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H. R. 1119

One Hundred Fifth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the seventh day of January, one thousand nine hundred and ninety-seven

An Act

To authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1998".

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical Demilitarization Program.
Sec. 108. Defense health programs.
Sec. 109. Defense Export Loan Guarantee Program.

Subtitle B—Army Programs

Sec. 111. Army helicopter modernization plan.
Sec. 112. Multiyear procurement authority for specified Army programs.
Sec. 113. M113 vehicle modifications.

Subtitle C—Navy Programs

Sec. 121. New Attack Submarine program.
Sec. 122. CVN–77 nuclear aircraft carrier program.

Sec. 123. Exclusion from cost limitation for Seawolf submarine program.

Subtitle D—Air Force Programs

Sec. 131. Authorization for B–2 bomber program.
Sec. 132. ALR radar warning receivers.
Sec. 133. Analysis of requirements for replacement of engines on military aircraft derived from Boeing 707 aircraft.

Subtitle E—Other Matters

Sec. 141. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
Sec. 142. NATO Joint Surveillance/Target Attack Radar System.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
Sec. 203. Dual-use technology program.
Sec. 204. Reduction in amount for Federally Funded Research and Development Centers.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Manufacturing technology program.
Sec. 212. Report on operational field assessments program.
Sec. 213. Joint Strike Fighter program.
Sec. 214. Kinetic energy tactical anti-satellite technology program.
Sec. 215. Micro-satellite technology development program.
Sec. 216. High altitude endurance unmanned vehicle program.
Sec. 217. F–22 aircraft program.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. National Missile Defense Program.
Sec. 232. Budgetary treatment of amounts for procurement for ballistic missile defense programs.
Sec. 233. Cooperative Ballistic Missile Defense program.
Sec. 234. Annual report on threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles.
Sec. 235. Director of Ballistic Missile Defense Organization.
Sec. 236. Repeal of required deployment dates for core theater missile defense programs.

Subtitle D—Other Matters

Sec. 241. Restructuring of National Oceanographic Partnership Program organizations.
Sec. 242. Maintenance and repair of real property at Air Force installations.
Sec. 243. Expansion of eligibility for the Defense Experimental Program to Stimulate Competitive Research.
Sec. 244. Bioassay testing of veterans exposed to ionizing radiation during military service.
Sec. 245. Sense of Congress regarding Comanche program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Fisher House Trust Funds.
Sec. 305. Transfer from National Defense Stockpile Transaction Fund.
Sec. 306. Refurbishment of M1–A1 tanks.
Sec. 307. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.
Sec. 308. Refurbishment and installation of air search radar.
Sec. 309. Contracted training flight services.
Sec. 310. Procurement technical assistance programs.
Sec. 311. Operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

Sec. 321. Monthly reports on allocation of funds within operation and maintenance budget subactivities.

Sec. 322. Expansion of scope of quarterly readiness reports.
Sec. 323. Semiannual reports on transfers from high-priority readiness appropriations.
Sec. 324. Annual report on aircraft inventory.
Sec. 325. Administrative actions adversely affecting military training or other readiness activities.
Sec. 326. Common measurement of operations tempo and personnel tempo.
Sec. 327. Inclusion of Air Force depot maintenance as operation and maintenance budget line items.
Sec. 328. Prohibition of implementation of tiered readiness system.
Sec. 329. Report on military readiness requirements of the Armed Forces.
Sec. 330. Assessment of cyclical readiness posture of the Armed Forces.
Sec. 331. Report on military exercises conducted under certain training exercises programs.
Sec. 332. Report on overseas deployments.

Subtitle C—Environmental Provisions

Sec. 341. Revision of membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.
Sec. 342. Amendments to authority to enter into agreements with other agencies in support of environmental technology certification.
Sec. 343. Modifications of authority to store and dispose of nondefense toxic and hazardous materials.
Sec. 344. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.
Sec. 345. Annual report on environmental activities of the Department of Defense overseas.
Sec. 346. Review of existing environmental consequences of the presence of the Armed Forces in Bermuda.
Sec. 347. Sense of Congress on deployment of United States Armed Forces abroad for environmental preservation activities.
Sec. 348. Recovery and sharing of costs of environmental restoration at Department of Defense sites.
Sec. 349. Partnerships for investment in innovative environmental technologies.
Sec. 350. Procurement of recycled copier paper.
Sec. 351. Pilot program for the sale of air pollution emission reduction incentives.

Subtitle D—Depot-Level Activities

Sec. 355. Definition of depot-level maintenance and repair.
Sec. 356. Core logistics capabilities of Department of Defense.
Sec. 357. Increase in percentage of depot-level maintenance and repair that may be contracted for performance by non-government personnel.
Sec. 358. Annual report on depot-level maintenance and repair.
Sec. 359. Requirement for use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations.
Sec. 360. Clarification of prohibition on management of depot employees by constraints on personnel levels.
Sec. 361. Centers of Industrial and Technical Excellence.
Sec. 362. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 363. Repeal of a conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement.
Sec. 364. Personnel reductions, Army depots participating in Army Workload and Performance System.
Sec. 365. Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities.
Sec. 366. Review of use of temporary duty assignments for ship repair and maintenance.
Sec. 367. Sense of Congress regarding realignment of performance of ground communication-electronic workload.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 371. Reorganization of laws regarding commissaries and exchanges and other morale, welfare, and recreation activities.
Sec. 372. Merchandise and pricing requirements for commissary stores.
Sec. 373. Limitation on noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 374. Treatment of revenues derived from commissary store activities.
Sec. 375. Maintenance, repair, and renovation of Armed Forces Recreation Center, Europe.

Sec. 376. Plan for use of public and private partnerships to benefit morale, welfare, and recreation activities.

Subtitle F—Other Matters

Sec. 381. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 382. Center for Excellence in Disaster Management and Humanitarian Assistance.
Sec. 383. Applicability of Federal printing requirements to Defense Automated Printing Service.
Sec. 384. Study and notification requirements for conversion of commercial and industrial type functions to contractor performance.
Sec. 385. Collection and retention of cost information data on converted services and functions.
Sec. 386. Financial assistance to support additional duties assigned to Army National Guard.
Sec. 387. Competitive procurement of printing and duplication services.
Sec. 388. Continuation and expansion of demonstration program to identify overpayments made to vendors.
Sec. 389. Development of standard forms regarding performance work statement and request for proposal for conversion of certain operational functions of military installations.
Sec. 390. Base operations support for military installations on Guam.
Sec. 391. Warranty claims recovery pilot program.
Sec. 392. Program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 393. Multitechnology automated reader card demonstration program.
Sec. 394. Reduction in overhead costs of Inventory Control Points.
Sec. 395. Inventory management.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

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

Subtitle B—Reserve Forces

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

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Limitation on number of general and flag officers who may serve in positions outside their own service.
Sec. 502. Exclusion of certain retired officers from limitation on period of recall to active duty.
Sec. 503. Clarification of officers eligible for consideration by promotion boards.
Sec. 504. Authority to defer mandatory retirement for age of officers serving as chaplains.
Sec. 505. Increase in number of officers allowed to be frocked to grades of colonel and Navy captain.
Sec. 506. Increased years of commissioned service for mandatory retirement of regular generals and admirals in grades above major general and rear admiral.
Sec. 507. Uniform policy for requirement of exemplary conduct by commanding officers and others in authority.
Sec. 508. Report on the command selection process for District Engineers of the Army Corps of Engineers.

Subtitle B—Reserve Component Matters

Sec. 511. Individual Ready Reserve activation authority.
Sec. 512. Termination of Mobilization Income Insurance Program.
Sec. 513. Correction of inequities in medical and dental care and death and disability benefits for reserve members who incur or aggravate an illness in the line of duty.

Sec. 514. Authority to permit non-unit assigned officers to be considered by vacancy promotion board to general officer grades.
Sec. 515. Prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.
Sec. 516. Involuntary separation of reserve officers in an inactive status.
Sec. 517. Federal status of service by National Guard members as honor guards at funerals of veterans.

Subtitle C—Military Technicians

Sec. 521. Authority to retain on the reserve active-status list until age 60 military technicians in the grade of brigadier general.
Sec. 522. Military technicians (dual status).
Sec. 523. Non-dual status military technicians.
Sec. 524. Report on feasibility and desirability of conversion of AGR personnel to military technicians (dual status).

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

Sec. 531. Reform of military recruiting systems.
Sec. 532. Improvements in medical prescreening of applicants for military service.
Sec. 533. Improvements in physical fitness of recruits.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

Sec. 541. Requirement for candidates for admission to United States Naval Academy to take oath of allegiance.
Sec. 542. Service academy foreign exchange program.
Sec. 543. Reimbursement of expenses incurred for instruction at service academies of persons from foreign countries.
Sec. 544. Continuation of support to senior military colleges.
Sec. 545. Report on making United States nationals eligible for participation in Senior Reserve Officers' Training Corps.
Sec. 546. Coordination of establishment and maintenance of Junior Reserve Officers' Training Corps units to maximize enrollment and enhance efficiency.

PART II—OTHER EDUCATION MATTERS

Sec. 551. United States Naval Postgraduate School.
Sec. 552. Community College of the Air Force.
Sec. 553. Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation.

PART III—TRAINING OF ARMY DRILL SERGEANTS

Sec. 556. Reform of Army drill sergeant selection and training process.
Sec. 557. Training in human relations matters for Army drill sergeant trainees.

Subtitle F—Commission on Military Training and Gender-Related Issues

Sec. 561. Establishment and composition of Commission.
Sec. 562. Duties.
Sec. 563. Administrative matters.
Sec. 564. Termination of Commission.
Sec. 565. Funding.
Sec. 566. Subsequent consideration by Congress.

Subtitle G—Military Decorations and Awards

Sec. 571. Purple Heart to be awarded only to members of the Armed Forces.
Sec. 572. Eligibility for Armed Forces Expeditionary Medal for participation in Operation Joint Endeavor or Operation Joint Guard.
Sec. 573. Waiver of time limitations for award of certain decorations to specified persons.
Sec. 574. Clarification of eligibility of members of Ready Reserve for award of service medal for heroism.
Sec. 575. One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel.
Sec. 576. Eligibility of certain World War II military organizations for award of unit decorations.
Sec. 577. Retroactivity of Medal of Honor special pension.

Subtitle H—Military Justice Matters

Sec. 581. Establishment of sentence of confinement for life without eligibility for parole.

Sec. 582. Limitation on appeal of denial of parole for offenders serving life sentence.

Subtitle I—Other Matters

Sec. 591. Sexual harassment investigations and reports.
Sec. 592. Sense of the Senate regarding study of matters relating to gender equity in the Armed Forces.
Sec. 593. Authority for personnel to participate in management of certain non-Federal entities.
Sec. 594. Treatment of participation of members in Department of Defense civil military programs.
Sec. 595. Comptroller General study of Department of Defense civil military programs.
Sec. 596. Establishment of public affairs specialty in the Army.
Sec. 597. Grade of defense attaché in France.
Sec. 598. Report on crew requirements of WC–130J aircraft.
Sec. 599. Improvement of missing persons authorities applicable to Department of Defense.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 1998.
Sec. 602. Reform of basic allowance for subsistence.
Sec. 603. Consolidation of basic allowance for quarters, variable housing allowance, and overseas housing allowances.
Sec. 604. Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances.
Sec. 605. Protection of total compensation of members while performing certain duty.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. One-year extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Increase in minimum monthly rate of hazardous duty incentive pay for certain members.
Sec. 615. Increase in aviation career incentive pay.
Sec. 616. Modification of aviation officer retention bonus.
Sec. 617. Availability of multiyear retention bonus for dental officers.
Sec. 618. Increase in variable and additional special pays for certain dental officers.
Sec. 619. Availability of special pay for duty at designated hardship duty locations.
Sec. 620. Definition of sea duty for purposes of career sea pay.
Sec. 621. Modification of Selected Reserve reenlistment bonus.
Sec. 622. Modification of Selected Reserve enlistment bonus for former enlisted members.
Sec. 623. Expansion of reserve affiliation bonus to include Coast Guard Reserve.
Sec. 624. Increase in special pay and bonuses for nuclear-qualified officers.
Sec. 625. Provision of bonuses in lieu of special pay for enlisted members extending tours of duty at designated locations overseas.
Sec. 626. Increase in amount of family separation allowance.
Sec. 627. Deadline for payment of Ready Reserve muster duty allowance.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Travel and transportation allowances for dependents before approval of member's court-martial sentence.
Sec. 632. Dislocation allowance.

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

Sec. 641. One-year opportunity to discontinue participation in Survivor Benefit Plan.
Sec. 642. Time in which change in survivor benefit coverage from former spouse to spouse may be made.
Sec. 643. Review of Federal former spouse protection laws.
Sec. 644. Annuities for certain military surviving spouses.
Sec. 645. Administration of benefits for so-called minimum income widows.

Subtitle E—Other Matters

Sec. 651. Loan repayment program for commissioned officers in certain health professions.

Sec. 652. Conformance of NOAA commissioned officers separation pay to separation pay for members of other uniformed services.
Sec. 653. Eligibility of Public Health Service officers and NOAA commissioned corps officers for reimbursement of adoption expenses.
Sec. 654. Payment of back quarters and subsistence allowances to World War II veterans who served as guerrilla fighters in the Philippines.
Sec. 655. Subsistence of members of the Armed Forces above the poverty level.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Expansion of retiree dental insurance plan to include surviving spouse and child dependents of certain deceased members.
Sec. 702. Provision of prosthetic devices to covered beneficiaries.
Sec. 703. Study concerning the provision of comparative information.

Subtitle B—TRICARE Program

Sec. 711. Addition of definition of TRICARE program to title 10.
Sec. 712. Plan for expansion of managed care option of TRICARE program.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Implementation of designated provider agreements for Uniformed Services Treatment Facilities.
Sec. 722. Continued acquisition of reduced-cost drugs.
Sec. 723. Limitation on total payments.

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

Sec. 731. Improvements in health care coverage and access for members assigned to certain duty locations far from sources of care.
Sec. 732. Waiver or reduction of copayments under overseas dental program.
Sec. 733. Premium collection requirements for medical and dental insurance programs; extension of deadline for implementation of dental insurance program for military retirees.
Sec. 734. Dental insurance plan coverage for retirees of the Public Health Service and NOAA.
Sec. 735. Consistency between CHAMPUS and Medicare in payment rates for services.
Sec. 736. Use of personal services contracts for provision of health care services and legal protection for providers.
Sec. 737. Portability of State licenses for Department of Defense health care professionals.
Sec. 738. Standard form and requirements regarding claims for payment for services.
Sec. 739. Chiropractic health care demonstration program.

Subtitle E—Other Matters

Sec. 741. Continued admission of civilians as students in physician assistant training program of Army Medical Department.
Sec. 742. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.
Sec. 743. Authority for agreement for use of medical resource facility, Alamogordo, New Mexico.
Sec. 744. Disclosures of cautionary information on prescription medications.
Sec. 745. Competitive procurement of certain ophthalmic services.
Sec. 746. Comptroller General study of adequacy and effect of maximum allowable charges for physicians under CHAMPUS.
Sec. 747. Comptroller General study of Department of Defense pharmacy programs.
Sec. 748. Comptroller General study of Navy graduate medical education program.
Sec. 749. Study of expansion of pharmaceuticals by mail program to include additional Medicare-eligible covered beneficiaries.
Sec. 750. Comptroller General study of requirement for military medical facilities in National Capital Region.
Sec. 751. Report on policies and programs to promote healthy lifestyles for members of the Armed Forces and their dependents.
Sec. 752. Sense of Congress regarding quality health care for retirees.

Subtitle F—Persian Gulf Illness

Sec. 761. Definitions.
Sec. 762. Plan for health care services for Persian Gulf veterans.

Sec. 763. Comptroller General study of revised disability criteria for physical evaluation boards.
Sec. 764. Medical care for certain reserves who served in Southwest Asia during the Persian Gulf War.
Sec. 765. Improved medical tracking system for members deployed overseas in contingency or combat operations.
Sec. 766. Notice of use of investigational new drugs or drugs unapproved for their applied use.
Sec. 767. Report on plans to track location of members in a theater of operations.
Sec. 768. Sense of Congress regarding the deployment of specialized units for detecting and monitoring chemical, biological, and similar hazards in a theater of operations.
Sec. 769. Report on effectiveness of research efforts regarding Gulf War illnesses.
Sec. 770. Persian Gulf illness clinical trials program.
Sec. 771. Sense of Congress concerning Gulf War illness.

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

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

Sec. 801. Expansion of authority to enter into contracts crossing fiscal years to all severable service contracts not exceeding a year.
Sec. 802. Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements.
Sec. 803. Restriction on undefinitized contract actions.
Sec. 804. Limitation and report on payment of restructuring costs under defense contracts.
Sec. 805. Increased price limitation on purchases of right-hand drive vehicles.
Sec. 806. Multiyear procurement contracts.
Sec. 807. Audit of procurement of military clothing and clothing-related items by military installations in the United States.
Sec. 808. Limitation on allowability of compensation for certain contractor personnel.
Sec. 809. Elimination of certification requirement for grants.
Sec. 810. Repeal of limitation on adjustment of shipbuilding contracts.
Sec. 811. Item-by-item and country-by-country waivers of domestic source limitations.

Subtitle B—Acquisition Assistance Programs

Sec. 821. One-year extension of pilot mentor-protege program.
Sec. 822. Test program for negotiation of comprehensive subcontracting plans.

Subtitle C—Administrative Provisions

Sec. 831. Retention of expired funds during the pendency of contract litigation.
Sec. 832. Protection of certain information from disclosure.
Sec. 833. Unit cost reports.
Sec. 834. Plan for providing contracting information to general public and small businesses.
Sec. 835. Two-year extension of crediting of certain purchases toward meeting subcontracting goals.

Subtitle D—Other Matters

Sec. 841. Repeal of certain acquisition requirements and reports.
Sec. 842. Use of major range and test facility installations by commercial entities.
Sec. 843. Requirement to develop and maintain list of firms not eligible for defense contracts.
Sec. 844. Sense of Congress regarding allowability of costs of employee stock ownership plans.
Sec. 845. Expansion of personnel eligible to participate in demonstration project relating to acquisition workforce.
Sec. 846. Time for submission of annual report relating to Buy American Act.
Sec. 847. Repeal of requirement for contractor guarantees on major weapon systems.
Sec. 848. Requirements relating to micro-purchases.
Sec. 849. Promotion rate for officers in an acquisition corps.
Sec. 850. Use of electronic commerce in Federal procurement.
Sec. 851. Conformance of policy on performance based management of civilian acquisition programs with policy established for defense acquisition programs.

Sec. 852. Modification of process requirements for the solutions-based contracting pilot program.
Sec. 853. Guidance and standards for defense acquisition workforce training requirements.
Sec. 854. Study and report to Congress assessing dependence on foreign sources for resistors and capacitors.
Sec. 855. Department of Defense and Federal Prison Industries joint study.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

Sec. 901. Assistants to the Chairman of the Joint Chiefs of Staff for National Guard matters and for Reserve matters.
Sec. 902. Use of CINC Initiative Fund for force protection.
Sec. 903. Revision to required frequency for provision of policy guidance for contingency plans.
Sec. 904. Annual justification for Department of Defense advisory committees.
Sec. 905. Airborne reconnaissance management.
Sec. 906. Termination of the Armed Services Patent Advisory Board.
Sec. 907. Coordination of Department of Defense criminal investigations and audits.

Subtitle B—Department of Defense Personnel Management

Sec. 911. Reduction in personnel assigned to management headquarters and headquarters support activities.
Sec. 912. Defense acquisition workforce.

Subtitle C—Department of Defense Schools and Centers

Sec. 921. Professional military education schools.
Sec. 922. Center for Hemispheric Defense Studies.
Sec. 923. Correction to reference to George C. Marshall European Center for Security Studies.

Subtitle D—Department of Defense Intelligence-Related Matters

Sec. 931. Transfer of certain military department programs from TIARA budget aggregation.
Sec. 932. Report on coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community.
Sec. 933. Protection of imagery, imagery intelligence, and geospatial information and data.
Sec. 934. POW/MIA intelligence analysis.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authority for obligation of unauthorized fiscal year 1997 defense appropriations.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1997.
Sec. 1005. Increase in fiscal year 1996 transfer authority.
Sec. 1006. Revision of authority for Fisher House trust funds.
Sec. 1007. Flexibility in financing closure of certain outstanding contracts for which a small final payment is due.
Sec. 1008. Biennial financial management improvement plan.
Sec. 1009. Estimates and requests for procurement and military construction for the reserve components.
Sec. 1010. Sense of Congress regarding funding for reserve component modernization not requested in President's budget.
Sec. 1011. Management of working-capital funds.
Sec. 1012. Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits.
Sec. 1013. Payment of claims by members for loss of personal property due to flooding in Red River Basin.
Sec. 1014. Advances for payment of public services.
Sec. 1015. United States Man and the Biosphere Program limitation.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Procedures for sale of vessels stricken from the Naval Vessel Register.

Sec. 1022. Authority to enter into a long-term charter for a vessel in support of the Surveillance Towed-Array Sensor (SURTASS) program.
Sec. 1023. Transfer of two specified obsolete tugboats of the Army.
Sec. 1024. Congressional review period with respect to transfer of ex-U.S.S. Hornet (CV–12) and ex-U.S.S. Midway (CV–41).
Sec. 1025. Transfers of naval vessels to certain foreign countries.
Sec. 1026. Reports relating to export of vessels that may contain polychlorinated biphenyls.
Sec. 1027. Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority.

Subtitle C—Counter-Drug Activities

Sec. 1031. Use of National Guard for State drug interdiction and counter-drug activities.
Sec. 1032. Authority to provide additional support for counter-drug activities of Mexico.
Sec. 1033. Authority to provide additional support for counter-drug activities of Peru and Colombia.
Sec. 1034. Annual report on development and deployment of narcotics detection technologies.

Subtitle D—Miscellaneous Report Requirements and Repeals

Sec. 1041. Repeal of miscellaneous reporting requirements.
Sec. 1042. Study of transfer of modular airborne fire fighting system.
Sec. 1043. Overseas infrastructure requirements.
Sec. 1044. Additional matters for annual report on activities of the General Accounting Office.
Sec. 1045. Eye safety at small arms firing ranges.
Sec. 1046. Reports on Department of Defense procedures for investigating military aviation accidents and for notifying and assisting families of victims.

Subtitle E—Matters Relating to Terrorism

Sec. 1051. Oversight of counterterrorism and antiterrorism activities; report.
Sec. 1052. Provision of adequate troop protection equipment for Armed Forces personnel engaged in peace operations; report on antiterrorism activities and protection of personnel.

Subtitle F—Matters Relating to Defense Property

Sec. 1061. Lease of nonexcess personal property of military departments.
Sec. 1062. Lease of nonexcess property of Defense Agencies.
Sec. 1063. Donation of excess chapel property to churches damaged or destroyed by arson or other acts of terrorism.
Sec. 1064. Authority of the Secretary of Defense concerning disposal of assets under cooperative agreements on air defense in Central Europe.
Sec. 1065. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.
Sec. 1066. Transfer of B–17 aircraft to museum.
Sec. 1067. Report on disposal of excess and surplus materials.

Subtitle G—Other Matters

Sec. 1071. Authority for special agents of the Defense Criminal Investigative Service to execute warrants and make arrests.
Sec. 1072. Study of investigative practices of military criminal investigative organizations relating to sex crimes.
Sec. 1073. Technical and clerical amendments.
Sec. 1074. Sustainment and operation of the Global Positioning System.
Sec. 1075. Protection of safety-related information voluntarily provided by air carriers.
Sec. 1076. National Guard Challenge Program to create opportunities for civilian youth.
Sec. 1077. Disqualification from certain burial-related benefits for persons convicted of capital crimes.
Sec. 1078. Restrictions on the use of human subjects for testing of chemical or biological agents.
Sec. 1079. Treatment of military flight operations.
Sec. 1080. Naturalization of certain foreign nationals who serve honorably in the Armed Forces during a period of conflict.
Sec. 1081. Applicability of certain pay authorities to members of specified independent study organizations.
Sec. 1082. Display of POW/MIA flag.

Sec. 1083. Program to commemorate 50th anniversary of the Korean conflict.
Sec. 1084. Commendation of members of the Armed Forces and Government civilian personnel who served during the Cold War; certificate of recognition.
Sec. 1085. Sense of Congress on granting of statutory Federal charters.
Sec. 1086. Sense of Congress regarding military voting rights.
Sec. 1087. Designation of Bob Hope as an honorary veteran of the Armed Forces of the United States.
Sec. 1088. Five-year extension of aviation insurance program.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Use of prohibited constraints to manage Department of Defense personnel.
Sec. 1102. Veterans' preference status for certain veterans who served on active duty during the Persian Gulf War.
Sec. 1103. Repeal of deadline for placement consideration of involuntarily separated military reserve technicians.
Sec. 1104. Rate of pay of Department of Defense overseas teachers upon transfer to General Schedule position.
Sec. 1105. Garnishment and involuntary allotment.
Sec. 1106. Extension and revision of voluntary separation incentive pay authority.
Sec. 1107. Use of approved fire-safe accommodations by Government employees on official business.
Sec. 1108. Navy higher education pilot program regarding administration of business relationships between Government and private sector.
Sec. 1109. Authority for Marine Corps University to employ civilian faculty members.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

Sec. 1201. Findings.
Sec. 1202. Sense of Congress.
Sec. 1203. Withdrawal of United States ground forces from Republic of Bosnia and Herzegovina.
Sec. 1204. Secretary of Defense reports on tasks carried out by United States forces.
Sec. 1205. Presidential report on situation in Republic of Bosnia and Herzegovina.
Sec. 1206. Definitions.

Subtitle B—Export Controls on High Performance Computers

Sec. 1211. Export approvals for high performance computers.
Sec. 1212. Report on exports of high performance computers.
Sec. 1213. Post-shipment verification of export of high performance computers.
Sec. 1214. GAO study on certain computers; end user information assistance.
Sec. 1215. Congressional committees.

Subtitle C—Other Matters

Sec. 1221. Defense burdensharing.
Sec. 1222. Temporary use of general purpose vehicles and nonlethal military equipment under acquisition and cross servicing agreements.
Sec. 1223. Sense of Congress and reports regarding financial costs of enlargement of the North Atlantic Treaty Organization.
Sec. 1224. Sense of Congress regarding enlargement of the North Atlantic Treaty Organization.
Sec. 1225. Sense of the Congress relating to level of United States military personnel in the East Asia and Pacific region.
Sec. 1226. Report on future military capabilities and strategy of the People's Republic of China.
Sec. 1227. Sense of Congress on need for Russian openness on the Yamantau Mountain project.
Sec. 1228. Assessment of the Cuban threat to United States national security.
Sec. 1229. Report on Helsinki Joint statement.
Sec. 1230. Commendation of Mexico on free and fair elections.
Sec. 1231. Sense of Congress regarding Cambodia.
Sec. 1232. Congratulating Governor Christopher Patten of Hong Kong.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

Sec. 1301. Presidential report concerning detargeting of Russian strategic missiles.
Sec. 1302. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1303. Assistance for facilities subject to inspection under the Chemical Weapons Convention.

Sec. 1304. Transfers of authorizations for high-priority counterproliferation programs.
Sec. 1305. Advice to the President and Congress regarding the safety, security, and reliability of United States nuclear weapons stockpile.
Sec. 1306. Reconstitution of commission to assess the ballistic missile threat to the United States.
Sec. 1307. Sense of Congress regarding the relationship between United States obligations under the Chemical Weapons Convention and environmental laws.
Sec. 1308. Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.
Sec. 1309. Annual report on moratorium on use by Armed Forces of antipersonnel landmines.

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

Sec. 1401. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1402. Funding allocations.
Sec. 1403. Prohibition on use of funds for specified purposes.
Sec. 1404. Limitation on use of funds for projects related to START II Treaty until submission of certification.
Sec. 1405. Limitation on use of funds for chemical weapons destruction facility.
Sec. 1406. Limitation on use of funds for destruction of chemical weapons.
Sec. 1407. Limitation on use of funds for storage facility for Russian fissile material.
Sec. 1408. Limitation on use of funds for weapons storage security.
Sec. 1409. Report on issues regarding payment of taxes, duties, and other assessments on assistance provided to Russia under Cooperative Threat Reduction programs.
Sec. 1410. Availability of funds.

TITLE XV—FEDERAL CHARTER FOR THE AIR FORCE SERGEANTS ASSOCIATION

Sec. 1501. Recognition and grant of Federal charter.
Sec. 1502. Powers.
Sec. 1503. Purposes.
Sec. 1504. Service of process.
Sec. 1505. Membership.
Sec. 1506. Board of directors.
Sec. 1507. Officers.
Sec. 1508. Restrictions.
Sec. 1509. Liability.
Sec. 1510. Maintenance and inspection of books and records.
Sec. 1511. Audit of financial transactions.
Sec. 1512. Annual report.
Sec. 1513. Reservation of right to alter, amend, or repeal charter.
Sec. 1514. Tax-exempt status required as condition of charter.
Sec. 1515. Termination.
Sec. 1516. Definition of State.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

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

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Authorization of military construction project at Naval Station, Pascagoula, Mississippi, for which funds have been appropriated.

Sec. 2206. Increase in authorization for military construction projects at Naval Station Roosevelt Roads, Puerto Rico.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Authorization of military construction project at McConnell Air Force Base, Kansas, for which funds have been appropriated.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing planning and design.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Clarification of authority relating to fiscal year 1997 project at Naval Station, Pearl Harbor, Hawaii.
Sec. 2407. Correction in authorized uses of funds, McClellan Air Force Base, California.
Sec. 2408. Modification of authority to carry out certain fiscal year 1995 projects.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Authorization of military construction projects for which funds have been appropriated.
Sec. 2603. Army Reserve construction project, Camp Williams, Utah.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1995 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1994 projects.
Sec. 2704. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2705. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2706. Extension of availability of funds for construction of relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico.
Sec. 2707. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Use of mobility enhancement funds for unspecified minor construction.
Sec. 2802. Limitation on use of operation and maintenance funds for facility repair projects.
Sec. 2803. Leasing of military family housing, United States Southern Command, Miami, Florida.
Sec. 2804. Use of financial incentives provided as part of energy savings and water conservation activities.
Sec. 2805. Congressional notification requirements regarding use of Department of Defense housing funds for investments in nongovernmental entities.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Increase in ceiling for minor land acquisition projects.
Sec. 2812. Permanent authority regarding conveyance of utility systems.
Sec. 2813. Administrative expenses for certain real property transactions.
Sec. 2814. Screening of real property to be conveyed by Department of Defense.
Sec. 2815. Disposition of proceeds from sale of Air Force Plant 78, Brigham City, Utah.
Sec. 2816. Fire protection and hazardous materials protection at Fort Meade, Maryland.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Consideration of military installations as sites for new Federal facilities.

Sec. 2822. Adjustment and diversification assistance to enhance performance of military family support services by private sector sources.
Sec. 2823. Security, fire protection, and other services at property formerly associated with Red River Army Depot, Texas.
Sec. 2824. Report on closure and realignment of military installations.
Sec. 2825. Sense of Senate regarding utilization of savings derived from base closure process.
Sec. 2826. Prohibition against certain conveyances of property at Naval Station, Long Beach, California.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Land conveyance, Army Reserve Center, Greensboro, Alabama.
Sec. 2832. Land conveyance, James T. Coker Army Reserve Center, Durant, Oklahoma.
Sec. 2833. Land conveyance, Gibson Army Reserve Center, Chicago, Illinois.
Sec. 2834. Land conveyance, Fort A. P. Hill, Virginia.
Sec. 2835. Land conveyances, Fort Dix, New Jersey.
Sec. 2836. Land conveyances, Fort Bragg, North Carolina.
Sec. 2837. Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada.
Sec. 2838. Expansion of land conveyance authority, Indiana Army Ammunition Plant, Charlestown, Indiana.
Sec. 2839. Modification of land conveyance, Lompoc, California.
Sec. 2840. Modification of land conveyance, Rocky Mountain Arsenal, Colorado.
Sec. 2841. Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina.

PART II—NAVY CONVEYANCES

Sec. 2851. Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine.
Sec. 2852. Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.
Sec. 2853. Correction of lease authority, Naval Air Station, Meridian, Mississippi.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. Land transfer, Eglin Air Force Base, Florida.
Sec. 2862. Land conveyance, March Air Force Base, California.
Sec. 2863. Land conveyance, Ellsworth Air Force Base, South Dakota.
Sec. 2864. Land conveyance, Hancock Field, Syracuse, New York.
Sec. 2865. Land conveyance, Havre Air Force Station, Montana, and Havre Training Site, Montana.
Sec. 2866. Land conveyance, Charleston Family Housing Complex, Bangor, Maine.
Sec. 2867. Study of land exchange options, Shaw Air Force Base, South Carolina.

Subtitle E—Other Matters

Sec. 2871. Repeal of requirement to operate Naval Academy dairy farm.
Sec. 2872. Long-term lease of property, Naples, Italy.
Sec. 2873. Designation of military family housing at Lackland Air Force Base, Texas, in honor of Frank Tejeda, a former Member of the House of Representatives.
Sec. 2874. Fiber-optics based telecommunications linkage of military installations.

TITLE XXIX—SIKES ACT IMPROVEMENT

Sec. 2901. Short title.
Sec. 2902. Definition of Sikes Act for purposes of amendments.
Sec. 2903. Codification of short title of Act.
Sec. 2904. Preparation of integrated natural resources management plans.
Sec. 2905. Review for preparation of integrated natural resources management plans.
Sec. 2906. Transfer of wildlife conservation fees from closed military installations.
Sec. 2907. Annual reviews and reports.
Sec. 2908. Cooperative agreements.
Sec. 2909. Federal enforcement.
Sec. 2910. Natural resources management services.
Sec. 2911. Definitions.
Sec. 2912. Repeal of superseded provision.
Sec. 2913. Technical amendments.
Sec. 2914. Authorizations of appropriations.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. Weapons activities.
Sec. 3102. Environmental restoration and waste management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on general plant projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfers of defense environmental management funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Memorandum of understanding for use of national laboratories for ballistic missile defense programs.
Sec. 3132. Defense environmental management privatization projects.
Sec. 3133. International cooperative stockpile stewardship.
Sec. 3134. Modernization of enduring nuclear weapons complex.
Sec. 3135. Tritium production.
Sec. 3136. Processing, treatment, and disposition of spent nuclear fuel rods and other legacy nuclear materials at the Savannah River Site.
Sec. 3137. Limitations on use of funds for laboratory directed research and development purposes.
Sec. 3138. Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets.
Sec. 3139. Modification and extension of authority relating to appointment of certain scientific, engineering, and technical personnel.
Sec. 3140. Limitation on use of funds for subcritical nuclear weapons tests.
Sec. 3141. Limitation on use of certain funds until future use plans are submitted.

Subtitle D—Other Matters

Sec. 3151. Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile.
Sec. 3152. Repeal of obsolete reporting requirements.
Sec. 3153. Study and funding relating to implementation of workforce restructuring plans.
Sec. 3154. Report and plan for external oversight of national laboratories.
Sec. 3155. University-based research collaboration program.
Sec. 3156. Stockpile stewardship program.
Sec. 3157. Reports on advanced supercomputer sales to certain foreign nations.
Sec. 3158. Transfers of real property at certain Department of Energy facilities.
Sec. 3159. Requirement to delegate certain authorities to site manager of Hanford Reservation.
Sec. 3160. Submittal of biennial waste management reports.
Sec. 3161. Department of Energy Security Management Board.
Sec. 3162. Submittal of annual report on status of security functions at nuclear weapons facilities.
Sec. 3163. Modification of authority on Commission on Maintaining United States Nuclear Weapons Expertise.
Sec. 3164. Land transfer, Bandelier National Monument.
Sec. 3165. Final settlement of Department of Energy community assistance obligations with respect to Los Alamos National Laboratory, New Mexico.
Sec. 3166. Sense of Congress regarding the Y–12 Plant in Oak Ridge, Tennessee.
Sec. 3167. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
Sec. 3168. Improvements to Greenville Road, Livermore, California.

Sec. 3169. Report on alternative system for availability of funds.
Sec. 3170. Report on remediation under the Formerly Utilized Sites Remedial Action Program.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.
Sec. 3202. Report on external regulation of defense nuclear facilities.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Definitions.
Sec. 3302. Authorized uses of stockpile funds.
Sec. 3303. Disposal of beryllium copper master alloy in National Defense Stockpile.
Sec. 3304. Disposal of titanium sponge in National Defense Stockpile.
Sec. 3305. Disposal of cobalt in National Defense Stockpile.
Sec. 3306. Required procedures for disposal of strategic and critical materials.
Sec. 3307. Return of surplus platinum from the Department of the Treasury.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1998.
Sec. 3403. Repeal of requirement to assign Navy officers to Office of Naval Petroleum and Oil Shale Reserves.
Sec. 3404. Transfer of jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Expenditures From Revolving Fund

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

Subtitle B—Facilitation of Panama Canal Transition

Sec. 3511. Short title; references.
Sec. 3512. Definitions relating to canal transition.

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

Sec. 3521. Authority for the Administrator of the Commission to accept appointment as the Administrator of the Panama Canal Authority.
Sec. 3522. Post-Canal transfer personnel authorities.
Sec. 3523. Enhanced authority of Commission to establish compensation of Commission officers and employees.
Sec. 3524. Travel, transportation, and subsistence expenses for Commission personnel no longer subject to Federal travel regulation.
Sec. 3525. Enhanced recruitment and retention authorities.
Sec. 3526. Transition separation incentive payments.
Sec. 3527. Labor-management relations.
Sec. 3528. Availability of Panama Canal Revolving Fund for severance pay for certain employees separated by Panama Canal Authority after Canal Transfer Date.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

Sec. 3541. Establishment of procurement system and Board of Contract Appeals.
Sec. 3542. Transactions with the Panama Canal Authority.
Sec. 3543. Time limitations on filing of claims for damages.
Sec. 3544. Tolls for small vessels.
Sec. 3545. Date of actuarial evaluation of FECA liability.
Sec. 3546. Appointment of notaries public.
Sec. 3547. Commercial services.
Sec. 3548. Transfer from President to Commission of certain regulatory functions relating to employment classification appeals.
Sec. 3549. Enhanced printing authority.
Sec. 3550. Technical and conforming amendments.

TITLE XXXVI—MARITIME ADMINISTRATION

Sec. 3601. Authorization of appropriations for fiscal year 1998.
Sec. 3602. Repeal of obsolete annual report requirement concerning relative cost of shipbuilding in the various coastal districts of the United States.
Sec. 3603. Provisions relating to maritime security fleet program.

Sec. 3604. Authority to utilize replacement vessels and capacity.
Sec. 3605. Authority to convey National Defense Reserve Fleet vessel.
Sec. 3606. Determination of gross tonnage for purposes of tank vessel double hull requirements.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical Demilitarization Program.
Sec. 108. Defense health programs.
Sec. 109. Defense Export Loan Guarantee Program.

Subtitle B—Army Programs

Sec. 111. Army helicopter modernization plan.
Sec. 112. Multiyear procurement authority for specified Army programs.
Sec. 113. M113 vehicle modifications.

Subtitle C—Navy Programs

Sec. 121. New Attack Submarine program.
Sec. 122. CVN–77 nuclear aircraft carrier program.
Sec. 123. Exclusion from cost limitation for Seawolf submarine program.

Subtitle D—Air Force Programs

Sec. 131. Authorization for B–2 bomber program.
Sec. 132. ALR radar warning receivers.
Sec. 133. Analysis of requirements for replacement of engines on military aircraft derived from Boeing 707 aircraft.

Subtitle E—Other Matters

Sec. 141. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
Sec. 142. NATO Joint Surveillance/Target Attack Radar System.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Army as follows:

(1) For aircraft, $1,316,233,000.

(2) For missiles, $742,639,000.

(3) For weapons and tracked combat vehicles, $1,297,641,000.

(4) For ammunition, $1,011,193,000.

(5) For other procurement, $2,566,208,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Navy as follows:

(1) For aircraft, $6,437,330,000.

(2) For weapons, including missiles and torpedoes, $1,089,443,000.

(3) For shipbuilding and conversion, $8,195,269,000.

(4) For other procurement, $2,970,867,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Marine Corps in the amount of $460,081,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for the Navy and the Marine Corps in the amount of $364,744,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Air Force as follows:

(1) For aircraft, $6,425,749,000.

