)(2) and (f) of
10 section 1492 of the National Defense Authorization Act
11 for Fiscal Year 1991 shall apply in the administration of
12 this Act.

13 (d) ADDITIONAL STRIKING AUTHORITY.—The Sec-
14 retary of the Treasury shall strike such additional medals
15 as may be necessary for presentation under the authority
16 of subsection (a).

17 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated such sum as may be nec-
19 essary to carry out this section.

20 (f) RETROACTIVE EFFECTIVE DATE.—The authority
21 under subsection (a) shall be effective as of November 5,
22 1990.

1 **SEC. 1070. MICHAEL O'CALLAGHAN FEDERAL HOSPITAL,**
2 **LAS VEGAS, NEVADA.**

3 (a) FINDINGS.—Congress makes the following find-
4 ings:

5 (1) Michael O'Callaghan, former Governor of
6 the State of Nevada, served in three branches of the
7 Armed Forces of the United States, namely, the
8 Army, the Air Force, and the Marine Corps.

9 (2) At 16 years of age, Michael O'Callaghan en-
10 listed in the United States Marine Corps to serve
11 during the end of World War II.

12 (3) During the Korean conflict, Michael
13 O'Callaghan served successively in the Air Force and
14 the Army and, during such service, suffered wounds
15 in combat that necessitated the amputation of his
16 left leg.

17 (4) Michael O'Callaghan was awarded the Sil-
18 ver Star, the Bronze Star with Valor Device, and the
19 Purple Heart for his military service.

20 (5) In 1963, Michael O'Callaghan became the
21 first director of the Health and Welfare Department
22 of the State of Nevada.

23 (6) In 1970, Michael O'Callaghan became Gov-
24 ernor of the State of Nevada and served in that po-
25 sition through 1978, making him one of only five

1 two-term governors in the history of the State of Ne-
2 vada.

3 (7) In 1982, Michael O’Callaghan received the
4 Air Force Exceptional Service Award.

5 (8) It is appropriate to name the Nellis Federal
6 Hospital, Las Vegas, Nevada, a hospital operated
7 jointly by the Department of Defense, through Nellis
8 Air Force Base, and the Department of Veterans
9 Affairs, through the Las Vegas Veterans Affairs
10 Outpatient Clinic, after Michael O’Callaghan, a man
11 who (A) has served his country with honor in three
12 branches of the Armed Forces, (B) as a disabled
13 veteran knows personally the tragic sacrifices that
14 are so often made in the service of his country in the
15 Armed Forces, and (C) has spent his entire career
16 working to improve the lives of all Nevadans.

17 (b) DESIGNATION OF MICHAEL O’CALLAGHAN FED-
18 ERAL HOSPITAL.—The Nellis Federal Hospital, a Federal
19 building located at 4700 North Las Vegas Boulevard, Las
20 Vegas, Nevada, is designated as the “Michael O’Callaghan
21 Federal Hospital”.

22 (c) REFERENCES.—Any reference in a law, map, reg-
23 ulation, document, paper, or other record of the United
24 States to the Federal building referred to in subsection

1 (b) shall be deemed to be a reference to the “Michael
2 O’Callaghan Federal Hospital”.

3 **SEC. 1071. NAMING OF BUILDING AT THE UNIFORMED**
4 **SERVICES UNIVERSITY OF THE HEALTH**
5 **SCIENCES.**

6 It is the sense of the Senate that the Secretary of
7 Defense should name Building A at the Uniformed Serv-
8 ices University of the Health Sciences as the “David Pack-
9 ard Building”.

10 **TITLE XI—DEPARTMENT OF**
11 **DEFENSE CIVILIAN PERSONNEL**
12 **Subtitle A—Personnel**
13 **Management, Pay, and Allowances**

14 **SEC. 1101. SCOPE OF REQUIREMENT FOR CONVERSION OF**
15 **MILITARY POSITIONS TO CIVILIAN POSI-**
16 **TIONS.**

17 Section 1032(a) of the National Defense Authoriza-
18 tion Act for Fiscal Year 1996 (Public Law 104–106; 110
19 Stat. 429; 10 U.S.C. 129a note) is amended—

20 (1) by striking out the text of paragraph (1)
21 and inserting in lieu thereof the following: “By Sep-
22 tember 30, 1996, the Secretary of Defense shall con-
23 vert at least 3,000 military positions to civilian posi-
24 tions.”;

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

1 (3) by redesignating paragraph (3) as para-
2 graph (2).