(2) For missiles, $2,376,301,000.

(3) For ammunition, $398,534,000.

(4) For other procurement, $6,543,580,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1998 for Defense-wide procurement in the amount of $2,057,150,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $70,000,000.

(2) For the Air National Guard, $303,000,000.

(3) For the Army Reserve, $75,000,000.

(4) For the Naval Reserve, $80,000,000.

(5) For the Air Force Reserve, $50,000,000.

(6) For the Marine Corps Reserve, $65,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Inspector General of the Department of Defense in the amount of $1,800,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1998 the amount of $600,700,000 for—

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

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

SEC. 108. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $274,068,000.

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the Department of Defense for carrying out the Defense Export Loan Guarantee Program under section 2540 of title 10, United States Code, in the total amount of $1,231,000.

Subtitle B—Army Programs

SEC. 111. ARMY HELICOPTER MODERNIZATION PLAN.

(a) LIMITATION.—Not more than 80 percent of the total of the amounts authorized to be appropriated pursuant to section 101(1), 105(1), and 105(3) for modifications or upgrades of helicopters may be obligated before the date that is 30 days after the date on which the Secretary of the Army submits to the congressional defense committees a comprehensive plan for the modernization of the Army's helicopter fleet.

(b) CONTENT OF PLAN.—The plan required by subsection (a) shall include the following:

(1) A detailed assessment of the Army's present and future helicopter requirements and present and future helicopter inventory, including number of aircraft, age of aircraft, availability of spare parts, flight hour costs, roles and functions assigned to the fleet as a whole and to its individual types of aircraft, and the mix of active component aircraft and reserve component aircraft in the fleet.

(2) Estimates and analysis of requirements and funding proposed for procurement of new aircraft.

(3) An analysis of the requirements for and funding proposed for extended service plans or service life extension plans for fleet aircraft.

(4) A plan for retiring aircraft no longer required or capable of performing assigned functions, including a discussion of opportunities to eliminate older aircraft models and to focus future funding on current or future generation aircraft.

(5) The implications of the plan for the defense industrial base.

(c) RELATIONSHIP TO FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of the Army shall design the plan under subsection (a) so that the plan could be implemented within the funding levels expected to be available for Army aircraft programs in the next future-years defense program to be submitted to Congress pursuant to section 221(a) of title 10, United States Code. The Secretary shall include in the plan a certification that the program of the Army prepared for inclusion in the future-years defense program submitted to Congress in 1998 pursuant to section 221(a) of title 10, United States Code, included full funding for implementation of the plan.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR SPECIFIED ARMY PROGRAMS.

(a) AH–64D LONGBOW APACHE FIRE CONTROL RADAR.—Beginning with the fiscal year 1998 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of the AH–64D Longbow Apache fire control radar.

(b) MEDIUM TACTICAL VEHICLES.—Beginning with the fiscal year 1998 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of vehicles of the Family of Medium Tactical Vehicles. The contract may be for a term of four years and may include an option to extend the contract for one additional year.

SEC. 113. M113 VEHICLE MODIFICATIONS.

Of the amount made available for the Army pursuant to section 101(3), $35,244,000 shall be available only for the procurement and installation of A3 upgrade kits for the M113 vehicle.

Subtitle C—Navy Programs

SEC. 121. NEW ATTACK SUBMARINE PROGRAM.

(a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—Of the amounts authorized to be appropriated by section 102(a)(3) for fiscal year 1998, $2,599,800,000 is available for the New Attack Submarine Program.

(b) CONTRACT AUTHORITY.—(1) The Secretary of the Navy may enter into a contract for the procurement of four submarines under the New Attack Submarine program.

(2) Any contract entered into under paragraph (1)—

(A) shall, notwithstanding section 2304(k) of title 10, United States Code, be awarded to one of the two eligible shipbuilders as the prime contractor on the condition that the prime contractor enter into one or more subcontracts (under such prime contract) with the other of the two eligible shipbuilders as contemplated in the New Attack Submarine Team Agreement; and

(B) shall provide for—

(i) construction of the first submarine in fiscal year 1998; and

(ii) advance construction and advance procurement of materiel for the second, third, and fourth submarines in fiscal year 1998.

(3) The following shipbuilders are eligible for a contract under this subsection:

(A) The Electric Boat Corporation.

(B) The Newport News Shipbuilding and Drydock Company.

(4) In paragraph (2)(A), the term "New Attack Submarine Team Agreement" means the agreement known as the Team Agreement between Electric Boat Corporation and Newport News Shipbuilding and Drydock Company, dated February 25, 1997, that was submitted to Congress by the Secretary of the Navy on March 31, 1997.

(c) LIMITATION OF LIABILITY.—If a contract entered into under this section is terminated, the United States shall not be liable

for termination costs in excess of the total amount appropriated for the New Attack Submarine program.

(d) REPEALS OF SUPERSEDED PROVISIONS OF PREVIOUS DEFENSE AUTHORIZATION LAWS.—(1) Section 131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 206) is amended—

(A) in subsection (a)(1)(B)—

(i) in clause (i), by striking out ", which shall be built by Electric Boat Division"; and

(ii) in clause (ii), by striking out ", which shall be built by Newport News Shipbuilding"; and

(B) in subsection (b), by striking out paragraph (1).

(2) Section 121 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2441) is amended—

(A) in subsection (a)—

(i) in paragraph (1)(B), by striking out "to be built by Electric Boat Division"; and

(ii) in paragraph (1)(C), by striking out "to be built by Newport News Shipbuilding";

(B) in subsection (d), by striking out paragraph (2);

(C) in subsection (e), by striking out paragraph (1); and

(D) in subsection (g), by striking out "the committees specified in subsection (e)(1)" in paragraphs (3) and (4) and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(e) INAPPLICABILITY OF SUPERSEDED ASPECTS OF ATTACK SUBMARINE DEVELOPMENT PLAN.—The Secretary of Defense and the Secretary of the Navy are not required to carry out the portions of the program plan submitted under subsection (c) of section 131 of the National Defense Authorization Act for Fiscal Year 1996 that are included in the plan pursuant to subparagraphs (A), (B), and (E) of paragraph (2) of such subsection.

SEC. 122. CVN–77 NUCLEAR AIRCRAFT CARRIER PROGRAM.

(a) AUTHORIZATION OF SHIP.—The Secretary of the Navy is authorized to procure the aircraft carrier to be designated CVN–77, subject to the availability of appropriations for that purpose.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 1998, $50,000,000 is available for the advance procurement and advance construction of components (including nuclear components) for the CVN–77 aircraft carrier program. The Secretary of the Navy may enter into a contract or contracts with the shipbuilder and other entities for the advance procurement and advance construction of those components.

(c) OTHER FUNDS.—Of the funds authorized to be appropriated under this Act for programs, projects, and activities of the military departments and Defense Agencies, other than the CVN–77 aircraft carrier program, up to $295,000,000 may be made available, as the Secretary of Defense may direct, for the CVN–77 aircraft carrier program. Authority to make transfers under this subsection is in addition to the transfer authority provided in section 1001.

(d) MANAGEMENT OF FUNDS.—The Secretary of the Navy shall obligate and expend the funds available for advance procurement and advance construction of components for the CVN–77 aircraft carrier program for fiscal year 1998 in a manner that is designed

to result in such cost savings as may be required in order to meet the cost limitation specified in subsection (f).

(e) ADJUSTMENTS TO FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of Defense shall make such plans for the CVN–77 aircraft carrier program as are necessary to attain for the program the cost savings that are contemplated for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan.

(f) LIMITATION ON TOTAL COST OF PROCUREMENT.—(1) The Secretary of the Navy shall structure the program for the procurement of the CVN–77 aircraft carrier, and shall manage that program, so that the total cost of the procurement of the CVN–77 aircraft carrier does not exceed $4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan).

(2) The Secretary of the Navy may adjust the amount set forth in paragraph (1) for the CVN–77 aircraft carrier program by the following:

(A) The amounts of outfitting costs and post-delivery costs incurred for the program.

(B) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 1997.

(C) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1997.

(D) The amounts of increases or decreases in costs of the program that are attributable to new technology built into the CVN–77 aircraft carrier, as compared to the technology built into the baseline design of the CVN–76 aircraft carrier.

(E) The amounts of increases or decreases in costs resulting from changes the Secretary proposes in the funding plan (as contemplated in the March 1997 procurement plan) on which the projected savings are based.

(3) The Secretary of the Navy shall annually submit to Congress, at the same time as the budget is submitted under section 1105(a) of title 31, United States Code, written notice of any change in the amount set forth in paragraph (1) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in paragraph (2).

(g) MARCH 1997 PROCUREMENT PLAN DEFINED.—In this section, the term "March 1997 procurement plan" means the procurement plan for the CVN–77 aircraft carrier that was submitted to the Navy and Congress by the shipbuilder in March 1997.

SEC. 123. EXCLUSION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

(a) AUTHORITY TO EXCLUDE AMOUNTS APPROPRIATED FOR CANCELED VESSELS.—(1) The Secretary of the Navy may exclude from the application of the cost limitation for the Seawolf submarine program such amounts, not in excess of $272,400,000, as were appropriated for fiscal years 1990, 1991, and 1992 for procurement of Seawolf-class submarines that have been canceled.

(2) For the purposes of this subsection, the term "cost limitation for the Seawolf submarine program" means the limitation in section 133(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211).

(b) DETERMINATION AND REPORT BY INSPECTOR GENERAL.—(1) Not later than March 30, 1998, the Inspector General of the Department of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the Inspector General's determination as to whether any further exclusion from, adjustment to exclusion from, or increase in the dollar amount of the cost limitation referred to in subsection (a) will be required.

(2) The Inspector General shall include in the report the following:

(A) A thorough and comprehensive accounting for the amount of $745,400,000 identified by the Secretary of the Navy as having been obligated or expended for the detailed design for Seawolf-class submarines that have been canceled and for the procurement of nuclear components and construction spare parts for those canceled submarines, including a statement of the current disposition of items specifically purchased using those funds.

(B) Cost growth, if any, in the cost of construction of the SSN–21, SSN–22, and SSN–23 Seawolf-class submarines that has not been reported to Congress before the date of the report of the Inspector General.

(C) The current cost estimate of the Secretary of the Navy for completion of the SSN–21, SSN–22, and SSN–23 Seawolf-class submarines.

(3) The Inspector General shall include in the report such supporting information and analyses as the Inspector General considers appropriate for aiding in understanding the determination and findings of the Inspector General.

Subtitle D—Air Force Programs

SEC. 131. AUTHORIZATION FOR B–2 BOMBER PROGRAM.

(a) FUNDING AVAILABILITY.—Of the funds made available for procurement of aircraft for the Air Force for fiscal year 1998, the amount of $331,000,000 is available for long-lead activities related to the procurement of additional B–2 bomber aircraft. However, if the President determines that no additional B–2 bombers should be procured during fiscal year 1998 and certifies that decision to Congress, the funding authorized in the preceding sentence shall be made available to modify and repair the existing fleet of B–2 bomber aircraft.

(b) SECRETARY OF DEFENSE TO PRESERVE OPTIONS OF PRESIDENT.—The Secretary of Defense shall ensure that all appropriate actions are taken to preserve the options of the President until the panel to review long-range airpower established by section 8131 of the Department of Defense Appropriations Act, 1998 (Public Law 105–56; 111 Stat. 1249), submits its report.

SEC. 132. ALR RADAR WARNING RECEIVERS.

(a) COST AND OPERATION EFFECTIVENESS ANALYSIS.—The Secretary of the Air Force shall conduct a cost and operation effectiveness analysis of upgrading the ALR69 radar warning receiver as compared with the further acquisition of the ALR56M radar warning receiver.

(b) SUBMISSION TO CONGRESS.—The Secretary shall submit the cost and operation effectiveness analysis to the congressional defense committees not later than April 2, 1998.

SEC. 133. ANALYSIS OF REQUIREMENTS FOR REPLACEMENT OF ENGINES ON MILITARY AIRCRAFT DERIVED FROM BOEING 707 AIRCRAFT.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives an analysis, to be carried out by the Under Secretary of Defense for Acquisition and Technology, of the requirements of the Department of Defense for replacing engines on the aircraft of the Department of Defense that are derived from the Boeing 707 aircraft and the costs of meeting those requirements.

(b) CONTENT.—The analysis shall include the following:

(1) The number of aircraft described in subsection (a) that are in the inventory of the Department of Defense as of October 1, 1997, and the number of such aircraft that are projected to be in the inventory of the Department as of October 1, 2002, as of October 1, 2007, and as of October 1, 2012.

(2) For each type of such aircraft, the estimated cost of operating the aircraft for each fiscal year beginning with fiscal year 1998 and ending with fiscal year 2014, taking into account historical patterns of usage and projected support costs.

(3) For each type of such aircraft, the estimated costs and the benefits of replacing the engines on the aircraft, analyzed on the basis of the experience under the limited program for replacing the engines on RC–135 aircraft that was undertaken during fiscal years 1995, 1996, and 1997.

(4) Various plans for replacement of engines that the Under Secretary considers best on the basis of costs and benefits.

(c) SUBMISSION DEADLINE.—The analysis under subsection (a) shall be submitted not later than March 1, 1998.

Subtitle E—Other Matters

SEC. 141. PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

(a) PILOT PROGRAM REQUIRED.—During fiscal years 1998 and 1999, the Secretary of the Army shall carry out a pilot program to test the efficacy and appropriateness of selling manufactured articles and services of Army industrial facilities under section 4543 of title 10, United States Code, without regard to the availability of the articles and services from United States commercial sources. In carrying out the pilot program, the Secretary may use articles manufactured at, and services provided by, not more than three Army industrial facilities.

(b) TEMPORARY WAIVER OF REQUIREMENT FOR DETERMINATION OF UNAVAILABILITY FROM DOMESTIC SOURCE.—Under the pilot program, the Secretary of the Army is not required under section 4543(a)(5) of title 10, United States Code, to determine whether an article or service is available from a commercial source located in the United States in the case of any of the following sales

for which a solicitation of offers is issued during fiscal year 1998 or 1999:

(1) A sale of articles to be incorporated into a weapon system being procured by the Department of Defense.

(2) A sale of services to be used in the manufacture of a weapon system being procured by the Department of Defense.

(c) REVIEW BY INSPECTOR GENERAL.—The Inspector General of the Department of Defense shall review the experience under the pilot program under this section and, not later than July 1, 1999, submit to Congress a report on the results of the review. The report shall contain the following:

(1) The Inspector General's views regarding the extent to which the waiver under subsection (b) enhances the opportunity for United States manufacturers, assemblers, developers, and other concerns to enter into or participate in contracts and teaming arrangements with Army industrial facilities under weapon system programs of the Department of Defense.

(2) The Inspector General's views regarding the extent to which the waiver under subsection (b) enhances the opportunity for Army industrial facilities referred to in section 4543(a) of title 10, United States Code, to enter into or participate in contracts and teaming arrangements with United States manufacturers, assemblers, developers, and other concerns under weapon system programs of the Department of Defense.

(3) The Inspector General's views regarding the effect of the waiver under subsection (b) on the ability of small businesses to compete for the sale of manufactured articles or services in the United States in competitions to enter into or participate in contracts and teaming arrangements under weapon system programs of the Department of Defense.

(4) Specific examples under the pilot program that support the Inspector General's views.

(5) Any other information that the Inspector General considers pertinent regarding the effects of the waiver of section 4543(a)(5) of title 10, United States Code, under the pilot program on opportunities for United States manufacturers, assemblers, developers, or other concerns, and for Army industrial facilities, to enter into or participate in contracts and teaming arrangements under weapon system programs of the Department of Defense.

(6) Any recommendations that the Inspector General considers appropriate regarding continuation or modification of the policy set forth in section 4543(a)(5) of title 10, United States Code.

SEC. 142. NATO JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM.

(a) FUNDING.—Amounts authorized to be appropriated under this title and title II are available for a NATO alliance ground surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States, as follows:

(1) Of the amount authorized to be appropriated under section 101(5), $26,153,000.

(2) Of the amount authorized to be appropriated under section 103(1), $10,000,000.

(3) Of the amount authorized to be appropriated under section 201(1), $13,500,000.

(4) Of the amount authorized to be appropriated under section 201(3), $26,061,000.

(b) AUTHORITY.—(1) Subject to paragraph (2), the Secretary of Defense may utilize authority under section 2350b of title 10, United States Code, for contracting for the purposes of Phase I of a NATO Alliance Ground Surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States, notwithstanding the condition in such section that the authority be utilized for carrying out contracts or obligations incurred under section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(d)).

(2) The authority under paragraph (1) applies during the period that the conclusion of a cooperative project agreement for a NATO Alliance Ground Surveillance capability under section 27(d) of the Arms Export Control Act is pending, as determined by the Secretary of Defense.

(c) MODIFICATION OF AIR FORCE AIRCRAFT.—Amounts available pursuant to paragraphs (2) and (4) of subsection (a) may be used to provide for modifying two Air Force Joint Surveillance/Target Attack Radar System production aircraft to have a NATO Alliance Ground Surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
Sec. 203. Dual-use technology program.
Sec. 204. Reduction in amount for Federally Funded Research and Development Centers.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Manufacturing technology program.
Sec. 212. Report on operational field assessments program.
Sec. 213. Joint Strike Fighter program.
Sec. 214. Kinetic energy tactical anti-satellite technology program.
Sec. 215. Micro-satellite technology development program.
Sec. 216. High altitude endurance unmanned vehicle program.
Sec. 217. F–22 aircraft program.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. National Missile Defense Program.
Sec. 232. Budgetary treatment of amounts for procurement for ballistic missile defense programs.
Sec. 233. Cooperative Ballistic Missile Defense program.
Sec. 234. Annual report on threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles.
Sec. 235. Director of Ballistic Missile Defense Organization.
Sec. 236. Repeal of required deployment dates for core theater missile defense programs.

Subtitle D—Other Matters

Sec. 241. Restructuring of National Oceanographic Partnership Program organizations.
Sec. 242. Maintenance and repair of real property at Air Force installations.
Sec. 243. Expansion of eligibility for the Defense Experimental Program to Stimulate Competitive Research.
Sec. 244. Bioassay testing of veterans exposed to ionizing radiation during military service.
Sec. 245. Sense of Congress regarding Comanche program.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,633,495,000.

(2) For the Navy, $7,774,877,000.

(3) For the Air Force, $14,338,934,000.

(4) For Defense-wide activities, $9,831,646,000, of which—

(A) $258,183,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $27,384,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 1998.—Of the amounts authorized to be appropriated by section 201, $3,935,390,000 shall be available for basic research and applied research projects.

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

SEC. 203. DUAL-USE SCIENCE AND TECHNOLOGY PROGRAM.

(a) FUNDING 1998.—Of the amounts authorized to be appropriated by section 201, $75,000,000 is authorized for dual-use projects.

(b) GOALS.—(1) Subject to paragraph (3), it shall be the objective of the Secretary of each military department to obligate for dual-use projects in each fiscal year referred to in paragraph (2), out of the total amount authorized to be appropriated for such fiscal year for the applied research programs of the military department, the percent of such amount that is specified for that fiscal year in paragraph (2).

(2) The objectives for fiscal years under paragraph (1) are as follows:

(A) For fiscal year 1998, 5 percent.

(B) For fiscal year 1999, 7 percent.

(C) For fiscal year 2000, 10 percent.

(D) For fiscal year 2001, 15 percent.

(3) The Secretary of Defense may establish for a military department for a fiscal year an objective different from the objective set forth in paragraph (2) if the Secretary—

(A) determines that compelling national security considerations require the establishment of the different objective; and

(B) notifies Congress of the determination and the reasons for the determination.

(c) DESIGNATION OF OFFICIAL FOR DUAL-USE PROGRAMS.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to carry out responsibilities for dual-use projects under this subsection. The designated official shall report directly to the Under Secretary of Defense for Acquisition and Technology.

(2) The primary responsibilities of the designated official shall include developing policy and overseeing the establishment of, and adherence to, procedures for ensuring that dual-use projects are initiated and administered effectively and that applicable commercial technologies are integrated into current and future military systems.

(3) In carrying out the responsibilities, the designated official shall ensure that—

(A) dual-use projects are consistent with the joint warfighting science and technology plan referred to in section 270 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 2501 note); and

(B) the dual-use projects of the military departments and defense agencies of the Department of Defense are coordinated and avoid unnecessary duplication.

(d) FINANCIAL COMMITMENT OF NON-FEDERAL GOVERNMENT PARTICIPANTS.—The total amount of funds provided by a military department for a dual-use project entered into by the Secretary of that department shall not exceed 50 percent of the total cost of the project. In the case of a dual-use project initiated after the date of the enactment of this Act, the Secretary may consider in-kind contributions by non-Federal participants only to the extent such contributions constitute 50 percent or less of the share of the project costs by such participants.

(e) USE OF COMPETITIVE PROCEDURES.—Funds obligated for a dual-use project may be counted toward meeting an objective under subsection (a) only if the funds are obligated for a contract, grant, cooperative agreement, or other transaction that was entered into through the use of competitive procedures.

(f) REPORT.—(1) Not later than March 1 of each of 1998, 1999, and 2000, the Secretary of Defense shall submit a report to the congressional defense committees on the progress made by the Department of Defense in meeting the objectives set forth in subsection (b) during the preceding fiscal year.

(2) The report for a fiscal year shall contain, at a minimum, the following:

(A) The aggregate value of all contracts, grants, cooperative agreements, or other transactions entered into during the fiscal year for which funding is counted toward meeting an objective under this section, expressed in relationship to the total amount appropriated for the applied research programs in the Department of Defense for that fiscal year.

(B) For each military department, the value of all contracts, grants, cooperative agreements, or other transactions entered into during the fiscal year for which funding is counted toward meeting an objective under this section, expressed in relationship to the total amount appropriated for the applied research program of the military department for that fiscal year.

(C) A summary of the cost-sharing arrangements in dual-use projects that were initiated during the fiscal year and are counted toward reaching an objective under this section.

(D) A description of the regulations, directives, or other procedures that have been issued by the Secretary of Defense or the Secretary of a military department to increase the percentage of the total value of the dual-use projects undertaken to meet or exceed an objective under this section.

(E) Any recommended legislation to facilitate achievement of objectives under this section.

(g) COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE.—(1) The Secretary of Defense shall establish a Commercial Operations and Support Savings Initiative (in this subsection referred to as the "Initiative") to develop commercial products and processes that the military departments can incorporate into operational military systems to reduce costs of operations and support.

(2) Of the amounts authorized to be appropriated by section 201, $50,000,000 is authorized for the Initiative.

(3) Projects and participants in the Initiative shall be selected through the use of competitive procedures.

(4) The budget submitted to Congress by the President for fiscal year 1999 and each fiscal year thereafter pursuant to section 1105(a) of title 31, United States Code, shall set forth separately the funding request for the Initiative.

(h) REPEAL OF SUPERSEDED AUTHORITY.—Section 203 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2451) is repealed.

(i) DEFINITIONS.—In this section:

(1) The term "applied research program" means a program of a military department which is funded under the 6.2 Research, Development, Test and Evaluation account of that department.

(2) The term "dual-use project" means a project under a program of a military department or a defense agency under which research or development of a dual-use technology is carried out and the costs of which are shared by the Department of Defense and non-Government entities.

SEC. 204. REDUCTION IN AMOUNT FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

The total of the amounts authorized to be appropriated in section 201 that are available for Federally Funded Research and Development Centers (other than amounts for capital equipment investment) is hereby reduced by $42,000,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. MANUFACTURING TECHNOLOGY PROGRAM.

(a) PARTICIPATION OF MANUFACTURERS.—Section 2525(c)(2) of title 10, United States Code, is amended to read as follows:

"(2) In order to promote increased dissemination and use of manufacturing technology throughout the national defense technology and industrial base, the Secretary shall seek, to the maximum extent practicable, the participation of manufacturers of manufacturing equipment in the projects under the program.".

(b) FIVE-YEAR PLAN.—Section 2525 of such title is amended by adding at the end the following new subsection:

"(e) FIVE-YEAR PLAN.—(1) The Secretary of Defense shall prepare a five-year plan for the program which establishes—

"(A) the overall manufacturing technology goals, milestones, priorities, and investment strategy for the program; and

"(B) for each of the five fiscal years covered by the plan, the objectives of, and funding for the program by, each military department and each Defense Agency participating in the program.

"(2) The plan shall include an assessment of the effectiveness of the program.

"(3) The plan shall be updated annually and shall be included in the budget justification documents submitted in support of the budget of the Department of Defense for a fiscal year (as included in the budget of the President submitted to Congress under section 1105 of title 31).".

(c) DEADLINE FOR FIRST PLAN.—The Secretary of Defense shall prepare the first five-year plan required under section 2525(e) of such title, as added by subsection (b), within 60 days after the date of the enactment of this Act.

SEC. 212. REPORT ON OPERATIONAL FIELD ASSESSMENTS PROGRAM.

(a) FINDING.—Congress recognizes the potential value that the Department of Defense Operational Field Assessments program, which is managed by the Director of Operational Test and Evaluation, provides to the commanders of the Unified Combatant Commands with respect to assessment of the effectiveness of near-term operational concepts and critical operational issues in quick-response operational tests and evaluations.

(b) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the Operational Field Assessments program.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the Operational Field Assessments program which describes the goals and objectives of the program, assessments by the program conducted as of the date of the submission of the report, and the results of those assessments.

(2) A description of the current management and support structure of the program within the Department of Defense, including a description of how program responsibilities are assigned within the Office of the Secretary of Defense and a description of the roles of the Joint Staff, the commanders of the Unified Combatant Commands, and the military departments.

(3) An analysis of and recommendations regarding the management structure required within the Office of the Secretary of Defense to ensure that the program is responsive to the mission needs of the commanders of the Unified Combatant Commands.

(4) The funding plan for the program.

(5) A description of future plans for the program and funding requirements for those plans.

(6) Recommendations regarding additional statutory authority that may be required for the program.

SEC. 213. JOINT STRIKE FIGHTER PROGRAM.

(a) REPORT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the options for the sequence in which the variants of the joint strike fighter are to be produced and fielded.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the plan for production under the Joint Strike Fighter Program that was used by the Department of Defense for developing the funding estimates for the fiscal year 1999 budget request for the Department of Defense.

(2) An estimate of the costs, and an analysis of the costs and benefits, of producing the joint strike fighter variants in a sequence that provides for fielding of the naval variant of the aircraft first.

(3) A comparison of the costs and benefits of the various options for the sequence for fielding the variants of the joint strike fighter that the Secretary of Defense considers likely to be the options from among which a sequence for fielding is selected, including a discussion of the effects that selection of each such option would have on the costs and rates of production of the units of F/A–18E/F and F–22 aircraft that are in production when the Joint Strike Fighter Program proceeds into production.

(4) A certification that the Joint Strike Fighter Program contains sufficient funding to carry out an alternate engine development program that includes flight qualification of an alternate engine in a joint strike fighter airframe.

(c) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Not more than 90 percent of the total amount authorized to be appropriated under this Act for the Joint Strike Fighter Program may be obligated until the date that is 30 days after the date on which the congressional defense committees receive the report required under this section.

(d) FISCAL YEAR 1998 BUDGET DEFINED.—In this section, the term "fiscal year 1999 budget request for the Department of Defense" means the budget estimates for the Department of Defense for fiscal year 1999 that were submitted to Congress by the Secretary of Defense in connection with the submission of the budget for fiscal year 1998 to Congress under section 1105 of title 31, United States Code.

SEC. 214. KINETIC ENERGY TACTICAL ANTI-SATELLITE TECHNOLOGY PROGRAM.

Of the funds authorized to be appropriated under section 201(4), $37,500,000 shall be available for the kinetic energy tactical anti-satellite technology program.

SEC. 215. MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT OF MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PROGRAM.—The Secretary of Defense shall restructure the Clementine 2 micro-satellite development program into a micro-satellite technology development program that supports a range of space mission areas.

(b) REPORT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report describing the structure and objectives of the micro-satellite technology development program established under subsection (a) and how the program can benefit existing or future space systems or architectures.

SEC. 216. HIGH ALTITUDE ENDURANCE UNMANNED VEHICLE PROGRAM.

(a) LIMITATION ON TOTAL COST OF ADVANCED CONCEPT TECHNOLOGY DEMONSTRATION.—The total amount obligated or expended

for advanced concept technology demonstration under the High Altitude Endurance Unmanned Vehicle Program for fiscal year 1998 through fiscal year 2003 may not exceed $476,826,000.

(b) LIMITATION ON PROCUREMENT.—The Secretary of Defense may not procure any high altitude endurance unmanned vehicles, other than the currently planned vehicles, until the completion of the testing identified in phase II of the test and demonstration plan for the advanced concept technology demonstration for the vehicles.

(c) LIMITATION ON PROCEEDING.—The High Altitude Endurance Unmanned Vehicle Program may not proceed beyond advanced concept technology demonstration until the Secretary of Defense—

(1) provides to Congress a firm unit cost (referred to in this section as the "fly away cost") for each of the currently planned vehicles; and

(2) certifies to Congress the military suitability and the worth of each such vehicle.

(d) GAO REVIEW.—(1) The Comptroller General shall review the High Altitude Endurance Unmanned Vehicle Program for purposes of determining whether the average fly away cost for each vehicle is within the cost goal under the program of $10,000,000.

(2) The Secretary of Defense and the prime contractors under the High Altitude Endurance Unmanned Vehicle Program shall provide the Comptroller General with such information on the program as the Comptroller considers necessary to make the determination under paragraph (1).

(e) CURRENTLY PLANNED VEHICLES.—In this section, the term "currently planned vehicles" means the four Dark Star air vehicles and the five Global Hawk air vehicles that have been approved for procurement by the Secretary of Defense as of the date of the enactment of this Act.

SEC. 217. F–22 AIRCRAFT PROGRAM.

(a) LIMITATION ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The total amount obligated or expended for engineering and manufacturing development under the F–22 aircraft program may not exceed $18,688,000,000.

(b) LIMITATION ON TOTAL COST OF PRODUCTION.—The total amount obligated or expended for the F–22 production program may not exceed $43,400,000,000.

(c) ADJUSTMENT OF LIMITATION AMOUNTS.—The Secretary of the Air Force shall adjust the amounts of the limitations set forth in subsections (a) and (b) by the following amounts:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 1997.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1997.

(d) ANNUAL GAO REVIEW.—(1) Not later than March 15 of each year, the Comptroller General shall review the F–22 aircraft program and submit to Congress a report on the results of the review. The Comptroller General shall also submit to Congress for each report a certification regarding whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

(2) The report submitted on the program each year shall include the following:

(A) The extent to which engineering and manufacturing development under the program is meeting the goals established for engineering and manufacturing development under the program, including the performance, cost, and schedule goals.

(B) The status of modifications expected to have a significant effect on cost or performance of F–22 aircraft.

(C) The plan for engineering and manufacturing development (leading to production) under the program for the fiscal year that begins in the following year.

(D) A conclusion regarding whether the plan referred to in subparagraph (C) is consistent with the limitation in subsection (a).

(E) A conclusion regarding whether engineering and manufacturing development (leading to production) under the program is likely to be completed at a total cost not in excess of the amount specified in subsection (a).

(3) The Comptroller General shall submit the first report under this subsection not later than March 15, 1998. No report is required under this subsection after engineering and manufacturing development under the program has been completed.

(e) REQUIREMENT TO SUPPORT ANNUAL GAO REVIEW.—The Secretary of Defense and the prime contractors under the F–22 aircraft program shall provide the Comptroller General with such information on the program as the Comptroller General considers necessary to carry out the responsibilities under subsection (d).

(f) LIMITATION ON OBLIGATION OF FUNDS.—Of the total amount authorized to be appropriated for the F–22 aircraft program for a fiscal year, not more than 90 percent of the amount may be obligated until the Comptroller General submits to Congress—

(1) the report required to be submitted in that fiscal year under subsection (d); and

(2) a certification regarding whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

Subtitle C—Ballistic Missile Defense Programs

SEC. 231. NATIONAL MISSILE DEFENSE PROGRAM.

(a) PROGRAM STRUCTURE.—To preserve the option of achieving an initial operational capability in fiscal year 2003, the Secretary of Defense shall ensure that the National Missile Defense Program is structured and programmed for funding so as to support a test, in fiscal year 1999, of an integrated national missile defense system that is representative of the national missile defense system architecture that could achieve initial operational capability in fiscal year 2003.

(b) ELEMENTS OF NMD SYSTEM.—The national missile defense system architecture specified in subsection (a) shall consist of the following elements:

(1) An interceptor system that optimizes defensive coverage of the continental United States, Alaska, and Hawaii against limited ballistic missile attack (whether accidental, unauthorized, or deliberate).

(2) Ground-based radars.

(3) Space-based sensors.

(4) Battle management, command, control, and communications (BM/C^3).

(c) PLAN FOR NMD SYSTEM DEVELOPMENT AND DEPLOYMENT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan for the development and deployment of a national missile defense system that could achieve initial operational capability in fiscal year 2003. The plan shall include the following matters:

(1) A detailed description of the system architecture selected for development.

(2) A discussion of the justification for the selection of that particular architecture.

(3) The Secretary's estimate of the amounts of the appropriations that would be necessary for research, development, test, evaluation, and for procurement for each of fiscal years 1999 through 2003 in order to achieve an initial operational capability of the system architecture in fiscal year 2003.

(4) For each activity necessary for the development and deployment of the national missile defense system architecture selected by the Secretary that would at some point conflict with the terms of the ABM Treaty, if any—

(A) a description of the activity;

(B) a description of the point at which the activity would conflict with the terms of the ABM Treaty;

(C) the legal analysis justifying the Secretary's determination regarding the point at which the activity would conflict with the terms of the ABM Treaty; and

(D) an estimate of the time at which such point would be reached in order to achieve a test of an integrated missile defense system in fiscal year 1999 and initial operational capability of such a system in fiscal year 2003.

(d) FUNDING FOR FISCAL YEAR 1998.—Of the funds authorized to be appropriated under section 201(4), $978,091,000 shall be available for the National Missile Defense Program.

(e) ABM TREATY DEFINED.—In this section, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, and includes the Protocol to that treaty, signed at Moscow on July 3, 1974.

SEC. 232. BUDGETARY TREATMENT OF AMOUNTS FOR PROCUREMENT FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) REQUIREMENT FOR INCLUSION IN BUDGET OF BMDO.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 222 the following new section:

"§ 224. Ballistic missile defense programs: display of amounts for procurement

"(a) REQUIREMENT.—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for procurement for a Department of Defense missile defense program described in subsection (b) shall be set forth under the account of the Department of Defense for Defense-wide procurement and, within that account, under the subaccount (or other budget activity level) for the Ballistic Missile Defense Organization.

"(b) COVERED PROGRAMS.—Subsection (a) applies to the following missile defense programs of the Department of Defense:

"(1) The National Missile Defense Program.

"(2) Any system that is part of the core theater missile defense program.

"(3) Any other ballistic missile defense program that enters production after the date of the enactment of this section and for which research, development, test, and evaluation was carried out by the Ballistic Missile Defense Organization.

"(c) CORE THEATER BALLISTIC MISSILE DEFENSE PROGRAM.—For purposes of this section, the core theater missile defense program consists of the systems specified in section 234 of the Ballistic Missile Defense Act of 1995 (10 U.S.C. 2431 note).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 222 the following new item:

"224. Ballistic missile defense programs: display of amounts for procurement.".

(b) FISCAL YEAR 1998 FUNDS.—(1) The Secretary of Defense shall transfer to appropriations available to the Ballistic Missile Defense Organization for procurement for fiscal year 1998 any amounts that are appropriated for procurement for that fiscal year for any of the Armed Forces by reason of the transference of certain programs to accounts of the Army, Navy, Air Force, and Marine Corps pursuant to Program Budget Decision 224C3, signed by the Under Secretary of Defense (Comptroller) on December 23, 1996.

(2) Any transfer pursuant to paragraph (1) shall not be counted for purposes of section 1001.

SEC. 233. COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAM.

(a) REQUIREMENT FOR NEW PROGRAM ELEMENT.—The Secretary of Defense shall establish a program element for the Ballistic Missile Defense Organization, to be referred to as the "Cooperative Ballistic Missile Defense Program", to support technical and analytical cooperative efforts between the United States and other nations that contribute to United States ballistic missile defense capabilities. Except as provided in subsection (b), all international cooperative ballistic missile defense programs of the Department of Defense shall be budgeted and administered through that program element.

(b) AUTHORITY FOR EXCEPTIONS.—The Secretary of Defense may exclude from the program element established pursuant to subsection (a) any international cooperative ballistic missile defense program of the Department of Defense that after the date of the enactment of this Act is designated by the Secretary of Defense (pursuant to applicable Department of Defense acquisition regulations and policy) to be managed as a separate acquisition program.

(c) RELATIONSHIP TO OTHER PROGRAM ELEMENTS.—The program element established pursuant to subsection (a) is in addition to the program elements for activities of the Ballistic Missile Defense Organization required under section 251 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 233; 10 U.S.C. 221 note).

SEC. 234. ANNUAL REPORT ON THREAT POSED TO THE UNITED STATES BY WEAPONS OF MASS DESTRUCTION, BALLISTIC MISSILES, AND CRUISE MISSILES.

(a) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress by January 30 of each year a report on the threats posed to the United States and allies of the United States—

(1) by weapons of mass destruction, ballistic missiles, and cruise missiles; and

(2) by the proliferation of weapons of mass destruction, ballistic missiles, and cruise missiles.

(b) CONSULTATION.—Each report submitted under subsection (a) shall be prepared in consultation with the Director of Central Intelligence.

(c) MATTERS TO BE INCLUDED.—Each report submitted under subsection (a) shall include the following:

(1) Identification of each foreign country and non-State organization that possesses weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles with respect to each such foreign country and non-State organization.

(2) A description of the means by which any foreign country and non-State organization that has achieved capability with respect to weapons of mass destruction, ballistic missiles, or cruise missiles has achieved that capability, including a description of the international network of foreign countries and private entities that provide assistance to foreign countries and non-State organizations in achieving that capability.

(3) An examination of the doctrines that guide the use of weapons of mass destruction in each foreign country that possesses such weapons.

(4) An examination of the existence and implementation of the control mechanisms that exist with respect to nuclear weapons in each foreign country that possesses such weapons.

(5) Identification of each foreign country and non-State organization that seeks to acquire or develop (indigenously or with foreign assistance) weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles with respect to each such foreign country and non-State organization.

(6) An assessment of various possible timelines for the achievement by foreign countries and non-State organizations of capability with respect to weapons of mass destruction, ballistic missiles, and cruise missiles, taking into account the probability of whether the Russian Federation and the People's Republic of China will comply with the Missile Technology Control Regime, the potential availability of assistance from foreign technical specialists, and the potential for independent sales by foreign private entities without authorization from their national governments.

(7) For each foreign country or non-State organization that has not achieved the capability to target the United States or its territories with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(8) For each foreign country or non-State organization that has not achieved the capability to target members of the United States Armed Forces deployed abroad with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(d) CLASSIFICATION.—Each report under subsection (a) shall be submitted in classified and unclassified form.

SEC. 235. DIRECTOR OF BALLISTIC MISSILE DEFENSE ORGANIZATION.

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

"§ 203. Director of Ballistic Missile Defense Organization

"If an officer of the armed forces on active duty is appointed to the position of Director of the Ballistic Missile Defense Organization, the position shall be treated as having been designated by the President as a position of importance and responsibility for purposes of section 601 of this title and shall carry the grade of lieutenant general or general or, in the case of an officer of the Navy, vice admiral or admiral.".

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

"203. Director of Ballistic Missile Defense Organization.".

SEC. 236. REPEAL OF REQUIRED DEPLOYMENT DATES FOR CORE THEATER MISSILE DEFENSE PROGRAMS.

Section 234(a) of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 110 Stat. 229; 10 U.S.C. 2431 note) is amended—

(1) in the matter preceding paragraph (1), by striking out ", to be carried out so as to achieve the specified capabilities";

(2) in paragraph (1), by striking out ", with a first unit equipped (FUE) during fiscal year 1998";

(3) in paragraph (2), by striking out "Navy Lower Tier (Area) system" and all that follows through "fiscal year 1999" and inserting in lieu thereof "Navy Area Defense system";

(4) in paragraph (3), by striking out ", with a" and all that follows through "fiscal year 2000"; and

(5) in paragraph (4), by striking out "Navy Upper Tier" and all that follows through "fiscal year 2001" and inserting in lieu thereof "Navy Theater Wide system".

Subtitle D—Other Matters

SEC. 241. RESTRUCTURING OF NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM ORGANIZATIONS.

(a) NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—Section 7902 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out paragraphs (11), (14), (15), (16), and (17); and

(B) by redesignating paragraphs (12) and (13) as paragraphs (11) and (12), respectively;

(2) by striking out subsection (d); and

(3) by redesignating subsections (e), (f), (g), (h), and (i) as subsections (d), (e), (f), (g), and (h), respectively.

(b) OCEAN RESEARCH ADVISORY PANEL.—(1) The text of section 7903 of such title is amended to read as follows:

"(a) ESTABLISHMENT.—The Council shall establish an Ocean Research Advisory Panel consisting of not less than 10 and not more than 18 members appointed by the chairman, including the following:

"(1) One member who will represent the National Academy of Sciences.

"(2) One member who will represent the National Academy of Engineering.

"(3) One member who will represent the Institute of Medicine.

"(4) Members selected from among individuals who will represent the views of ocean industries, State governments, academia, and such other views as the chairman considers appropriate.

"(5) Members selected from among individuals eminent in the fields of marine science or marine policy, or related fields.

"(b) RESPONSIBILITIES.—The Council shall assign the following responsibilities to the Advisory Panel:

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

"(2) To advise the Council on selection of partnership projects and allocation of funds for partnership projects for implementation under the program.

"(3) To advise the Council on matters relating to national oceanographic data requirements.

"(4) Any additional responsibilities that the Council considers appropriate.

"(c) FUNDING.—The Secretary of the Navy annually shall make funds available to support the activities of the Advisory Panel.".

(2) Section 282(c) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2473) is amended by striking out "January 1, 1997" and inserting in lieu thereof "January 1, 1998".

(c) CONFORMING AMENDMENTS.—Section 282 of the National Defense Authorization Act for Fiscal Year 1997 is amended—

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

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be effective as of September 23, 1996, as if included in section 282 of Public Law 104–201.

SEC. 242. MAINTENANCE AND REPAIR OF REAL PROPERTY AT AIR FORCE INSTALLATIONS.

(a) IN GENERAL.—Chapter 949 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9782. Maintenance and repair of real property

"(a) ALLOCATION OF FUNDS.—The Secretary of the Air Force shall allocate funds authorized to be appropriated by a provision described in subsection (c) and a provision described in subsection

(d) for maintenance and repair of real property at military installations of the Department of the Air Force without regard to whether the installation is supported with funds authorized by a provision described in subsection (c) or (d).

"(b) MIXING OF FUNDS PROHIBITED ON INDIVIDUAL PROJECTS.—The Secretary of the Air Force may not combine funds authorized to be appropriated by a provision described in subsection (c) and funds authorized to be appropriated by a provision described in subsection (d) for an individual project for maintenance and repair of real property at a military installation of the Department of the Air Force.

"(c) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for research, development, test, and evaluation.

"(d) OPERATION AND MAINTENANCE FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for operation and maintenance.".

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

"9782. Maintenance and repair of real property.".

SEC. 243. EXPANSION OF ELIGIBILITY FOR THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; U.S.C. 2358 note) is amended by adding at the end the following new subsection:

"(f) STATE DEFINED.—In this section, the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.".

SEC. 244. BIOASSAY TESTING OF VETERANS EXPOSED TO IONIZING RADIATION DURING MILITARY SERVICE.

(a) NUCLEAR TEST PERSONNEL PROGRAM.—Of the amount provided in section 201(4), $300,000 shall be available for testing described in subsection (b) in support of the Nuclear Test Personnel Program conducted by the Defense Special Weapons Agency.

(b) COVERED TESTING.—Subsection (a) applies to the third phase of bioassay testing of individuals who are radiation-exposed veterans (as defined in section 1112(c)(3)(A) of title 38, United States Code) who participated in radiation-risk activities (as defined in section 1112(c)(3)(B) of such title).

SEC. 245. SENSE OF CONGRESS REGARDING COMANCHE PROGRAM.

It is the sense of Congress that the Department of Defense should—

(1) evaluate technology transfer and acquisition initiatives within the Army Comanche program that have the potential to increase the efficiency or reduce the risk of the Comanche program; and

(2) include adequate funding for those initiatives that the Department deems to be meritorious in the future-years defense

program (as submitted to Congress under section 221 of title 10, United States Code).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Fisher House Trust Funds.
Sec. 305. Transfer from National Defense Stockpile Transaction Fund.
Sec. 306. Refurbishment of M1–A1 tanks.
Sec. 307. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.
Sec. 308. Refurbishment and installation of air search radar.
Sec. 309. Contracted training flight services.
Sec. 310. Procurement technical assistance programs.
Sec. 311. Operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

Sec. 321. Monthly reports on allocation of funds within operation and maintenance budget subactivities.
Sec. 322. Expansion of scope of quarterly readiness reports.
Sec. 323. Semiannual reports on transfers from high-priority readiness appropriations.
Sec. 324. Annual report on aircraft inventory.
Sec. 325. Administrative actions adversely affecting military training or other readiness activities.
Sec. 326. Common measurement of operations tempo and personnel tempo.
Sec. 327. Inclusion of Air Force depot maintenance as operation and maintenance budget line items.
Sec. 328. Prohibition of implementation of tiered readiness system.
Sec. 329. Report on military readiness requirements of the Armed Forces.
Sec. 330. Assessment of cyclical readiness posture of the Armed Forces.
Sec. 331. Report on military exercises conducted under certain training exercises programs.
Sec. 332. Report on overseas deployments.

Subtitle C—Environmental Provisions

Sec. 341. Revision of membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.
Sec. 342. Amendments to authority to enter into agreements with other agencies in support of environmental technology certification.
Sec. 343. Modifications of authority to store and dispose of nondefense toxic and hazardous materials.
Sec. 344. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.
Sec. 345. Annual report on environmental activities of the Department of Defense overseas.
Sec. 346. Review of existing environmental consequences of the presence of the Armed Forces in Bermuda.
Sec. 347. Sense of Congress on deployment of United States Armed Forces abroad for environmental preservation activities.
Sec. 348. Recovery and sharing of costs of environmental restoration at Department of Defense sites.
Sec. 349. Partnerships for investment in innovative environmental technologies.
Sec. 350. Procurement of recycled copier paper.
Sec. 351. Pilot program for the sale of air pollution emission reduction incentives.

Subtitle D—Depot-Level Activities

Sec. 355. Definition of depot-level maintenance and repair.
Sec. 356. Core logistics capabilities of Department of Defense.
Sec. 357. Increase in percentage of depot-level maintenance and repair that may be contracted for performance by non-Government personnel.
Sec. 358. Annual report on depot-level maintenance and repair.
Sec. 359. Requirement for use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations.

Sec. 360. Clarification of prohibition on management of depot employees by constraints on personnel levels.
Sec. 361. Centers of Industrial and Technical Excellence.
Sec. 362. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 363. Repeal of a conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement.
Sec. 364. Personnel reductions, Army depots participating in Army Workload and Performance System.
Sec. 365. Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities.
Sec. 366. Review of use of temporary duty assignments for ship repair and maintenance.
Sec. 367. Sense of Congress regarding realignment of performance of ground communication-electronic workload.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 371. Reorganization of laws regarding commissaries and exchanges and other morale, welfare, and recreation activities.
Sec. 372. Merchandise and pricing requirements for commissary stores.
Sec. 373. Limitation on noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 374. Treatment of revenues derived from commissary store activities.
Sec. 375. Maintenance, repair, and renovation of Armed Forces Recreation Center, Europe.
Sec. 376. Plan for use of public and private partnerships to benefit morale, welfare, and recreation activities.

Subtitle F—Other Matters

Sec. 381. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 382. Center for Excellence in Disaster Management and Humanitarian Assistance.
Sec. 383. Applicability of Federal printing requirements to Defense Automated Printing Service.
Sec. 384. Study and notification requirements for conversion of commercial and industrial type functions to contractor performance.
Sec. 385. Collection and retention of cost information data on converted services and functions.
Sec. 386. Financial assistance to support additional duties assigned to Army National Guard.
Sec. 387. Competitive procurement of printing and duplication services.
Sec. 388. Continuation and expansion of demonstration program to identify overpayments made to vendors.
Sec. 389. Development of standard forms regarding performance work statement and request for proposal for conversion of certain operational functions of military installations.
Sec. 390. Base operations support for military installations on Guam.
Sec. 391. Warranty claims recovery pilot program.
Sec. 392. Program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 393. Multitechnology automated reader card demonstration program.
Sec. 394. Reduction in overhead costs of Inventory Control Points.
Sec. 395. Inventory management.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $17,174,589,000.

(2) For the Navy, $21,947,656,000.

(3) For the Marine Corps, $2,424,645,000.

(4) For the Air Force, $19,172,985,000.
(5) For Defense-wide activities, $10,242,607,000.
(6) For the Army Reserve, $1,207,981,000.
(7) For the Naval Reserve, $846,711,000.
(8) For the Marine Corps Reserve, $116,366,000.
(9) For the Air Force Reserve, $1,631,200,000.
(10) For the Army National Guard, $2,311,432,000.
(11) For the Air National Guard, $2,999,782,000.
(12) For the Defense Inspector General, $136,580,000.
(13) For the United States Court of Appeals for the Armed Forces, $6,952,000.
(14) For Environmental Restoration, Army, $375,337,000.
(15) For Environmental Restoration, Navy, $275,500,000.
(16) For Environmental Restoration, Air Force, $376,900,000.
(17) For Environmental Restoration, Defense-wide, $26,900,000.
(18) For Environmental Restoration, Formerly Used Defense Sites, $202,300,000.
(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $47,130,000.
(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $666,882,000.
(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $10,000,000.
(22) For Medical Programs, Defense, $9,957,782,000.
(23) For Cooperative Threat Reduction programs, $382,200,000.
(24) For Overseas Contingency Operations Transfer Fund, $1,253,900,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:
(1) For the Defense Working Capital Funds, $971,952,000.
(2) For the National Defense Sealift Fund, $1,059,948,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1998 from the Armed Forces Retirement Home Trust Fund the sum of $79,977,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. FISHER HOUSE TRUST FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1998, out of funds in Fisher House Trust Funds not otherwise appropriated, for the operation of Fisher houses described in section 2221(d) of title 10, United States Code, as follows:
(1) From the Fisher House Trust Fund, Department of the Army, $250,000 for Fisher houses that are located in proximity to medical treatment facilities of the Army.
(2) From the Fisher House Trust Fund, Department of the Navy, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Navy.

SEC. 305. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1998 in amounts as follows:

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

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

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

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

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

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

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

SEC. 306. REFURBISHMENT OF M1–A1 TANKS.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $35,000,000 shall be available only for refurbishment of M1–A1 tanks under the AIM–XXI program if the Secretary of Defense determines that the cost effectiveness of the pilot AIM–XXI program is validated through user trials conducted at the National Training Center, Fort Irwin, California.

SEC. 307. OPERATION OF PREPOSITIONED FLEET, NATIONAL TRAINING CENTER, FORT IRWIN, CALIFORNIA.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $60,200,000 shall be available only to pay costs associated with the operation of the prepositioned fleet of equipment during training rotations at the National Training Center, Fort Irwin, California.

SEC. 308. REFURBISHMENT AND INSTALLATION OF AIR SEARCH RADAR.

Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $6,000,000 may be available for the refurbishment and installation of the AN/SPS–48E air search radar for the Ship Self Defense System at the Integrated Ship Defense Systems Engineering Center, Naval Surface Warfare Center, Wallops Islands, Virginia.

SEC. 309. CONTRACTED TRAINING FLIGHT SERVICES.

Of the amount authorized to be appropriated pursuant to section 301(4) for operation and maintenance for the Air Force, $12,000,000 may be used for contracted training flight services.

SEC. 310. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year

1998 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 311. OPERATION OF FORT CHAFFEE, ARKANSAS.

Of the amount authorized to be appropriated pursuant to section 301(10) for operation and maintenance for the Army National Guard, $6,854,000 may be available for the operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

SEC. 321. MONTHLY REPORTS ON ALLOCATION OF FUNDS WITHIN OPERATION AND MAINTENANCE BUDGET SUBACTIVITIES.

(a) IN GENERAL.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 228. Monthly reports on allocation of funds within operation and maintenance budget subactivities

"(a) MONTHLY REPORT.—The Secretary of Defense shall submit to Congress a monthly report on the allocation of appropriations to O&M budget activities and to the subactivities of those budget activities. Each such report shall be submitted not later than 60 days after the end of the month to which the report pertains.

"(b) MATTERS TO BE INCLUDED.—Each such report shall set forth the following for each subactivity of the O&M budget activities:

"(1) The amount of budget authority appropriated for that subactivity in the most recent regular Department of Defense Appropriations Act.

"(2) The amount of budget authority actually made available for that subactivity, taking into consideration supplemental appropriations, rescissions, and other adjustments required by law or made pursuant to law.

"(3) The amount programmed to be expended from such subactivity.

"(c) IDENTIFICATION OF CERTAIN FLUCTUATIONS.—(1) If, in the report under this section for a month of a fiscal year after the first month of that fiscal year, an amount shown under subsection (b) for a subactivity is different by more than $15,000,000 from the corresponding amount for that subactivity in the report for the first month of that fiscal year, the Secretary shall include in the report notice of that difference.

"(2) If, in the report under this section for a month of a fiscal year after a month for which the report under this section includes a notice under paragraph (1), an amount shown under subsection (b) for a subactivity is different by more than $15,000,000 from the corresponding amount for that subactivity in the most recent report that includes a notice under paragraph (1) or this

paragraph, the Secretary shall include in the report notice of that difference.

"(d) REPORT ON FLUCTUATIONS.—If a report under this section includes a notice under subsection (c), the Secretary shall include in the report with each such notice the following:

"(1) The reasons for the reallocations of funds resulting in the inclusion of that notice in the report.

"(2) Each budget subactivity involved in those reallocations.

"(3) The effect of those reallocations on the operation and maintenance activities funded through the subactivity with respect to which the notice is included in the report.

"(e) O&M BUDGET ACTIVITY DEFINED.—For purposes of this section, the term 'O&M budget activity' means a budget activity within an operation and maintenance appropriation of the Department of Defense for a fiscal year.".

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

"228. Monthly reports on allocation of funds within operation and maintenance budget subactivities.".

(b) EFFECTIVE DATE.—The first report under section 228 of title 10, United States Code, as added by subsection (a), shall be for the month of December 1997.

SEC. 322. EXPANSION OF SCOPE OF QUARTERLY READINESS REPORTS.

(a) EXPANDED REPORTS REQUIRED.—(1) Section 482 of title 10, United States Code, is amended to read as follows:

"§ 482. Quarterly reports: personnel and unit readiness

"(a) QUARTERLY REPORTS REQUIRED.—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to Congress a report regarding military readiness. The report for a quarter shall contain the information required by subsections (b), (d), and (e).

"(b) READINESS PROBLEMS AND REMEDIAL ACTIONS.—Each report shall specifically describe—

"(1) each readiness problem and deficiency identified using the assessments considered under subsection (c);

"(2) planned remedial actions; and

"(3) the key indicators and other relevant information related to each identified problem and deficiency.

"(c) CONSIDERATION OF READINESS ASSESSMENTS.—The information required under subsection (b) to be included in the report for a quarter shall be based on readiness assessments that are provided during that quarter—

"(1) to any council, committee, or other body of the Department of Defense—

"(A) that has responsibility for readiness oversight; and

"(B) whose membership includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

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

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

"(d) COMPREHENSIVE READINESS INDICATORS FOR ACTIVE COMPONENTS.—Each report shall also include information regarding each of the active components of the armed forces (and an evaluation of such information) with respect to each of the following readiness indicators:

"(1) PERSONNEL STRENGTH.—

"(A) Personnel status, including the extent to which members of the armed forces are serving in positions outside of their military occupational specialty, serving in grades other than the grades for which they are qualified, or both.

"(B) Historical data and projected trends in personnel strength and status.

"(2) PERSONNEL TURBULENCE.—

"(A) Recruit quality.

"(B) Borrowed manpower.

"(C) Personnel stability.

"(3) OTHER PERSONNEL MATTERS.—

"(A) Personnel morale.

"(B) Recruiting status.

"(4) TRAINING.—

"(A) Training unit readiness and proficiency.

"(B) Operations tempo.

"(C) Training funding.

"(D) Training commitments and deployments.

"(5) LOGISTICS—EQUIPMENT FILL.—

"(A) Deployed equipment.

"(B) Equipment availability.

"(C) Equipment that is not mission capable.

"(D) Age of equipment.

"(E) Condition of nonpacing items.

"(6) LOGISTICS—EQUIPMENT MAINTENANCE.—

"(A) Maintenance backlog.

"(7) LOGISTICS—SUPPLY.—

"(A) Availability of ordnance and spares.

"(B) Status of prepositioned equipment.

"(e) UNIT READINESS INDICATORS.—Each report shall also include information regarding the readiness of each active component unit of the armed forces at the battalion, squadron, or an equivalent level (or a higher level) that received a readiness rating of C–3 (or below) for any month of the calendar-year quarter covered by the report. With respect to each such unit, the report shall separately provide the following information:

"(1) The unit designation and level of organization.

"(2) The overall readiness rating for the unit for the quarter and each month of the quarter.

"(3) The resource area or areas (personnel, equipment and supplies on hand, equipment condition, or training) that adversely affected the unit's readiness rating for the quarter.

"(4) The reasons why the unit received a readiness rating of C–3 (or below).

"(f) CLASSIFICATION OF REPORTS.—A report under this section shall be submitted in unclassified form. To the extent the Secretary of Defense determines necessary, the report may also be submitted in classified form.".

(2) The item relating to section 482 in the table of sections at the beginning of chapter 23 of such title is amended to read as follows:

"482. Quarterly reports: personnel and unit readiness.".

(b) IMPLEMENTATION PLAN TO EXAMINE READINESS INDICATORS.—Not later than January 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan—

(1) specifying the manner in which the Secretary will implement the additional reporting requirement of subsection (d) of section 482 of title 10, United States Code, as added by this section; and

(2) specifying the criteria proposed to be used to evaluate the readiness indicators identified in such subsection (d).

(c) LIMITATION PENDING RECEIPT OF IMPLEMENTATION PLAN.—Of the amount available for fiscal year 1998 for operation and support activities of the Office of the Secretary of Defense, 10 percent may not be obligated until after the date on which the implementation plan required by subsection (b) is submitted.

(d) TRANSITION TO COMPLETE REPORT.—Until the report under section 482 of title 10, United States Code, as amended by subsection (a), for the third quarter of 1998 is submitted, the Secretary of Defense may omit the information required by subsection (d) of such section if the Secretary determines that it is impracticable to comply with such subsection with regard to the preceding reports.

SEC. 323. SEMIANNUAL REPORTS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

(a) REPORTS REQUIRED.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 483. Reports on transfers from high-priority readiness appropriations

"(a) ANNUAL REPORTS.—Not later than the date on which the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report on transfers during the preceding fiscal year from funds available for each covered budget activity.

"(b) MIDYEAR REPORTS.—Not later than June 1 of each fiscal year, the Secretary of Defense shall submit to the congressional committees specified in subsection (a) a report on transfers, during the first six months of that fiscal year, from funds available for each covered budget activity.

"(c) MATTERS TO BE INCLUDED.—In each report under subsection (a) or (b), the Secretary of Defense shall include for each covered budget activity the following:

"(1) A statement, for the period covered by the report, of—

"(A) the total amount of transfers into funds available for that activity;

"(B) the total amount of transfers from funds available for that activity; and

"(C) the net amount of transfers into, or out of, funds available for that activity.

"(2) A detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

"(d) COVERED BUDGET ACTIVITY DEFINED.—In this section, the term 'covered budget activity' means each of the following:

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

"(A) All subactivities under the category of Land Forces.

"(B) Land Forces Depot Maintenance.

"(C) Base Support.

"(D) Maintenance of Real Property.

"(2) The Air Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

"(A) Mission and Other Flight Operations.

"(B) Fleet Air Training.

"(C) Aircraft Depot Maintenance.

"(D) Base Support.

"(E) Maintenance of Real Property.

"(3) The Ship Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

"(A) Mission and Other Ship Operations.

"(B) Ship Operational Support and Training.

"(C) Ship Depot Maintenance.

"(D) Base Support.

"(E) Maintenance of Real Property.

"(4) The Expeditionary Forces budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Marine Corps, appropriation that are designated as follows:

"(A) Operational Forces.

"(B) Depot Maintenance.

"(C) Base Support.

"(D) Maintenance of Real Property.

"(5) The Air Operations and Combat Related Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Air Force, appropriation that are designated as follows:

"(A) Primary Combat Forces.

"(B) Primary Combat Weapons.

"(C) Air Operations Training.

"(D) Depot Maintenance.

"(E) Base Support.

"(F) Maintenance of Real Property.

"(6) The Mobility Operations budget activity group (known as a 'subactivity') within the Mobilization budget activity of the annual Operation and Maintenance, Air Force, appropriation that is designated as Airlift Operations.

"(e) TERMINATION.—The requirements specified in subsections (a) and (b) shall terminate upon the submission of the annual report under subsection (a) covering fiscal year 2000.".

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

"483. Reports on transfers from high-priority readiness appropriations.".

SEC. 324. ANNUAL REPORT ON AIRCRAFT INVENTORY.

(a) ANNUAL REPORT REQUIRED.—(1) Chapter 23 of title 10, United States Code, is amended by inserting after section 483, as added by section 323, the following new section:

"§ 484. Annual report on aircraft inventory

"(a) ANNUAL REPORT.—The Under Secretary of Defense (Comptroller) shall submit to Congress each year a report on the aircraft in the inventory of the Department of Defense. The Under Secretary shall submit the report when the President submits the budget to Congress under section 1105(a) of title 31.

"(b) CONTENT.—The report shall set forth, in accordance with subsection (c), the following information:

"(1) The total number of aircraft in the inventory.

"(2) The total number of the aircraft in the inventory that are active, stated in the following categories (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, and other aircraft):

"(A) Primary aircraft.

"(B) Backup aircraft.

"(C) Attrition and reconstitution reserve aircraft.

"(3) The total number of the aircraft in the inventory that are inactive, stated in the following categories:

"(A) Bailment aircraft.

"(B) Drone aircraft.

"(C) Aircraft for sale or other transfer to foreign governments.

"(D) Leased or loaned aircraft.

"(E) Aircraft for maintenance training.

"(F) Aircraft for reclamation.

"(G) Aircraft in storage.

"(4) The aircraft inventory requirements approved by the Joint Chiefs of Staff.

"(c) DISPLAY OF INFORMATION.—The report shall specify the information required by subsection (b) separately for the active component of each armed force and for each reserve component of each armed force and, within the information set forth for each such component, shall specify the information separately for each type, model, and series of aircraft provided for in the future-years defense program submitted to Congress.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 483, as added by section 323, the following new item:

"484. Report on aircraft inventory.".

(b) SPECIAL SUBMISSION DATE FOR FIRST REPORT.—The Under Secretary of Defense (Comptroller) shall submit the first report required under section 484 of title 10, United States Code (as added by subsection (a)), not later than January 30, 1998.

(c) MODIFICATION OF BUDGET DATA EXHIBITS.—The Under Secretary of Defense (Comptroller) shall ensure that aircraft budget data exhibits of the Department of Defense that are submitted to Congress display total numbers of active aircraft where numbers of primary aircraft or primary authorized aircraft are displayed in those exhibits.

SEC. 325. ADMINISTRATIVE ACTIONS ADVERSELY AFFECTING MILITARY TRAINING OR OTHER READINESS ACTIVITIES.

(a) CONGRESSIONAL NOTIFICATION.—Chapter 101 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2014. Administrative actions adversely affecting military training or other readiness activities

"(a) CONGRESSIONAL NOTIFICATION.—Whenever an official of an Executive agency takes or proposes to take an administrative action that, as determined by the Secretary of Defense in consultation with the Chairman of the Joint Chiefs of Staff, affects training or any other readiness activity in a manner that has or would have a significant adverse effect on the military readiness of any of the armed forces or a critical component thereof, the Secretary shall submit a written notification of the action and each significant adverse effect to the head of the Executive agency taking or proposing to take the administrative action. At the same time, the Secretary shall transmit a copy of the notification to the President, the Committee on Armed Services of the Senate, and the Committee on National Security of the House of Representatives.

"(b) NOTIFICATION TO BE PROMPT.—(1) Subject to paragraph (2), the Secretary shall submit a written notification of an administrative action or proposed administrative action required by subsection (a) as soon as possible after the Secretary becomes aware of the action or proposed action.

"(2) The Secretary shall prescribe policies and procedures to ensure that the Secretary receives information on an administrative action or proposed administrative action described in subsection (a) promptly after Department of Defense personnel receive notice of such an action or proposed action.

"(c) CONSULTATION BETWEEN SECRETARY AND HEAD OF EXECUTIVE AGENCY.—Upon notification with respect to an administrative action or proposed administrative action under subsection (a), the head of the Executive agency concerned shall—

"(1) respond promptly to the Secretary; and

"(2) consistent with the urgency of the training or readiness activity involved and the provisions of law under which the administrative action or proposed administrative action is being taken, seek to reach an agreement with the Secretary on immediate actions to attain the objective of the administrative action or proposed administrative action in a manner which eliminates or mitigates the adverse effects of the administrative action or proposed administrative action upon the training or readiness activity.

"(d) MORATORIUM.—(1) Subject to paragraph (2), upon notification with respect to an administrative action or proposed administrative action under subsection (a), the administrative action or proposed administrative action shall cease to be effective with respect to the Department of Defense until the earlier of—

"(A) the end of the five-day period beginning on the date of the notification; or

"(B) the date of an agreement between the head of the Executive agency concerned and the Secretary as a result of the consultations under subsection (c).

"(2) Paragraph (1) shall not apply with respect to an administrative action or proposed administrative action if the head of the Executive agency concerned determines that the delay in enforcement of the administrative action or proposed administrative action will pose an actual threat of an imminent and substantial endangerment to public health or the environment.

"(e) EFFECT OF LACK OF AGREEMENT.—(1) If the head of an Executive agency and the Secretary do not enter into an agreement under subsection (c)(2), the Secretary shall submit a written notification to the President who shall take final action on the matter.

"(2) Not later than 30 days after the date on which the President takes final action on a matter under paragraph (1), the President shall submit to the committees referred to in subsection (a) a notification of the action.

"(f) LIMITATION ON DELEGATION OF AUTHORITY.—The head of an Executive agency may not delegate any responsibility under this section.

"(g) DEFINITION.—In this section, the term 'Executive agency' has the meaning given such term in section 105 of title 5, except that the term does not include the General Accounting Office.".

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

"2014. Administrative actions adversely affecting military training or other readiness activities.".

SEC. 326. COMMON MEASUREMENT OF OPERATIONS TEMPO AND PERSONNEL TEMPO.

(a) MEANS FOR MEASUREMENT.—The Chairman of the Joint Chiefs of Staff shall, to the maximum extent practicable, develop (1) a common means of measuring the operations tempo (OPTEMPO) of each of the Armed Forces, and (2) a common means of measuring the personnel tempo (PERSTEMPO) of each of the Armed Forces. The Chairman shall consult with the other members of the Joint Chiefs of Staff in developing those common means of measurement.

(b) PERSTEMPO MEASUREMENT.—The measurement of personnel tempo developed by the Chairman shall include a means of identifying the rate of deployment for individual members of the Armed Forces in addition to the rate of deployment for units.

SEC. 327. INCLUSION OF AIR FORCE DEPOT MAINTENANCE AS OPERATION AND MAINTENANCE BUDGET LINE ITEMS.

For fiscal year 1999 and each fiscal year thereafter, Air Force depot-level maintenance of materiel shall be displayed as one or more separate line items under each subactivity within the authorization request for operation and maintenance, Air Force, in the proposed budget for that fiscal year submitted to Congress pursuant to section 1105 of title 31, United States Code.

SEC. 328. PROHIBITION OF IMPLEMENTATION OF TIERED READINESS SYSTEM.

(a) PROHIBITION.—The Secretary of a military department may not implement, or be required to implement, a new readiness system for units of the Armed Forces (as outlined in sections 329 and 330), under which a military unit would be categorized into one of several categories (known as "tiers") according to the likelihood that the unit will be required to respond to a military conflict and the time in which the unit will be required to respond, if that system would have the effect of changing the methods used as of October 1, 1996, by the Armed Forces under the jurisdiction of that Secretary for determining the priorities for allocating to such military units funding, personnel, equipment, equipment maintenance, and training resources, and the associated levels of readiness of those units that result from those priorities.

(b) REPORT TO CONGRESS REQUESTING WAIVER.—If the Secretary of Defense determines, following the review required by sections 329 and 330 (or any similar review), that implementation for one or more of the Armed Forces of a tiered readiness system that is prohibited by subsection (a) would be in the national security interests of the United States, the Secretary shall submit to Congress a report setting forth that determination, together with the rationale for that determination, and a request for the enactment of legislation to allow implementation of such a system.

(c) RULE OF CONSTRUCTION.—Nothing in subsection (a) is intended to preclude the Secretary of Defense from taking necessary actions to maintain the combat preparedness of the active and reserve components of the Armed Forces.

SEC. 329. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT FOR REPORT.—Not later than January 31, 1998, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it will be required to respond to a military conflict and the time within which it will be required to respond.

(b) PREPARATION BY JCS AND COMMANDERS OF UNIFIED COMMANDS.—The report required by subsection (a) shall be prepared jointly by the Chairman of the Joint Chiefs of Staff, the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, the commander of the Special Operations Command, and the commanders of the other unified commands.

(c) ASSESSMENT SCENARIO.—The report shall assess readiness requirements in a scenario that is based on the following assumptions:

(1) That the Armed Forces of the United States must be capable of—

(A) fighting and winning, in concert with allies, two major theater wars nearly simultaneously; and

(B) deterring or defeating a strategic attack on the United States.

(2) That the forces available for deployment are the forces included in the force structure recommended in the Quadrennial Defense Review, including all other planned force enhancements.

(d) ASSESSMENT ELEMENTS.—(1) The report shall identify, by unit type, all major units of the active and reserve components of the Armed Forces and assess the readiness requirements of the units. Each identified unit shall be categorized within one of the following classifications:

(A) Forward-deployed and crisis response forces, or "Tier I" forces, that possess limited internal sustainment capability and do not require immediate access to regional air bases or ports or overflight rights, including the following:

(i) Force units that are deployed in rotation at sea or on land outside the United States.

(ii) Combat-ready crises response forces that are capable of mobilizing and deploying within 10 days after receipt of orders.

(iii) Forces that are supported by prepositioning equipment afloat or are capable of being inserted into a theater upon the capture of a port or airfield by forcible entry forces.

(B) Combat-ready follow-on forces, or "Tier II" forces, that can be mobilized and deployed to a theater within approximately 60 days after receipt of orders.

(C) Combat-ready conflict resolution forces, or "Tier III" forces, that can be mobilized and deployed to a theater within approximately 180 days after receipt of orders.

(D) All other active and reserve component force units which are not categorized within a classification described in subparagraph (A), (B), or (C).

(2) For the purposes of paragraph (1), the following units are major units:

(A) In the case of the Army or Marine Corps, a brigade and a battalion.

(B) In the case of the Navy, a squadron of aircraft, a ship, and a squadron of ships.

(C) In the case of the Air Force, a squadron of aircraft.

(e) PROJECTION OF SAVINGS FOR USE FOR MODERNIZATION.—The report shall include a projection for fiscal years 1998 through 2003 of the amounts of the savings in operation and maintenance funding that—

(1) could be derived by each of the Armed Forces by placing as many units as is practicable into the lower readiness categories among the tiers; and

(2) could be made available for force modernization.

(f) FORM OF REPORT.—The report under this section shall be submitted in unclassified form, but may contain a classified annex.

(g) PLANNED FORCE ENHANCEMENT DEFINED.—In this section, the term "planned force enhancement", with respect to the force structure recommended in the Quadrennial Defense Review, means any future improvement in the capability of the force (including current strategic and future improvement in strategic lift capability) that is assumed in the development of the recommendation for the force structure set forth in the Quadrennial Defense Review.

SEC. 330. ASSESSMENT OF CYCLICAL READINESS POSTURE OF THE ARMED FORCES.

(a) REQUIREMENT.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the readiness posture of the Armed Forces described in subsection (b).

(2) The Secretary shall prepare the report required under paragraph (1) with the assistance of the Joint Chiefs of Staff. In providing such assistance, the Chairman of the Joint Chiefs of Staff shall consult with the Chief of the National Guard Bureau.

(b) READINESS POSTURE.—(1) The readiness posture to be covered by the report under subsection (a) is a readiness posture for units of the Armed Forces, or for designated units of the Armed Forces, that provides for a rotation of such units between a state of high readiness and a state of low readiness.

(2) As part of the evaluation of the readiness posture described in paragraph (1), the report shall address in particular a readiness posture that—

(A) establishes within the Armed Forces two equivalent forces each structured so as to be capable of fighting and winning a major theater war; and

(B) provides for an alternating rotation of such forces between a state of high readiness and a state of low readiness.

(3) The evaluation of the readiness posture described in paragraph (2) shall be based upon assumptions permitting comparison with the existing force structure as follows:

(A) That there are assembled from among the units of the Armed Forces two equivalent forces each structured so as to be capable of fighting and winning a major theater war.

(B) That each force referred to in subparagraph (A) includes—

(i) four active Army divisions, including one mechanized division, one armored division, one light infantry division, and one division combining airborne units and air assault units, and appropriate support and service support units for such divisions;

(ii) six divisions (or division equivalents) of the Army National Guard or the Army Reserve that are essentially equivalent in structure, and appropriate support and service support units for such divisions;

(iii) six aircraft carrier battle groups;

(iv) six active Air Force fighter wings (or fighter wing equivalents);

(v) four Air Force reserve fighter wings (or fighter wing equivalents); and

(vi) one active Marine Corps expeditionary force.

(C) That each force may be supplemented by critical units or units in short supply, including heavy bomber units, strategic lift units, and aerial reconnaissance units, that are not subject to the readiness rotation otherwise assumed for purposes of the evaluation or are subject to the rotation on a modified basis.

(D) That units of the Armed Forces not assigned to a force are available for operations other than those essential to fight and win a major theater war, including peace operations.

(E) That the state of readiness of each force alternates between a state of high readiness and a state of low readiness on a frequency determined by the Secretary (but not more often than once every six months) and with only one force at a given state of readiness at any one time.

(F) That, during the period of state of high readiness of a force, any operations or activities (including leave and education and training of personnel) that detract from the near-term wartime readiness of the force are temporary and their effects on such state of readiness minimized.

(G) That units are assigned overseas during the period of state of high readiness of the force to which the units are assigned primarily on a temporary duty basis.

(H) That, during the period of high readiness of a force, the operational war plans for the force incorporate the divisions (or division equivalents) of the Army Reserve or Army National Guard assigned to the force in a manner such that one such division (or division equivalent) is, on a rotating basis for such divisions (or division equivalents) during the period, maintained in a high state of readiness and dedicated as the first reserve combat division to be transferred overseas in the event of a major theater war.

(c) REPORT ELEMENTS.—The report under this section shall include the following elements for the readiness posture described in subsection (b)(2):

(1) An estimate of the range of cost savings achievable over the long term as a result of implementing the readiness posture, including—

(A) the savings achievable from reduced training levels and readiness levels during periods in which a force referred to in subsection (b)(3)(A) is in a state of low readiness; and

(B) the savings achievable from reductions in costs of infrastructure overseas as a result of reduced permanent change of station rotations.

(2) An assessment of the potential risks associated with a lower readiness status for units assigned to a force in a state of low readiness under the readiness posture, including the risks associated with the delayed availability of such units overseas in the event of two nearly simultaneous major theater wars.

(3) An assessment of the potential risks associated with requiring the forces under the readiness posture to fight a major war in any theater worldwide.

(4) An assessment of the modifications of the current force structure of the Armed Forces that are necessary to achieve the range of cost savings estimated under paragraph (1), including the extent of the diminishment, if any, of the military capabilities of the Armed Forces as a result of the modifications.

(5) An assessment whether or not the risks of diminished military capability associated with implementation of the readiness posture exceed the risks of diminished military capability associated with the modifications of the current force structure necessary to achieve cost savings equivalent to the best case for cost savings resulting from the implementation of the readiness posture.

(d) FORM OF REPORT.—The report under this section shall be submitted in unclassified form, but may contain a classified annex.

(e) DEFINITIONS.—In this section:

(1) The term "state of high readiness", in the case of a military force, means the capability to mobilize first-to-arrive units of the force within 18 hours and last-to-arrive units within 120 days of a particular event.

(2) The term "state of low readiness", in the case of a military force, means the capability to mobilize first-to-arrive units within 90 days and last-to-arrive units within 180 days of a particular event.

SEC. 331. REPORT ON MILITARY EXERCISES CONDUCTED UNDER CERTAIN TRAINING EXERCISES PROGRAMS.

(a) REPORT.—Not later than February 16, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the military exercises conducted by the Department of Defense during fiscal years 1995, 1996, and 1997 and the military exercises planned to be conducted during fiscal years 1998, 1999, and 2000, under the following training exercises programs:

(1) The program known as the "CJCS Exercise Program".

(2) The program known as the "Partnership for Peace program".

(3) The Cooperative Threat Reduction programs.

(b) INFORMATION ON EXERCISES CONDUCTED OR TO BE CONDUCTED.—The report under subsection (a) shall include the following information for each exercise included in the report, which shall be set forth by fiscal year and shown within the fiscal year by the sponsoring command:

(1) Name of the exercise.

(2) Type, description, duration, and objectives of the exercise.

(3) Participating units, including the number of personnel participating in each unit.

(4) For each participating unit, the percentage of the tasks on that unit's specification of tasks (known as a mission essential task list) or a comparable specification (in the case of any of the Armed Forces not maintaining a mission essential task list designation) that were performed or are scheduled to be performed as part of the exercise.

(5) The cost of the exercise paid or to be paid out of funds available to the Chairman of the Joint Chiefs of Staff and the cost to each of the Armed Forces participating in the exercise, with a description of the categories of activities for which those costs are incurred in each such case.

(6) In the case of each planned exercise, the priority of the exercise in relation to all other exercises planned by the sponsoring command to be conducted during that fiscal year.

(7) In the case of an exercise conducted or to be conducted in a foreign country or with military personnel of a foreign country, the military forces of the foreign country that participated or will participate in the exercise.

(c) ASSESSMENT.—The report under subsection (a) shall include—

(1) an assessment of the ability of each of the Armed Forces to meet requirements of the training exercises programs specified in subsection (a);

(2) an assessment of the training value of each exercise covered in the report to each unit of the Armed Forces participating in the exercise, including for each such unit an assessment of the value of the percentage under subsection (b)(4) as an indicator of the training value of the exercise for that unit;

(3) options to minimize the negative effects on operational and personnel tempo resulting from the training exercises programs; and

(4) in the case of exercises to be conducted in a foreign country or with military personnel of a foreign country—

(A) an assessment of the training value of each exercise covered in the report to the foreign countries involved and the extent to which the exercise enhances the readiness capabilities of all military forces involved in the exercise (both United States and foreign); and

(B) an assessment of the benefits to be derived through enhanced military-to-military relationships between the United States and foreign countries.

(d) FUNDING LIMITATION PENDING RECEIPT OF REPORT.—Of the funds available for fiscal year 1998 for the conduct of the CJCS Exercise Program, not more than 90 percent may be expended before the date on which the report required under subsection (a) is submitted.

SEC. 332. REPORT ON OVERSEAS DEPLOYMENTS.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the deployments overseas of members of the Armed Forces (other than the Coast Guard). The report shall describe the deployments as of June 30, 1996, and as of June 30, 1997.

(b) ELEMENTS.—The report shall include the following, shown as of each date specified in subsection (a) and shown for the Armed Forces in the aggregate and separately for each of the Armed Forces:

(1) The number of military personnel deployed overseas pursuant to a permanent duty assignment, shown in the aggregate and by country or ocean to which deployed.