3 **SEC. 1102. RETENTION OF CIVILIAN EMPLOYEE POSITIONS**
4 **AT MILITARY TRAINING BASES TRANS-**
5 **FERRED TO NATIONAL GUARD.**

6 (a) MILITARY TRAINING INSTALLATIONS AF-
7 FECTED.—This section applies with respect to each mili-
8 tary training installation that—

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

13 (2) is scheduled for transfer during fiscal year
14 1997 to National Guard operation and control; and

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

18 (b) RETENTION OF EMPLOYEE POSITIONS.—In the
19 case of a military training installation described in sub-
20 section (a), the Secretary of Defense may retain civilian
21 employee positions of the Department of Defense at the
22 installation after transfer to the National Guard of a State
23 in order to facilitate active and reserve component training
24 at the installation. The Secretary, in consultation with the
25 Adjutant General of the National Guard of that State,

1 shall determine the extent to which positions at that in-
2 stallation are to be retained as positions in the Depart-
3 ment of Defense.

4 (c) MAXIMUM NUMBER OF POSITIONS RETAINED.—
5 The maximum number of civilian employee positions re-
6 tained at an installation under this section shall not exceed
7 20 percent of the Federal civilian workforce employed at
8 the installation as of September 8, 1995.

9 (d) REMOVAL OF POSITION.—The decision to retain
10 civilian employee positions at an installation under this
11 section shall cease to apply to a position so retained on
12 the date on which the Secretary certifies to Congress that
13 it is no longer necessary to retain the position in order
14 to ensure that effective support is provided at the installa-
15 tion for active and reserve component training.

16 **SEC. 1103. CLARIFICATION OF LIMITATION ON FURNISHING**
17 **CLOTHING OR PAYING A UNIFORM ALLOW-**
18 **ANCE TO ENLISTED NATIONAL GUARD TECH-**
19 **NICIANS.**

20 Section 418(e) of title 37, United States Code, is
21 amended by striking out “for which a uniform allowance
22 is paid under section 415 or 416 of this title” and insert-
23 ing in lieu thereof “for which clothing is furnished or a
24 uniform allowance is paid under this section”.

1 **SEC. 1104. TRAVEL EXPENSES AND HEALTH CARE FOR CI-**
2 **VILIAN EMPLOYEES OF THE DEPARTMENT OF**
3 **DEFENSE ABROAD.**

4 (a) IN GENERAL.—Chapter 81 of title 10, United
5 States Code, is amended by adding at the end the follow-
6 ing new section:

7 **“§ 1599b. Employees abroad: travel expenses; health**
8 **care**

9 “(a) IN GENERAL.—The Secretary of Defense may
10 provide civilian employees, and members of their families,
11 abroad with benefits that are comparable to certain bene-
12 fits that are provided by the Secretary of State to mem-
13 bers of the Foreign Service and their families abroad as
14 described in subsections (b) and (c). The Secretary may
15 designate the employees and members of families who are
16 eligible to receive the benefits.

17 “(b) TRAVEL AND RELATED EXPENSES.—The Sec-
18 retary of Defense may pay travel expenses and related ex-
19 penses for purposes and in amounts that are comparable
20 to the purposes for which, and the amounts in which, trav-
21 el and related expenses are paid by the Secretary of State
22 under section 901 of the Foreign Service Act of 1980 (22
23 U.S.C. 4081).

24 “(c) HEALTH CARE PROGRAM.—The Secretary of
25 Defense may establish a health care program that is com-
26 parable to the health care program established by the Sec-

1 retary of State under section 904 of that Act (22 U.S.C.
2 4084).

3 “(d) ASSISTANCE.—The Secretary of Defense may
4 enter into agreements with the heads of other departments
5 and agencies of the Federal Government in order to facili-
6 tate the payment of expenses authorized by subsection (b)
7 and to carry out a health care program authorized by sub-
8 section (c).

9 “(e) ABROAD DEFINED.—In this section, the term
10 ‘abroad’ means outside—

11 “(1) the United States; and

12 “(2) the territories and possessions of the Unit-
13 ed States.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 at the beginning of such chapter is amended by inserting
16 after the item relating to section 1599a the following new
17 item:

“1599b. Employees abroad: travel expenses; health care.”.

18 **SEC. 1105. TRAVEL, TRANSPORTATION, AND RELOCATION**
19 **ALLOWANCES FOR CERTAIN FORMER NON-**
20 **APPROPRIATED FUND EMPLOYEES.**

21 (a) IN GENERAL.—(1) Subchapter II of chapter 57
22 of title 5, United States Code, is amended by adding at
23 the end the following new section:

1 **“§ 5736. Travel, transportation, and relocation ex-**
 2 **penses of certain nonappropriated fund**
 3 **employees**

4 “An employee of a nonappropriated fund instrumen-
 5 tality of the Department of Defense or the Coast Guard
 6 described in section 2105(e) of this title who moves, with-
 7 out a break in service of more than 3 days, to a position
 8 in the Department of Defense or the Coast Guard, respec-
 9 tively, may be authorized travel, transportation, and relo-
 10 cation expenses and allowances under the same conditions
 11 and to the same extent authorized by this subchapter for
 12 transferred employees.”.