(2) The number of military personnel deployed overseas pursuant to a temporary duty assignment, including—

(A) the number engaged in training with units of a single military department;

(B) the number engaged in United States military joint exercises; and

(C) the number engaged in training with allied units.

(3) The number of military personnel deployed overseas who were engaged in contingency operations (including peacekeeping or humanitarian assistance missions) or other activities (other than those personnel covered by paragraphs (1) and (2)).

Subtitle C—Environmental Provisions

SEC. 341. REVISION OF MEMBERSHIP TERMS FOR STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM SCIENTIFIC ADVISORY BOARD.

Section 2904(b)(4) of title 10, United States Code, is amended by striking out "three" and inserting in lieu thereof "not less than two and not more than four".

SEC. 342. AMENDMENTS TO AUTHORITY TO ENTER INTO AGREEMENTS WITH OTHER AGENCIES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY CERTIFICATION.

(a) AUTHORITY TO ENTER INTO AGREEMENTS WITH INDIAN TRIBES.—Section 327 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2483; 10 U.S.C. 2702 note) is amended—

(1) in subsection (a), by inserting ", or with an Indian tribe," after "with an agency of a State or local government";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection:

"(e) DEFINITION.—In this section, the term 'Indian tribe' has the meaning given that term by section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).".

(b) ELIMINATION OF CERTAIN LIMITATION ON AUTHORITY.—Subsection (b)(1) of such section is amended by striking out "in carrying out its environmental restoration activities".

(c) ADDITIONAL REPORT INFORMATION.—Subsection (d) of such section is amended by adding at the end the following:

"(5) A statement of the funding that will be required to meet commitments made to State and local governments and Indian tribes under such agreements entered into during the fiscal year preceding the fiscal year in which the report is submitted.

"(6) A description of any cost-sharing arrangement under any such agreements.".

(d) GUIDELINES FOR REIMBURSEMENT AND COST-SHARING.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the guidelines established by the Secretary for reimbursement of State and local governments, and for cost-sharing between the Department of Defense, such governments, and vendors, under cooperative agreements entered into under such section 327.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date on which the report required by subsection (d) is submitted to Congress.

SEC. 343. MODIFICATIONS OF AUTHORITY TO STORE AND DISPOSE OF NONDEFENSE TOXIC AND HAZARDOUS MATERIALS.

(a) STORAGE OF MATERIALS OWNED BY MEMBERS AND DEPENDENTS.—Subsection (a)(1) of section 2692 of title 10, United States Code, is amended by striking out "by the Department of Defense." and inserting in lieu thereof the following: "either by the Department of Defense or by a member of the armed forces (or a dependent of the member) assigned to or provided military housing on the installation.".

(b) ADDITIONAL AUTHORITY.—Subsection (b) of such section is amended—

(1) by redesignating paragraphs (1) through (9) as paragraphs (2) through (10), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

"(1) the storage, treatment, or disposal of materials that will be or have been used in connection with an activity of the Department of Defense or in connection with a service to be performed on an installation of the Department for the benefit of the Department;".

(c) STORAGE AND DISPOSAL OF EXPLOSIVES TO ASSIST LAW ENFORCEMENT AGENCIES.—Subsection (b) of such section is amended in paragraph (3) (as redesignated by subsection (b))—

(1) by striking out "Federal law enforcement" and inserting in lieu thereof "Federal, State, or local law enforcement"; and

(2) by striking out "Federal agency" and inserting in lieu thereof "Federal, State, or local agency".

(d) STORAGE OF MATERIAL IN CONNECTION WITH AUTHORIZED AND COMPATIBLE USE OF A DEFENSE FACILITY.—Subsection (b) of such section is amended in paragraph (9) (as redesignated by subsection (b))—

(1) by striking out "by a private person in connection with the authorized and compatible use by that person of an industrial-type" and inserting in lieu thereof "in connection with the authorized and compatible use of a"; and

(2) by striking out "; and" at the end and inserting in lieu thereof the following: ", including the use of such a facility for testing materiel or training personnel;".

(e) TREATMENT AND DISPOSAL OF MATERIAL IN CONNECTION WITH AUTHORIZED AND COMPATIBLE USE OF A DEFENSE FACILITY.—Subsection (b) of such section is amended in paragraph (10) (as redesignated by subsection (b))—

(1) by striking out "by a private person in connection with the authorized and compatible commercial use by that person of an industrial-type" and inserting in lieu thereof "in connection with the authorized and compatible use of a";

(2) by striking out "with that person" and inserting in lieu thereof "or agreement with the prospective user";

(3) by striking out "for that person's" in subparagraph (B) and inserting in lieu thereof "for the prospective user's"; and

(4) by striking out the period at the end and inserting in lieu thereof "; and".

(f) STORAGE OF MATERIAL IN CONNECTION WITH SPACE LAUNCH FACILITIES.—Subsection (b) of such section is further amended by adding at the end the following new paragraph:

"(11) the storage of any material that is not owned by the Department of Defense if the Secretary of the military department concerned determines that the material is required or generated in connection with the use of a space launch facility located on an installation of the Department of Defense or on other land controlled by the United States.".

(g) TECHNICAL AMENDMENTS.—(1) Subsection (a)(1) of such section is further amended by striking out "storage" and inserting in lieu thereof "storage, treatment,".

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

"§ 2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials".

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

"2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials.".

(h) SAVINGS CLAUSE.—Nothing in the amendments made by this section is intended to modify environmental laws or laws relating to the siting of facilities.

SEC. 344. ANNUAL REPORT ON PAYMENTS AND ACTIVITIES IN RESPONSE TO FINES AND PENALTIES ASSESSED UNDER ENVIRONMENTAL LAWS.

(a) ANNUAL REPORTS.—Section 2706(b)(2) of title 10, United States Code, is amended by adding at the end the following:

"(H) A statement of the fines and penalties imposed or assessed against the Department of Defense under Federal, State, or local environmental law during the fiscal year preceding the fiscal year in which the report is submitted, setting forth each Federal environmental statute under which a fine or penalty was imposed or assessed during the fiscal year, and, with respect to each such statute—

"(i) the aggregate amount of fines and penalties imposed or assessed during the fiscal year;

"(ii) the aggregate amount of fines and penalties paid during the fiscal year;

"(iii) the total amount required for environmental projects to be carried out by the Department of Defense in lieu of the payment of fines or penalties; and

"(iv) the number of fines and penalties imposed or assessed during the fiscal year that were—

"(I) $100,000 or less; and

"(II) more than $100,000.".

(b) REPORT IN FISCAL YEAR 1998.—The statement submitted by the Secretary of Defense under subparagraph (H) of section 2706(b)(2) of title 10, United States Code, as added by subsection (a), in 1998 shall, to the maximum extent practicable, include the information required by that subparagraph for each of fiscal years 1994 through 1997.

SEC. 345. ANNUAL REPORT ON ENVIRONMENTAL ACTIVITIES OF THE DEPARTMENT OF DEFENSE OVERSEAS.

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

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

(2) by inserting after subsection (c) the following new subsection (d):

"(d) REPORT ON ENVIRONMENTAL ACTIVITIES OVERSEAS.—(1) The Secretary of Defense shall submit to Congress each year, not later than 30 days after the date on which the President submits to Congress the budget for a fiscal year, a report on the environmental activities of the Department of Defense overseas.

"(2) Each such report shall include a statement of the funding levels during such fiscal year for each of the following categories:

"(A) Compliance by the Department of Defense with requirements under a treaty, law, contract, or other agreement for environmental restoration or compliance activities.

"(B) Performance by the Department of Defense of other environmental restoration and compliance activities overseas.

"(C) Performance by the Department of Defense of any other overseas activities related to the environment, including conferences, meetings, and studies for pilot programs, and travel related to such activities.".

SEC. 346. REVIEW OF EXISTING ENVIRONMENTAL CONSEQUENCES OF THE PRESENCE OF THE ARMED FORCES IN BERMUDA.

Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on any remaining environmental effects of the presence of the Armed Forces of the United States in Bermuda.

SEC. 347. SENSE OF CONGRESS ON DEPLOYMENT OF UNITED STATES ARMED FORCES ABROAD FOR ENVIRONMENTAL PRESERVATION ACTIVITIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that members of the Army, Navy, Air Force, and Marine Corps should not be deployed outside the United States to provide assistance to another nation in connection with environmental preservation activities in that nation, unless the Secretary of Defense determines that such activities are necessary for national security purposes.

(b) SCOPE OF SECTION.—For purposes of this section, environmental preservation activities do not include any of the following:

(1) Activities undertaken for humanitarian purposes, disaster relief activities, peacekeeping activities, or operational training activities.

(2) Environmental compliance and restoration activities associated with military installations and deployments outside the United States.

SEC. 348. RECOVERY AND SHARING OF COSTS OF ENVIRONMENTAL RESTORATION AT DEPARTMENT OF DEFENSE SITES.

(a) REGULATIONS.—Not later than March 1, 1998, the Secretary of Defense shall prescribe regulations containing the guidelines and requirements described in subsections (b) and (c).

(b) GUIDELINES.—(1) The regulations prescribed under subsection (a) shall contain uniform guidelines for the military departments and defense agencies concerning the cost-recovery and cost-sharing activities of those departments and agencies.

(2) The Secretary shall take appropriate actions to ensure the implementation of the guidelines.

(c) REQUIREMENTS.—The regulations prescribed under subsection (a) shall contain requirements for the Secretaries of the military departments and the heads of defense agencies to—

(1) obtain all data that is relevant for purposes of cost-recovery and cost-sharing activities; and

(2) identify any negligence or other misconduct that may preclude indemnification or reimbursement by the Department of Defense for the costs of environmental restoration at a Department site or justify the recovery or sharing of costs associated with such restoration.

(d) DEFINITION.—In this section, the term "cost-recovery and cost-sharing activities" means activities concerning—

(1) the recovery of the costs of environmental restoration at Department of Defense sites from contractors of the Department and other private parties that contribute to environmental contamination at such sites; and

(2) the sharing of the costs of such restoration with such contractors and parties.

SEC. 349. PARTNERSHIPS FOR INVESTMENT IN INNOVATIVE ENVIRONMENTAL TECHNOLOGIES.

(a) AUTHORITY.—Subject to subsection (b), the Secretary of Defense may enter into a partnership with one or more private entities to demonstrate and validate innovative environmental technologies.

(b) LIMITATIONS.—The Secretary of Defense may enter into a partnership with respect to an environmental technology under subsection (a) only if—

(1) any private entities participating in the partnership are selected through the use of competitive procedures;

(2) the partnership provides for parties other than the Department of Defense to provide at least 50 percent of the funding required (not including in-kind contributions or preexisting investments); and

(3) the Secretary determines that—

(A) the technology has clear potential to be of significant value to the Department of Defense in its environmental remediation activities at a substantial number of Department of Defense sites; and

(B) the technology would not be developed without the commitment of Department of Defense funds.

(c) EVALUATION GUIDELINES.—Before entering into a partnership with respect to an environmental technology under subsection (a), the Secretary of Defense shall give consideration to the following:

(1) The potential for the technology to be used by the Department of Defense for environmental remediation.

(2) The technical feasibility and maturity of the technology.

(3) The adequacy of financial and management plans to demonstrate and validate the technology.

(4) The costs and benefits to the Department of Defense of developing and using the technology.

(5) The potential for commercialization of the technology.

(6) The proposed arrangements for sharing the costs of the partnership through the use of resources outside the Department of Defense.

(d) FUNDING.—Under a partnership entered into under subsection (a), the Secretary of Defense may provide funds to the partner or partners from appropriations available to the Department of Defense for environmental activities, for a period of up to five years.

(e) REPORT.—In the annual report required under section 2706(a) of title 10, United States Code, the Secretary of Defense shall include the following information with respect to partnerships entered into under this section:

(1) The number of such partnerships.

(2) A description of the nature of the technology involved in each such partnership.

(3) A list of all partners in such partnerships.

(f) COORDINATION.—The Secretary of Defense shall ensure that the Department of Defense coordinates with the Administrator of the Environmental Protection Agency in any verification sponsored by the Department of technologies demonstrated and validated by a partnership entered into under this section.

(g) PROCEDURES.—The Secretary of Defense shall develop appropriate procedures to ensure that all Department of Defense funds committed to a partnership entered into under this section are expended for the purpose authorized in the partnership agreement. The Secretary may not enter into a partnership under this section until 30 days after the date on which a copy of such procedures is provided to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(h) TERMINATION OF AUTHORITY.—The authority to enter into agreements under subsection (a) shall terminate three years after the date of the enactment of this Act.

SEC. 350. PROCUREMENT OF RECYCLED COPIER PAPER.

(a) PROCUREMENT REQUIREMENTS.—Chapter 140 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2378. Procurement of copier paper containing specified percentages of post-consumer recycled content

"(a) PROCUREMENT REQUIREMENT.—(1) Except as provided in subsections (b) and (c), a department or agency of the Department of Defense may not procure copying machine paper after the applicable date specified in paragraph (2) unless the percentage of post-consumer recycled content of the paper meets the percentage then in effect under such paragraph.

"(2) The percentage of post-consumer recycled content of paper required under paragraph (1) is as follows:

"(A) 20 percent as of January 1, 1998.

"(B) 30 percent as of January 1, 1999.

"(C) 50 percent as of January 1, 2004.

"(b) EXCEPTIONS.—A department or agency of the Department of Defense is not required to procure copying machine paper containing a percentage of post-consumer recycled content that meets the applicable requirement in subsection (a) if the Secretary concerned determines that one or more of the following circumstances apply with respect to that procurement:

"(1) The cost of procuring copying machine paper satisfying the applicable requirement significantly exceeds the cost of procuring copying machine paper containing a percentage of post-consumer recycled content that does not meet such requirement. The Secretary concerned shall establish the cost differential to be applied under this paragraph.

"(2) Copying machine paper containing a percentage of post-consumer recycled content meeting such requirement is not reasonably available within a reasonable period of time.

"(3) Copying machine paper containing a percentage of post-consumer recycled content meeting such requirement does not meet performance standards of the department or agency for copying machine paper.

"(c) EFFECT OF INABILITY TO MEET GOAL IN 2004.—(1) In the case of the requirement that will take effect on January 1, 2004,

pursuant to subsection (a)(2)(C), the requirement shall not take effect with respect to a military department or Defense Agency if the Secretary of Defense determines that the department or agency will be unable to meet such requirement by that date.

"(2) The Secretary shall submit to Congress written notice of any determination made under paragraph (1) and the reasons for the determination. The Secretary shall submit such notice, if at all, not later than January 1, 2003.

"(d) SECRETARY CONCERNED DEFINED.—In this section, the term 'Secretary concerned' means the Secretary of each military department and the Secretary of Defense with respect to the Defense Agencies.".

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

"2378. Procurement of copier paper containing specified percentages of post-consumer recycled content.".

SEC. 351. PILOT PROGRAM FOR THE SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

(a) AUTHORITY.—(1) The Secretary of Defense may, in consultation with the Administrator of General Services, carry out a pilot program to assess the feasibility and advisability of the sale of economic incentives for the reduction of emission of air pollutants attributable to a facility of a military department.

(2) The Secretary may carry out the pilot program during the period beginning on the date of the enactment of this Act and ending two years after such date.

(b) INCENTIVES AVAILABLE FOR SALE.—(1) Under the pilot program, the Secretary may sell economic incentives for the reduction of emission of air pollutants attributable to a facility of a military department only if such incentives are not otherwise required for the activities or operations of the military department.

(2) The Secretary may not, under the pilot program, sell economic incentives attributable to the closure or realignment of a military installation under a base closure law.

(3) If the Secretary determines that additional sales of economic incentives are likely to result in amounts available for allocation under subsection (c)(2) in a fiscal year in excess of the limitation set forth in subparagraph (B) of that subsection, the Secretary shall not carry out such additional sales in that fiscal year.

(c) USE OF PROCEEDS.—(1) The proceeds of sale of economic incentives attributable to a facility of a military department shall be credited to the funds available to the facility for the costs of identifying, quantifying, or valuing economic incentives for the reduction of emission of air pollutants. The amount credited shall be equal to the cost incurred in identifying, quantifying, or valuing the economic incentives sold.

(2)(A)(i) If after crediting under paragraph (1) a balance remains, the amount of such balance shall be available to the Department of Defense for allocation by the Secretary to the military departments for programs, projects, and activities necessary for compliance with Federal environmental laws, including the purchase of economic incentives for the reduction of emission of air pollutants.

(ii) To the extent practicable, amounts allocated to the military departments under this subparagraph shall be made available to

the facilities that generated the economic incentives providing the basis for the amounts.

(B) The total amount allocated under this paragraph in a fiscal year from sales of economic incentives may not equal or exceed $500,000.

(3) If after crediting under paragraph (1) a balance remains in excess of an amount equal to the limitation set forth in paragraph (2)(B), the amount of the excess shall be covered over into the Treasury as miscellaneous receipts.

(4) Funds credited under paragraph (1) or allocated under paragraph (2) shall be merged with the funds to which credited or allocated, as the case may be, and shall be available for the same purposes and for the same period as the funds with which merged.

(d) DEFINITIONS.—In this section:

(1) The term "base closure law" means the following:

(A) Section 2687 of title 10, United States Code.

(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(2) The term "economic incentives for the reduction of emission of air pollutants" means any transferable economic incentives (including marketable permits and emission rights) necessary or appropriate to meet air quality requirements under the Clean Air Act (42 U.S.C. 7401 et seq.).

Subtitle D—Depot-Level Activities

SEC. 355. DEFINITION OF DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) DEPOT-LEVEL MAINTENANCE AND REPAIR DEFINED.—Chapter 146 of title 10, United States Code, is amended by inserting before section 2461 the following new section:

"§ 2460. Definition of depot-level maintenance and repair

"(a) IN GENERAL.—In this chapter, the term 'depot-level maintenance and repair' means (except as provided in subsection (b)) material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair. The term includes (1) all aspects of software maintenance classified by the Department of Defense as of July 1, 1995, as depot-level maintenance and repair, and (2) interim contractor support or contractor logistics support (or any similar contractor support), to the extent that such support is for the performance of services described in the preceding sentence.

"(b) EXCEPTIONS.—(1) The term does not include the procurement of major modifications or upgrades of weapon systems that are designed to improve program performance or the nuclear refueling of an aircraft carrier. A major upgrade program covered by this exception could continue to be performed by private or public sector activities.

"(2) The term also does not include the procurement of parts for safety modifications. However, the term does include the installation of parts for that purpose.".

(b) CONFORMING AMENDMENT.—Section 2469 of title 10, United States Code, is amended in subsections (a) and (b), by striking out "or repair" and inserting in lieu thereof "and repair".

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 146 of title 10, United States Code, is amended by inserting before the item relating to section 2461 the following new item:

"2460. Definition of depot-level maintenance and repair.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 146 and inserting in lieu thereof the following new item:

"146. Contracting for Performance of Civilian Commercial or Industrial Type Functions ..... 2460".

SEC. 356. CORE LOGISTICS CAPABILITIES OF DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Section 2464 of title 10, United States Code, is amended to read as follows:

"§ 2464. Core logistics capabilities

"(a) NECESSITY FOR CORE LOGISTICS CAPABILITIES.—(1) It is essential for the national defense that the Department of Defense maintain a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government-operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements.

"(2) The Secretary of Defense shall identify the core logistics capabilities described in paragraph (1) and the workload required to maintain those capabilities.

"(3) The core logistics capabilities identified under paragraphs (1) and (2) shall include those capabilities that are necessary to maintain and repair the weapon systems and other military equipment (including mission-essential weapon systems or materiel not later than four years after achieving initial operational capability, but excluding systems and equipment under special access programs, nuclear aircraft carriers, and commercial items described in paragraph (5)) that are identified by the Secretary, in consultation with the Chairman of the Joint Chiefs of Staff, as necessary to enable the armed forces to fulfill the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff under section 153(a) of this title.

"(4) The Secretary of Defense shall require the performance of core logistics workloads necessary to maintain the core logistics capabilities identified under paragraphs (1), (2), and (3) at Government-owned, Government-operated facilities of the Department of Defense (including Government-owned, Government-operated facilities of a military department) and shall assign such facilities sufficient workload to ensure cost efficiency and technical competence in peacetime while preserving the surge capacity and reconstitution

capabilities necessary to support fully the strategic and contingency plans referred to in paragraph (3).

"(5) The commercial items covered by paragraph (3) are commercial items that have been sold or leased in substantial quantities to the general public and are purchased without modification in the same form that they are sold in the commercial marketplace, or with minor modifications to meet Federal Government requirements.

"(b) LIMITATION ON CONTRACTING.—(1) Except as provided in paragraph (2), performance of workload needed to maintain a logistics capability identified by the Secretary under subsection (a)(2) may not be contracted for performance by non-Government personnel under the procedures and requirements of Office of Management and Budget Circular A–76 or any successor administrative regulation or policy (hereinafter in this section referred to as OMB Circular A–76).

"(2) The Secretary of Defense may waive paragraph (1) in the case of any such logistics capability and provide that performance of the workload needed to maintain that capability shall be considered for conversion to contractor performance in accordance with OMB Circular A–76. Any such waiver shall be made under regulations prescribed by the Secretary and shall be based on a determination by the Secretary that Government performance of the workload is no longer required for national defense reasons. Such regulations shall include criteria for determining whether Government performance of any such workload is no longer required for national defense reasons.

"(3)(A) A waiver under paragraph (2) may not take effect until the expiration of the first period of 30 days of continuous session of Congress that begins on or after the date on which the Secretary submits a report on the waiver to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives.

"(B) For the purposes of subparagraph (A)—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.".

(b) CLERICAL AMENDMENT.—The item relating to such section at the beginning of chapter 146 of such title is amended to read as follows:

"2464. Core logistics capabilities.".

SEC. 357. INCREASE IN PERCENTAGE OF DEPOT-LEVEL MAINTENANCE AND REPAIR THAT MAY BE CONTRACTED FOR PERFORMANCE BY NON-GOVERNMENT PERSONNEL.

Section 2466(a) of title 10, United States Code, is amended by striking out "40 percent" and inserting in lieu thereof "50 percent".

SEC. 358. ANNUAL REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

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

"(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency, the percentage of the funds referred to in subsection (a) that were expended during the preceding fiscal year for performance of depot-level maintenance and repair workloads by the public and private sectors as required by section 2466 of this title.

"(2) Not later than 90 days after the date on which the Secretary submits the annual report under paragraph (1), the Comptroller General shall submit to Congress the Comptroller General's views on whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.".

SEC. 359. REQUIREMENT FOR USE OF COMPETITIVE PROCEDURES IN CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS FORMERLY PERFORMED AT CLOSED OR REALIGNED MILITARY INSTALLATIONS.

(a) APPLICATION TO CERTAIN WORKLOADS.—(1) Chapter 146 of title 10, United States Code, is amended by inserting after section 2469 the following new section:

"§ 2469a. Use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at certain military installations

"(a) DEFINITIONS.—In this section:

"(1) The term 'closed or realigned military installation' means a military installation where a depot-level maintenance and repair facility was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(2) The term 'military installation' includes a former military installation that was a military installation when it was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 and that has been closed or realigned under the Act.

"(3) The terms 'realignment' and 'realigned' mean a decision under the Defense Base Closure and Realignment Act of 1990 that results in both a reduction and relocation of functions and civilian personnel positions.

"(b) COVERED DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.—Except as provided in subsection (c), this section applies with respect to any depot-level maintenance and repair workload that—

"(1) was performed as of January 1, 1997, at a military installation that was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 and that has been closed or realigned under the Act; and

"(2) is proposed to be converted from performance by Department of Defense personnel to performance by a private sector source.

"(c) EXCEPTIONS.—This section shall not apply with respect to—

"(1) a depot-level maintenance and repair workload that is to be consolidated to another military installation (other than a closed or realigned military installation) as a result of a base closure or realignment action or a decision made by the Secretary concerned or the Defense Depot Maintenance Council;

"(2) a workload necessary to maintain a core logistics capability identified under section 2464 of this title; or

"(3) any contract originally entered into before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

"(d) CONDITIONS AND SOLICITATION.—A solicitation of offers for the performance of any depot-level maintenance and repair workload described in subsection (b) may be issued, and a contract may be awarded pursuant to such a solicitation, only if the following conditions are met with respect to the contract and the solicitation specifically states the conditions:

"(1) The source selection process used in the case of the solicitation and contract permits the consideration of offers submitted by private sector sources and offers submitted by public sector sources.

"(2) The source selection process used in the case of the solicitation and contract requires that, in the comparison of offers, there be taken into account—

"(A) the fair market value (or if fair market value cannot be determined, the estimated book value) of any land, plant, or equipment from a military installation that is proposed by a private offeror to be used to meet a specific workload (whether these assets are provided to the offeror by a local redevelopment authority or by any other source approved by an official of the Department of Defense); and

"(B) the total estimated direct and indirect costs that will be incurred by the Department of Defense and the total estimated direct and indirect savings (including overhead) that will be derived by the Department of Defense.

"(3) The cost standards used to determine the depreciation of facilities and equipment shall, to the maximum extent practicable, provide identical treatment to all public and private sector offerors.

"(4) Any offeror, whether public or private, may offer to perform the workload at any location or locations selected by the offeror and to team with any other public or private entity to perform that workload at one or more locations, including a Center of Industrial and Technical Excellence designated under section 2474 of this title.

"(5) No offeror may be given any preferential consideration for, or in any way be limited to, performing the workload in-place or at any other single location.

"(e) CONTRACTS FOR MULTIPLE WORKLOADS.—(1) A solicitation may be issued for a single contract for the performance of multiple depot-level maintenance and repair workloads described in subsection (b) only if—

"(A) the Secretary of Defense determines in writing that the individual workloads cannot as logically and economically

be performed without combination by sources that are potentially qualified to submit an offer and to be awarded a contract to perform those individual workloads;

"(B) the Secretary submits to Congress a report setting forth the determination together with the reasons for the determination; and

"(C) the solicitation of offers for the contract is issued more than 60 days after the date on which the Secretary submits the report.

"(2) The Comptroller General shall review each report submitted under paragraph (1)(B) and, not later than 30 days after the report is submitted to Congress, shall submit to Congress the Comptroller General's views regarding the determination of the Secretary that is set forth in the report, together with any other findings that the Comptroller General considers appropriate.

"(f) COMPETITIVE PROCEDURES REQUIRED.—Section 2304(c)(7) of this title shall not be used as the basis for an exception to the requirement to use competitive procedures for any contract for a depot-level maintenance and repair workload described in subsection (b).

"(g) REVIEWS OF COMPETITIVE PROCEDURES.—If a solicitation of offers for a contract for, or award of, any depot-level maintenance and repair workload described in subsection (b) is issued, the Comptroller General shall—

"(1) within 45 days after the issuance of the solicitation, review the solicitation and report to Congress on whether the solicitation—

"(A) provides substantially equal opportunity for public and private offerors to compete for the contract without regard to the location at which the workload is to be performed; and

"(B) is in compliance with the requirements of this section and all applicable provisions of law and regulations; and

"(2) within 45 days after any contract or award resulting from the solicitation is entered into or made, review the contract or award, including the contracting or award process, and report to Congress on whether—

"(A) the procedures used to conduct the competition—

"(i) provided substantially equal opportunity for public and private offerors to compete for the contract without regard to the location at which the workload is to be performed; and

"(ii) were in compliance with the requirements of this section and all applicable provisions of law and regulations;

"(B) appropriate consideration was given to factors other than cost in the selection of the source for performance of the workload; and

"(C) the contract or award resulted in the lowest total cost to the Department of Defense for performance of the workload.

"(h) RESOLUTION OF WORKLOAD AWARD OBJECTIONS.—Any public or private entity may, pursuant to procedures established by the Secretary, object to a solicitation of offers under this section for the performance of any depot-level maintenance and repair workload, or the award or proposed award of any workload pursuant

to such a solicitation. The Secretary may designate a qualified individual or entity to review the objection; however, the Secretary shall not designate the Source Selection Authority or any individual from the same military department as the Source Selection Authority to review the objection. The Secretary shall take appropriate action to address any defect in the solicitation or award in the event that the objection is sustained.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2469 the following new item:

"2469a. Use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at certain military installations.".

(b) LIMITATION RELATING TO TIMING OF SOLICITATION.—The first solicitation of offers from private sector sources for the performance of a depot-level maintenance and repair workload described in subsection (b) of section 2469a of title 10, United States Code, as added by subsection (a), may be issued pursuant to such section only after the date that is 30 days after the latest of the following:

(1) The date on which the Secretary of Defense publishes and submits to Congress a plan or Department of Defense directive that sets forth the specific procedures for the conduct of competitions among private and public sector entities for such depot-level maintenance and repair workloads.

(2) The date on which the Secretary of Defense submits to Congress the report on allocation of workloads required under subsection (c).

(3) The date on which the Comptroller General is required to submit the report to Congress under subsection (d).

(c) REPORT OF ALLOCATION OF WORKLOAD.—Before any solicitation of offers for the performance by a private sector source of a depot-level maintenance and repair workload at a closed or realigned installation described in subsection (b) of section 2469a of title 10, United States Code, as added by subsection (a), is to be issued, the Secretary of Defense shall submit to Congress a report describing the allocation proposed by the Secretary of all workloads that were performed at that closed or realigned military installation (as defined in subsection (a) of such section) as of July 1, 1995, including—

(1) the workloads that are considered to be core logistics functions under section 2464 of such title;

(2) the workloads that are proposed to be transferred to a military installation other than a closed or realigned military installation;

(3) the workloads that are proposed to be included in the public-private competitions carried out under section 2469a of such title, and, if any of such workloads are to be combined for purposes of such a competition, the reasons for combining the workloads, together with a description of how the workloads are to be combined;

(4) any workload that has been determined within the Department of Defense as no longer being necessary;

(5) the proposed schedule for implementing the allocations covered by the report; and

(6) the anticipated capacity utilization of the military installations and former military installations to which workloads are to be transferred, based on the maximum potential

capacity certified to the 1995 Defense Base Closure and Realignment Commission, after the transfers are completed (not taking into account any workloads that may be transferred as a result of a public-private competition carried out under section 2469a of such title, as described in paragraph (3)).

(d) REVIEW REGARDING AWARD FOR C–5 AIRCRAFT WORKLOAD.—(1) The Comptroller General shall conduct a review of the award for the performance of the C–5 aircraft workload that was made to Warner Robins Air Logistics Center. As part of the review, the Comptroller General shall—

(A) determine whether the procedures used to conduct the competition—

(i) provided substantially equal opportunity for public and private offerors to compete for the award without regard to the location at which the workload is to be performed; and

(ii) are in compliance with the requirements of all applicable provisions of law and the Federal Acquisition Regulation; and

(B) determine whether that award results in the lowest total cost to the Department of Defense for performance of the workload.

(2) Not later than 60 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the review.

SEC. 360. CLARIFICATION OF PROHIBITION ON MANAGEMENT OF DEPOT EMPLOYEES BY CONSTRAINTS ON PERSONNEL LEVELS.

Section 2472(a) of title 10, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following: "The civilian employees of the Department of Defense, including the civilian employees of the military departments and the Defense Agencies, who perform, or are involved in the performance of, depot-level maintenance and repair workloads may not be managed on the basis of any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.".

SEC. 361. CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE.

(a) DESIGNATION AND PURPOSE.—(1) Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships

"(a) DESIGNATION.—(1) The Secretary of Defense shall designate each depot-level activity of the military departments and the Defense Agencies (other than facilities approved for closure or major realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)) as a Center of Industrial and Technical Excellence in the recognized core competencies of the activity.

"(2) The Secretary shall establish a policy to encourage the Secretary of each military department and the head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their depot-level activities in connection with their core competency requirements, so as to serve as recognized leaders

in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 2500(1) of this title).

"(3) The Secretary of a military department may conduct a pilot program, consistent with applicable requirements of law, to test any practices referred to in paragraph (2) that the Secretary determines could improve the efficiency and effectiveness of depot-level operations, improve the support provided by depot-level activities for the armed forces user of the services of such activities, and enhance readiness by reducing the time that it takes to repair equipment.

"(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to enter into public-private cooperative arrangements for the performance of depot-level maintenance and repair at such Centers and shall encourage the use of such arrangements to maximize the utilization of the capacity at such Centers. A public-private cooperative arrangement under this subsection shall be known as a 'public-private partnership'.

"(c) CREDITING OF AMOUNTS FOR PERFORMANCE.—Amounts received by a Center for work performed under a public-private partnership shall be credited to the appropriation or fund, including a working-capital fund, that incurs the cost of performing the work.

"(d) ADDITIONAL WORK.—The policy required under subsection (a) shall include measures to enable a private sector entity that enters into a partnership arrangement under subsection (b) or leases excess equipment and facilities at a Center of Industrial and Technical Excellence pursuant to section 2471 of this title to perform additional work at the Center, subject to the limitations outlined in subsection (b) of such section, outside of the types of work normally assigned to the Center.".

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

"2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships.".

(b) LEASE OF EXCESS DEPOT-LEVEL EQUIPMENT AND FACILITIES.—(1) Section 2471(c) of such title is amended to read as follows:

"(c) CONFORMANCE WITH AUTHORITY UNDER SECTION 2667.—The provisions of subsection (d) of section 2667 of this title shall apply to this section in the same manner as such provisions are applicable under that section.".

(2) Section 2667(d)(2) of such title is amended by inserting "or working capital fund" before "from which".

(c) REPORTING REQUIREMENT.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a report on the policies established by the Secretary pursuant to section 2474 of title 10, United States Code, to implement the requirements of such section. The report shall include—

(1) the details of any public-private partnerships entered into as of that date under subsection (b) of such section;

(2) the details of any leases entered into as of that date under section 2471 of such title with authorized entities for dual-use (military and nonmilitary) purposes; and

(3) the effect that the partnerships and leases had on capacity utilization, depot rate structures, and readiness.

SEC. 362. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684) is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

SEC. 363. REPEAL OF A CONDITIONAL REPEAL OF CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR LAWS AND A RELATED REPORTING REQUIREMENT.

Section 311 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 247; 10 U.S.C. 2464 note) is amended by striking out subsections (f) and (g).

SEC. 364. PERSONNEL REDUCTIONS, ARMY DEPOTS PARTICIPATING IN ARMY WORKLOAD AND PERFORMANCE SYSTEM.

(a) LIMITATION.—Except as necessary to implement BRAC 1995 decisions at Red River Army Depot, Texas, and Letterkenny Army Depot, Pennsylvania, the Secretary of the Army may not initiate a reduction in force of civilian employees at the five Army depots participating in the demonstration and testing of the Army Workload and Performance System until after the date on which the Secretary submits to Congress a report certifying that the Army Workload and Performance System is fully operational.

(b) BRAC 1995 DECISIONS DEFINED.—The term "BRAC 1995 decisions" means the decisions to close or realign certain military installations resulting from the recommendations approved in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 365. REPORT ON ALLOCATION OF CORE LOGISTICS ACTIVITIES AMONG DEPARTMENT OF DEFENSE FACILITIES AND PRIVATE SECTOR FACILITIES.

(a) REPORT.—Not later than May 31, 1998, the Secretary of Defense shall submit to Congress a report on the allocation among facilities of the Department of Defense and facilities in the private sector of the logistics activities that are necessary to maintain and repair the weapon systems and other military equipment identified by the Secretary, in consultation with the Chairman of the Joint Chiefs of Staff, as being necessary to enable the Armed Forces to conduct a strategic or major theater war.

(b) ELEMENTS.—The report under subsection (a) shall set forth the following:

(1) The systems or equipment identified under subsection (a) that must be maintained and repaired in Government-owned, Government-operated facilities, using personnel and equipment of the Department, as a result of the Secretary's determination that—

(A) the work involves unique or valuable workforce skills that should be maintained in the public sector in the national interest;

(B) the base of private sector sources having the capability to perform the workloads includes industry sectors that are vulnerable to work stoppages;

(C) the private sector sources having the capability to perform the workloads have insufficient workforce levels

or skills to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

(ii) without a significant disruption or delay in the maintenance and repair of equipment;

(D) the need for performance of workloads is too infrequent, cyclical, or variable to sustain a reliable base of private sector sources having the workforce levels or skills to perform the workloads;

(E) the market conditions or workloads are insufficient to ensure that the price of private sector performance of the workloads can be controlled through competition or other means;

(F) private sector sources are not adequately responsive to the requirements of the Department for rapid, cost-effective, and flexible response to surge requirements or other contingency situations, including changes in the mix or priority of previously scheduled workloads and reassignment of employees to different workloads without the requirement for additional contractual negotiations;

(G) private sector sources are less willing to assume responsibility for performing the workload as a result of the possibility of direct military or terrorist attack; or

(H) private sector sources cannot maintain continuity of workforce expertise as a result of high rates of employee turnover.

(2) The systems or equipment identified under subsection (a) that must be maintained and repaired in Government-owned facilities, whether Government-operated or contractor-operated, as a result of the Secretary's determination that—

(A) the work involves facilities, technologies, or equipment that are unique and sufficiently valuable that the facilities, technologies, or equipment must be maintained in the public sector in the national interest;

(B) the private sector sources having the capability to perform the workloads have insufficient facilities, technology, or equipment to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

(ii) without a significant disruption or delay in the maintenance and repair of equipment; or

(C) the need for performance of workloads is too infrequent, cyclical, or variable to sustain a reliable base of private sector sources having the facilities, technology, or equipment to perform the workloads.

(3) The systems or equipment identified under subsection (a) that may be maintained and repaired in private sector facilities.

(4) The approximate percentage of the total maintenance and repair workload of the Department of Defense necessary for the systems and equipment identified under subsection (a) that would be performed at Department of Defense facilities,

and at private sector facilities, as a result of the determinations made for purposes of paragraphs (1), (2), and (3).

SEC. 366. REVIEW OF USE OF TEMPORARY DUTY ASSIGNMENTS FOR SHIP REPAIR AND MAINTENANCE.

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

(1) In order to reduce the time that the crew of a naval vessel is away from the homeport of the vessel, the Navy seeks to perform ship repair and maintenance of the vessel at the homeport of the vessel whenever it takes six months or less to accomplish the work involved.

(2) At the same time, the Navy seeks to distribute ship repair and maintenance work among the Navy shipyards (known as to "level load") in order to more fully utilize personnel resources.

(3) During periods when a Navy shipyard is not utilized to its capacity, the Navy sometimes sends workers at the shipyard, on a temporary duty basis, to perform ship repairs and maintenance at a homeport not having a Navy shipyard.

(4) This practice is a more efficient use of civilian employees who might otherwise not be fully employed on work assigned to Navy shipyards.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—(1) The Comptroller General shall review the Navy's practice of using temporary duty assignments of personnel to perform ship maintenance and repair work at homeports not having Navy shipyards. The review shall include the following:

(A) An assessment of the rationale, conditions, and factors supporting the Navy's practice.

(B) A determination of whether the practice is cost-effective.

(C) The factors affecting future requirements for, and the adherence to, the practice, together with an assessment of the factors.

(2) Not later than May 1, 1998, the Comptroller General shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 367. SENSE OF CONGRESS REGARDING REALIGNMENT OF PERFORMANCE OF GROUND COMMUNICATION-ELECTRONIC WORKLOAD.

It is the sense of Congress that the transfer of the ground communication-electronic workload to Tobyhanna Army Depot, Pennsylvania, in the realignment of the performance of such function should be carried out in adherence to the schedule prescribed for that transfer by the Defense Depot Maintenance Council on March 13, 1997, as follows:

(1) Transfer of 20 percent of the workload in fiscal year 1998.

(2) Transfer of 40 percent of the workload in fiscal year 1999.

(3) Transfer of 40 percent of the workload in fiscal year 2000.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 371. REORGANIZATION OF LAWS REGARDING COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) DESCRIPTION OF CHAPTER.—(1) The heading of chapter 147 of title 10, United States Code, is amended to read as follows:

"CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 147 and inserting in lieu thereof the following new item:

"147. Commissaries and Exchanges and Other Morale, Welfare, and Recreation Activities ..... 2481".

(b) TRANSFER AND REDESIGNATION OF UNRELATED PROVISIONS.—(1) Section 2481 of title 10, United States Code, is transferred to chapter 159 of such title, inserted after section 2685, and redesignated as section 2686.

(2) Sections 2483 and 2490 of such title are transferred to the end of subchapter III of chapter 169 of such title and redesignated as sections 2867 and 2868, respectively.