13 (2) The table of sections at the beginning of chapter
 14 57 of such title is amended by inserting after the item
 15 relating to section 5735 the following new item:

“5736. Travel, transportation, and relocation expenses of certain nonappro-
 priated fund employees.”.

16 (b) **APPLICABILITY.**—Section 5736 of title 5, United
 17 States Code (as added by subsection (a)(1)), shall apply
 18 to moves between positions as described in such section
 19 that are effective on or after October 1, 1996.

20 **SEC. 1106. EMPLOYMENT AND SALARY PRACTICES APPLI-**
 21 **CABLE TO DEPARTMENT OF DEFENSE OVER-**
 22 **SEAS TEACHERS.**

23 (a) **EXPANSION OF SCOPE OF EDUCATORS COV-**
 24 **ERED.**—Section 2 of the Defense Department Overseas

1 Teachers Pay and Personnel Practices Act (20 U.S.C.
2 901) is amended—

3 (1) in subparagraph (A) of paragraph (1), by
4 inserting “, or are performed by an individual who
5 carried out certain teaching activities identified in
6 regulations prescribed by the Secretary of Defense”
7 after “Defense,”; and

8 (2) by striking out subparagraph (C) of para-
9 graph (2) and inserting in lieu thereof the following:

10 “(C) who is employed in a teaching posi-
11 tion described in paragraph (1).”.

12 (b) TRANSFER OF RESPONSIBILITY FOR EMPLOY-
13 MENT AND SALARY PRACTICES.—Section 5 of such Act
14 (20 U.S.C. 903) is amended—

15 (1) in subsection (a)—

16 (A) by striking out “secretary of each mili-
17 tary department in the Department of Defense”
18 and inserting in lieu thereof “Secretary of De-
19 fense”; and

20 (B) by striking out “his military depart-
21 ment” and inserting in lieu thereof “the De-
22 partment of Defense”;

23 (2) in subsection (b)—

24 (A) in the matter preceding paragraph (1),
25 by striking out “secretary of each military de-

1 partment—” and inserting in lieu thereof “Sec-
2 retary of Defense—”; and

3 (B) in paragraph (1), by striking out “his
4 military department,” and inserting in lieu
5 thereof “the Department of Defense”;

6 (3) in subsection (c)—

7 (A) by striking out “Secretary of each
8 military department” and inserting in lieu
9 thereof “Secretary of Defense”; and

10 (B) by striking out “his military depart-
11 ment” and inserting in lieu thereof “the De-
12 partment of Defense”; and

13 (4) in subsection (d), by striking out “Secretary
14 of each military department” and inserting in lieu
15 thereof “Secretary of Defense”.

16 **SEC. 1107. EMPLOYMENT AND COMPENSATION OF CIVILIAN**
17 **FACULTY MEMBERS AT CERTAIN DEPART-**
18 **MENT OF DEFENSE SCHOOLS.**

19 (a) FACULTIES.—Section 1595(c) of title 10, United
20 States Code, is amended by inserting after paragraph (3)
21 the following new paragraph (4):

22 “(4) The English Language Center of the De-
23 fense Language Institute.

24 “(5) The Asia-Pacific Center for Security Stud-
25 ies.”.

1 (b) CERTAIN ADMINISTRATORS.—Such section 1595
2 is amended by adding at the end the following:

3 “(f) APPLICATION TO DIRECTOR AND DEPUTY DI-
4 RECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUD-
5 IES.—In the case of the Asia-Pacific Center for Security
6 Studies, this section also applies with respect to the Direc-
7 tor and the Deputy Director.”.

8 **SEC. 1108. REIMBURSEMENT OF DEPARTMENT OF DEFENSE**
9 **DOMESTIC DEPENDENT SCHOOL BOARD**
10 **MEMBERS FOR CERTAIN EXPENSES.**

11 Section 2164(d) of title 10, United States Code, is
12 amended by adding at the end the following:

13 “(7) The Secretary may provide for reimbursement
14 of a school board member for expenses incurred by the
15 member for travel, transportation, program fees, and ac-
16 tivity fees that the Secretary determines are reasonable
17 and necessary for the performance of school board duties
18 by the member.”.

19 **SEC. 1109. EXTENSION OF AUTHORITY FOR CIVILIAN EM-**
20 **PLOYEES OF DEPARTMENT OF DEFENSE TO**
21 **PARTICIPATE VOLUNTARILY IN REDUCTIONS**
22 **IN FORCE.**

23 Section 3502(f)(5) of title 5, United States Code, is
24 amended by striking out “September 30, 1996” and in-
25 serting in lieu thereof “September 30, 2001”.

1 **SEC. 1110. COMPENSATORY TIME OFF FOR OVERTIME**
2 **WORK PERFORMED BY WAGE-BOARD EM-**
3 **PLOYEES.**

4 Section 5543 of title 5, United States Code, is
5 amended by adding at the end the following:

6 “(c) The head of an agency may, on request of an
7 employee, grant the employee compensatory time off from
8 the employee’s scheduled tour of duty instead of payment
9 under section 5544 of this title or section 7 of the Fair
10 Labor Standards Act of 1938 for an equal amount of time
11 spent in irregular or occasional overtime work.”.