(3) Section 2491 of such title is redesignated as section 2500.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 147 of title 10, United States Code, is amended by striking out the items relating to sections 2481, 2483, and 2490.

(2) The table of sections at the beginning of chapter 159 of such title is amended by inserting after the item relating to section 2685 the following new item:

"2686. Utilities and services: sale; expansion and extension of systems and facilities.".

(3) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by adding at the end the following new items:

"2867. Sale of electricity from alternate energy and cogeneration production facilities.

"2868. Utility services: furnishing for certain buildings.".

(4) The table of sections at the beginning of subchapter I of chapter 148 of such title is amended by striking out the item relating to section 2491 and inserting in lieu thereof the following new item:

"2500. Definitions.".

(5) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 148 and inserting in lieu thereof the following new item:

"148. National Defense Technology and Industrial Base, Defense Reinvestment, and Defense Conversion ..... 2500".

(d) CONFORMING AMENDMENTS.—(1) Section 2534(d) of title 10, United States Code, is amended by striking out "section 2491(1)" both places it appears and inserting in lieu thereof "section 2500(1)".

(2) Section 2865(b)(2) of such title is amended by striking out "section 2483(b)(2)" and inserting in lieu thereof "section 2867(b)(2)".

SEC. 372. MERCHANDISE AND PRICING REQUIREMENTS FOR COMMISSARY STORES.

(a) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Subsection (b) of section 2486 of title 10, United States Code, is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following: "(b) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Merchandise sold in, at, or by commissary stores may include items only in the following categories:"; and

(2) by striking out paragraph (11) and inserting in lieu thereof the following new paragraph:

"(11) Such other merchandise categories as the Secretary of Defense may prescribe, except that the Secretary shall submit to Congress, not later than March 1 of each year, a report describing—

"(A) any addition of, or change in, a merchandise category proposed to be made under this paragraph during the one-year period beginning on that date; and

"(B) those additions and changes in merchandise categories actually made during the preceding one-year period.".

(b) CODIFICATION OF UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—Subsection (c) of such section is amended—

(1) by inserting "UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—" after "(c)";

(2) by striking out "in commissary stores." and inserting in lieu thereof "in, at, or by commissary stores."; and

(3) by adding at the end the following new sentence: "Effective on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the uniform percentage shall be equal to five percent and may not be changed except by a law enacted after such date.".

(c) ESTABLISHMENT OF SALES PRICE; CONGRESSIONAL NOTIFICATION.—Subsection (d) of such section is amended to read as follows:

"(d) SALES PRICE ESTABLISHMENT.—(1) The Secretary of Defense shall establish the sales price of each item of merchandise sold in, at, or by commissary stores at the level that will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title).

"(2) Any change in the pricing policies for merchandise sold in, at, or by commissary stores shall not take effect until the Secretary of Defense submits written notice of the proposed change to Congress and a period of 90 days of continuous session of Congress expires following the date on which notice was received. For purposes of this paragraph, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment or recess of more than three days to a day certain are excluded in a computation of such 90-day period.".

(d) SPECIAL RULES FOR CERTAIN MERCHANDISE.—Such section is further amended by adding at the end the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN MERCHANDISE.—(1) Notwithstanding the general requirement that merchandise sold in, at, or by commissary stores be commissary store inventory, the Secretary of Defense may authorize the sale of items in the merchandise categories specified in paragraph (2) as noncommissary store inventory. Subsections (c) and (d) shall not apply to the pricing of such merchandise items.

"(2) The merchandise categories referred to in paragraph (1) are as follows:

"(A) Magazines and other periodicals.

"(B) Tobacco products.".

(e) CLERICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "IN GENERAL.—" after "(a)"; and

(2) in subsection (e)—

(A) by inserting "SPECIAL RULE FOR BRAND-NAME COMMERCIAL ITEMS.—" after "(e)"; and

(B) by striking out "in commissary stores" both places it appears and inserting in lieu thereof "in, at, or by commissary stores".

(f) REPORT ON MERCHANDISE CATEGORIES.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report specifying the merchandise categories authorized for sale sold in, at, or by commissary stores pursuant to regulations prescribed under subsection (b)(11) of section 2486 of title 10, United States Code, as in effect before such date.

SEC. 373. LIMITATION ON NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

Section 2486(e) of title 10, United States Code, as amended by section 372(e)(2), is further amended by adding at the end the following new sentence: "In determining whether a brand name commercial item is regularly sold outside of commissary stores, the Secretary shall consider only sales of the item on a regional or national basis by commercial grocery or other retail operations consisting of multiple stores.".

SEC. 374. TREATMENT OF REVENUES DERIVED FROM COMMISSARY STORE ACTIVITIES.

(a) TREATMENT OF REVENUES.—Section 2685 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) OTHER SOURCES OF FUNDS FOR CONSTRUCTION AND IMPROVEMENTS.—Revenues received by the Secretary of Defense from the following sources or activities of commissary store facilities shall be available for the purposes set forth in subsections (b), (c), and (d):

"(1) Sale of recyclable materials.

"(2) Sale of excess and surplus property.

"(3) License fees.

"(4) Royalties.

"(5) Fees paid by sources of products in order to obtain favorable display of the products for resale, known as business related management fees.".

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

(1) in subsection (a), by inserting "ADJUSTMENT OR SURCHARGE AUTHORIZED.—" after "(a)";

(2) in subsection (b), by inserting "USE FOR CONSTRUCTION AND IMPROVEMENT OF FACILITIES.—" after "(b)";

(3) in subsection (c), by inserting "ADVANCE OBLIGATION.—" after "(c)"; and

(4) in subsection (d), by inserting "COOPERATION WITH NONAPPROPRIATED FUND INSTRUMENTALITIES.—" after "(d)".

SEC. 375. MAINTENANCE, REPAIR, AND RENOVATION OF ARMED FORCES RECREATION CENTER, EUROPE.

Section 2247(b) of title 10, United States Code, is amended by striking out "real property maintenance, and" and inserting in lieu thereof "the maintenance, repair, or renovation of real property, and the".

SEC. 376. PLAN FOR USE OF PUBLIC AND PRIVATE PARTNERSHIPS TO BENEFIT MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) PLAN REQUIRED.—The Secretary of Defense shall prepare a plan containing a proposal regarding the advisability and feasibility of permitting nonappropriated fund instrumentalities of the Department of Defense to enter into leases, licensing agreements, concession agreements, and other contracts with private persons and State or local governments to facilitate the provision of facilities, goods, or services to authorized patrons of nonappropriated fund instrumentalities and to generate revenues for the Department of Defense to be used solely for the benefit of nonappropriated fund instrumentalities.

(b) RECOMMENDATIONS FOR SCOPE OF PLAN.—In developing the proposal under subsection (a), the Secretary shall include recommendations regarding the following:

(1) The proposed criteria to be used to select goods or services suitable for provision to patrons of nonappropriated fund instrumentalities through a lease or other contractual arrangement.

(2) The proposed mechanism to be used to assess the likely impact of such a lease or other contractual arrangement on private businesses in the locality that provide the same goods or services proposed to be provided under such a lease or other contractual arrangement.

(3) The feasibility and desirability of authorizing persons who are not authorized patrons of nonappropriated fund instrumentalities to receive goods and services provided through such a lease or other contractual arrangement.

(4) The proposed mechanism to be used to ensure that such a lease or contract will not be inconsistent with and will not adversely affect the mission of the Department of Defense or the nonappropriated fund instrumentality involved.

(c) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretary shall submit to Congress the plan required under subsection (a).

Subtitle F—Other Matters

SEC. 381. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 1998.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available for providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $5,000,000 shall be available for making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 1998, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1998 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1998 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

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

(d) DEFINITIONS.—In this section:

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

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

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

(e) TECHNICAL CORRECTION RELATING TO ORIGINAL ASSISTANCE AUTHORITY.—Section 386(c)(1) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note) is amended—

(1) by striking out "section 8003(a)" and inserting in lieu thereof "section 8003(a)(1)"; and

(2) by striking out "(20 U.S.C. 7703(a))" and inserting in lieu thereof "(20 U.S.C. 7703(a)(1))".

SEC. 382. CENTER FOR EXCELLENCE IN DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE.

(a) ESTABLISHMENT AND OPERATION OF CENTER.—(1) Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 182. Center for Excellence in Disaster Management and Humanitarian Assistance

"(a) ESTABLISHMENT.—The Secretary of Defense may operate a Center for Excellence in Disaster Management and Humanitarian Assistance (in this section referred to as the 'Center').

"(b) MISSIONS.—(1) The Center shall be used to provide and facilitate education, training, and research in civil-military operations, particularly operations that require international disaster management and humanitarian assistance and operations that require coordination between the Department of Defense and other agencies.

"(2) The Center shall be used to make available high-quality disaster management and humanitarian assistance in response to disasters.

"(3) The Center shall be used to provide and facilitate education, training, interagency coordination, and research on the following additional matters:

"(A) Management of the consequences of nuclear, biological, and chemical events.

"(B) Management of the consequences of terrorism.

"(C) Appropriate roles for the reserve components in the management of such consequences and in disaster management and humanitarian assistance in response to natural disasters.

"(D) Meeting requirements for information in connection with regional and global disasters, including the use of advanced communications technology as a virtual library.

"(E) Tropical medicine, particularly in relation to the medical readiness requirements of the Department of Defense.

"(4) The Center shall develop a repository of disaster risk indicators for the Asia-Pacific region.

"(5) The Center shall perform such other missions as the Secretary of Defense may specify.

"(c) JOINT OPERATION WITH EDUCATIONAL INSTITUTION AUTHORIZED.—The Secretary of Defense may enter into an agreement with appropriate officials of an institution of higher education to provide for joint operation of the Center. Any such agreement shall provide for the institution to furnish necessary administrative services for the Center, including administration and allocation of funds.

"(d) ACCEPTANCE OF DONATIONS.—(1) Except as provided in paragraph (2), the Secretary of Defense may accept, on behalf of the Center, donations to be used to defray the costs of the Center or to enhance the operation of the Center. Such donations may be accepted from any agency of the Federal Government, any State or local government, any foreign government, any foundation or other charitable organization (including any that is organized or operates under the laws of a foreign country), or any other private source in the United States or a foreign country.

"(2) The Secretary may not accept a donation under paragraph (1) if the acceptance of the donation would compromise or appear to compromise—

"(A) the ability of the Department of Defense, any employee of the Department, or members of the armed forces, to carry out any responsibility or duty of the Department in a fair and objective manner; or

"(B) the integrity of any program of the Department of Defense or of any person involved in such a program.

"(3) The Secretary shall prescribe written guidance setting forth the criteria to be used in determining whether or not the acceptance of a foreign donation would have a result described in paragraph (2).

"(4) Funds accepted by the Secretary under paragraph (1) as a donation on behalf of the Center shall be credited to appropriations available to the Department of Defense for the Center. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same purposes and the same period as the appropriations with which merged.".

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

"182. Center for Excellence in Disaster Management and Humanitarian Assistance.".

(b) FUNDING FOR FISCAL YEAR 1998.—Of the funds authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be available for the operation of the Center for Excellence in Disaster Management and Humanitarian Assistance established under section 182 of title 10, United States Code, as added by subsection (a).

SEC. 383. APPLICABILITY OF FEDERAL PRINTING REQUIREMENTS TO DEFENSE AUTOMATED PRINTING SERVICE.

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

"§ 195. Defense Automated Printing Service: applicability of Federal printing requirements

"The Defense Automated Printing Service shall comply fully with the requirements of section 501 of title 44 relating to the production and procurement of printing, binding, and blank-book work.".

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

"195. Defense Automated Printing Service: applicability of Federal printing requirements.".

SEC. 384. STUDY AND NOTIFICATION REQUIREMENTS FOR CONVERSION OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

(a) ADDITIONAL NOTIFICATION REQUIREMENT.—Subsection (a)(1) of section 2461 of title 10, United States Code, is amended by inserting before the semicolon the following: "and the anticipated length and cost of the study".

(b) NOTIFICATION OF CONVERSION DECISION.—Subsection (b) of such section is amended by adding at the end the following new sentence: "The notification shall include the timetable for completing conversion of the function to contractor performance.".

(c) WAIVER FOR SMALL FUNCTIONS.—Subsection (d) of such section is amended by striking out "45 or fewer" and inserting in lieu thereof "20 or fewer".

SEC. 385. COLLECTION AND RETENTION OF COST INFORMATION DATA ON CONVERTED SERVICES AND FUNCTIONS.

(a) COLLECTION AND RETENTION REQUIRED.—Section 2463 of title 10, United States Code, is amended to read as follows:

"§ 2463. Collection and retention of cost information data on converted services and functions

"(a) REQUIREMENTS IN CONNECTION WITH CONVERSION TO CONTRACTOR PERFORMANCE.—With respect to each contract converting the performance of a service or function of the Department of Defense to contractor performance (and any extension of such a contract), the Secretary of Defense shall collect, during the term of the contract or extension, but not to exceed five years, cost information data regarding performance of the service or function by private contractor employees.

"(b) REQUIREMENTS IN CONNECTION WITH RETURN TO EMPLOYEE PERFORMANCE.—Whenever the performance of a commercial or industrial type activity of the Department of Defense that is being performed by 50 or more employees of a private contractor is changed to performance by civilian employees of the Department of Defense, the Secretary of Defense shall collect, for a five-year period, cost information data comparing—

"(1) the estimated costs of continued performance of such activity by private contractor employees; and

"(2) the costs of performance of such activity by civilian employees of the Department of Defense.

"(c) RETENTION OF INFORMATION.—With regard to the conversion to or from contractor performance of a particular service or function of the Department of Defense, the Secretary of Defense shall provide for the retention of information collected under this section for at least a 10-year period beginning at the end of the final year in which the information is collected.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 146 of title 10, United States Code, is amended to read as follows:

"2463. Collection and retention of cost information data on converted services and functions.".

SEC. 386. FINANCIAL ASSISTANCE TO SUPPORT ADDITIONAL DUTIES ASSIGNED TO ARMY NATIONAL GUARD.

(a) AUTHORITY.—Chapter 1 of title 32, United States Code, is amended by adding at the end the following new section:

"§ 113. Federal financial assistance for support of additional duties assigned to the Army National Guard

"(a) AUTHORITY.—The Secretary of the Army may provide financial assistance to a State to support activities carried out by the Army National Guard of the State in the performance of duties that the Secretary has assigned, with the consent of the Chief of the National Guard Bureau, to the Army National Guard of the State. The Secretary shall determine the amount of the assistance that is appropriate for the purpose.

"(b) COVERED ACTIVITIES.—Activities supported under this section may include only those activities that are carried out by the Army National Guard in the performance of responsibilities of the Secretary of the Army under paragraphs (6), (10), and (11) of section 3013(b) of title 10.

"(c) DISBURSEMENT THROUGH NATIONAL GUARD BUREAU.—The Secretary of the Army shall disburse any contribution under this section through the Chief of the National Guard Bureau.

"(d) AVAILABILITY OF FUNDS.—Funds appropriated for the Army for a fiscal year are available for providing financial assistance under this section in support of activities carried out by the Army National Guard during that fiscal year.".

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

"113. Federal financial assistance for support of additional duties assigned to the Army National Guard.".

SEC. 387. COMPETITIVE PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

(a) EXTENSION OF REQUIREMENT TO USE PRIVATE-SECTOR SOURCES.—Subsection (a) of section 351 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 266) is amended—

(1) by striking out "and 1997" and inserting in lieu thereof "through 1998"; and

(2) by striking out "Defense Printing Service" and inserting in lieu thereof "Defense Automated Printing Service".

(b) SURCHARGE FOR SERVICES.—Such section is further amended by adding at the end the following new subsection:

"(d) CONDITIONS ON IMPOSITION OF SURCHARGE.—(1) Any surcharge imposed by the Defense Automated Printing Service on printing and duplication services for the Department of Defense shall be based on direct services provided by the Defense Automated Printing Service and reflect the costs incurred by the Defense Automated Printing Service, as described in its annual budget.

"(2) The Defense Automated Printing Service may not impose a surcharge on any printing and duplication service for the Department of Defense that is procured from a source outside of the Department.".

(c) AUTHORITY TO PROCURE SERVICES FROM GOVERNMENT PRINTING OFFICE.—Consistent with section 501 of title 44, United States Code, the Secretary of a military department or head of a Defense Agency may contract directly with the Government Printing Office for printing and duplication services otherwise available through the Defense Automated Printing Service.

SEC. 388. CONTINUATION AND EXPANSION OF DEMONSTRATION PROGRAM TO IDENTIFY OVERPAYMENTS MADE TO VENDORS.

(a) SCOPE OF PROGRAM.—Section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 268; 10 U.S.C. 2461 note) is amended—

(1) in subsection (a), by striking out the second sentence; and

(2) in subsection (b)(1), by striking out "of the Defense Logistics Agency that relate to (at least) fiscal years 1993, 1994, and 1995" and inserting in lieu thereof "relating to fiscal years after fiscal year 1993 of the working-capital funds and industrial, commercial, and support type activities managed through the Defense Business Operations Fund, except the Defense Logistics Agency to the extent such records have already been audited".

(b) COLLECTION METHOD; CONTRACTOR PAYMENTS.—Such section is further amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

"(d) COLLECTION METHOD.—(1) In the case of an overpayment to a vendor identified under the demonstration program, the Secretary shall consider the use of the procedures specified in section 32.611 of the Federal Acquisition Regulation, regarding a setoff against existing invoices for payment to the vendor, as the first method by which the Department seeks to recover the amount of the overpayment (and any applicable interest and penalties) from the vendor.

"(2) The Secretary of Defense shall be solely responsible for notifying a vendor of an overpayment made to the vendor and identified under the demonstration program and for recovering the amount of the overpayment (and any applicable interest and penalties) from the vendor.

"(e) FEES FOR CONTRACTOR.—The Secretary shall pay to the contractor under the contract entered into under the demonstration program an amount not to exceed 25 percent of the total amount recovered by the Department (through the collection of overpayments and the use of setoffs) solely on the basis of information obtained as a result of the audits performed by the contractor under the program. When an overpayment is recovered through the use of a setoff, amounts for the required payment to the contractor shall be derived from funds available to the working-capital fund or industrial, commercial, or support type activity for which the overpayment is recovered.".

(c) GAO REVIEW.—Not later than December 31, 1998, the Comptroller General shall submit to Congress a report containing the results of a review by the Comptroller General of the demonstration program conducted under section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2461 note). In the review, the Comptroller General shall—

(1) assess the success of the methods used in the demonstration program to identify overpayments made to vendors;

(2) consider the types of overpayments identified and the feasibility of avoiding such overpayments through contract adjustments;

(3) determine the total amount of overpayments recovered under the demonstration program; and

(4) develop recommendations for improving the process by which overpayments are recovered by the Department of Defense.

SEC. 389. DEVELOPMENT OF STANDARD FORMS REGARDING PERFORMANCE WORK STATEMENT AND REQUEST FOR PROPOSAL FOR CONVERSION OF CERTAIN OPERATIONAL FUNCTIONS OF MILITARY INSTALLATIONS.

(a) STANDARDIZATION OF REQUIREMENTS.—The Secretary of Defense is authorized and encouraged to develop standard forms (to be known as a "standard performance work statement" and a "standard request for proposal") for use in the consideration for conversion to contractor performance of commercial services and functions at military installations. A separate standard form shall be developed for each service and function.

(b) RELATIONSHIP TO OMB REQUIREMENTS.—A standard performance work statement or a standard request for proposal

developed under subsection (a) must fulfill the basic requirements of the performance work statement or request for proposal otherwise required under the procedures and requirements of Office of Management and Budget Circular A–76 (or any successor administrative regulation or policy) in effect at the time the standard form will be used.

(c) PRIORITY DEVELOPMENT OF CERTAIN FORMS.—In developing standard performance work statements and standard requests for proposal, the Secretary shall give first priority to those commercial services and functions that the Secretary determines have been successfully converted to contractor performance on a repeated basis.

(d) INCENTIVE FOR USE.—Beginning not later than October 1, 1998, if a standard performance work statement or a standard request for proposal is developed under subsection (a) for a particular service and function, the standard form may be used in lieu of the performance work statement or request for proposal otherwise required under the procedures and requirements of Office of Management and Budget Circular A–76 in connection with the consideration for conversion to contractor performance of that service or function at a military installation.

(e) EXCLUSION OF MULTIFUNCTION CONVERSION.—If a commercial service or function for which a standard form is developed under subsection (a) is combined with another service or function (for which such a form has not yet been developed) for purposes of considering the services and functions at the military installation for conversion to contractor performance, a standard performance work statement or a standard request for a proposal developed under subsection (a) may not be used in the conversion process in lieu of the procedures and requirements of Office of Management and Budget Circular A–76.

(f) EFFECT ON OTHER LAWS.—Nothing in this section shall be construed to supersede any other requirements or limitations, specifically contained in chapter 146 of title 10, United States Code, on the conversion to contractor performance of activities performed by civilian employees of the Department of Defense.

(g) GAO REPORT.—Not later than June 1, 1999, the Secretary of Defense shall submit to Congress a report reviewing the implementation of this section.

(h) MILITARY INSTALLATION DEFINED.—For purposes of this section, the term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility.

SEC. 390. BASE OPERATIONS SUPPORT FOR MILITARY INSTALLATIONS ON GUAM.

(a) CONTRACTOR USE OF NONIMMIGRANT ALIENS.—Each contract for base operations support to be performed on Guam shall contain a condition that work under the contract may not be performed by any alien who is issued a visa or otherwise provided nonimmigrant status under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(b) APPLICATION OF SECTION.—This section shall apply to contracts entered into, amended, or otherwise modified on or after the date of the enactment of this Act.

SEC. 391. WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense may carry out a pilot program to use commercial sources of services to improve the collection of Department of Defense claims under aircraft engine warranties.

(b) CONTRACTS.—Exercising the authority provided in section 3718 of title 31, United States Code, the Secretary of Defense may enter into contracts under the pilot program to provide for the following services:

(1) Collection services.

(2) Determination of amounts owed the Department of Defense for repair of aircraft engines for conditions covered by warranties.

(3) Identification and location of the sources of information that are relevant to collection of Department of Defense claims under aircraft engine warranties, including electronic data bases and document filing systems maintained by the Department of Defense or by the manufacturers and suppliers of the aircraft engines.

(4) Services to define the elements necessary for an effective training program to enhance and improve the performance of Department of Defense personnel in collecting and organizing documents and other information that are necessary for efficient filing, processing, and collection of Department of Defense claims under aircraft engine warranties.

(c) CONTRACTOR FEE.—Under the authority provided in section 3718(d) of title 31, United States Code, a contract entered into under the pilot program shall provide for the contractor to be paid, out of the amount recovered by the contractor under the program, such percentages of the amount recovered as the Secretary of Defense determines appropriate.

(d) RETENTION OF RECOVERED FUNDS.—Subject to any obligation to pay a fee under subsection (c), any amount collected for the Department of Defense under the pilot program for a repair of an aircraft engine for a condition covered by a warranty shall be credited to an appropriation available for repair of aircraft engines for the fiscal year in which collected and shall be available for the same purposes and same period as the appropriation to which credited.

(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

(f) TERMINATION OF AUTHORITY.—The pilot program shall terminate on September 30, 1999, and contracts entered into under this section shall terminate not later than that date.

(g) REPORTING REQUIREMENTS.—(1) Not later than January 1, 2000, the Secretary of Defense shall submit to Congress a report on the pilot program. The report shall include the following:

(A) The number of contracts entered into under the program.

(B) The extent to which the services provided under the contracts resulted in financial benefits for the Federal Government.

(C) Any additional comments and recommendations that the Secretary considers appropriate regarding use of commercial sources of services for collection of Department of Defense claims under aircraft engine warranties.

(2) Not later than March 1, 2000, the Comptroller General shall submit to Congress a report containing the results of a review by the Comptroller General of the pilot program. In the review, the Comptroller General shall—

(A) assess the success of the methods used in the demonstration program to identify and recover Department of Defense claims under aircraft engine warranties;

(B) determine the total amount recovered by the Department of Defense under the pilot program;

(C) evaluate the report prepared by the Secretary under paragraph (1); and

(D) develop recommendations for improving the process by which warranty claims are recovered by the Department of Defense.

SEC. 392. PROGRAM TO INVESTIGATE FRAUD, WASTE, AND ABUSE WITHIN DEPARTMENT OF DEFENSE.

The Secretary of Defense shall maintain a specific coordinated program for the investigation of evidence of fraud, waste, and abuse within the Department of Defense, particularly fraud, waste, and abuse regarding finance and accounting matters.

SEC. 393. MULTITECHNOLOGY AUTOMATED READER CARD DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of the Navy shall carry out a program to demonstrate expanded use of multitechnology automated reader cards throughout the Navy and the Marine Corps. The demonstration program shall include demonstration of the use of the so-called "smartship" technology of the ship-to-shore work load/off load program of the Navy.

(b) PERIOD OF PROGRAM.—The Secretary shall carry out the demonstration program for two years beginning not later than January 1, 1998.

(c) REPORT.—Not later than 90 days after termination of the demonstration program, the Secretary shall submit to Congress a report on the results of the program.

(d) FUNDING.—Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $36,000,000 shall be available for the demonstration program under this section, of which $6,300,000 shall be available for demonstration of the use of the so-called "smartship" technology of the ship-to-shore work load/off load program of the Navy.

SEC. 394. REDUCTION IN OVERHEAD COSTS OF INVENTORY CONTROL POINTS.

(a) REPORT AND PLAN REQUIRED.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to reduce overhead costs of the supply management activities of the Defense Logistics Agency and the military departments (known as Inventory Control Points) so that the overhead costs for each fiscal year after fiscal year 2000 do not exceed eight percent of net sales at standard price by Inventory Control Points during that year.

(b) ADDITIONAL REPORT REQUIREMENT.—In addition to the plan, the report shall include the following:

(1) An identification of inherently governmental, core and noncore functions in Inventory Control Points and Distribution Depots.

(2) A description of efforts, other than prime vendor and virtual prime vendor, underway or proposed to improve the efficiency, incentives, and accountability in Department of Defense supply, inventory and warehousing services and rates.

(3) An identification and description of the benchmarks established in the warehousing, distribution, and supply functions of the Department and the relationship of the benchmarks to performance measurement methods used in the private sector.

(4) A description of the outcome-oriented performance measures that are currently being used to evaluate Inventory Control Points and Distribution Depots.

(5) A specification of any legislative, regulatory, or operational impediments to achieving the requirement in subsection (a) and implementing best business practices in the warehousing, distribution, and supply functions of the Department.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "overhead costs" means the total expenses of the Inventory Control Points, excluding—

(A) annual materiel costs; and

(B) military and civilian personnel related costs, defined as personnel compensation and benefits under the March 1996 Department of Defense Financial Management Regulations, Volume 2A, Chapter 1, Budget Account Title File (Object Classification Name/Code), object classifications 200, 211, 220, 221, 222, and 301.

(2) The term "net sales at standard price" has the meaning given that term in the March 1996 Department of Defense Financial Management Regulations, Volume 2B, Chapter 9, and displayed in "Exhibit Fund—14 Revenue and Expenses" for the supply management business areas.

SEC. 395. INVENTORY MANAGEMENT.

(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act, the Director of the Defense Logistics Agency shall develop and submit to Congress a schedule for implementing within the agency, for the supplies and equipment described in subsection (b), inventory practices identified by the Director as being the best commercial inventory practices for the acquisition and distribution of such supplies and equipment consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than three years after the date of the enactment of this Act.

(b) COVERED SUPPLIES AND EQUIPMENT.—Subsection (a) shall apply to the following types of supplies and equipment for the Department of Defense:

(1) Medical and pharmaceutical.

(2) Subsistence.

(3) Clothing and textiles.

(4) Commercially available electronics.

(5) Construction.

(6) Industrial.

(7) Automotive.

(8) Fuel.

(9) Facilities maintenance.

(c) DEFINITION.—For purposes of this section, the term "best commercial inventory practice" includes a so-called prime vendor arrangement and any other practice that the Director determines will enable the Defense Logistics Agency to reduce inventory levels and holding costs while improving the responsiveness of the supply system to user needs.

(d) REPORT ON EXPANSION OF COVERED SUPPLIES AND EQUIPMENT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report evaluating the feasibility of expanding the list of covered supplies and equipment under subsection (b) to include repairable items.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

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

Subtitle B—Reserve Forces

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

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1998, as follows:

(1) The Army, 495,000.
(2) The Navy, 390,802.
(3) The Marine Corps, 174,000.
(4) The Air Force, 371,577.

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

(a) CHANGE IN PERMANENT END STRENGTHS.—Subsection (b) of section 691 of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out "395,000" and inserting in lieu thereof "390,802"; and

(2) in paragraph (4), by striking out "381,000" and inserting in lieu thereof "371,577".

(b) INCREASED FLEXIBILITY FOR THE ARMY.—Subsection (e) of such section is amended by inserting "or, in the case of the Army, by not more than 1.5 percent" before the period at the end.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1998, as follows:

(1) The Army National Guard of the United States, 361,516.
(2) The Army Reserve, 208,000.
(3) The Naval Reserve, 94,294.
(4) The Marine Corps Reserve, 42,000.
(5) The Air National Guard of the United States, 108,002.
(6) The Air Force Reserve, 73,447.
(7) The Coast Guard Reserve, 8,000.

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

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

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1998, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,310.
(2) The Army Reserve, 11,500.
(3) The Naval Reserve, 16,136.
(4) The Marine Corps Reserve, 2,559.
(5) The Air National Guard of the United States, 10,671.
(6) The Air Force Reserve, 867.

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

(a) AUTHORIZATION FOR FISCAL YEAR 1998.—The minimum number of military technicians (dual status) as of the last day of fiscal year 1998 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 5,503.

(2) For the Army National Guard of the United States, 23,125.

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

(4) For the Air National Guard of the United States, 22,853.

(b) REQUESTS FOR FUTURE FISCAL YEARS.—Section 115(g) of title 10, United States Code, is amended by adding at the end the following new sentence: "In each budget submitted by the President to Congress under section 1105 of title 31, the end strength requested for military technicians (dual status) for each

reserve component of the Army and Air Force shall be specifically set forth.".

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1998 a total of $69,470,505,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1998.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Limitation on number of general and flag officers who may serve in positions outside their own service.
Sec. 502. Exclusion of certain retired officers from limitation on period of recall to active duty.
Sec. 503. Clarification of officers eligible for consideration by promotion boards.
Sec. 504. Authority to defer mandatory retirement for age of officers serving as chaplains.
Sec. 505. Increase in number of officers allowed to be frocked to grades of colonel and Navy captain.
Sec. 506. Increased years of commissioned service for mandatory retirement of regular generals and admirals in grades above major general and rear admiral.
Sec. 507. Uniform policy for requirement of exemplary conduct by commanding officers and others in authority.
Sec. 508. Report on the command selection process for District Engineers of the Army Corps of Engineers.

Subtitle B—Reserve Component Matters

Sec. 511. Individual Ready Reserve activation authority.
Sec. 512. Termination of Mobilization Income Insurance Program.
Sec. 513. Correction of inequities in medical and dental care and death and disability benefits for reserve members who incur or aggravate an illness in the line of duty.
Sec. 514. Authority to permit non-unit assigned officers to be considered by vacancy promotion board to general officer grades.
Sec. 515. Prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.
Sec. 516. Involuntary separation of reserve officers in an inactive status.
Sec. 517. Federal status of service by National Guard members as honor guards at funerals of veterans.

Subtitle C—Military Technicians

Sec. 521. Authority to retain on the reserve active-status list until age 60 military technicians in the grade of brigadier general.
Sec. 522. Military technicians (dual status).
Sec. 523. Non-dual status military technicians.
Sec. 524. Report on feasibility and desirability of conversion of AGR personnel to military technicians (dual status).

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

Sec. 531. Reform of military recruiting systems.
Sec. 532. Improvements in medical prescreening of applicants for military service.
Sec. 533. Improvements in physical fitness of recruits.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

Sec. 541. Requirement for candidates for admission to United States Naval Academy to take oath of allegiance.
Sec. 542. Service academy foreign exchange program.
Sec. 543. Reimbursement of expenses incurred for instruction at service academies of persons from foreign countries.
Sec. 544. Continuation of support to senior military colleges.
Sec. 545. Report on making United States nationals eligible for participation in Senior Reserve Officers' Training Corps.
Sec. 546. Coordination of establishment and maintenance of Junior Reserve Officers' Training Corps units to maximize enrollment and enhance efficiency.

PART II—OTHER EDUCATION MATTERS

Sec. 551. United States Naval Postgraduate School.
Sec. 552. Community College of the Air Force.
Sec. 553. Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation.

PART III—TRAINING OF ARMY DRILL SERGEANTS

Sec. 556. Reform of Army drill sergeant selection and training process.
Sec. 557. Training in human relations matters for Army drill sergeant trainees.

Subtitle F—Commission on Military Training and Gender-Related Issues

Sec. 561. Establishment and composition of Commission.
Sec. 562. Duties.
Sec. 563. Administrative matters.
Sec. 564. Termination of Commission.
Sec. 565. Funding.
Sec. 566. Subsequent consideration by Congress.

Subtitle G—Military Decorations and Awards

Sec. 571. Purple Heart to be awarded only to members of the Armed Forces.
Sec. 572. Eligibility for Armed Forces Expeditionary Medal for participation in Operation Joint Endeavor or Operation Joint Guard.
Sec. 573. Waiver of time limitations for award of certain decorations to specified persons.
Sec. 574. Clarification of eligibility of members of Ready Reserve for award of service medal for heroism.
Sec. 575. One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel.
Sec. 576. Eligibility of certain World War II military organizations for award of unit decorations.
Sec. 577. Retroactivity of Medal of Honor special pension.

Subtitle H—Military Justice Matters

Sec. 581. Establishment of sentence of confinement for life without eligibility for parole.
Sec. 582. Limitation on appeal of denial of parole for offenders serving life sentence.

Subtitle I—Other Matters

Sec. 591. Sexual harassment investigations and reports.
Sec. 592. Sense of the Senate regarding study of matters relating to gender equity in the Armed Forces.
Sec. 593. Authority for personnel to participate in management of certain non-Federal entities.
Sec. 594. Treatment of participation of members in Department of Defense civil military programs.
Sec. 595. Comptroller General study of Department of Defense civil military programs.
Sec. 596. Establishment of public affairs specialty in the Army.
Sec. 597. Grade of defense attaché in France.
Sec. 598. Report on crew requirements of WC–130J aircraft.
Sec. 599. Improvement of missing persons authorities applicable to Department of Defense.

Subtitle A—Officer Personnel Policy

SEC. 501. LIMITATION ON NUMBER OF GENERAL AND FLAG OFFICERS WHO MAY SERVE IN POSITIONS OUTSIDE THEIR OWN SERVICE.

(a) IN GENERAL.—Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service

"(a) LIMITATION.—An officer described in subsection (b) may not be appointed, assigned, or detailed for a period in excess of 180 days to a position external to that officer's armed force if, immediately following such appointment, assignment, or detail, the number of officers described in subsection (b) serving in positions external to such officers' armed force would be in excess of 26.5 percent of the total number of the officers described in subsection (b).

"(b) COVERED OFFICERS.—The officers covered by subsection (a), and to be counted for the purposes of the limitation in that subsection, are the following:

"(1) Any general or flag officer counted for purposes of section 526(a) of this title.

"(2) Any general or flag officer serving in a joint duty assignment position designated by the Chairman of the Joint Chiefs of Staff under section 526(b) of this title.

"(3) Any colonel or Navy captain counted for purposes of section 777(d)(1) of this title.

"(c) EXTERNAL POSITIONS.—For purposes of this section, the following positions shall be considered to be external to an officer's armed force:

"(1) Any position (including a position in joint education) that is a joint duty assignment for purposes of chapter 38 of this title.

"(2) Any position in the Office of the Secretary of Defense, a Defense Agency, or a Department of Defense Field Activity.

"(3) Any position in the Joint Chiefs of Staff, the Joint Staff, or the headquarters of a combatant command (as defined in chapter 6 of this title).

"(4) Any position in the National Guard Bureau.

"(5) Any position outside the Department of Defense, including any position in the headquarters of the North Atlantic Treaty Organization or any other international military command, any combined or multinational command, or military mission.

"(d) TREATMENT OF OFFICERS HOLDING MULTIPLE POSITIONS.—(1) If an officer described in subsection (b) simultaneously holds both a position external to that officer's armed force and another position not external to that officer's armed force, the Secretary of Defense shall determine whether that officer shall be counted for the purposes of this section.

"(2) The Secretary of Defense shall submit to Congress an annual report on the number of officers to whom paragraph (1) was applicable during the year covered by the report. The report

shall set forth the determination made by the Secretary under that paragraph in each such case.

"(e) ASSIGNMENTS, ETC., FOR PERIODS IN EXCESS OF 180 DAYS.—For purposes of this section, the appointment, assignment, or detail of an officer to a position shall be considered to be for a period in excess of 180 days unless the appointment, assignment, or detail specifies that it is made for a period of 180 days or less.

"(f) WAIVER DURING PERIOD OF WAR OR NATIONAL EMERGENCY.—The President may suspend the operation of this section during any period of war or of national emergency declared by Congress or the President.".

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

"721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service.".

SEC. 502. EXCLUSION OF CERTAIN RETIRED OFFICERS FROM LIMITATION ON PERIOD OF RECALL TO ACTIVE DUTY.

Section 688(e) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "A member"; and

(2) by adding at the end the following:

"(2) Paragraph (1) does not apply to the following officers:

"(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of active duty to which ordered.

"(C) An officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

SEC. 503. CLARIFICATION OF OFFICERS ELIGIBLE FOR CONSIDERATION BY PROMOTION BOARDS.

(a) OFFICERS ON THE ACTIVE-DUTY LIST.—Section 619(d) of title 10, United States Code, is amended—

(1) by striking out "grade—" in the matter preceding paragraph (1) and inserting in lieu thereof "grade any of the following officers:";

(2) in paragraph (1)—

(A) by striking out "an officer" and inserting in lieu thereof "An officer"; and

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

(3) by redesignating paragraph (2) as paragraph (3) and in that paragraph striking out "an officer" and inserting in lieu thereof "An officer"; and

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

"(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under that section, in the case of such a report that has not yet been approved by the President.".

(b) OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.—Section 14301(c) of such title is amended—

(1) by striking out "grade—" in the matter preceding paragraph (1) and inserting in lieu thereof "grade any of the following officers:";

(2) by striking out "an officer" in each of paragraphs (1), (2), and (3) and inserting in lieu thereof "An officer";

(3) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period;

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

(5) by redesignating paragraphs (2) and (3), as so amended, as paragraphs (3) and (4), respectively, and in each such paragraph striking out "the next higher grade" and inserting in lieu thereof "that grade"; and

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

"(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under a provision referred to in paragraph (1), in the case of such a report that has not yet been approved by the President.".

(c) CLARIFYING AMENDMENTS.—Paragraphs (3) and (4) of section 14301(c) of such title, as redesignated and amended by subsection (b), are each amended by inserting before the period at the end the following: ", if that nomination is pending before the Senate".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to selection boards that are convened under section 611(a), 14101(a), or 14502 of title 10, United States Code, on or after that date.

SEC. 504. AUTHORITY TO DEFER MANDATORY RETIREMENT FOR AGE OF OFFICERS SERVING AS CHAPLAINS.

(a) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHAPLAINS.—Subsection (c) of section 1251 of title 10, United States Code, is amended—

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

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

"(2) The Secretary concerned may defer the retirement under subsection (a) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.".

(b) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHIEF AND DEPUTY CHIEF OF CHAPLAINS.—Such section is further amended by adding at the end the following new subsection:

"(d) The Secretary concerned may defer the retirement under subsection (a) of an officer who is the Chief of Chaplains or Deputy Chief of Chaplains of that officer's armed force. Such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.".

(c) QUALIFICATION FOR SERVICE AS NAVY CHIEF OF CHAPLAINS OR DEPUTY CHIEF OF CHAPLAINS.—(1) Section 5142(b) of such title is amended by striking out ", who are not on the retired list,".

(2) Section 5142a of such title is amended by striking ", who is not on the retired list,".

SEC. 505. INCREASE IN NUMBER OF OFFICERS ALLOWED TO BE FROCKED TO GRADES OF COLONEL AND NAVY CAPTAIN.