12 **SEC. 1111. LIQUIDATION OF RESTORED ANNUAL LEAVE**
13 **THAT REMAINS UNUSED UPON TRANSFER OF**
14 **EMPLOYEE FROM INSTALLATION BEING**
15 **CLOSED OR REALIGNED.**

16 (a) LUMP-SUM PAYMENT REQUIRED.—Section 5551
17 of title 5, United States Code, is amended by adding at
18 the end the following new subsection:

19 “(c)(1) Annual leave that is restored to an employee
20 of the Department of Defense under section 6304(d) of
21 this title by reason of the operation of paragraph (3) of
22 such section and remains unused upon the transfer of the
23 employee to a position described in paragraph (2) shall
24 be liquidated by payment of a lump-sum for such leave
25 to the employee upon the transfer.

1 “(2) A position referred to in paragraph (1) is a posi-
 2 tion in a department or agency of the Federal Government
 3 outside the Department of Defense or a Department of
 4 Defense position that is not located at a Department of
 5 Defense installation being closed or realigned as described
 6 in section 6304(d)(3) of this title.”.

7 (b) APPLICABILITY.—Subsection (c) of section 5551
 8 of title 5, United States Code (as added by subsection (a)),
 9 shall apply with respect to transfers described in such sub-
 10 section (c) that take effect on or after the date of the en-
 11 actment of this Act.

12 **SEC. 1112. WAIVER OF REQUIREMENT FOR REPAYMENT OF**
 13 **VOLUNTARY SEPARATION INCENTIVE PAY BY**
 14 **FORMER DEPARTMENT OF DEFENSE EM-**
 15 **PLOYEES REEMPLOYED BY THE GOVERN-**
 16 **MENT WITHOUT PAY.**

17 Section 5597(g) of title 5, United States Code, is
 18 amended by adding at the end the following new para-
 19 graph:

20 “(5) If the employment is without compensation, the
 21 appointing official may waive the repayment.”.

22 **SEC. 1113. FEDERAL HOLIDAY OBSERVANCE RULES FOR**
 23 **DEPARTMENT OF DEFENSE EMPLOYEES.**

24 (a) HOLIDAYS OCCURRING ON NONWORKDAYS.—
 25 Section 6103(b) of title 5, United States Code, is amended

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

3 “(3) In the case of a full-time employee of the
4 Department of Defense, the following rules apply:

5 “(A) When a legal public holiday occurs on
6 a Sunday that is not a regular weekly workday
7 for an employee, the employee’s next workday is
8 the legal public holiday for the employee.

9 “(B) When a legal public holiday occurs on
10 a regular weekly nonworkday that is adminis-
11 tratively scheduled for an employee instead of
12 Sunday, the employee’s next workday is the
13 legal public holiday for the employee.

14 “(C) When a legal public holiday occurs on
15 an employee’s regular weekly nonworkday im-
16 mediately following a regular weekly nonwork-
17 day that is administratively scheduled for the
18 employee instead of Sunday, the employee’s
19 next workday is the legal public holiday for the
20 employee.

21 “(D) When a legal public holiday occurs on
22 an employee’s regular weekly nonworkday that
23 is not a nonworkday referred to in subpara-
24 graph (A), (B), or (C), the employee’s preced-

1 ing workday is the legal public holiday for the
2 employee.

3 “(E) The Secretary concerned (as defined
4 in section 101(a) of title 10) may schedule a
5 legal public holiday for an employee to be on a
6 different day than the one that would otherwise
7 apply for the employee under subparagraph (A),
8 (B), (C), or (D).

9 “(F) If a legal public holiday for an em-
10 ployee would be different under paragraph (1)
11 or (2) than the day determined under this para-
12 graph, the legal public holiday for the employee
13 shall be the day that is determined under this
14 paragraph.”.

15 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
16 Section 6103(b) of such title, as amended by subsection
17 (a), is further amended—

18 (1) in paragraph (1), by striking out “legal
19 public holiday for—” and all that follows through
20 the period and inserting in lieu thereof “legal public
21 holiday for employees whose basic workweek is Mon-
22 day through Friday.”; and

23 (2) in the matter following paragraph (3), by
24 striking out “This subsection, except subparagraph

1 (B) of paragraph (1),” and inserting in lieu thereof
2 “Paragraphs (1) and (2)”.

3 **SEC. 1114. REVISION OF CERTAIN TRAVEL MANAGEMENT**
4 **AUTHORITIES.**

5 (a) REPEAL OF REQUIREMENTS RELATING TO FIRE-
6 SAFE ACCOMMODATIONS.—(1) Section 5707 of title 5,
7 United States Code, is amended by striking out subsection
8 (d).

9 (2) Subsection (b) of section 5 of the Hotel and Motel
10 Fire Safety Act of 1990 (Public Law 101–391; 104 Stat.
11 751; 5 U.S.C. 5707 note) is repealed.

12 (b) USE OF FUNDS FOR LONG-DISTANCE
13 CHARGES.—Subsection (b) of section 1348 of title 31,
14 United States Code, is amended to read as follows:

15 “(b) Appropriations of an agency are available to pay
16 charges assessed by commercial telecommunications car-
17 riers for long-distance telephone services provided to indi-
18 viduals travelling on official business of the agency if
19 charges for such services are included in a travel expense
20 report and approved by the official of the agency respon-
21 sible for approving travel expense reports.”.

22 (c) REPEAL OF PROHIBITION ON PAYMENT OF
23 LODGING EXPENSES OF DEPARTMENT OF DEFENSE EM-
24 PLOYEES AND OTHER CIVILIANS WHEN ADEQUATE GOV-

1 ERNMENT QUARTERS ARE AVAILABLE.—(1) Section 1589
2 of title 10, United States Code, is repealed.

3 (2) The table of sections at the beginning of chapter
4 81 of such title is amended by striking out the item relat-
5 ing to such section.

6 **Subtitle B—Defense Economic Ad-**
7 **justment, Diversification, Con-**
8 **version, and Stabilization**

9 **SEC. 1121. PILOT PROGRAMS FOR DEFENSE EMPLOYEES**
10 **CONVERTED TO CONTRACTOR EMPLOYEES**
11 **DUE TO PRIVATIZATION AT CLOSED MILI-**
12 **TARY INSTALLATIONS.**

13 (a) PILOT PROGRAMS AUTHORIZED.—(1) The Sec-
14 retary of Defense, after consultation with the Secretary
15 of the Navy, the Secretary of the Air Force, and the Direc-
16 tor of the Office of Personnel Management, may establish
17 a pilot program under which Federal retirement benefits
18 are provided in accordance with this section to persons
19 who convert from Federal employment in the Department
20 of the Navy or the Department of the Air Force to employ-
21 ment by a Department of Defense contractor in connection
22 with the privatization of the performance of functions at
23 selected military installations being closed under the base
24 closure and realignment process.

1 (2) The Secretary of Defense shall select the installa-
2 tions to be covered by a pilot program under this section.

3 (b) ELIGIBLE TRANSFERRED EMPLOYEES.—(1) A
4 person is a transferred employee eligible for benefits under
5 this section if the person is a former employee of the De-
6 partment of Defense (other than a temporary employee)
7 who—

8 (A) while employed by the Department of De-
9 fense in a function recommended to be privatized as
10 part of the closure and realignment of military in-
11 stallations pursuant to section 2903(e) of the De-
12 fense Base Closure and Realignment Act of 1990
13 (title XXIX of Public Law 101–510; 10 U.S.C. 2687
14 note) and while covered under the Civil Service Re-
15 tirement System, separated from Federal service
16 after being notified that the employee would be sepa-
17 rated in a reduction-in-force resulting from conver-
18 sion from performance of a function by Department
19 of Defense employees at that military installation to
20 performance of that function by a defense contractor
21 at that installation or in the vicinity of that installa-
22 tion;

23 (B) is employed by the defense contractor with-
24 in 60 days following such separation to perform sub-

1 stantially the same function performed before the
2 separation;

3 (C) remains employed by the defense contractor
4 (or a successor defense contractor) or subcontractor
5 of the defense contractor (or successor defense con-
6 tractor) until attaining early deferred retirement age
7 (unless the employment is sooner involuntarily ter-
8 minated for reasons other than performance or con-
9 duct of the employee);

10 (D) at the time separated from Federal service,
11 was not eligible for an immediate annuity under the
12 Civil Service Retirement System; and

13 (E) does not withdraw retirement contributions
14 under section 8342 of title 5, United States Code.

15 (2) A person who, under paragraph (1), would other-
16 wise be eligible for an early deferred annuity under this
17 section shall not be eligible for such benefits if the person
18 received separation pay or severance pay due to a separa-
19 tion described in subparagraph (A) of that paragraph un-
20 less the person repays the full amount of such pay with
21 interest (computed at a rate determined appropriate by
22 the Director of the Office of Personnel Management) to
23 the Department of Defense before attaining early deferred
24 retirement age.

1 (c) RETIREMENT BENEFITS OF TRANSFERRED EM-
2 PLOYEES.—In the case of a transferred employee covered
3 by a pilot program under this section, payment of a de-
4 ferred annuity for which the transferred employee is eligi-
5 ble under section 8338(a) of title 5, United States Code,
6 shall commence on the first day of the first month that
7 begins after the date on which the transferred employee
8 attains early deferred retirement age, notwithstanding the
9 age requirement under that section.