Section 777(d)(2) of title 10, United States Code, is amended by inserting after "1 percent" the following: ", or, for the grades of colonel and Navy captain, 2 percent,".

SEC. 506. INCREASED YEARS OF COMMISSIONED SERVICE FOR MANDATORY RETIREMENT OF REGULAR GENERALS AND ADMIRALS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.

(a) YEARS OF SERVICE.—Section 636 of title 10, United States Code, is amended—

(1) by striking out "Except as provided" and inserting in lieu thereof "(a) MAJOR GENERALS AND REAR ADMIRALS SERVING IN GRADE.—Except as provided in subsection (b) or (c) and"; and

(2) by adding at the end the following:

"(b) LIEUTENANT GENERALS AND VICE ADMIRALS.—In the administration of subsection (a) in the case of an officer who is serving in the grade of lieutenant general or vice admiral, the number of years of active commissioned service applicable to the officer is 38 years.

"(c) GENERALS AND ADMIRALS.—In the administration of subsection (a) in the case of an officer who is serving in the grade of general or admiral, the number of years of active commissioned service applicable to the officer is 40 years.".

(b) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 636. Retirement for years of service: regular officers in grades above brigadier general and rear admiral (lower half)".

(c) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:

"636. Retirement for years of service: regular officers in grades above brigadier general and rear admiral (lower half).".

SEC. 507. UNIFORM POLICY FOR REQUIREMENT OF EXEMPLARY CONDUCT BY COMMANDING OFFICERS AND OTHERS IN AUTHORITY.

(a) ARMY.—(1) Chapter 345 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3583. Requirement of exemplary conduct

"All commanding officers and others in authority in the Army are required—

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

"(2) to be vigilant in inspecting the conduct of all persons who are placed under their command;

"(3) to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Army, all persons who are guilty of them; and

"(4) to take all necessary and proper measures, under the laws, regulations, and customs of the Army, to promote and

safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.".

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

"3583. Requirement of exemplary conduct.".

(b) AIR FORCE.—(1) Chapter 845 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8583. Requirement of exemplary conduct

"All commanding officers and others in authority in the Air Force are required—

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

"(2) to be vigilant in inspecting the conduct of all persons who are placed under their command;

"(3) to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Air Force, all persons who are guilty of them; and

"(4) to take all necessary and proper measures, under the laws, regulations, and customs of the Air Force, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.".

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

"8583. Requirement of exemplary conduct.".

SEC. 508. REPORT ON THE COMMAND SELECTION PROCESS FOR DISTRICT ENGINEERS OF THE ARMY CORPS OF ENGINEERS.

Not later than March 31, 1998, the Secretary of the Army shall submit to Congress a report on the command selection process for officers serving as District Engineers of the Corps of Engineers. The report shall include the following:

(1) An identification of each major Corps of Engineers project that—

(A) is being carried out by each District Engineer as of the date of the report; or

(B) is being planned by each District Engineer to be carried out during the five-year period beginning on the date of the report.

(2) The expected start and completion dates, during that period, for each major phase of each project identified under paragraph (1).

(3) The expected dates for changes in the District Engineer in each Corps of Engineers District during that period.

(4) A plan for optimizing the timing of changes in the District Engineer in each such District so that there is minimal disruption to major phases of major Corps of Engineers projects.

(5) A review of the effect on the Corps of Engineers, and on the mission of each District of the Corps of Engineers, of allowing major command tours of District Engineers to be of two-to-four years in duration, with the selection of the exact timing of the change of command to be at the discretion of the Chief of Engineers, who shall act with the goal of optimizing

the timing of each change so that it has minimal disruption on the mission of the District Engineer.

Subtitle B—Reserve Component Matters

SEC. 511. INDIVIDUAL READY RESERVE ACTIVATION AUTHORITY.

(a) IRR MEMBERS SUBJECT TO ORDER TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.—Section 10144 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Within the Ready Reserve"; and

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

"(b)(1) Within the Individual Ready Reserve of each reserve component there is a category of members, as designated by the Secretary concerned, who are subject to being ordered to active duty involuntarily in accordance with section 12304 of this title. A member may not be placed in that mobilization category unless—

"(A) the member volunteers for that category; and

"(B) the member is selected for that category by the Secretary concerned, based upon the needs of the service and the grade and military skills of that member.

"(2) A member of the Individual Ready Reserve may not be carried in such mobilization category of members after the end of the 24-month period beginning on the date of the separation of the member from active service.

"(3) The Secretary shall designate the grades and military skills or specialities of members to be eligible for placement in such mobilization category.

"(4) A member in such mobilization category shall be eligible for benefits (other than pay and training) as are normally available to members of the Selected Reserve, as determined by the Secretary of Defense.".

(b) CRITERIA FOR ORDERING TO ACTIVE DUTY.—Subsection (a) of section 12304 of title 10, United States Code, is amended by inserting after "of this title)," the following: "or any member in the Individual Ready Reserve mobilization category and designated as essential under regulations prescribed by the Secretary concerned,".

(c) MAXIMUM NUMBER.—Subsection (c) of such section is amended—

(1) by inserting "and the Individual Ready Reserve" after "Selected Reserve"; and

(2) by inserting ", of whom not more than 30,000 may be members of the Individual Ready Reserve" before the period at the end.

(d) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (f), by inserting "or Individual Ready Reserve" after "Selected Reserve";

(2) in subsection (g), by inserting ", or any member of the Individual Ready Reserve," after "to serve as a unit"; and

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

"(i) For purposes of this section, the term 'Individual Ready Reserve mobilization category' means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.".

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

"§ 12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency".

(2) The item relating to section 12304 in the table of sections at the beginning of chapter 1209 of such title is amended to read as follows:

"12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency.".

SEC. 512. TERMINATION OF MOBILIZATION INCOME INSURANCE PROGRAM.

(a) IN GENERAL.—Chapter 1214 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12533. Termination of program

"(a) IN GENERAL.—The Secretary shall terminate the insurance program in accordance with this section.

"(b) TERMINATION OF NEW ENROLLMENTS.—The Secretary may not enroll a member of the Ready Reserve for coverage under the insurance program after the date of the enactment of this section.

"(c) TERMINATION OF COVERAGE.—(1) The enrollment under the insurance program of insured members other than insured members described in paragraph (2) is terminated as of the date of the enactment of this section. The enrollment of an insured member described in paragraph (2) is terminated as of the date of the termination of the period of covered service of that member described in that paragraph.

"(2) An insured member described in this paragraph is an insured member who on the date of the enactment of this section is serving on covered service for a period of service, or has been issued an order directing the performance of covered service, that satisfies or would satisfy the entitlement-to-benefits provisions of this chapter.

"(d) TERMINATION OF PAYMENT OF BENEFITS.—The Secretary may not make any benefit payment under the insurance program after the date of the enactment of this section other than to an insured member who on that date (1) is serving on an order to covered service, (2) has been issued an order directing performance of covered service, or (3) has served on covered service before that date for which benefits under the program have not been paid to the member.

"(e) TERMINATION OF INSURANCE FUND.—The Secretary shall close the Fund not later than 60 days after the date on which the last benefit payment from the Fund is made. Any amount remaining in the Fund when closed shall be covered into the Treasury as miscellaneous receipts.".

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

"12533. Termination of program.".

SEC. 513. CORRECTION OF INEQUITIES IN MEDICAL AND DENTAL CARE AND DEATH AND DISABILITY BENEFITS FOR RESERVE MEMBERS WHO INCUR OR AGGRAVATE AN ILLNESS IN THE LINE OF DUTY.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting "while remaining overnight immediately before the commencement of inactive-duty training, or" after "in the line of duty"; and

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

"(e) A member of a uniformed service described in paragraph (1)(A) or (2)(A) of subsection (a) whose orders are modified or extended, while the member is being treated for (or recovering from) the injury, illness, or disease incurred or aggravated in the line of duty, so as to result in active duty for a period of more than 30 days shall be entitled, while the member remains on active duty, to medical and dental care on the same basis and to the same extent as members covered by section 1074(a) of this title.".

(b) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a) of such title is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) A dependent referred to in paragraph (1) is a dependent of a member of a uniformed service described in one of the following subparagraphs:

"(A) A member who is on active duty for a period of more than 30 days or died while on that duty.

"(B) A member who died from an injury, illness, or disease incurred or aggravated—

"(i) while the member was on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive-duty training; or

"(ii) while the member was traveling to or from the place at which the member was to perform, or had performed, such active duty, active duty for training, or inactive-duty training.

"(C) A member who died from an injury, illness, or disease incurred or aggravated in the line of duty while the member remained overnight immediately before the commencement of inactive-duty training, or while the member remained overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site was outside reasonable commuting distance from the member's residence.

"(D) A member who incurred or aggravated an injury, illness, or disease in the line of duty while serving on active duty for a period of 30 days or less (or while traveling to or from the place of such duty) and the member's orders are modified or extended, while the member is being treated for (or recovering from) the injury, illness, or disease, so as to result in active duty for a period of more than 30 days. However, this subparagraph entitles the dependent to medical and dental care only while the member remains on active duty.".

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2) of such title is amended to read as follows:

"(2) the disability—

"(A) was incurred before September 24, 1996, as the proximate result of—

"(i) performing active duty or inactive-duty training;

"(ii) traveling directly to or from the place at which such duty is performed; or

"(iii) an injury, illness, or disease incurred or aggravated while remaining overnight, immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence; or

"(B) is a result of an injury, illness, or disease incurred or aggravated in line of duty after September 23, 1996—

"(i) while performing active duty or inactive-duty training;

"(ii) while traveling directly to or from the place at which such duty is performed; or

"(iii) while remaining overnight, immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence;".

(2) Section 1206 of such title is amended—

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

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

"(2) the disability is a result of an injury, illness, or disease incurred or aggravated in line of duty while—

"(A) performing active duty or inactive-duty training;

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

"(C) while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance of the member's residence;".

(d) CONFORMING AMENDMENTS AND RELATED CLERICAL AMENDMENTS.—(1) The heading of section 1204 of title 10, United States Code, is amended to read as follows:

"§ 1204. Members on active duty for 30 days or less or on inactive-duty training: retirement".

(2) The heading of section 1206 of such title is amended to read as follows:

"§ 1206. Members on active duty for 30 days or less or on inactive-duty training: separation".

(3) The table of sections at the beginning of chapter 61 of such title is amended—

(A) by striking out the item relating to section 1204 and inserting in lieu thereof the following:

"1204. Members on active duty for 30 days or less or on inactive-duty training: retirement.";

and

(B) by striking out the item relating to section 1206 and inserting in lieu thereof the following:

"1206. Members on active duty for 30 days or less or on inactive-duty training: separation.".

(e) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of such title is amended by inserting "remaining overnight immediately before the commencement of inactive-duty training, or" after "(D)".

(f) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended by inserting "while remaining overnight immediately before the commencement of inactive-duty training, or" in subsections (g)(1)(D) and (h)(1)(D) after "in line of duty".

(g) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of title 37, United States Code, is amended by inserting "while remaining overnight immediately before the commencement of inactive-duty training, or" after "in line of duty".

SEC. 514. AUTHORITY TO PERMIT NON-UNIT ASSIGNED OFFICERS TO BE CONSIDERED BY VACANCY PROMOTION BOARD TO GENERAL OFFICER GRADES.

(a) CONVENING OF SELECTION BOARDS.—Section 14101(a)(2) of title 10, United States Code, is amended by striking out "(except in the case of a board convened to consider officers as provided in section 14301(e) of this title)".

(b) ELIGIBILITY FOR CONSIDERATION OF CERTAIN ARMY OFFICERS.—Section 14301 of such title is amended—

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

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(c) GENERAL OFFICER PROMOTIONS.—Section 14308 of such title is amended—

(1) in subsection (e)(2), by inserting "a grade below colonel in" after "(2) an officer in"; and

(2) in subsection (g)—

(A) by inserting "or the Air Force" in the first sentence after "of the Army" the first place it appears;

(B) by striking out "in that grade" in the first sentence and all that follows through "Secretary of the Army" and inserting in lieu thereof "in the Army Reserve or the Air Force Reserve, as the case may be, in that grade"; and

(C) by striking out the second sentence.

(d) VACANCY PROMOTIONS.—Section 14315(b)(1) of such title is amended by striking out "duties" in clause (A) and all that follows through "as a unit," and inserting in lieu thereof "duties of a general officer of the next higher reserve grade in the Army Reserve,".

SEC. 515. PROHIBITION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) IN GENERAL.—Chapter 1215 of title 10, United States Code, is amended by striking out

"[No present sections]"

and inserting in lieu thereof the following:

"Sec.
12551. Prohibition of use of Air Force Reserve AGR personnel for Air Force base security functions.

"§ 12551. Prohibition of use of Air Force Reserve AGR personnel for Air Force base security functions

"(a) LIMITATION.—The Secretary of the Air Force may not use members of the Air Force Reserve who are AGR personnel for the performance of force protection, base security, or security police functions at an Air Force facility in the United States.

"(b) AGR PERSONNEL DEFINED.—In this section, the term 'AGR personnel' means members of the Air Force Reserve who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training the Air Force Reserve.".

(b) CLERICAL AMENDMENT.—The items relating to chapter 1215 in the tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, are amended to read as follows:

"1215. Miscellaneous Prohibitions and Penalties .....12551".

SEC. 516. INVOLUNTARY SEPARATION OF RESERVE OFFICERS IN AN INACTIVE STATUS.

(a) AUTHORITY FOR INVOLUNTARY SEPARATION OF CERTAIN INACTIVE STATUS OFFICERS.—Section 12683(b) of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out "apply—" and inserting in lieu thereof "apply to any of the following:"; and

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

"(4) A separation of an officer who is in an inactive status in the Standby Reserve and who is not qualified for transfer to the Retired Reserve or is qualified for transfer to the Retired Reserve and does not apply for such a transfer.".

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

(1) in paragraphs (1), (2), and (3), by striking out "to a" and inserting in lieu thereof "A";

(2) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period; and

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

SEC. 517. FEDERAL STATUS OF SERVICE BY NATIONAL GUARD MEMBERS AS HONOR GUARDS AT FUNERALS OF VETERANS.

(a) IN GENERAL.—(1) Chapter 1 of title 32, United States Code, is amended by adding after section 113, as added by section 386(a), the following new section:

"§ 114. Honor guard functions at funerals for veterans

"(a) Subject to such regulations and restrictions as may be prescribed by the Secretary concerned, the performance of honor guard functions by members of the National Guard at funerals for veterans of the armed forces may be treated by the Secretary

concerned as a Federal function for which appropriated funds may be used. Any such performance of honor guard functions at such a funeral may not be considered to be a period of drill or training otherwise required.

"(b) This section does not authorize additional appropriations for any fiscal year. Any expense of the National Guard that is incurred by reason of this section shall be paid from appropriations otherwise available for the National Guard.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 113, as added by section 386(b), the following new item:

"114. Honor guard functions at funerals for veterans.".

Subtitle C—Military Technicians

SEC. 521. AUTHORITY TO RETAIN ON THE RESERVE ACTIVE-STATUS LIST UNTIL AGE 60 MILITARY TECHNICIANS IN THE GRADE OF BRIGADIER GENERAL.

(a) RETENTION.—Section 14702(a) of title 10, United States Code, is amended—

(1) by striking out "section 14506 or 14507" and inserting in lieu thereof "section 14506, 14507, or 14508"; and

(2) by striking out "or colonel" and inserting in lieu thereof "colonel, or brigadier general".

(b) TECHNICAL AMENDMENT.—Section 14508(c) of such title is amended by striking out "not later than the date on which the officer becomes 60 years of age" and inserting in lieu thereof "not later than the last day of the month in which the officer becomes 60 years of age".

SEC. 522. MILITARY TECHNICIANS (DUAL STATUS).

(a) DEFINITION.—Subsection (a) of section 10216 of title 10, United States Code, is amended to read as follows:

"(a) IN GENERAL.—(1) For purposes of this section and any other provision of law, a military technician (dual status) is a Federal civilian employee who—

"(A) is employed under section 3101 of title 5 or section 709 of title 32;

"(B) is required as a condition of that employment to maintain membership in the Selected Reserve; and

"(C) is assigned to a position as a technician in the administration and training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces.

"(2) Military technicians (dual status) shall be authorized and accounted for as a separate category of civilian employees.".

(b) UNIT MEMBERSHIP AND DUAL STATUS REQUIREMENT.—Such section is further amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d) UNIT MEMBERSHIP REQUIREMENT.—(1) Unless specifically exempted by law, each individual who is hired as a military technician (dual status) after December 1, 1995, shall be required as a condition of that employment to maintain membership in—

"(A) the unit of the Selected Reserve by which the individual is employed as a military technician; or

"(B) a unit of the Selected Reserve that the individual is employed as a military technician to support.

"(2) Paragraph (1) does not apply to a military technician (dual status) who is employed by the Army Reserve in an area other than Army Reserve troop program units.

"(e) DUAL STATUS REQUIREMENT.—(1) Funds appropriated for the Department of Defense may not (except as provided in paragraph (2)) be used for compensation as a military technician of any individual hired as a military technician after February 10, 1996, who is no longer a member of the Selected Reserve.

"(2) The Secretary concerned may pay compensation described in paragraph (1) to an individual described in that paragraph who is no longer a member of the Selected Reserve for a period not to exceed six months following the individual's loss of membership in the Selected Reserve if the Secretary determines that such loss of membership was not due to the failure of that individual to meet military standards.".

(c) NATIONAL GUARD DUAL STATUS REQUIREMENT.—Section 709(b) of title 32, United States Code, is amended by striking out "Except as prescribed by the Secretary concerned, a technician" and inserting in lieu thereof "A technician".

(d) PLAN FOR CLARIFICATION OF STATUTORY AUTHORITY OF MILITARY TECHNICIANS.—(1) The Secretary of Defense shall submit to Congress, as part of the budget justification materials submitted in support of the budget for the Department of Defense for fiscal year 1999, a legislative proposal to provide statutory authority and clarification under title 5, United States Code—

(A) for the hiring, management, promotion, separation, and retirement of military technicians who are employed in support of units of the Army Reserve or Air Force Reserve; and

(B) for the transition to the competitive service of an individual who is hired as a military technician in support of a unit of the Army Reserve or Air Force Reserve and who (as determined by the Secretary concerned) fails to maintain membership in the Selected Reserve through no fault of the individual.

(2) The legislative proposal under paragraph (1) shall be developed in consultation with the Director of the Office of Personnel Management.

(e) CONFORMING REPEAL.—Section 8016 of Public Law 104–61 (109 Stat. 654; 10 U.S.C. 10101 note) is repealed.

(f) CROSS-REFERENCE CORRECTIONS.—Section 10216(c)(1) of title 10, United States Code, is amended by striking out "subsection (a)(1)" in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof "subsection (b)(1)".

(g) CONFORMING AMENDMENTS TO SECTION 10216.—Section 10216 of title 10, United States Code, is further amended as follows:

(1) The heading of subsection (b) is amended by inserting "(DUAL STATUS)" after "MILITARY TECHNICIANS".

(2) Subsection (b)(1) is amended—

(A) by inserting "(dual status)" after "for military technicians";

(B) by striking out "dual status military technicians" and inserting in lieu thereof "military technicians (dual status)"; and

(C) by inserting "(dual status)" after "military technicians" in subparagraph (C).

(3) Subsection (b)(2) is amended by inserting "(dual status)" after "military technicians" both places it appears.

(4) Subsection (b)(3) is amended by inserting "(dual status)" after "Military technician".

(5) Subsection (c) is amended—

(A) in the matter preceding paragraph (1)(A), by inserting "(dual status)" after "military technicians";

(B) in paragraph (1), by striking out "dual-status technicians" in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof "military technicians (dual status)";

(C) in paragraph (2)(A), by inserting "(dual status)" after "military technician"; and

(D) in paragraph (2)(B), by striking out "delineate—" and all that follows through "or other reasons" in clause (ii) and inserting in lieu thereof "delineate the specific force structure reductions".

(h) CLERICAL AMENDMENTS.—(1) The heading of section 10216 of such title is amended to read as follows:

"§ 10216. Military technicians (dual status)".

(2) The item relating to such section in the table of sections at the beginning of chapter 1007 of such title is amended to read as follows:

"10216. Military technicians (dual status).".

(i) OTHER CONFORMING AMENDMENTS.—(1) Section 115(g) of such title is amended by inserting "(dual status)" in the first sentence after "military technicians" and in the second sentence after "military technician".

(2) Section 115a(h) of such title is amended—

(A) by inserting "(displayed in the aggregate and separately for military technicians (dual status) and non-dual status military technicians)" in the matter preceding paragraph (1) after "of the following"; and

(B) by striking out paragraph (3).

SEC. 523. NON-DUAL STATUS MILITARY TECHNICIANS.

(a) IN GENERAL.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10217. Non-dual status military technicians

"(a) DEFINITION.—For the purposes of this section and any other provision of law, a non-dual status military technician is a civilian employee of the Department of Defense serving in a military technician position who—

"(1) was hired as a military technician before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under any of the authorities specified in subsection (c); and

"(2) as of the date of the enactment of that Act is not a member of the Selected Reserve or after such date ceased to be a member of the Selected Reserve.

"(b) EMPLOYMENT AUTHORITIES.—The authorities referred to in subsection (a) are the following:

"(1) Section 10216 of this title.

"(2) Section 709 of title 32.

"(3) The requirements referred to in section 8401 of title 5.

"(4) Section 8016 of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 654), and any comparable provision of law enacted on an annual basis in the Department of Defense Appropriations Acts for fiscal years 1984 through 1995.

"(5) Any memorandum of agreement between the Department of Defense and the Office of Personnel Management providing for the hiring of military technicians.".

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

"10217. Non-dual status military technicians.".

(b) LIMITATION.—The number of civilian employees of a military department who are non-dual status military technicians as of September 30, 1998, may not exceed the following:

(1) For the Army Reserve, 1,500.

(2) For the Army National Guard of the United States, 2,400.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 450.

(c) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the number of military technician positions that are held by non-dual status military technicians as of September 30, 1997, shown separately for each of the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Air Force Reserve.

(4) The Air National Guard of the United States.

(d) PLAN FOR FULL UTILIZATION OF MILITARY TECHNICIANS (DUAL STATUS).—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for ensuring that, on and after September 30, 2007, all military technician positions are held only by military technicians (dual status).

(2) The plan shall provide for achieving, by September 30, 2002, a 50 percent reduction, by conversion of positions or otherwise, in the number of non-dual status military technicians that are holding military technicians positions, as compared with the number of non-dual status technicians that held military technician positions as of September 30, 1997, as specified in the report under subsection (c).

(3) Among the alternative actions to be considered in developing the plan, the Secretary shall consider the feasibility and cost of each of the following:

(A) Eliminating or consolidating technician functions and positions.

(B) Contracting with private sector sources for the performance of functions performed by military technicians.

(C) Converting non-dual status military technician positions to military technician (dual status) positions or to positions in the competitive service or, in the case of positions of the Army National Guard of the United States or the Air National Guard of the United States, to positions of State employment.

(D) Use of incentives to facilitate attainment of the objectives specified for the plan in paragraphs (1) and (2).

(4) The Secretary shall submit with the plan any recommendations for legislation that the Secretary considers necessary to carry out the plan.

(e) DEFINITIONS FOR CATEGORIES OF MILITARY TECHNICIANS.—In this section:

(1) The term "non-dual status military technician" has the meaning given that term in section 10217 of title 10, United States Code, as added by subsection (a).

(2) The term "military technician (dual status)" has the meaning given the term in section 10216(a) of such title.

SEC. 524. REPORT ON FEASIBILITY AND DESIRABILITY OF CONVERSION OF AGR PERSONNEL TO MILITARY TECHNICIANS (DUAL STATUS).

(a) REPORT REQUIRED.—Not later than January 1, 1998, the Secretary of Defense shall submit to Congress a report on the feasibility and desirability of conversion of AGR personnel to military technicians (dual status). The report shall—

(1) identify advantages and disadvantages of such a conversion;

(2) identify possible savings if such a conversion were to be carried out; and

(3) set forth the recommendation of the Secretary as to whether such a conversion should be made.

(b) AGR PERSONNEL DEFINED.—For purposes of subsection (a), the term "AGR personnel" means members of the Army or Air Force reserve components who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training their respective reserve components.

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

SEC. 531. REFORM OF MILITARY RECRUITING SYSTEMS.

(a) IN GENERAL.—The Secretary of Defense shall carry out reforms in the recruiting systems of the Army, Navy, Air Force, and Marine Corps in order to improve the quality of new recruits and to reduce attrition among recruits.

(b) SPECIFIC REFORMS.—As part of the reforms in military recruiting systems to be undertaken under subsection (a), the Secretary shall take the following steps:

(1) Improve the system of pre-enlistment waivers and separation codes used for recruits by (A) revising and updating those waivers and codes to allow more accurate and useful data collection about those separations, and (B) prescribing regulations to ensure that those waivers and codes are interpreted in a uniform manner by the military services.

(2) Develop a reliable database for (A) analyzing (at both the Department of Defense and service-level) data on reasons for attrition of new recruits, and (B) undertaking Department of Defense or service-specific measures (or both) to control and manage such attrition.

(3) Require that the Secretary of each military department (A) adopt or strengthen incentives for recruiters to thoroughly prescreen potential candidates for recruitment, and (B) link

incentives for recruiters, in part, to the ability of a recruiter to screen out unqualified candidates before enlistment.

(4) Require that the Secretary of each military department include as a measurement of recruiter performance the percentage of persons enlisted by a recruiter who complete initial combat training or basic training.

(5) Assess trends in the number and use of waivers over the 1991–1997 period that were issued to permit applicants to enlist with medical or other conditions that would otherwise be disqualifying.

(6) Require the Secretary of each military department to implement policies and procedures (A) to ensure the prompt separation of recruits who are unable to successfully complete basic training, and (B) to remove those recruits from the training environment while separation proceedings are pending.

(c) REPORT.—Not later than March 31, 1998, the Secretary shall submit to Congress a report of the trends assessed under subsection (b)(5). The information on those trends provided in the report shall be shown by armed force and by category of waiver. The report shall include recommendations of the Secretary for changing, revising, or limiting the use of waivers referred to in that subsection.

SEC. 532. IMPROVEMENTS IN MEDICAL PRESCREENING OF APPLICANTS FOR MILITARY SERVICE.

(a) IN GENERAL.—The Secretary of Defense shall improve the medical prescreening of applicants for entrance into the Army, Navy, Air Force, or Marine Corps.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Require that each applicant for service in the Army, Navy, Air Force, or Marine Corps (A) provide to the Secretary the name of the applicant's medical insurer and the names of past medical providers, and (B) sign a release allowing the Secretary to request and obtain medical records of the applicant.

(2) Require that the forms and procedures for medical prescreening of applicants that are used by recruiters and by Military Entrance Processing Commands be revised so as to ensure that medical questions are specific, unambiguous, and tied directly to the types of medical separations most common for recruits during basic training and follow-on training.

(3) Add medical screening tests to the examinations of recruits carried out by Military Entrance Processing Stations, provide more thorough medical examinations to selected groups of applicants, or both, to the extent that the Secretary determines that to do so could be cost effective in reducing attrition at basic training.

(4) Provide for an annual quality control assessment of the effectiveness of the Military Entrance Processing Commands in identifying medical conditions in recruits that existed before enlistment in the Armed Forces, each such assessment to be performed by an agency or contractor other than the Military Entrance Processing Commands.

SEC. 533. IMPROVEMENTS IN PHYSICAL FITNESS OF RECRUITS.

(a) IN GENERAL.—The Secretary of Defense shall take steps to improve the physical fitness of recruits before they enter basic training.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Direct the Secretary of each military department to implement programs under which new recruits who are in the Delayed Entry Program are encouraged to participate in physical fitness activities before reporting to basic training.

(2) Develop a range of incentives for new recruits to participate in physical fitness programs, as well as for those recruits who improve their level of fitness while in the Delayed Entry Program, which may include access to Department of Defense military fitness facilities, and access to military medical facilities in the case of a recruit who is injured while participating in physical activities with recruiters or other military personnel.

(3) Evaluate whether partnerships between recruiters and reserve components, or other innovative arrangements, could provide a pool of qualified personnel to assist in the conduct of physical training programs for new recruits in the Delayed Entry Program.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

SEC. 541. REQUIREMENT FOR CANDIDATES FOR ADMISSION TO UNITED STATES NAVAL ACADEMY TO TAKE OATH OF ALLEGIANCE.

(a) REQUIREMENT.—Section 6958 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) To be admitted to the Naval Academy, an appointee must take and subscribe to an oath prescribed by the Secretary of the Navy. If a candidate for admission refuses to take and subscribe to the prescribed oath, the candidate's appointment is terminated.".

(b) EXCEPTION FOR MIDSHIPMEN FROM FOREIGN COUNTRIES.—Section 6957 of such title is amended by adding at the end the following new subsection:

"(d) A person receiving instruction under this section is not subject to section 6958(d) of this title.".

SEC. 542. SERVICE ACADEMY FOREIGN EXCHANGE PROGRAM.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by inserting after section 4344 the following new section:

"§ 4345. Exchange program with foreign military academies

"(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Army may permit a student enrolled at a military academy of a foreign country to receive instruction at the Academy in exchange for a cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program

shall be in addition to persons receiving instruction at the Academy under section 4344 of this title.

"(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 cadets and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Academy.

"(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of a cadet by reason of attendance at the Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

"(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged cadet in that foreign country.

"(3) The Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

"(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 4344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Academy under the exchange program.

"(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4344 the following new item:

"4345. Exchange program with foreign military academies.".

(b) NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by inserting after section 6957 the following new section:

"§ 6957a. Exchange program with foreign military academies

"(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Navy may permit a student enrolled at a military academy of a foreign country to receive instruction at the Naval Academy in exchange for a midshipman receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 6957 of this title.

"(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students

on a one-for-one basis each fiscal year. Not more than 10 midshipmen and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Naval Academy.

"(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of a midshipman by reason of attendance at the Naval Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

"(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged midshipman in that foreign country.

"(3) The Naval Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

"(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 6957 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Naval Academy under the exchange program.

"(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6957 the following new item:

"6957a. Exchange program with foreign military academies.".

(c) AIR FORCE ACADEMY.—(1) Chapter 903 of title 10, United States Code, is amended by inserting after section 9344 the following new section:

"§ 9345. Exchange program with foreign military academies

"(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Air Force may permit a student enrolled at a military academy of a foreign country to receive instruction at the Air Force Academy in exchange for an Air Force cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 9344 of this title.

"(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 Air Force cadets and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange

may not exceed the equivalent of one academic semester at the Air Force Academy.

"(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of an Air Force cadet by reason of attendance at the Air Force Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

"(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged Air Force cadet in that foreign country.

"(3) The Air Force Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

"(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 9344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Air Force Academy under the exchange program.

"(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9344 the following new item:

"9345. Exchange program with foreign military academies.".

(d) REPEAL OF OBSOLETE LIMITATION.—Section 9353(a) of such title is amended by striking out "After the date of the accrediting of the Academy, the" and inserting in lieu thereof "The".

SEC. 543. REIMBURSEMENT OF EXPENSES INCURRED FOR INSTRUCTION AT SERVICE ACADEMIES OF PERSONS FROM FOREIGN COUNTRIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4344(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: ", except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.".

(b) NAVAL ACADEMY.—Section 6957(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: ", except that

the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a midshipman appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Naval Academy under this section at any one time.".

(c) AIR FORCE ACADEMY.—Section 9344(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: ", except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States."; and

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

"(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Air Force Academy under this section at any one time.".

(d) EFFECTIVE DATE.—The amendments made by this section apply with respect to students from a foreign country entering the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy on or after May 1, 1998.

SEC. 544. CONTINUATION OF SUPPORT TO SENIOR MILITARY COLLEGES.

(a) DEFINITION OF SENIOR MILITARY COLLEGES.—For purposes of this section, the term "senior military colleges" means the following:

(1) Texas A&M University.
(2) Norwich University.
(3) The Virginia Military Institute.
(4) The Citadel.
(5) Virginia Polytechnic Institute and State University.
(6) North Georgia College and State University.

(b) FINDINGS.—Congress finds the following:

(1) The senior military colleges consistently have provided substantial numbers of highly qualified, long-serving leaders to the Armed Forces.

(2) The quality of the military leaders produced by the senior military colleges is, in part, the result of the rigorous military environment imposed on students attending the senior military colleges by the colleges, as well as the result of the long-standing close support relationship between the Corps of Cadets at each college and the Reserve Officer Training Corps personnel at the colleges who serve as effective leadership role models and mentors.

(3) In recognition of the quality of the young leaders produced by the senior military colleges, the Department of

Defense and the military services have traditionally maintained special relationships with the colleges, including the policy to grant active duty service in the Army to graduates of the colleges who desire such service and who are recommended for such service by their ROTC professors of military science.

(4) Each of the senior military colleges has demonstrated an ability to adapt its systems and operations to changing conditions in, and requirements of, the Armed Forces without compromising the quality of leaders produced and without interruption of the close relationship between the colleges and the Department of Defense.

(c) SENSE OF CONGRESS.—In light of the findings in subsection (b), it is the sense of Congress that—

(1) the proposed initiative of the Secretary of the Army to end the commitment to active duty service for all graduates of senior military colleges who desire such service and who are recommended for such service by their ROTC professors of military science is short-sighted and contrary to the long-term interests of the Army;

(2) as they have in the past, the senior military colleges can and will continue to accommodate to changing military requirements to ensure that future graduates entering military service continue to be officers of superb quality who are quickly assimilated by the Armed Forces and fully prepared to make significant contributions to the Armed Forces through extended military careers; and

(3) decisions of the Secretary of Defense or the Secretary of a military department that fundamentally and unilaterally change the long-standing relationship of the Armed Forces with the senior military colleges are not in the best interests of the Department of Defense or the Armed Forces and are patently unfair to students who made decisions to enroll in the senior military colleges on the basis of existing Department and Armed Forces policy.

(d) CONTINUATION OF SUPPORT FOR SENIOR MILITARY COLLEGES.—Section 2111a of title 10, United States Code, is amended—

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

(2) by inserting after subsection (c) the following new subsections:

"(d) TERMINATION OR REDUCTION OF PROGRAM PROHIBITED.—The Secretary of Defense and the Secretaries of the military departments may not take or authorize any action to terminate or reduce a unit of the Senior Reserve Officers' Training Corps at a senior military college unless the termination or reduction is specifically requested by the college.

"(e) ASSIGNMENT TO ACTIVE DUTY.—(1) The Secretary of the Army shall ensure that a graduate of a senior military college who desires to serve as a commissioned officer on active duty upon graduation from the college, who is medically and physically qualified for active duty, and who is recommended for such duty by the professor of military science at the college, shall be assigned to active duty. This paragraph shall apply to a member of the program at a senior military college who graduates from the college after March 31, 1997.

"(2) Nothing in this section shall be construed to prohibit the Secretary of the Army from requiring a member of the program

who graduates from a senior military college to serve on active duty.".

(e) TECHNICAL CORRECTIONS.—Subsection (f) of such section, as redesignated by subsection (d)(1), is amended—

(1) in paragraph (2), by striking out "College" and inserting in lieu thereof "University"; and

(2) in paragraph (6), by inserting before the period the following: "and State University".

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

"§ 2111a. Support for senior military colleges".

(2) The item relating to such section in the table of sections at the beginning of chapter 103 of title 10, United States Code, is amended to read as follows:

"2111a. Support for senior military colleges.".

SEC. 545. REPORT ON MAKING UNITED STATES NATIONALS ELIGIBLE FOR PARTICIPATION IN SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the utility of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(b) REQUIRED INFORMATION.—The Secretary shall include in the report the following information:

(1) A brief history of the prior admission of United States nationals to the Senior Reserve Officers' Training Corps, including the success rate of these cadets and midshipmen and how that rate compared to the average success rate of cadets and midshipmen during that same period.

(2) The advantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(3) The disadvantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(4) The incremental cost of including United States nationals in the Senior Reserve Officers' Training Corps.

(5) Methods of minimizing the risk that United States nationals admitted to the Senior Reserve Officers' Training Corps would be later disqualified because of ineligibility for United States citizenship.

(6) The recommendations of the Secretary on whether United States nationals should be eligible to participate in the Senior Reserve Officers' Training Corps program, and if so, a legislative proposal which would, if enacted, achieve that result.

SEC. 546. COORDINATION OF ESTABLISHMENT AND MAINTENANCE OF JUNIOR RESERVE OFFICERS' TRAINING CORPS UNITS TO MAXIMIZE ENROLLMENT AND ENHANCE EFFICIENCY.

(a) REQUIREMENT.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2032. Responsibility of the Secretaries of the military departments to maximize enrollment and enhance efficiency

"(a) COORDINATION.—The Secretary of each military department, in establishing, maintaining, transferring, and terminating Junior Reserve Officers' Training Corps units under section 2031 of this title, shall do so in a coordinated manner that is designed to maximize enrollment in the Corps and to enhance administrative efficiency in the management of the Corps.

"(b) CONSIDERATION OF NEW SCHOOL OPENINGS AND CONSOLIDATIONS.—In carrying out subsection (a), the Secretary of a military department shall take into consideration—

"(1) openings of new schools;

"(2) consolidations of schools; and

"(3) the desirability of continuing the opportunity for participation in the Corps by participants whose continued participation would otherwise be adversely affected by new school openings and consolidations of schools.".

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

"2032. Responsibility of the Secretaries of the military departments to maximize enrollment and enhance efficiency.".

PART II—OTHER EDUCATION MATTERS

SEC. 551. UNITED STATES NAVAL POSTGRADUATE SCHOOL.

(a) AUTHORITY TO ADMIT ENLISTED MEMBERS AS STUDENTS.—Section 7045 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)"; and

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

"(2) The Secretary may permit an enlisted member of the armed forces who is assigned to the Naval Postgraduate School or to a nearby command to receive instruction at the Naval Postgraduate School. Admission of enlisted members for instruction under this paragraph shall be on a space-available basis.";

(2) in subsection (b)—

(A) by striking out "the students" and inserting in lieu thereof "officers"; and

(B) by adding at the end the following new sentence: "In the case of an enlisted member permitted to receive instruction at the Postgraduate School, the Secretary of the Navy shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).."; and

(3) in subsection (c)—

(A) by striking out "officers" both places it appears and inserting in lieu thereof "members"; and

(B) by striking out "same regulations" and inserting in lieu thereof "such regulations, as determined appropriate by the Secretary of the Navy,".

(b) CLERICAL AMENDMENTS.—(1) The heading of section 7045 of such title is amended to read as follows:

"§ 7045. Officers of the other armed forces; enlisted members: admission".

(2) The item relating to section 7045 in the table of sections at the beginning of chapter 605 of such title is amended to read as follows:

"7045. Officers of the other armed forces; enlisted members: admission.".

(c) AMENDMENT TO REFLECT REVISED CIVIL SERVICE GRADE STRUCTURE.—Section 7043(b) of such title is amended by striking out "grade GS–18 of the General Schedule under section 5332 of title 5" and inserting in lieu thereof "level IV of the Executive Schedule".

SEC. 552. COMMUNITY COLLEGE OF THE AIR FORCE.

(a) EXPANSION OF MEMBERS ELIGIBLE FOR PROGRAM TO INCLUDE INSTRUCTORS AT AIR FORCE TRAINING SCHOOLS.—Section 9315 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking out "enlisted members of the Air Force" and inserting in lieu thereof "enlisted members described in subsection (b)";

(2) by striking out "(b) Subject to subsection (c)," and inserting in lieu thereof "(c)(1) Subject to paragraph (2),";

(3) by redesignating subsection (c) as paragraph (2) and in that paragraph redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

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

"(b) MEMBERS ELIGIBLE FOR PROGRAMS.—Subject to such other eligibility requirements as the Secretary concerned may prescribe, the following members of the armed forces are eligible to participate in programs of higher education under subsection (a)(1):

"(1) Enlisted members of the Air Force.

"(2) Enlisted members of the armed forces other than the Air Force who are serving as instructors at Air Force training schools.".

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

(1) in subsection (a), by inserting "ESTABLISHMENT AND MISSION.—" after "(a)"; and

(2) in subsection (c), as redesignated by subsection (a)(2), by inserting "CONFERRAL OF DEGREES.—" after "(c)".

(c) EFFECTIVE DATE.—Subsection (b) of section 9315 of such title, as added by subsection (a)(4), applies with respect to enrollments in the Community College of the Air Force after March 31, 1996.