10 (d) COMPUTATION OF AVERAGE PAY.—(1)(A) This
11 paragraph applies to a transferred employee who was em-
12 ployed in a position classified under the General Schedule
13 immediately before the employee's covered separation from
14 Federal service.

15 (B) Subject to subparagraph (C), for purposes of
16 computing the deferred annuity for a transferred employee
17 referred to in subparagraph (A), the average pay of the
18 transferred employee, computed under section 8331(4) of
19 title 5, United States Code, as of the date of the employ-
20 ee's covered separation from Federal service, shall be ad-
21 justed at the same time and by the same percentage that
22 rates of basic pay are increased under section 5303 of
23 such title during the period beginning on that date and
24 ending on the date on which the transferred employee at-
25 tains early deferred retirement age.

1 (C) The average pay of a transferred employee, as
2 adjusted under subparagraph (B), may not exceed the
3 amount to which an annuity of the transferred employee
4 could be increased under section 8340 of title 5, United
5 States Code, in accordance with the limitation in sub-
6 section (g)(1) of such section (relating to maximum pay,
7 final pay, or average pay).

8 (2)(A) This paragraph applies to a transferred em-
9 ployee who was a prevailing rate employee (as defined
10 under section 5342(2) of title 5, United States Code) im-
11 mediately before the employee's covered separation from
12 Federal service.

13 (B) For purposes of computing the deferred annuity
14 for a transferred employee referred to in subparagraph
15 (A), the average pay of the transferred employee, com-
16 puted under section 8331(4) of title 5, United States
17 Code, as of the date of the employee's covered separation
18 from Federal service, shall be adjusted at the same time
19 and by the same percentage that pay rates for positions
20 that are in the same area as, and are comparable to, the
21 last position the transferred employee held as a prevailing
22 rate employee, are increased under section 5343(a) of such
23 title during the period beginning on that date and ending
24 on the date on which the transferred employee attains
25 early deferred retirement age.

1 (e) PAYMENT OF UNFUNDED LIABILITY.—(1) The
2 military department concerned shall be liable for that por-
3 tion of any estimated increase in the unfunded liability
4 of the Civil Service Retirement and Disability Fund estab-
5 lished under section 8348 of title 5, United States Code,
6 which is attributable to any benefits payable from such
7 Fund to a transferred employee, and any survivor of a
8 transferred employee, when the increase results from—

9 (A) an increase in the average pay of the trans-
10 ferred employee under subsection (d) upon which
11 such benefits are computed; and

12 (B) the commencement of an early deferred an-
13 nuity in accordance with this section before the at-
14 tainment of 62 years of age by the transferred em-
15 ployee.

16 (2) The estimated increase in the unfunded liability
17 for each department referred to in paragraph (1), shall
18 be determined by the Director of the Office of Personnel
19 Management. In making the determination, the Director
20 shall consider any savings to the Fund as a result of the
21 program established under this section. The Secretary of
22 the military department concerned shall pay the amount
23 so determined to the Director in 10 equal annual install-
24 ments with interest computed at the rate used in the most
25 recent valuation of the Civil Service Retirement System,

1 with the first payment thereof due at the end of the fiscal
2 year in which an increase in average pay under subsection
3 (d) becomes effective.

4 (f) CONTRACTOR SERVICE NOT CREDITABLE.—Serv-
5 ice performed by a transferred employee for a defense con-
6 tractor after the employee's covered separation from Fed-
7 eral service is not creditable service for purposes of sub-
8 chapter III of chapter 83 of title 5, United States Code.

9 (g) RECEIPT OF BENEFITS WHILE EMPLOYED BY A
10 DEFENSE CONTRACTOR.—A transferred employee may
11 commence receipt of an early deferred annuity in accord-
12 ance with this section while continuing to work for a de-
13 fense contractor.

14 (h) LUMP-SUM CREDIT PAYMENT.—If a transferred
15 employee dies before attaining early deferred retirement
16 age, such employee shall be treated as a former employee
17 who dies not retired for purposes of payment of the lump-
18 sum credit under section 8342(d) of title 5, United States
19 Code.

20 (i) CONTINUED FEDERAL HEALTH BENEFITS COV-
21 ERAGE.—Notwithstanding section 5905a(e)(1)(A) of title
22 5, United States Code, the continued coverage of a trans-
23 ferred employee for health benefits under chapter 89 of
24 such title by reason of the application of section 8905a
25 of such title to such employee shall terminate 90 days

1 after the date of the employee's covered separation from
2 Federal employment. For the purposes of the preceding
3 sentence, a person who, except for subsection (b)(2),
4 would be a transferred employee shall be considered a
5 transferred employee.

6 (j) REPORT BY GAO.—The Comptroller General of
7 the United States shall conduct a study of each pilot pro-
8 gram, if any, established under this section and submit
9 a report on the pilot program to Congress not later than
10 two years after the date on which the program is estab-
11 lished. The report shall contain the following:

12 (1) A review and evaluation of the program, in-
13 cluding—

14 (A) an evaluation of the success of the pri-
15 vatization outcomes of the program;

16 (B) a comparison and evaluation of such
17 privatization outcomes with the privatization
18 outcomes with respect to facilities at other mili-
19 tary installations closed or realigned under the
20 base closure laws;

21 (C) an evaluation of the impact of the pro-
22 gram on the Federal workforce and whether the
23 program results in the maintenance of a skilled
24 workforce for defense contractors at an accept-

1 able cost to the military department concerned;
2 and

3 (D) an assessment of the extent to which
4 the pilot program is a cost-effective means of
5 facilitating privatization of the performance of
6 Federal activities.

7 (2) Recommendations relating to the expansion
8 of the program to other installations and employees.

9 (3) Any other recommendation relating to the
10 program.

11 (k) IMPLEMENTING REGULATIONS.—Not later than
12 30 days after the Secretary of Defense notifies the Direc-
13 tor of the Office of Personnel Management of a decision
14 to establish a pilot program under this section, the Direc-
15 tor shall prescribe regulations to carry out the provisions
16 of this section with respect to that pilot program. Before
17 prescribing the regulations, the Director shall consult with
18 the Secretary.

19 (l) DEFINITIONS.—In this section:

20 (1) The term “transferred employee” means a
21 person who, pursuant to subsection (b), is eligible
22 for benefits under this section.

23 (2) The term “covered separation from Federal
24 service” means a separation from Federal service as
25 described under subsection (b)(1)(A).

1 (3) The term “Civil Service Retirement Sys-
2 tem” means the retirement system under subchapter
3 III of chapter 83 of title 5, United States Code.

4 (4) The term “defense contractor” means any
5 entity that—

6 (A) contracts with the Department of De-
7 fense to perform a function previously per-
8 formed by Department of Defense employees;

9 (B) performs that function at the same in-
10 stallation at which such function was previously
11 performed by Department of Defense employees
12 or in the vicinity of that installation; and

13 (C) is the employer of one or more trans-
14 ferred employees.

15 (5) The term “early deferred retirement age”
16 means the first age at which a transferred employee
17 would have been eligible for immediate retirement
18 under subsection (a) or (b) of section 8336 of title
19 5, United States Code, if such transferred employee
20 had remained an employee within the meaning of
21 section 8331(1) of such title continuously until at-
22 taining such age.

23 (6) The term “severance pay” means severance
24 pay payable under section 5595 of title 5, United
25 States Code.

1 title 10, United States Code, before the date of the enact-
2 ment of this Act.

3 **TITLE XII—FEDERAL CHARTER**
4 **FOR THE FLEET RESERVE AS-**
5 **SOCIATION**

6 **SEC. 1201. RECOGNITION AND GRANT OF FEDERAL CHAR-**
7 **TER.**

8 The Fleet Reserve Association, a nonprofit corpora-
9 tion organized under the laws of the State of Delaware,
10 is recognized as such and granted a Federal charter.

11 **SEC. 1202. POWERS.**

12 The Fleet Reserve Association (in this title referred
13 to as the “association”) shall have only those powers
14 granted to it through its bylaws and articles of incorpora-
15 tion filed in the State in which it is incorporated and sub-
16 ject to the laws of such State.

17 **SEC. 1203. PURPOSES.**

18 The purposes of the association are those provided
19 in its bylaws and articles of incorporation and shall include
20 the following:

21 (1) Upholding and defending the Constitution
22 of the United States.

23 (2) Aiding and maintaining an adequate naval
24 defense for the United States.

1 (3) Assisting the recruitment of the best per-
2 sonnel available for the United States Navy, United
3 States Marine Corps, and United States Coast
4 Guard.

5 (4) Providing for the welfare of the personnel
6 who serve in the United States Navy, United States
7 Marine Corps, and United States Coast Guard.

8 (5) Continuing to serve loyally the United
9 States Navy, United States Marine Corps, and Unit-
10 ed States Coast Guard.

11 (6) Preserving the spirit of shipmanship by pro-
12 viding assistance to shipmates and their families.

13 (7) Instilling love of the United States and the
14 flag and promoting soundness of mind and body in
15 the youth of the United States.

16 **SEC. 1204. SERVICE OF PROCESS.**

17 With respect to service of process, the association
18 shall comply with the laws of the State in which it is incor-
19 porated and those States in which it carries on its activi-
20 ties in furtherance of its corporate purposes.

21 **SEC. 1205. MEMBERSHIP.**

22 Except as provided in section 1208(g), eligibility for
23 membership in the association and the rights and privi-
24 leges of members shall be as provided in the bylaws and
25 articles of incorporation of the association.

1 **SEC. 1206. BOARD OF DIRECTORS.**

2 Except as provided in section 1208(g), the composi-
3 tion of the board of directors of the association and the
4 responsibilities of the board shall be as provided in the
5 bylaws and articles of incorporation of the association and
6 in conformity with the laws of the State in which it is
7 incorporated.