SEC. 553. PRESERVATION OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE OF MEMBERS OF THE SELECTED RESERVE SERVING ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) PRESERVATION OF EDUCATIONAL ASSISTANCE.—Section 16131(c)(3)(B)(i) of title 10, United States Code, is amended by striking out ", in connection with the Persian Gulf War,".

(b) EXTENSION OF 10-YEAR PERIOD OF AVAILABILITY.—Section 16133(b)(4) of such title is amended—

(1) by striking out "(A)";

(2) by striking out ", during the Persian Gulf War,";

(3) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(4) by striking out "(B) For the purposes" and all that follows through "title 38.".

PART III—TRAINING OF ARMY DRILL SERGEANTS

SEC. 556. REFORM OF ARMY DRILL SERGEANT SELECTION AND TRAINING PROCESS.

(a) IN GENERAL.—The Secretary of the Army shall reform the process for selection and training of drill sergeants for the Army.

(b) MEASURES TO BE TAKEN.—As part of such reform, the Secretary shall undertake the following measures (unless, in the case of any such measure, the Secretary determines that that measure would not result in improved effectiveness and efficiency in the drill sergeant selection and training process):

(1) Review the overall process used by the Department of the Army for selection of drill sergeants to determine—

(A) whether that process is providing drill sergeant candidates in sufficient quantity and quality to meet the needs of the training system; and

(B) whether duty as a drill sergeant is a career-enhancing assignment (or is seen by potential drill sergeant candidates as a career-enhancing assignment) and what steps could be taken to ensure that such duty is in fact a career-enhancing assignment.

(2) Incorporate into the selection process for all drill sergeants the views and recommendations of the officers and senior noncommissioned officers in the chain of command of each candidate for selection (particularly those of senior noncommissioned officers) regarding the candidate's suitability and qualifications to be a drill sergeant.

(3) Establish a requirement for psychological screening for each drill sergeant candidate.

(4) Reform the psychological screening process for drill sergeant candidates to improve the quality, depth, and rigor of that screening process.

(5) Revise the evaluation system for drill sergeants in training to provide for a so-called "whole person" assessment that gives insight into the qualifications and suitability of a drill sergeant candidate beyond the candidate's ability to accomplish required performance tasks.

(6) Revise the Army military personnel records system so that, under conditions and circumstances to be specified in regulations prescribed by the Secretary, a drill sergeant trainee who fails to complete the training to be a drill sergeant and is denied graduation will not have the fact of that failure recorded in those personnel records.

(7) Provide each drill sergeant in training with the opportunity, before or during that training, to work with new recruits in initial entry training and to be evaluated on that opportunity.

(c) REPORT.—Not later than March 31, 1998, the Secretary shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report of the reforms adopted pursuant to this section or, in the case of any measure specified in any of paragraphs (1) through (7) of subsection (b) that was not adopted, the rationale why that measure was not adopted.

SEC. 557. TRAINING IN HUMAN RELATIONS MATTERS FOR ARMY DRILL SERGEANT TRAINEES.

(a) IN GENERAL.—(1) Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4318. Drill sergeant trainees: human relations training

"(a) HUMAN RELATIONS TRAINING REQUIRED.—The Secretary of the Army shall include as part of the training program for drill sergeants a course in human relations. The course shall be a minimum of two days in duration.

"(b) RESOURCES.—In developing a human relations course under this section, the Secretary shall use the capabilities and expertise of the Defense Equal Opportunity Management Institute (DEOMI).".

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

"4318. Drill sergeant trainees: human relations training.".

(b) EFFECTIVE DATE.—Section 4318 of title 10, United States Code, as added by subsection (a), shall apply with respect drill sergeant trainee classes that begin after the end of the 90-day period beginning on the date of the enactment of this Act.

Subtitle F—Commission on Military Training and Gender-Related Issues

SEC. 561. ESTABLISHMENT AND COMPOSITION OF COMMISSION.

(a) ESTABLISHMENT.—There is established a Commission on Military Training and Gender-Related Issues to review requirements and restrictions regarding cross-gender relationships of members of the Armed Forces, to review the basic training programs of the Army, Navy, Air Force, and Marine Corps, and to make recommendations on improvements to those programs, requirements, and restrictions.

(b) COMPOSITION.—(1) The commission shall be composed of 10 members, appointed as follows:

(A) Five members shall be appointed jointly by the chairman and ranking minority party member of the Committee on National Security of the House of Representatives.

(B) Five members shall be appointed jointly by the chairman and ranking minority party member of the Committee on Armed Services of the Senate.

(2) The members of the commission shall choose one of the members to serve as chairman.

(3) All members of the commission shall be appointed not later than 45 days after the date of the enactment of this Act.

(c) QUALIFICATIONS.—Members of the commission shall be appointed from among private United States citizens with knowledge and expertise in one or more of the following:

(1) Training of military personnel.

(2) Social and cultural matters affecting entrance into the Armed Forces and affecting military service, military training, and military readiness, such knowledge and expertise to have been gained through recognized research, policy making and practical experience, as demonstrated by retired military personnel, members of the reserve components of the Armed

Forces, representatives from educational organizations, and leaders from civilian industry and other Government agencies.

(3) Factors that define appropriate military job qualifications, including physical, mental, and educational factors.

(4) Combat or other theater of war operations.

(5) Organizational matters.

(6) Legal matters.

(7) Management.

(8) Gender integration matters.

(d) APPOINTMENTS.—(1) Members of the commission shall be appointed for the life of the commission.

(2) A vacancy in the membership shall not affect the commission's powers, but shall be filled in the same manner as the original appointment.

SEC. 562. DUTIES.

(a) FUNCTIONS RELATING TO REQUIREMENTS AND RESTRICTIONS REGARDING CROSS-GENDER RELATIONSHIPS.—The commission shall consider issues relating to personal relationships of members of the Armed Forces as follows:

(1) Review the laws, regulations, policies, directives, and practices that govern personal relationships between men and women in the Armed Forces and personal relationships between members of the Armed Forces and non-military personnel of the opposite sex.

(2) Assess the extent to which the laws, regulations, policies, and directives have been applied consistently throughout the Armed Forces without regard to the armed force, grade, rank, or gender of the individuals involved.

(3) Assess the reports of the independent panel, the Department of Defense task force, and the review of existing guidance on fraternization and adultery that have been required by the Secretary of Defense.

(b) FUNCTIONS RELATING TO GENDER-INTEGRATED AND GENDER-SEGREGATED BASIC TRAINING.—(1) The commission shall review the parts of the initial entry training programs of the Army, Navy, Air Force, and Marine Corps that constitute the basic training of new recruits (in this subtitle referred to as "basic training"). The review shall include a review of the basic training policies and practices of each of those services with regard to gender-integrated and gender-segregated basic training and, for each of the services, the effectiveness of gender-integrated and gender-segregated basic training.

(2) As part of the review under paragraph (1), the commission shall (with respect to each of the services) take the following measures:

(A) Determine how each service defines gender-integration and gender-segregation in the context of basic training.

(B) Determine the historical rationales for the establishment and disestablishment of gender-integrated or gender-segregated basic training.

(C) Examine, with respect to each service, the current rationale for the use of gender-integrated or gender-segregated basic training and the rationale that was current as of the time the service made a decision to integrate, or to segregate, basic training by gender (or as of the time of the most recent decision to continue to use a gender-integrated format or a

gender-segregated format for basic training), and, as part of the examination, evaluate whether at the time of that decision, the Secretary of the military department with jurisdiction over that service had substantive reason to believe, or has since developed data to support, that gender-integrated basic training, or gender-segregated basic training, improves the readiness or performance of operational units.

(D) Assess whether the concept of "training as you will fight" is a valid rationale for gender-integrated basic training or whether the training requirements and objectives for basic training are sufficiently different from those of operational units so that such concept, when balanced against other factors relating to basic training, might not be a sufficient rationale for gender-integrated basic training.

(E) Identify the requirements unique to each service that could affect a decision by the Secretary concerned to adopt a gender-integrated or gender-segregated format for basic training and assess whether the format in use by each service has been successful in meeting those requirements.

(F) Assess, with respect to each service, the degree to which different standards have been established, or if not established are in fact being implemented, for males and females in basic training for matters such as physical fitness, physical performance (such as confidence and obstacle courses), military skills (such as marksmanship and hand-grenade qualifications), and nonphysical tasks required of individuals and, to the degree that differing standards exist or are in fact being implemented, assess the effect of the use of those differing standards.

(G) Identify the goals that each service has set forth in regard to readiness, in light of the gender-integrated or gender-segregated format that such service has adopted for basic training, and whether that format contributes to the readiness of operational units.

(H) Assess the degree to which performance standards in basic training are based on military readiness.

(I) Evaluate the policies of each of the services regarding the assignment of adequate numbers of female drill instructors in gender-integrated training units who can serve as role models and mentors for female trainees.

(J) Review Department of Defense and military department efforts to objectively measure or evaluate the effectiveness of gender-integrated basic training, as compared to gender-segregated basic training, particularly with regard to the adequacy and scope of the efforts and with regard to the relevancy of findings to operational unit requirements, and determine whether the Department of Defense and the military departments are capable of measuring or evaluating the effectiveness of that training format objectively.

(K) Compare the pattern of attrition in gender-integrated basic training units with the pattern of attrition in gender-segregated basic training units and assess the relevancy of the findings of such comparison.

(L) Compare the level of readiness and morale of gender-integrated basic training units with the level of readiness and morale of gender-segregated units, and assess the relevancy of the findings of such comparison and the implications, for readiness, of any differences found.

(M) Compare the experiences, policies, and practices of the armed forces of other industrialized nations regarding gender-integrated training with those of the Army, Navy, Air Force, and Marine Corps.

(N) Review, and take into consideration, the current practices, relevant studies, and private sector training concepts pertaining to gender-integrated training.

(O) Assess the feasibility and implications of conducting basic training (or equivalent training) at the company level and below through separate units for male and female recruits, including the costs and other resource commitments required to implement and conduct basic training in such a manner and the implications for readiness and unit cohesion.

(P) Assess the feasibility and implications of requiring drill instructors for basic training units to be of the same sex as the recruits in those units if the basic training were to be conducted as described in subparagraph (O).

(c) FUNCTIONS RELATING TO BASIC TRAINING PROGRAMS GENERALLY.—The commission shall review the course objectives, structure, and length of the basic training programs of the Army, Navy, Air Force, and Marine Corps. The commission shall also review the relationship between those basic training objectives and the advanced training provided in the initial entry training programs of each of those services. As part of that review, the commission shall (with respect to each of those services) take the following measures:

(1) Determine the current end-state objectives established for graduates of basic training, particularly in regard to—

(A) physical conditioning;

(B) technical and physical skills proficiency;

(C) knowledge;

(D) military socialization, including the inculcation of service values and attitudes; and

(E) basic combat operational requirements.

(2) Assess whether those current end-state objectives, and basic training itself, should be modified (in structure, length, focus, program of instruction, training methods or otherwise) based, in part, on the following:

(A) An assessment of the perspectives of operational units on the quality and qualifications of the initial entry training graduates being assigned to those units, considering in particular whether the basic training system produces graduates who arrive in operational units with an appropriate level of skills, physical conditioning, and degree of military socialization to meet unit requirements and needs.

(B) An assessment of the demographics, backgrounds, attitudes, experience, and physical fitness of new recruits entering basic training, considering in particular the question of whether, given the entry level demographics, education, and background of new recruits, the basic training systems and objectives are most efficiently and effectively structured and conducted to produce graduates who meet service needs.

(C) An assessment of the perspectives of personnel who conduct basic training with regard to measures required to improve basic training.

(3) Assess the extent to which the initial entry training programs of each of the services continue, after the basic training phases of the programs, effectively to reinforce and advance the military socialization (including the inculcation of service values and attitudes), the physical conditioning, and the attainment and improvement of knowledge and proficiency in fundamental military skills that are begun in basic training.

(d) RECOMMENDATIONS.—The commission shall prepare—

(1) with respect to each of the Army, Navy, Air Force, and Marine Corps, an evaluation of gender-integrated and gender-segregated basic training programs, based upon the review under subsection (b);

(2) recommendations for such changes to the current system of basic training as the commission considers warranted; and

(3) recommendations for such changes to laws, regulations, policies, directives, and practices referred to in subsection (a)(1) as the commission considers warranted.

(e) REPORTS.—(1) Not later than April 15, 1998, the commission shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth a strategic plan for the work of the commission and the activities and initial findings of the commission.

(2) Not later than September 16, 1998, the commission shall submit a final report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The final report shall set forth the activities, findings, and recommendations of the commission, including any recommendations for congressional action and administrative action that the commission considers appropriate. The report shall specifically set forth the views of the Secretaries of the military departments regarding the matters described in subparagraphs (O) and (P) of subsection (b)(2).

SEC. 563. ADMINISTRATIVE MATTERS.

(a) MEETINGS.—(1) The commission shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(2) The commission shall meet upon the call of the chairman.

(3) A majority of the members of the commission shall constitute a quorum, but a lesser number may hold meetings.

(b) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the commission may, if authorized by the commission, take any action which the commission is authorized to take under this title.

(c) POWERS.—(1) The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out its duties.

(2) The commission may secure directly from the Department of Defense and any other department or agency of the Federal Government such information as the commission considers necessary to carry out its duties. Upon the request of the chairman of the commission, the head of a department or agency shall furnish the requested information expeditiously to the commission.

(3) The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) PAY AND EXPENSES OF COMMISSION MEMBERS.—(1) Each member of the commission who is not an employee of the Government shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the commission.

(2) Members and personnel of the commission may travel on aircraft, vehicles, or other conveyances of the Armed Forces when travel is necessary in the performance of a duty of the commission except when the cost of commercial transportation is less expensive.

(3) The members of the commission may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(4)(A) A member of the commission who is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the commission shall not be subject to the provisions of such section with respect to such membership.

(B) A member of the commission who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the commission.

(e) STAFF AND ADMINISTRATIVE SUPPORT.—(1) The chairman of the commission may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to three additional staff members as necessary to enable the commission to perform its duties. The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53, of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the maximum rate of pay for grade GS–15 under the General Schedule.

(2) Upon the request of the chairman of the commission, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the commission to assist in carrying out its duties. A detail of an employee shall be without interruption or loss of civil service status or privilege.

(3) The chairman of the commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

(4) The Secretary of Defense shall furnish to the commission such administrative and support services as may be requested by the chairman of the commission.

SEC. 564. TERMINATION OF COMMISSION.

The commission shall terminate 60 days after the date on which it submits the final report under section 562(e)(2).

SEC. 565. FUNDING.

(a) FROM DEPARTMENT OF DEFENSE APPROPRIATIONS.—Upon the request of the chairman of the commission, the Secretary of Defense shall make available to the commission, out of funds appropriated for the Department of Defense, such amounts as the commission may require to carry out its duties.

(b) PERIOD OF AVAILABILITY.—Funds made available to the commission shall remain available, without fiscal year limitation, until the date on which the commission terminates.

SEC. 566. SUBSEQUENT CONSIDERATION BY CONGRESS.

After receipt of each report of the commission under section 562(e), Congress shall consider the report and, based upon the results of the review (and such other matters as Congress considers appropriate), consider whether to require by law that the Secretaries of the military departments conduct basic training on a gender-segregated or gender-integrated basis.

Subtitle G—Military Decorations and Awards

SEC. 571. PURPLE HEART TO BE AWARDED ONLY TO MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1131. Purple Heart: limitation to members of the armed forces

"The decoration known as the Purple Heart (authorized to be awarded pursuant to Executive Order 11016) may only be awarded to a person who is a member of the armed forces at the time the person is killed or wounded under circumstances otherwise qualifying that person for award of the Purple Heart.".

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

"1131. Purple Heart: limitation to members of the armed forces.".

(b) EFFECTIVE DATE.—Section 1131 of title 10, United States Code, as added by subsection (a), shall apply with respect to persons who are killed or wounded after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 572. ELIGIBILITY FOR ARMED FORCES EXPEDITIONARY MEDAL FOR PARTICIPATION IN OPERATION JOINT ENDEAVOR OR OPERATION JOINT GUARD.

(a) INCLUSION OF OPERATIONS.—For the purpose of determining the eligibility of members and former members of the Armed Forces for the Armed Forces Expeditionary Medal, the Secretary of Defense shall designate participation in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina, and in such other areas in the region as the Secretary considers appropriate, as service in an area that meets the general requirements for the award of that medal.

(b) INDIVIDUAL DETERMINATION.—The Secretary of the military department concerned shall determine whether individual members

or former members of the Armed Forces who participated in Operation Joint Endeavor or Operation Joint Guard meet the individual service requirements for award of the Armed Forces Expeditionary Medal as established in applicable regulations. A member or former member shall be considered to have participated in Operation Joint Endeavor or Operation Joint Guard if the member—

(1) was deployed in the Republic of Bosnia and Herzegovina, or in such other area in the region as the Secretary of Defense considers appropriate, in direct support of one or both of the operations;

(2) served on board a United States naval vessel operating in the Adriatic Sea in direct support of one or both of the operations; or

(3) operated in airspace above the Republic of Bosnia and Herzegovina, or in such other area in the region as the Secretary of Defense considers appropriate, while the operations were in effect.

(c) OPERATIONS DEFINED.—For purposes of this section:

(1) The term "Operation Joint Endeavor" means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina during the period beginning on November 20, 1995, and ending on December 20, 1996, to assist in implementing the General Framework Agreement and Associated Annexes, initialed on November 21, 1995, in Dayton, Ohio.

(2) The term "Operation Joint Guard" means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina as a successor to Operation Joint Endeavor during the period beginning on December 20, 1996, and ending on such date as the Secretary of Defense may designate.

SEC. 573. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations described in subsections (b), (c), and (d), the award of each such decoration having been determined by the Secretary of the military department concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR MEDAL.—Subsection (a) applies to the award of the Silver Star Medal as follows:

(1) To Joseph M. Moll, Jr. of Milford, New Jersey, for service during World War II.

(2) To Philip Yolinsky of Hollywood, Florida, for service during the Korean Conflict.

(3) To Robert Norman of Reno, Nevada, for service during World War II.

(c) NAVY AND MARINE CORPS MEDAL.—Subsection (a) applies to the award of the Navy and Marine Corps Medal to Gary A. Gruenwald of Damascus, Maryland, for service in Tunisia in October 1977.

(d) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual)

in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 574. CLARIFICATION OF ELIGIBILITY OF MEMBERS OF READY RESERVE FOR AWARD OF SERVICE MEDAL FOR HEROISM.

(a) SOLDIER'S MEDAL.—Section 3750(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

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

"(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.".

(b) NAVY AND MARINE CORPS MEDAL.—Section 6246 of such title is amended—

(1) by designating the text of the section as subsection (a); and

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

"(b) The authority in subsection (a) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.".

(c) AIRMAN'S MEDAL.—Section 8750(a) of such title is amended—

(1) by inserting "(1)" after "(a)"; and

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

"(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.".

SEC. 575. ONE-YEAR EXTENSION OF PERIOD FOR RECEIPT OF RECOMMENDATIONS FOR DECORATIONS AND AWARDS FOR CERTAIN MILITARY INTELLIGENCE PERSONNEL.

Section 523(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 311; 10 U.S.C. 1130 note) is amended by striking out "during the one-year period beginning on the date of the enactment of this Act" and inserting in lieu thereof "during the period beginning on February 10, 1996, and ending on February 9, 1998".

SEC. 576. ELIGIBILITY OF CERTAIN WORLD WAR II MILITARY ORGANIZATIONS FOR AWARD OF UNIT DECORATIONS.

(a) AUTHORITY.—A unit decoration may be awarded for any unit or other organization of the Armed Forces (such as the Military Intelligence Service of the Army) that (1) supported the planning or execution of combat operations during World War II primarily through unit personnel who were attached to other units of the Armed Forces or of other allied armed forces, and (2) is not otherwise eligible for award of the decoration by reason of not usually having been deployed as a unit in support of such operations.

(b) TIME FOR SUBMISSION OF RECOMMENDATION.—Any recommendation for award of a unit decoration under subsection (a) shall be submitted to the Secretary concerned (as defined in section 101(a)(9) of title 10, United States Code), or to such other official as the Secretary concerned may designate, not later than two years after the date of the enactment of this Act.

SEC. 577. RETROACTIVITY OF MEDAL OF HONOR SPECIAL PENSION.

(a) ENTITLEMENT.—In the case of Vernon J. Baker, Edward A. Carter, Junior, and Charles L. Thomas, who were awarded the Medal of Honor pursuant to section 561 of Public Law 104–201 (110 Stat. 2529) and whose names have been entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll, the entitlement of those persons to the special pension provided under section 1562 of title 38, United States Code (and antecedent provisions of law), shall be effective as follows:

(1) In the case of Vernon J. Baker, for months that begin after April 1945.

(2) In the case of Edward A. Carter, Junior, for months that begin after March 1945.

(3) In the case of Charles L. Thomas, for months that begin after December 1944.

(b) AMOUNT.—The amount of the special pension payable under subsection (a) for a month beginning before the date of the enactment of this Act shall be the amount of the special pension provided by law for that month for persons entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll (or an antecedent Medal of Honor Roll required by law).

(c) PAYMENT TO NEXT OF KIN.—In the case of a person referred to in subsection (a) who died before receiving full payment of the pension pursuant to this section, the Secretary of Veterans Affairs shall pay the total amount of the accrued pension, upon receipt of application for payment within one year after the date of the enactment of this Act, to the deceased person's spouse or, if there is no surviving spouse, then to the deceased person's children, per stirpes, in equal shares.

Subtitle H—Military Justice Matters

SEC. 581. ESTABLISHMENT OF SENTENCE OF CONFINEMENT FOR LIFE WITHOUT ELIGIBILITY FOR PAROLE.

(a) ESTABLISHMENT OF SENTENCE.—(1) Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 856 (article 56) the following new section (article):

"§ 856a. Art. 56a. Sentence of confinement for life without eligibility for parole

"(a) For any offense for which a sentence of confinement for life may be adjudged, a court-martial may adjudge a sentence of confinement for life without eligibility for parole.

"(b) An accused who is sentenced to confinement for life without eligibility for parole shall be confined for the remainder of the accused's life unless—

"(1) the sentence is set aside or otherwise modified as a result of—

"(A) action taken by the convening authority, the Secretary concerned, or another person authorized to act under section 860 of this title (article 60); or

"(B) any other action taken during post-trial procedure and review under any other provision of subchapter IX;

"(2) the sentence is set aside or otherwise modified as a result of action taken by a Court of Criminal Appeals, the Court of Appeals for the Armed Forces, or the Supreme Court; or

"(3) the accused is pardoned.".

(2) The table of sections at the beginning of subchapter VIII of such chapter is amended by inserting after the item relating to section 856 (article 56) the following new item:

"856a. 56a. Sentence of confinement for life without eligibility for parole.".

(b) EFFECTIVE DATE.—Section 856a of title 10, United States Code (article 56a of the Uniform Code of Military Justice), as added by subsection (a), shall be applicable only with respect to an offense committed after the date of the enactment of this Act.

SEC. 582. LIMITATION ON APPEAL OF DENIAL OF PAROLE FOR OFFENDERS SERVING LIFE SENTENCE.

(a) EXCLUSIVE AUTHORITY TO GRANT PAROLE ON APPEAL OF DENIAL.—Section 952 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

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

"(b) In a case in which parole for an offender serving a sentence of confinement for life is denied, only the President or the Secretary concerned may grant the offender parole on appeal of that denial. The authority to grant parole on appeal in such a case may not be delegated.".

(b) EFFECTIVE DATE.—Subsection (b) of section 952 of title 10, United States Code (as added by subsection (a)), shall apply only with respect to any decision to deny parole made after the date of the enactment of this Act.

Subtitle I—Other Matters

SEC. 591. SEXUAL HARASSMENT INVESTIGATIONS AND REPORTS.

(a) INVESTIGATIONS.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 79 the following new chapter:

"CHAPTER 80—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

"Sec.
"1561. Complaints of sexual harassment: investigation by commanding officers.

"§ 1561. Complaints of sexual harassment: investigation by commanding officers

"(a) ACTION ON COMPLAINTS ALLEGING SEXUAL HARASSMENT.—A commanding officer or officer in charge of a unit, vessel, facility, or area of the Army, Navy, Air Force, or Marine Corps who receives from a member of the command or a civilian employee under the supervision of the officer a complaint alleging sexual harassment by a member of the armed forces or a civilian employee of the

Department of Defense shall carry out an investigation of the matter in accordance with this section.

"(b) COMMENCEMENT OF INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall, within 72 hours after receipt of the complaint—

"(1) forward the complaint or a detailed description of the allegation to the next superior officer in the chain of command who is authorized to convene a general court-martial;

"(2) commence, or cause the commencement of, an investigation of the complaint; and

"(3) advise the complainant of the commencement of the investigation.

"(c) DURATION OF INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall ensure that the investigation of the complaint is completed not later than 14 days after the date on which the investigation is commenced.

"(d) REPORT ON INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall—

"(1) submit a final report on the results of the investigation, including any action taken as a result of the investigation, to the next superior officer referred to in subsection (b)(1) within 20 days after the date on which the investigation is commenced; or

"(2) submit a report on the progress made in completing the investigation to the next superior officer referred to in subsection (b)(1) within 20 days after the date on which the investigation is commenced and every 14 days thereafter until the investigation is completed and, upon completion of the investigation, then submit a final report on the results of the investigation, including any action taken as a result of the investigation, to that next superior officer.

"(e) SEXUAL HARASSMENT DEFINED.—In this section, the term 'sexual harassment' means any of the following:

"(1) Conduct (constituting a form of sex discrimination) that—

"(A) involves unwelcome sexual advances, requests for sexual favors, and deliberate or repeated offensive comments or gestures of a sexual nature when—

"(i) submission to such conduct is made either explicitly or implicitly a term or condition of a person's job, pay, or career;

"(ii) submission to or rejection of such conduct by a person is used as a basis for career or employment decisions affecting that person; or

"(iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment; and

"(B) is so severe or pervasive that a reasonable person would perceive, and the victim does perceive, the work environment as hostile or offensive.

"(2) Any use or condonation, by any person in a supervisory or command position, of any form of sexual behavior to control, influence, or affect the career, pay, or job of a member of

the armed forces or a civilian employee of the Department of Defense.

"(3) Any deliberate or repeated unwelcome verbal comment or gesture of a sexual nature in the workplace by any member of the armed forces or civilian employee of the Department of Defense.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of such title are amended by inserting after the item relating to chapter 79 the following new item:

"80. Miscellaneous Investigation Requirements and Other Duties ..... 1561".

(b) REPORTS.—(1) Not later than January 1 of each of 1998 and 1999, each officer receiving a complaint forwarded in accordance with section 1561(b) of title 10, United States Code, as added by subsection (a), during the preceding year shall submit to the Secretary of the military department concerned a report on all such complaints and the investigations of such complaints (including the results of the investigations, in cases of investigations completed during such preceding year).

(2)(A) Not later than March 1 of each of 1998 and 1999, each Secretary receiving a report under paragraph (1) for a year shall submit to the Secretary of Defense a report on all such reports so received.

(B) Not later than April 1 following receipt of a report for a year under subparagraph (A), the Secretary of Defense shall transmit to Congress all such reports received for the year under subparagraph (A) together with the Secretary's assessment of each such report.

SEC. 592. SENSE OF THE SENATE REGARDING STUDY OF MATTERS RELATING TO GENDER EQUITY IN THE ARMED FORCES.

(a) FINDINGS.—The Senate makes the following findings:

(1) In the all-volunteer force, women play an integral role in the Armed Forces.

(2) With increasing numbers of women in the Armed Forces, questions arise concerning inequalities, and perceived inequalities, between the treatment of men and women in the Armed Forces.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Comptroller General should—

(1) conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the Armed Forces that arises out of the statutes and regulations governing the Armed Forces; and

(2) submit to the Senate a report on the study not later than one year after the date of the enactment of this Act.

SEC. 593. AUTHORITY FOR PERSONNEL TO PARTICIPATE IN MANAGEMENT OF CERTAIN NON-FEDERAL ENTITIES.

(a) MILITARY PERSONNEL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1032 the following new section:

"§ 1033. Participation in management of specified non-Federal entities: authorized activities

"(a) AUTHORIZATION.—The Secretary concerned may authorize a member of the armed forces under the Secretary's jurisdiction

to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular member to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the member in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

"(b) DESIGNATED ENTITIES.—(1) The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

"(2) In this section, the term 'military welfare society' means the following:

"(A) Army Emergency Relief.

"(B) Air Force Aid Society, Inc.

"(C) Navy-Marine Corps Relief Society.

"(D) Coast Guard Mutual Assistance.

"(3) An entity described in this paragraph is an entity that is not operated for profit and is any of the following:

"(A) An entity that regulates and supports the athletic programs of the service academies (including athletic conferences).

"(B) An entity that regulates international athletic competitions.

"(C) An entity that accredits service academies and other schools of the armed forces (including regional accrediting agencies).

"(D) An entity that (i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a member of the armed forces may serve if authorized under subsection (a).

"(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of a member of the armed forces to participate in the management of such an entity, shall be published in the Federal Register.

"(d) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1032 the following new item:

"1033. Participation in management of specified non-Federal entities: authorized activities.".

(b) CIVILIAN PERSONNEL.—(1) Chapter 81 of such title is amended by inserting after section 1588 the following new section:

"§ 1589. Participation in management of specified non-Federal entities: authorized activities

"(a) AUTHORIZATION.—(1) The Secretary concerned may authorize an employee described in paragraph (2) to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular employee to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the employee in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

"(2) Paragraph (1) applies to any employee of the Department of Defense or, in the case of the Coast Guard when not operating as a service in the Navy, of the Department of Transportation. For purposes of this section, the term 'employee' includes a civilian officer.

"(b) DESIGNATED ENTITIES.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society named in paragraph (2) of section 1033(b) of this title and may designate any other entity described in paragraph (3) of such section. No other entities may be designated.

"(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of an employee to participate in the management of such an entity, shall be published in the Federal Register.

"(d) CIVILIANS OUTSIDE THE MILITARY DEPARTMENTS.—In this section, the term 'Secretary concerned' includes the Secretary of Defense with respect to employees of the Department of Defense who are not employees of a military department.

"(e) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1588 the following new item:

"1589. Participation in management of specified non-Federal entities: authorized activities.".

SEC. 594. TREATMENT OF PARTICIPATION OF MEMBERS IN DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

Section 2012 of title 10, United States Code, is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

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

"(g) TREATMENT OF MEMBER'S PARTICIPATION IN PROVISION OF SUPPORT OR SERVICES.—(1) The Secretary of a military department may not require or request a member of the armed forces to submit

for consideration by a selection board (including a promotion board, command selection board, or any other kind of selection board) evidence of the member's participation in the provision of support and services to non-Department of Defense organizations and activities under this section or the member's involvement in, or support of, other community relations and public affairs activities of the armed forces.

"(2) Paragraph (1) does not prevent a selection board from considering material submitted voluntarily by a member of the armed forces which provides evidence of the participation of that member or another member in activities described in that paragraph.".

SEC. 595. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the following:

(1) The nature, extent, and cost to the Department of Defense of the support and services being provided by units and members of the Armed Forces to non-Department of Defense organizations and activities under the authority of section 2012 of title 10, United States Code.

(2) The degree to which the Armed Forces are in compliance with the requirements of such section in the provision of such support and services, especially the requirements that the assistance meet specific requirements relative to military training and that the assistance provided be incidental to military training.

(3) The degree to which the regulations and procedures for implementing such section, as required by subsection (f) of such section, are consistent with the requirements of such section.

(4) The effectiveness of the Secretary of Defense and the Secretaries of the military departments in conducting oversight of the implementation of such section, and the provision of such support and services under such section, to ensure compliance with the requirements of such section.

(b) SUBMISSION OF REPORT.—Not later than March 31, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 596. ESTABLISHMENT OF PUBLIC AFFAIRS SPECIALTY IN THE ARMY.

(a) NEW SPECIALTY.—Chapter 307 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3083. Public Affairs Specialty

"There is a career field in the Army known as the Public Affairs Specialty. Members of the Army with the Public Affairs Specialty are—

"(1) the Chief of Public Affairs;

"(2) commissioned officers of the Army in the grade of major or above who are selected and specifically educated, trained, and experienced to perform as professional public affairs officers for the remainder of their careers; and

"(3) other members of the Army assigned to public affairs positions by the Secretary of the Army.".

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

"3083. Public Affairs Specialty.".

SEC. 597. GRADE OF DEFENSE ATTACHÉ IN FRANCE.

(a) IN GENERAL.—Chapter 41 of title 10, United States Code, is amended by inserting after section 713 the following new section:

"§ 714. Defense attaché in France: required grade

"An officer may not be selected for assignment to the position of defense attaché to the United States embassy in France unless the officer holds (or is on a promotion list for promotion to) the grade of brigadier general or, in the case of the Navy, rear admiral (lower half).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 713 the following new item:

"714. Defense attaché in France: required grade.".

SEC. 598. REPORT ON CREW REQUIREMENTS OF WC–130J AIRCRAFT.

(a) STUDY.—The Secretary of the Air Force shall conduct a study of the crew requirements for WC–130J aircraft to be procured for assignment to the aerial weather reconnaissance mission involving the eyewall penetration of tropical cyclones. The study shall include study of the anticipated operation of WC–130J aircraft in weather reconnaissance missions configured to carry five crewmembers, including a navigator. In carrying out the study, the Secretary shall provide for participation by members of the Armed Forces currently assigned to units engaged in weather reconnaissance operations.

(b) REPORT.—The Secretary shall submit to Congress a report on the results of the study. The Secretary shall include in the report the views of members of the Armed Forces currently assigned to units engaged in weather reconnaissance operations who participated in the study. If as a result of the study the Secretary determines that there are crewmembers assigned to weather reconnaissance duties in excess of the crew requirements that will be applicable for WC–130J aircraft, the Secretary shall include in the report a plan for retraining or reassignment of those crewmembers. The study shall be submitted not later than September 30, 1998.

SEC. 599. IMPROVEMENT OF MISSING PERSONS AUTHORITIES APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) APPLICABILITY TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

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

"(c) COVERED PERSONS.—(1) Section 1502 of this title applies in the case of any member of the armed forces on active duty—

"(A) who becomes involuntarily absent as a result of a hostile action or under circumstances suggesting that the involuntary absence is a result of a hostile action; and

"(B) whose status is undetermined or who is unaccounted for.

"(2) Section 1502 of this title applies in the case of any other person who is a citizen of the United States and a civilian officer or employee of the Department of Defense or (subject to paragraph (3)) an employee of a contractor of the Department of Defense—

"(A) who serves in direct support of, or accompanies, the armed forces in the field under orders and becomes involuntarily absent as a result of a hostile action or under circumstances suggesting that the involuntary absence is a result of a hostile action; and

"(B) whose status is undetermined or who is unaccounted for.

"(3) The Secretary of Defense shall determine, with regard to a pending or ongoing military operation, the specific employees, or groups of employees, of contractors of the Department of Defense to be considered to be covered by this subsection."; and

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

"(f) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned' includes, in the case of a civilian officer or employee of the Department of Defense or an employee of a contractor of the Department of Defense, the Secretary of the military department or head of the element of the Department of Defense employing the officer or employee or contracting with the contractor, as the case may be.".

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out "one military officer" and inserting in lieu thereof "one individual described in paragraph (2)";

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

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

"(2) An individual referred to in paragraph (1) is the following:

"(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

"(B) A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.".

(3) Section 1504(d) of such title is amended—

(A) in paragraph (1), by striking out "who are" and all that follows in that paragraph and inserting in lieu thereof "as follows:

"(A) In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.

"(B) In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense (and no members of the armed forces), the board shall be composed of—

"(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

"(ii) such members of the armed forces as the Secretary considers advisable.

"(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

"(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

"(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry."; and

(B) in paragraph (4), by striking out "section 1503(c)(3)" and inserting in lieu thereof "section 1503(c)(4)".

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

"(1) The term 'missing person' means—

"(A) a member of the armed forces on active duty who is in a missing status; or

"(B) a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves in direct support of, or accompanies, the armed forces in the field under orders and who is in a missing status.

Such term includes an unaccounted for person described in section 1509(b) of this title, under the circumstances specified in the last sentence of section 1509(a) of this title.".

(b) TRANSMISSION TO THEATER COMPONENT COMMANDER OF ADVISORY COPY OF MISSING PERSON REPORT.—(1) Section 1502 of such title is amended—

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

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

"(b) TRANSMISSION OF ADVISORY COPY TO THEATER COMPONENT COMMANDER.—When transmitting a report under subsection (a)(2) recommending that a person be placed in a missing status, the commander transmitting that report shall transmit an advisory copy of the report to the theater component commander with jurisdiction over the missing person.".

(2) Section 1513 of such title is amended by adding at the end the following new paragraph:

"(8) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.".

(c) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of such title is amended by adding at the end the following new paragraphs:

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by a forensic pathologist

that the body recovered is that of the missing person. In determining whether to make such a certification, the forensic pathologist shall consider, as determined necessary by the Secretary of the military department concerned, additional evidence and information provided by appropriate specialists in forensic medicine or other appropriate medical sciences.".

(d) MISSING PERSON'S COUNSEL.—(1) Sections 1503(f)(1) and 1504(f)(1) of such title are amended by adding at the end the following: "The identity of counsel appointed under this paragraph for a missing person shall be made known to the missing person's primary next of kin and any other previously designated person of the person.".

(2) Section 1503(f)(4) of such title is amended by adding at the end the following: "The primary next of kin of a missing person and any other previously designated person of the missing person shall have the right to submit information to the missing person's counsel relative to the disappearance or status of the missing person.".

(e) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of such title is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a) REVIEW OF STATUS.—(1) If new information (as defined in paragraph (2)) is found or received that may be related to one or more unaccounted for persons described in subsection (b) (whether or not such information specifically relates (or may specifically relate) to any particular such unaccounted for person), that information shall be provided to the Secretary of Defense. Upon receipt of such information, the Secretary shall ensure that the information is treated under paragraphs (2) and (3) of section 1505(c) of this title and under section 1505(d) of this title in the same manner as information received under paragraph (1) of section 1505(c) of this title. For purposes of the applicability of other provisions of this chapter in such a case, each such unaccounted for person to whom the new information may be related shall be considered to be a missing person.

"(2) For purposes of this subsection, new information is information that is credible and that—

"(A) is found or received after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

"(B) is identified after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).".

(2) Such section is further amended by adding at the end the following new subsection:

"(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1) if the Secretary possesses information relevant to that person's status. In the case of a person described in subsection (b)(1) for whom a personnel file does not exist, the Secretary shall create a personnel file for such person upon receipt of new information as provided in subsection (a). Each such file

shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.".

(f) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting "(1)" before "The Secretary";

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

(3) by adding at the end the following:

"(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to the primary next of kin, members of the immediate family, and the previously designated person.".

(g) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by inserting "or about unnamed missing persons" in the first sentence after "the debriefing report";

(B) by striking out "the missing person" in the second sentence and inserting in lieu thereof "each missing person named in the debriefing report"; and

(C) by adding at the end the following new sentence: "Any information contained in the extract of the debriefing report that pertains to unnamed missing persons shall be made reasonably accessible to the primary next of kin, members of the immediate family, and the previously designated person."; and

(2) in paragraph (3), by inserting ", or part of a debriefing report," after "a debriefing report".

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 1998.
Sec. 602. Reform of basic allowance for subsistence.
Sec. 603. Consolidation of basic allowance for quarters, variable housing allowance, and overseas housing allowances.
Sec. 604. Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances.
Sec. 605. Protection of total compensation of members while performing certain duty.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. One-year extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Increase in minimum monthly rate of hazardous duty incentive pay for certain members.
Sec. 615. Increase in aviation career incentive pay.
Sec. 616. Modification of aviation officer retention bonus.
Sec. 617. Availability of multiyear retention bonus for dental officers.
Sec. 618. Increase in variable and additional special pays for certain dental officers.
Sec. 619. Availability of special pay for duty at designated hardship duty locations.