8 **SEC. 1207. OFFICERS.**

9 Except as provided in section 1208(g), the positions
10 of officers of the association and the election of members
11 to such officers shall be as provided in the bylaws and
12 articles of incorporation of the association and in conform-
13 ity with the laws of the State in which it is incorporated.

14 **SEC. 1208. RESTRICTIONS.**

15 (a) INCOME AND COMPENSATION.—No part of the in-
16 come or assets of the association may inure to the benefit
17 of any member, officer, or director of the association or
18 be distributed to any such individual during the life of this
19 charter. Nothing in this subsection may be construed to
20 prevent the payment of reasonable compensation to the
21 officers and employees of the association or reimburse-
22 ment for actual and necessary expenses in amounts ap-
23 proved by the board of directors.

24 (b) LOANS.—The association may not make any loan
25 to any member, officer, director, or employee of the asso-
26 ciation.

1 (c) ISSUANCE OF STOCK AND PAYMENT OF DIVI-
2 DENDS.—The association may not issue any shares of
3 stock or declare or pay any dividend.

4 (d) FEDERAL APPROVAL.—The association may not
5 claim the approval of the Congress or the authorization
6 of the Federal Government for any of its activities by vir-
7 tue of this title.

8 (e) CORPORATE STATUS.—The association shall
9 maintain its status as a corporation organized and incor-
10 porated under the laws of the State of Delaware.

11 (f) CORPORATE FUNCTION.—The association shall
12 function as an educational, patriotic, civic, historical, and
13 research organization under the laws of the State in which
14 it is incorporated.

15 (g) NONDISCRIMINATION.—In establishing the condi-
16 tions of membership in the association and in determining
17 the requirements for serving on the board of directors or
18 as an officer of the association, the association may not
19 discriminate on the basis of race, color, religion, sex, hand-
20 icap, age, or national origin.

21 **SEC. 1209. LIABILITY.**

22 The association shall be liable for the acts of its offi-
23 cers, directors, employees, and agents whenever such indi-
24 viduals act within the scope of their authority.

1 **SEC. 1210. MAINTENANCE AND INSPECTION OF BOOKS AND**
2 **RECORDS.**

3 (a) **BOOKS AND RECORDS OF ACCOUNT.**—The asso-
4 ciation shall keep correct and complete books and records
5 of account and minutes of any proceeding of the associa-
6 tion involving any of its members, the board of directors,
7 or any committee having authority under the board of di-
8 rectors.

9 (b) **NAMES AND ADDRESSES OF MEMBERS.**—The as-
10 sociation shall keep at its principal office a record of the
11 names and addresses of all members having the right to
12 vote in any proceeding of the association.

13 (c) **RIGHT TO INSPECT BOOKS AND RECORDS.**—All
14 books and records of the association may be inspected by
15 any member having the right to vote in any proceeding
16 of the association, or by any agent or attorney of such
17 member, for any proper purpose at any reasonable time.

18 (d) **APPLICATION OF STATE LAW.**—This section may
19 not be construed to contravene any applicable State law.

20 **SEC. 1211. AUDIT OF FINANCIAL TRANSACTIONS.**

21 The first section of the Act entitled “An Act to pro-
22 vide for audit of accounts of private corporations estab-
23 lished under Federal law”, approved August 30, 1964 (36
24 U.S.C. 1101), is amended by adding at the end the follow-
25 ing:

26 “(77) Fleet Reserve Association.”.

1 **SEC. 1212. ANNUAL REPORT.**

2 The association shall annually submit to Congress a
3 report concerning the activities of the association during
4 the preceding fiscal year. The annual report shall be sub-
5 mitted on the same date as the report of the audit required
6 by reason of the amendment made in section 1211. The
7 annual report shall not be printed as a public document.

8 **SEC. 1213. RESERVATION OF RIGHT TO AMEND OR REPEAL**
9 **CHARTER.**

10 The right to alter, amend, or repeal this title is ex-
11 pressly reserved to Congress.

12 **SEC. 1214. TAX-EXEMPT STATUS.**

13 The association shall maintain its status as an orga-
14 nization exempt from taxation as provided in the Internal
15 Revenue Code of 1986.

16 **SEC. 1215. TERMINATION.**

17 The charter granted in this title shall expire if the
18 association fails to comply with any of the provisions of
19 this title.

20 **SEC. 1216. DEFINITION.**

21 For purposes of this title, the term "State" means
22 any of the several States, the District of Columbia, the
23 Commonwealth of Puerto Rico, the Commonwealth of the
24 Northern Mariana Islands, the United States Virgin Is-
25 lands, Guam, American Samoa, the Republic of the Mar-
26 shall Islands, the Federated States Of Micronesia, the Re-

- 1 public of Palau, and any other territory or possession of
- 2 the United States.