Sec. 620. Definition of sea duty for purposes of career sea pay.
Sec. 621. Modification of Selected Reserve reenlistment bonus.
Sec. 622. Modification of Selected Reserve enlistment bonus for former enlisted members.
Sec. 623. Expansion of reserve affiliation bonus to include Coast Guard Reserve.
Sec. 624. Increase in special pay and bonuses for nuclear-qualified officers.
Sec. 625. Provision of bonuses in lieu of special pay for enlisted members extending tours of duty at designated locations overseas.
Sec. 626. Increase in amount of family separation allowance.
Sec. 627. Deadline for payment of Ready Reserve muster duty allowance.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Travel and transportation allowances for dependents before approval of member's court-martial sentence.
Sec. 632. Dislocation allowance.

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

Sec. 641. One-year opportunity to discontinue participation in Survivor Benefit Plan.
Sec. 642. Time in which change in survivor benefit coverage from former spouse to spouse may be made.
Sec. 643. Review of Federal former spouse protection laws.
Sec. 644. Annuities for certain military surviving spouses.
Sec. 645. Administration of benefits for so-called minimum income widows.

Subtitle E—Other Matters

Sec. 651. Loan repayment program for commissioned officers in certain health professions.
Sec. 652. Conformance of NOAA commissioned officers separation pay to separation pay for members of other uniformed services.
Sec. 653. Eligibility of Public Health Service officers and NOAA commissioned corps officers for reimbursement of adoption expenses.
Sec. 654. Payment of back quarters and subsistence allowances to World War II veterans who served as guerrilla fighters in the Philippines.
Sec. 655. Subsistence of members of the Armed Forces above the poverty level.

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1998.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment, to become effective during fiscal year 1998, required by section 1009 of title 37, United States Code (as amended by section 604), in the rate of monthly basic pay authorized members of the uniformed services by section 203(a) of such title shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 1998, the rates of basic pay of members of the uniformed services are increased by 2.8 percent.

SEC. 602. REFORM OF BASIC ALLOWANCE FOR SUBSISTENCE.

(a) ENTITLEMENT TO ALLOWANCE.—Section 402 of title 37, United States Code, is amended to read as follows:

"§ 402. Basic allowance for subsistence

"(a) ENTITLEMENT TO ALLOWANCE.—(1) Except as provided in paragraph (2) or otherwise provided by law, each member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for subsistence as set forth in this section.

"(2) An enlisted member is not entitled to the basic allowance for subsistence during basic training.

"(b) RATES OF ALLOWANCE BASED ON FOOD COSTS.—(1) The monthly rate of basic allowance for subsistence to be in effect for an enlisted member for a year (beginning on January 1 of that year) shall be the amount that is halfway between the following

amounts, which are determined by the Secretary of Agriculture as of October 1 of the preceding year:

"(A) The amount equal to the monthly cost of a moderate-cost food plan for a male in the United States who is between 20 and 50 years of age.

"(B) The amount equal to the monthly cost of a liberal food plan for a male in the United States who is between 20 and 50 years of age.

"(2) The monthly rate of basic allowance for subsistence to be in effect for an officer for a year (beginning on January 1 of that year) shall be the amount equal to the monthly rate of basic allowance for subsistence in effect for officers for the preceding year, increased by the same percentage by which the rate of basic allowance for subsistence for enlisted members for the preceding year is increased effective on such January 1.

"(c) ADVANCE PAYMENT.—The allowance to an enlisted member may be paid in advance for a period of not more than three months.

"(d) SPECIAL RULE FOR MEMBERS AUTHORIZED TO MESS SEPARATELY.—(1) In areas prescribed by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, an enlisted member described in paragraph (2) is entitled to not more than the pro rata allowance established under subsection (b)(1) for each meal the member buys from a source other than a messing facility of the United States.

"(2) An enlisted member referred to in paragraph (1) is a member who is granted permission to mess separately and whose duties require the member to buy at least one meal from a source other than a messing facility of the United States.

"(e) POLICIES ON USE OF DINING AND MESSING FACILITIES.—The Secretary of Defense, in consultation with the Secretaries concerned, shall prescribe policies regarding use of dining and field messing facilities of the uniformed services.

"(f) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations for the administration of this section. Before prescribing the regulations, the Secretary shall consult with each Secretary concerned.

"(2) The regulations shall include the specific rates of basic allowance for subsistence required by subsection (b).".

(b) CONFORMING AMENDMENTS.—(1) Section 404 of title 37, United States Code, is amended—

(A) by striking out subsection (g); and

(B) by redesignating subsections (h), (i), (j), and (k) as subsections (g), (h), (i), and (j), respectively.

(2) Section 6081(a) of title 10, United States Code, is amended by striking out "Except" and all that follows through "subsistence, each" and inserting in lieu thereof "Each".

(c) TRANSITIONAL AUTHORITY TO PROVIDE BASIC ALLOWANCE FOR SUBSISTENCE.—

(1) TRANSITIONAL AUTHORITY.—Notwithstanding section 402 of title 37, United States Code, as amended by subsection (a), during the period beginning on January 1, 1998, and ending on the date determined under paragraph (2)—

(A) the basic allowance for subsistence shall not be paid under such section 402;

(B) a member of the uniformed services is entitled to the basic allowance for subsistence only as provided in subsection (d);

(C) an enlisted member of the uniformed services may be paid a partial basic allowance for subsistence as provided in subsection (e); and

(D) the rates of the basic allowance for subsistence are those rates determined under subsection (f).

(2) TERMINATION OF TRANSITIONAL AUTHORITY.—The transitional authority provided under paragraph (1) shall terminate on the first day of the month immediately following the first month for which the monthly equivalent of the rate of basic allowance for subsistence payable to enlisted members of the uniformed services (when permission to mess separately is granted), as determined under subsection (f)(2), is equal to or is exceeded by the amount that, except for paragraph (1)(A), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code, as amended by subsection (a).

(d) TRANSITIONAL ENTITLEMENT TO ALLOWANCE.—

(1) ENLISTED MEMBERS.—

(A) TYPES OF ENTITLEMENT.—An enlisted member is entitled to the basic allowance for subsistence, on a daily basis, of under one or more of the following circumstances:

(i) When rations in kind are not available.

(ii) When permission to mess separately is granted.

(iii) When assigned to duty under emergency conditions where no messing facilities of the United States are available.

(B) OTHER ENTITLEMENT CIRCUMSTANCES.—An enlisted member is entitled to the allowance while on an authorized leave of absence, while confined in a hospital, or while performing travel under orders away from the member's designated post of duty other than field duty or sea duty (as defined in regulations prescribed by the Secretary of Defense). For purposes of the preceding sentence, a member shall not be considered to be performing travel under orders away from his designated post of duty if such member—

(i) is an enlisted member serving the member's first tour of active duty;

(ii) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

(iii) is not actually traveling between stations pursuant to orders directing a change of station.

(C) ADVANCE PAYMENT.—The allowance to an enlisted member, when authorized, may be paid in advance for a period of not more than three months.

(2) OFFICERS.—An officer of a uniformed service who is entitled to basic pay is, at all times, entitled to the basic allowances for subsistence. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

(e) TRANSITIONAL AUTHORITY FOR PARTIAL ALLOWANCE.—

(1) ENLISTED MEMBERS FURNISHED SUBSISTENCE IN KIND.—The Secretary of Defense may provide in regulations for an enlisted member of a uniformed service to be paid a partial basic allowance for subsistence when—

(A) rations in kind are available to the member;

(B) the member is not granted permission to mess separately; or

(C) the member is assigned to duty under emergency conditions where messing facilities of the United States are available.

(2) MONTHLY PAYMENT.—Any partial basic allowance for subsistence authorized under paragraph (1) shall be calculated on a daily basis and paid on a monthly basis.

(f) TRANSITIONAL RATES.—

(1) ALLOWANCE FOR OFFICERS.—The monthly rate of basic allowance for subsistence for a year (beginning on January 1 of that year) that is payable to officers of the uniformed services shall be the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was payable to officers of the uniformed services for the preceding year.

(2) ALLOWANCE FOR ENLISTED MEMBER WITH PERMISSION TO MESS SEPARATELY.—The monthly rate of basic allowance for subsistence for a year (beginning on January 1 of that year) that is payable to an enlisted member of the uniformed services entitled to the allowance under subsection (d)(1) shall be the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was in effect for similarly situated enlisted members of the uniformed services for the preceding year.

(3) PARTIAL ALLOWANCE FOR OTHER ENLISTED MEMBERS.—The monthly rate of any partial basic allowance for subsistence for a year (beginning on January 1 of that year) payable to an enlisted member of the uniformed services eligible for the allowance under the regulations prescribed under subsection (e)(1) shall be the amount equal to the lesser of the following:

(A) The sum of—

(i) the partial basic allowance for subsistence in effect for the preceding year; and

(ii) the amount equal to the difference, if any, between—

(I) the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the preceding year for members of the uniformed services above grade E–1 (when permission to mess separately is granted), increased by the same percentage by which the rates of basic pay for members of the uniformed services is increased for the current year; and

(II) the amount equal to 101 percent of the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the previous year for members of the uniformed services above grade E–1 (when permission to mess separately is granted),

with the amount so determined under this clause multiplied by the number of members estimated to be entitled to receive basic allowance for subsistence

under subsection (d) for the current year and then divided by the number of members estimated to be eligible for the partial allowance under the regulations prescribed under subsection (e)(1) for that year.

(B) The amount equal to the difference between—

(i) the amount that, except for subsection (c)(1)(A), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code; and

(ii) the amount equal to the monthly equivalent of the value of a daily ration, as determined by the Under Secretary of Defense (Comptroller) as of October 1 of the preceding year.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1998.

SEC. 603. CONSOLIDATION OF BASIC ALLOWANCE FOR QUARTERS, VARIABLE HOUSING ALLOWANCE, AND OVERSEAS HOUSING ALLOWANCES.

(a) CONSOLIDATION OF ALLOWANCES.—Section 403 of title 37, United States Code, is amended to read as follows:

"§ 403. Basic allowance for housing

"(a) GENERAL ENTITLEMENT.—(1) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for housing at the monthly rates prescribed under this section or another provision of law with regard to the applicable component of the basic allowance for housing. The amount of the basic allowance for housing for a member will vary according to the pay grade in which the member is assigned or distributed for basic pay purposes, the dependency status of the member, and the geographic location of the member. The basic allowance for housing may be paid in advance.

"(2) A member of a uniformed service with dependents is not entitled to a basic allowance for housing as a member with dependents unless the member makes a certification to the Secretary concerned indicating the status of each dependent of the member. The certification shall be made in accordance with regulations prescribed by the Secretary of Defense.

"(b) BASIC ALLOWANCE FOR HOUSING INSIDE THE UNITED STATES.—(1) The Secretary of Defense shall determine the costs of adequate housing in a military housing area in the United States for all members of the uniformed services entitled to a basic allowance for housing in that area. The Secretary shall base the determination upon the costs of adequate housing for civilians with comparable income levels in the same area.

"(2) Subject to paragraph (3), the monthly amount of a basic allowance for housing for an area of the United States for a member of a uniformed service is equal to the difference between—

"(A) the monthly cost of adequate housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member; and

"(B) 15 percent of the national average monthly cost of adequate housing in the United States, as determined by the Secretary, for members of the uniformed services serving in

the same pay grade and with the same dependency status as the member.

"(3) The rates of basic allowance for housing shall be reduced as necessary to comply with this paragraph. The total amount that may be paid for a fiscal year for the basic allowance for housing under this subsection is the product of—

"(A) the total amount authorized to be paid for such allowance for the preceding fiscal year (as adjusted under paragraph (5)); and

"(B) a fraction—

"(i) the numerator of which is the index of the national average monthly cost of housing for June of the preceding fiscal year; and

"(ii) the denominator of which is the index of the national average monthly cost of housing for June of the fiscal year before the preceding fiscal year.

"(4) An adjustment in the rates of the basic allowance for housing under this subsection as a result of the Secretary's redetermination of housing costs in an area shall take effect on the same date as the effective date of the next increase in basic pay under section 1009 of this title or other provision of law.

"(5) In making a determination under paragraph (3) for a fiscal year, the amount authorized to be paid for the preceding fiscal year for the basic allowance for housing shall be adjusted to reflect changes during the year for which the determination is made in the number, grade distribution, geographic distribution in the United States, and dependency status of members of the uniformed services entitled to the allowance from the number of such members during the preceding fiscal year.

"(6) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for housing within an area of the United States, the monthly amount of the allowance for the member may not be reduced as a result of changes in housing costs in the area, changes in the national average monthly cost of housing, or the promotion of the member.

"(7) In the case of a member without dependents who is assigned to duty inside the United States, the location or the circumstances of which make it necessary that the member be reassigned under the conditions of low-cost or no-cost permanent change of station or permanent change of assignment, the member may be treated as if the member were not reassigned if the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the cost of housing in the area to which the member is reassigned.

"(c) BASIC ALLOWANCE FOR HOUSING OUTSIDE THE UNITED STATES.—(1) The Secretary of Defense may prescribe an overseas basic allowance for housing for a member of a uniformed service who is on duty outside of the United States. The Secretary shall establish the basic allowance for housing under this subsection on the basis of housing costs in the overseas area in which the member is assigned.

"(2) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for housing in an overseas area and the actual monthly cost of housing for the member is not reduced, the monthly amount of the allowance in an area outside the United States may not be reduced as a result

of changes in housing costs in the area or the promotion of the member. The monthly amount of the allowance may be adjusted to reflect changes in currency rates.

"(d) BASIC ALLOWANCE FOR HOUSING WHEN DEPENDENTS ARE UNABLE TO ACCOMPANY MEMBER.—(1) A member of a uniformed service with dependents who is on permanent duty at a location described in paragraph (2) is entitled to a family separation basic allowance for housing under this subsection at a monthly rate equal to the rate of the basic allowance for housing established under subsection (b) or the overseas basic allowance for housing established under subsection (c), whichever applies to that location, for members in the same grade at that location without dependents.

"(2) A permanent duty location referred to in paragraph (1) is a location—

"(A) to which the movement of the member's dependents is not authorized at the expense of the United States under section 406 of this title, and the member's dependents do not reside at or near the location; and

"(B) at which quarters of the United States are not available for assignment to the member.

"(3) In the case of a member with dependents who is assigned to duty at a location or under circumstances that, as determined by the Secretary concerned, require the member's dependents to reside at a different location, the member shall receive a basic allowance for housing, as provided in subsection (a) or (b), as if the member were assigned to duty in the area in which the dependents reside, regardless of whether the member resides in quarters of the United States or is also entitled to a family separation basic allowance for housing by reason of paragraph (1).

"(4) The family separation basic allowance for housing under this subsection shall be in addition to any other allowance or per diem that the member is otherwise entitled to receive under this title. A member may receive a basic allowance for housing under both paragraphs (1) and (3).

"(e) EFFECT OF ASSIGNMENT TO QUARTERS.—(1) Except as otherwise provided by law, a member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service appropriate to the grade, rank, or rating of the member and adequate for the member and dependents of the member, if with dependents, is not entitled to a basic allowance for housing.

"(2) A member without dependents who is in a pay grade above pay grade E–6 and who is assigned to quarters in the United States or a housing facility under the jurisdiction of a uniformed service, appropriate to the grade or rank of the member and adequate for the member, may elect not to occupy those quarters and instead to receive the basic allowance for housing prescribed for the member's pay grade by this section.

"(3) A member without dependents who is in pay grade E–6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Secretary of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for housing prescribed for the member's pay grade under this section.

"(4) The Secretary concerned may deny the right to make an election under paragraph (2) or (3) if the Secretary determines that the exercise of such an election would adversely affect a training mission, military discipline, or military readiness.

"(5) A member with dependents who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service may be paid the basic allowance for housing if, because of orders of competent authority, the dependents are prevented from occupying those quarters.

"(f) INELIGIBILITY DURING INITIAL FIELD DUTY OR SEA DUTY.—(1) A member of a uniformed service without dependents who makes a permanent change of station for assignment to a unit conducting field operations is not entitled to a basic allowance for housing while on that initial field duty unless the commanding officer of the member certifies that the member was necessarily required to procure quarters at the member's expense.

"(2)(A) Except as provided in subparagraphs (B) and (C), a member of a uniformed service without dependents who is in a pay grade below pay grade E–6 is not entitled to a basic allowance for housing while the member is on sea duty.

"(B) Under regulations prescribed by the Secretary concerned, the Secretary may authorize the payment of a basic allowance for housing to a member of a uniformed service without dependents who is serving in pay grade E–5 and is assigned to sea duty. In prescribing regulations under this subparagraph, the Secretary concerned shall consider the availability of quarters for members serving in pay grade E–5.

"(C) Notwithstanding section 421 of this title, two members of the uniformed services in a pay grade below pay grade E–6 who are married to each other, have no other dependents, and are simultaneously assigned to sea duty are jointly entitled to one basic allowance for housing during the period of such simultaneous sea duty. The amount of the allowance shall be based on the without dependents rate for the pay grade of the senior member of the couple. However, this subparagraph shall not apply to a couple if one or both of the members are entitled to a basic allowance for housing under subparagraph (B).

"(3) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, shall prescribe regulation defining the terms 'field duty' and 'sea duty' for purposes of this section.

"(g) RESERVE MEMBERS.—(1) A member of a reserve component without dependents who is called or ordered to active duty in support of a contingency operation, or a retired member without dependents who is ordered to active duty under section 688(a) of title 10 in support of a contingency operation, may not be denied a basic allowance for housing if, because of that call or order, the member is unable to continue to occupy a residence—

"(A) which is maintained as the primary residence of the member at the time of the call or order; and

"(B) which is owned by the member or for which the member is responsible for rental payments.

"(2) Paragraph (1) shall not apply if the member is authorized transportation of household goods under section 406 of this title as part of the call or order to active duty described in such paragraph.

"(3) The Secretary of Defense shall establish a rate of basic allowance for housing to be paid to a member of a reserve component while the member serves on active duty under a call or order to active duty specifying a period of less than 140 days, unless the call or order to active duty is in support of a contingency operation.

"(h) RENTAL OF PUBLIC QUARTERS.—Notwithstanding any other law (including those restricting the occupancy of housing facilities under the jurisdiction of a department or agency of the United States by members, and their dependents, of the armed forces above specified grades, or by members, and their dependents, of the National Oceanic and Atmospheric Administration and the Public Health Service), a member of a uniformed service, and the dependents of the member, may be accepted as tenants in, and may occupy on a rental basis, any of those housing facilities, other than public quarters constructed or designated for assignment to an occupancy without charge by such a member and the dependents of the member, if any. Such a member may not, because of occupancy under this subsection, be deprived of any money allowance to which the member is otherwise entitled for the rental of quarters.

"(i) TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS.—A member of a uniformed service who is in a pay grade E–4 (4 or more years of service) or above is entitled to a temporary basic allowance for housing (at a rate determined by the Secretary of Defense) while the member is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when the member is not assigned to quarters of the United States.

"(j) AVIATION CADETS.—The eligibility of an aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard for a basic allowance for housing shall be determined as if the aviation cadet were a member of the uniformed services in pay grade E–4.

"(k) ADMINISTRATION.—(1) The Secretary of Defense shall prescribe regulations for the administration of this section.

"(2) The Secretary concerned may make such determinations as may be necessary to administer this section, including determinations of dependency and relationship. When warranted by the circumstances, the Secretary concerned may reconsider and change or modify any such determination. The authority of the Secretary concerned under this subsection may be delegated. Any determination made under this section with regard to a member of the uniformed services is final and is not subject to review by any accounting officer of the United States or a court, unless there is fraud or gross negligence.

"(3) Parking facilities (including utility connections) provided members of the uniformed services for house trailers and mobile homes not owned by the Government shall not be considered to be quarters for the purposes of this section or any other provision of law. Any fees established by the Government for the use of such a facility shall be established in an amount sufficient to cover the cost of maintenance, services, and utilities and to amortize the cost of construction of the facility over the 25-year period beginning with the completion of such construction.

"(l) TEMPORARY CONTINUATION OF ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY.—(1) The Secretary of Defense, or the Secretary of Transportation in the case of the Coast Guard when not operating as a service in the Navy, may

allow the dependents of a member of the armed forces who dies on active duty and whose dependents are occupying family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard, other than on a rental basis on the date of the member's death to continue to occupy such housing without charge for a period of 180 days.

"(2) The Secretary concerned may pay a basic allowance for housing (at the rate that is payable for members of the same grade and dependency status as the deceased member for the area where the dependents are residing) to the dependents of a member of the uniformed services who dies while on active duty and whose dependents—

"(A) are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death;

"(B) are occupying such housing on a rental basis on such date; or

"(C) vacate such housing sooner than 180 days after the date of the member's death.

"(3) The payment of the allowance under paragraph (2) shall terminate 180 days after the date of the member's death.

"(m) MEMBERS PAYING CHILD SUPPORT.—(1) A member of a uniformed service with dependents may not be paid a basic allowance for housing at the with dependents rate solely by reason of the payment of child support by the member if—

"(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service; or

"(B) the member is assigned to sea duty, and elects not to occupy assigned quarters for unaccompanied personnel, unless the member is in a pay grade above E–4.

"(2) A member of a uniformed service assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service who is not otherwise authorized a basic allowance for housing and who pays child support is entitled to the basic allowance for housing differential, except for months for which the amount payable for the child support is less than the rate of the differential. Payment of a basic allowance for housing differential does not affect any entitlement of the member to a partial allowance for quarters under subsection (n).

"(3) The basic allowance for housing differential to which a member is entitled under paragraph (2) is the amount equal to the difference between—

"(A) the rate of the basic allowance for quarters (with dependents) for the member's pay grade, as such rate was in effect on December 31, 1997, under this section (as in effect on that date); and

"(B) the rate of the basic allowance for quarters (without dependents) for the member's pay grade, as such rate was in effect on December 31, 1997, under this section (as in effect on that date).

"(4) Whenever the rates of basic pay for members of the uniformed services are increased, the monthly amount of the basic allowance for housing differential computed under paragraph (3) shall be increased by the average percentage increase in the rates of basic pay. The effective date of the increase shall be the same date as the effective date of the increase in the rates of basic pay.

"(5) In the case of two members, who have one or more common dependents (and no others), who are not married to each other, and one of whom pays child support to the other, the amount of the basic allowance for housing paid to each member under this section shall be reduced in accordance with regulations prescribed by the Secretary of Defense. The total amount of the basic allowances for housing paid to the two members may not exceed the sum of the amounts of the allowance to which each member would be otherwise entitled under this section.

"(n) PARTIAL ALLOWANCE FOR MEMBERS WITHOUT DEPENDENTS.—(1) A member of a uniformed service without dependents who is not entitled to receive a basic allowance for housing under subsection (b), (c), or (d) is entitled to a partial basic allowance for housing at a rate determined by the Secretary of Defense under paragraph (2).

"(2) The rate of the partial basic allowance for housing is the partial rate of the basic allowance for quarters for the member's pay grade as such partial rate was in effect on December 31, 1997, under section 1009(c)(2) of this title (as such section was in effect on such date).".

(b) TRANSITION TO BASIC ALLOWANCE FOR HOUSING.—The Secretary of Defense shall develop and implement a plan to incrementally manage the rate of growth of the various components of the basic allowance for housing authorized by section 403 of title 37, United States Code (as amended by subsection (a)), during a transition period of not more than six years. During the transition period, the Secretary may continue to use the authorities provided under sections 403, 403a, 405(b), and 427(a) of title 37, United States Code (as in effect on the day before the date of the enactment of this Act), but subject to such modifications as the Secretary considers necessary, to provide allowances for members of the uniformed services.

(c) REPEAL OF SUPERSEDED AUTHORITIES.—(1) Section 403a of title 37, United States Code, is repealed.

(2) Section 405 of such title is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Section 427 of such title is amended—

(A) by striking out subsection (a); and

(B) in subsection (b)—

(i) by striking out "(b) ADDITIONAL SEPARATION ALLOWANCE.—" and inserting in lieu thereof "(a) ENTITLEMENT TO ALLOWANCE.—";

(ii) in paragraph (1)—

(I) by striking out ", including subsection (a)," in the matter preceding the subparagraphs;

(II) by inserting "or" at the end of subparagraph (B);

(III) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a period; and

(IV) by striking out subparagraph (D);

(iii) in paragraph (3)—

(I) by striking out "(3) An allowance" and inserting in lieu thereof "(b) ENTITLEMENT WHEN NO RESIDENCE OR HOUSEHOLD MAINTAINED FOR DEPENDENTS.—An allowance"; and

(II) by striking out "this subsection" and inserting in lieu thereof "subsection (a)";

(iv) in paragraph (4)—

(I) by striking out "(4) A member" and inserting in lieu thereof "(c) EFFECT OF ELECTION TO SERVE UNACCOMPANIED TOUR OF DUTY.—A member"; and

(II) by striking out "paragraph (1)(A) of this subsection" and inserting in lieu thereof "subsection (a)(1)(A)"; and

(v) by striking out paragraph (5) and inserting in lieu thereof the following new subsection:

"(d) ENTITLEMENT WHILE SPOUSE ENTITLED TO BASIC PAY.—A member married to another member of the uniformed services becomes entitled, regardless of any other dependency status, to an allowance under subsection (a) by virtue of duty prescribed in subparagraph (A), (B), or (C) of paragraph (1) of such subsection if the members were residing together immediately before being separated by reasons of execution of military orders. Section 421 of this title does not apply to bar the entitlement to an allowance under this section. However, not more than one monthly allowance may be paid with respect to a married couple under this section.".

(4) The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by striking out the items relating to sections 403 and 403a and inserting in lieu thereof the following new item:

"403. Basic allowance for housing.".

(d) CONFORMING AMENDMENTS.—(1) Title 37, United States Code, is amended—

(A) in section 101(25), by striking out "basic allowance for quarters (including any variable housing allowance or station housing allowance)" and inserting in lieu thereof "basic allowance for housing";

(B) in section 406(c), by striking out "sections 404 and 405" and inserting in lieu thereof "sections 403(c), 404, and 405";

(C) in section 420(c), by striking out "quarters" and inserting in lieu thereof "housing";

(D) in section 551(3)(D), by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing"; and

(E) in section 1014(a), by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing".

(2) Title 10, United States Code, is amended—

(A) in section 708(c)(1), by striking out "basic allowance for quarters or basic allowance for subsistence" and inserting in lieu thereof "basic allowance for housing under section 403 of title 37, basic allowance for subsistence under section 402 of such title,";

(B) in section 2830(a)—

(i) in paragraph (1), by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing under section 403 of title 37"; and

(ii) in paragraph (2), by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing";

(C) in section 2882(b)—

(i) in paragraph (1), by striking out "section 403(b)" and inserting in lieu thereof "section 403"; and

(ii) in paragraph (2), by striking out "basic allowance for quarters" and all that follows through the end of the paragraph and inserting in lieu thereof "basic allowance for housing under section 403 of title 37.";

(D) in section 7572(b)—

(i) in paragraph (1), by striking out "the total of—" and all that follows through the end of the paragraph and inserting in lieu thereof "the basic allowance for housing payable under section 403 of title 37 to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship."; and

(ii) in paragraph (2), by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing"; and

(E) in section 7573, by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing under section 403 of title 37".

(3) Section 5561(6)(D) of title 5, United States Code, is amended by striking out "basic allowance for quarters" and inserting in lieu thereof "basic allowance for housing".

(4) Section 107(b) of title 32, United States Code, is amended by striking out "and quarters" and inserting in lieu thereof "and housing".

(5) Section 4(k)(10) of the Military Selective Service Act (50 U.S.C. App. 454(k)(10)) is amended by striking out "as such terms" and all that follows through "extended or amended" and inserting in lieu thereof "shall be entitled to receive a dependency allowance equal to the basic allowance for housing provided for persons in pay grade E–1 under section 403 of title 37, United States Code,".

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1998.

SEC. 604. REVISION OF AUTHORITY TO ADJUST COMPENSATION NECESSITATED BY REFORM OF SUBSISTENCE AND HOUSING ALLOWANCES.

(a) REMOVAL OF REFERENCES TO BAS AND BAQ.—(1) Section 1009 of title 37, United States Code, is amended to read as follows:

"§ 1009. Adjustments of monthly basic pay

"(a) ADJUSTMENT REQUIRED.—Whenever the General Schedule of compensation for Federal classified employees, as contained in section 5332 of title 5, is adjusted upward as provided in section 5303 of such title, the President shall immediately make an upward adjustment in the monthly basic pay authorized members of the uniformed services by section 203(a) of this title.

"(b) EFFECTIVENESS OF ADJUSTMENT.—An adjustment under this section shall—

"(1) have the force and effect of law; and

"(2) carry the same effective date as that applying to the compensation adjustments provided General Schedule employees.

"(c) EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.—Subject to subsection (d), an adjustment under this section shall provide

all eligible members with an increase in the monthly basic pay which is of the same percentage as the overall average percentage increase in the General Schedule rates of both basic pay and locality pay for civilian employees.

"(d) ALLOCATION OF INCREASE AMONG PAY GRADES AND YEARS-OF-SERVICE.—(1) Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, he may allocate the overall percentage increase in the monthly basic pay under subsection (a) among such pay grade and years-of-service categories as he considers appropriate.

"(2) In making any allocation of an overall percentage increase in basic pay under paragraph (1)—

"(A) the amount of the increase in basic pay for any given pay grade and years-of-service category after any allocation made under this subsection may not be less than 75 percent of the amount of the increase in the monthly basic pay that would otherwise have been effective with respect to such pay grade and years-of-service category under subsection (c); and

"(B) the percentage increase in the monthly basic pay in the case of any member of the uniformed services with four years or less service may not exceed the overall percentage increase in the General Schedule rates of basic pay for civilian employees.

"(e) NOTICE OF ALLOCATIONS.—Whenever the President plans to exercise the authority of the President under subsection (d) with respect to any anticipated increase in the monthly basic pay of members of the uniformed services, the President shall advise Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase.

"(f) QUADRENNIAL ASSESSMENT OF ALLOCATIONS.—The allocations of increases made under this section shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b) of this title.".

(2) The item relating to such section in the table of sections at the beginning of chapter 19 of such title is amended to read as follows:

"1009. Adjustments of monthly basic pay.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1998.

SEC. 605. PROTECTION OF TOTAL COMPENSATION OF MEMBERS WHILE PERFORMING CERTAIN DUTY.

Section 1009 of title 37, United States Code, as amended by section 604, is further amended—

(1) by redesignating subsection (f) as subsection (g); and

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

"(f) PROTECTION OF MEMBER'S TOTAL COMPENSATION WHILE PERFORMING CERTAIN DUTY.—(1) The total daily equivalent amount of the elements of compensation described in paragraph (3), together with other pay and allowances under this title, to be paid to a member of the uniformed services who is temporarily assigned to duty away from the member's permanent duty station or to duty under field conditions at the member's permanent duty station shall not be less, for any day during the assignment period, than the total amount, for the day immediately preceding the date of

the assignment, of the elements of compensation and other pay and allowances of the member.

"(2) Paragraph (1) shall not apply with respect to an element of compensation or other pay or allowance of a member during an assignment described in such paragraph to the extent that the element of compensation or other pay or allowance is reduced or terminated due to circumstances unrelated to the assignment.

"(3) The elements of compensation referred to in this subsection mean—

"(A) the monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

"(B) the basic allowance for subsistence authorized members of the uniformed services by section 402 of this title; and

"(C) the basic allowance for housing authorized members of the uniformed services by section 403 of this title.".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of title 37, United States Code, as redesignated by section 622, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1998" and inserting in lieu thereof "October 1, 1999".

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

SEC. 613. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1998," and inserting in lieu thereof "September 30, 1999,".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(c) ENLISTMENT BONUSES FOR MEMBERS WITH CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999".

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1998" and inserting in lieu thereof "October 1, 1999".

SEC. 614. INCREASE IN MINIMUM MONTHLY RATE OF HAZARDOUS DUTY INCENTIVE PAY FOR CERTAIN MEMBERS.

(a) AERIAL FLIGHT CREWMEMBERS.—The table in subsection (b) of section 301 of title 37, United States Code, is amended—

(1) by striking out "110" each place it appears and inserting in lieu thereof "150"; and

(2) by striking out "125" each place it appears and inserting in lieu thereof "150".

(b) AIR WEAPONS CONTROLLER AIRCREW.—The table in subsection (c)(2)(A) of such section is amended—

(1) by striking out "100" in the first column of amounts and inserting in lieu thereof "150";

(2) by striking out "110" in the last column of amounts and inserting in lieu thereof "150"; and

(3) by striking out "125" each place it appears and inserting in lieu thereof "150".

(c) OTHER MEMBERS.—Subsection (c)(1) of such section is amended—

(1) by striking out "$110" and inserting in lieu thereof "$150"; and

(2) by striking out "$165" and inserting in lieu thereof "$225".

SEC. 615. INCREASE IN AVIATION CAREER INCENTIVE PAY.

(a) AMOUNTS.—The table in subsection (b)(1) of section 301a of title 37, United States Code, is amended—

(1) by inserting at the end of phase I of the table the following:

"Over 14	840";

and

(2) by striking out phase II of the table and inserting in lieu thereof the following:

"PHASE II

"Years of service as an officer:	"Monthly rate
"Over 22	$585
"Over 23	495
"Over 24	385
"Over 25	250".

(b) CONFORMING AMENDMENTS.—Such subsection is further amended in the matter after the table by striking out "18 years" both places it appears and inserting in lieu thereof "22 years".

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on January 1, 1999, and shall apply with respect to months beginning on or after that date.

SEC. 616. MODIFICATION OF AVIATION OFFICER RETENTION BONUS.

(a) INCREASE IN BONUS AMOUNTS.—Subsection (c) of section 301b of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out "$12,000" and inserting in lieu thereof "$25,000"; and

(2) in paragraph (2), by striking out "$6,000" and inserting in lieu thereof "$12,000".

(b) DURATION OF AGREEMENT.—Paragraph (2) of such subsection is further amended by striking out "one or two years" and inserting in lieu thereof "one, two, or three years".

(c) CONTENT OF ANNUAL REPORT.—Subsection (i)(1) of such section is amended—

(1) by inserting "and" at the end of subparagraph (A);

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

(3) by striking out subparagraph (C).

(d) DEFINITION OF AVIATION SPECIALTY.—Subsection (j)(2) of such section is amended by inserting "specific" before "community" both places it appears.

(e) EFFECTIVE DATES AND APPLICABILITY.—The amendments made by this section shall take effect as of October 1, 1996, and shall apply with respect to agreements accepted under section 301b of title 37, United States Code, on or after that date.

SEC. 617. AVAILABILITY OF MULTIYEAR RETENTION BONUS FOR DENTAL OFFICERS.

(a) AVAILABILITY OF RETENTION BONUS.—Chapter 5 of title 37, United States Code, is amended by inserting after section 301d the following new section:

"§ 301e. Multiyear retention bonus: dental officers of the armed forces

"(a) BONUS AUTHORIZED.—(1) A dental officer described in subsection (b) who executes a written agreement to remain on active duty for two, three, or four years after completion of any other active-duty service commitment may, upon acceptance of the written agreement by the Secretary of the military department concerned, be paid a retention bonus as provided in this section.

"(2) The amount of a retention bonus under paragraph (1) may not exceed $14,000 for each year covered by a four-year agreement. The maximum yearly retention bonus for two-year and three-year agreements shall be reduced to reflect the shorter service commitment.

"(b) OFFICERS AUTOMATICALLY ELIGIBLE.—Subsection (a) applies to an officer of the armed forces who—

"(1) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer;

"(2) has a dental specialty in oral and maxillofacial surgery;

"(3) is in a pay grade below pay grade O–7;

"(4) has at least eight years of creditable service (computed as described in section 302b(g) of this title) or has completed any active-duty service commitment incurred for dental education and training; and

"(5) has completed initial residency training (or will complete such training before September 30 of the fiscal year in which the officer enters into an agreement under subsection (a)).

"(c) EXTENSION OF BONUS TO OTHER DENTAL OFFICERS.—At the discretion of the Secretary of the military department concerned, the Secretary may enter into a written agreement described in subsection (a)(1) with a dental officer who does not have the dental specialty specified in subsection (b)(2), and pay a retention bonus to such an officer as provided in this section, if the officer otherwise satisfies the eligibility requirements specified in subsection (b). The Secretaries shall exercise the authority provided in this section in a manner consistent with regulations prescribed by the Secretary of Defense.

"(d) REFUNDS.—(1) Refunds shall be required, on a pro rata basis, of sums paid under this section if the officer who has received the payment fails to complete the total period of active duty specified in the agreement, as conditions and circumstances warrant.

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

"(3) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement

or under paragraph (1). This paragraph applies to any case commenced under title 11 after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 301d the following new item:

"301e. Multiyear retention bonus: dental officers of the armed forces.".

SEC. 618. INCREASE IN VARIABLE AND ADDITIONAL SPECIAL PAYS FOR CERTAIN DENTAL OFFICERS.

(a) VARIABLE SPECIAL PAY FOR JUNIOR OFFICERS.—Paragraph (2) of section 302b(a) of title 37, United States Code, is amended by striking out subparagraphs (C), (D), (E), and (F) and inserting in lieu thereof the following new subparagraphs:

"(C) $7,000 per year, if the officer has at least six but less than eight years of creditable service.

"(D) $12,000 per year, if the officer has at least eight but less than 12 years of creditable service.

"(E) $10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

"(F) $9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(G) $8,000 per year, if the officer has 18 or more years of creditable service.".

(b) VARIABLE SPECIAL PAY FOR SENIOR OFFICERS.—Paragraph (3) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$7,000".

(c) ADDITIONAL SPECIAL PAY.—Paragraph (4) of such section is amended by striking out subparagraphs (B), (C), and (D) and inserting in lieu thereof the following new subparagraphs:

"(B) $6,000 per year, if the officer has at least three but less than 10 years of creditable service.

"(C) $15,000 per year, if the officer has 10 or more years of creditable service.".

SEC. 619. AVAILABILITY OF SPECIAL PAY FOR DUTY AT DESIGNATED HARDSHIP DUTY LOCATIONS.

(a) SPECIAL PAY AUTHORIZED.—Subsection (a) of section 305 of title 37, United States Code, is amended to read as follows:

"(a) SPECIAL PAY AUTHORIZED.—A member of a uniformed service who is entitled to basic pay may be paid special pay under this section at a monthly rate not to exceed $300 while the member is on duty at a location in the United States or outside the United States designated by the Secretary of Defense as a hardship duty location.".

(b) CROSS REFERENCES AND REGULATIONS.—Such section is further amended—

(1) in subsection (b)—

(A) by inserting "EXCEPTION FOR CERTAIN MEMBERS SERVING IN CERTAIN LOCATIONS.—" after "(b)"; and

(B) by striking out "as foreign duty pay" and inserting in lieu thereof "as hardship duty location pay";

(2) in subsection (c)—

(A) by inserting "EXCEPTION FOR MEMBERS RECEIVING CAREER SEA PAY.—" after "(c)"; and

(B) by striking out "special pay under this section" and inserting in lieu thereof "hardship duty location pay under subsection (a)"; and

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

"(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the provision of hardship duty location pay under subsection (a), including the specific monthly rates at which the special pay will be available.".

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

"§ 305. Special pay: hardship duty location pay".

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by striking out the item relating to section 305 and inserting in lieu thereof the following new item:

"305. Special pay: hardship duty location pay.".

(d) CONFORMING AMENDMENT.—Section 907(d) of title 37, United States Code, is amended by striking out "duty at certain places" and inserting in lieu thereof "duty at a hardship duty location".

(e) TRANSITION.—Until such time as the Secretary of Defense prescribes regulations regarding the provision of hardship duty location pay under section 305 of title 37, United States Code, as amended by this section, the Secretary may continue to use the authority provided by such section 305, as in effect on the day before the date of the enactment of this Act, to provide special pay to enlisted members of the uniformed services on duty at certain places.

SEC. 620. DEFINITION OF SEA DUTY FOR PURPOSES OF CAREER SEA PAY.

Section 305a(d) of title 37, United States Code, is amended—

(1) in paragraph (1)(A), by striking out ", ship-based staff, or ship-based aviation unit";

(2) in paragraph (1)(B), by striking out "or ship-based staff";

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

(4) by inserting after paragraph (1) the following new paragraph:

"(2) The Secretary concerned may designate duty performed by a member while serving on a ship the primary mission of which is accomplished either while under way or in port as 'sea duty' for purposes of this section, even though the duty is performed while the member is permanently or temporarily assigned to a ship-based staff or other unit not covered by paragraph (1).".

SEC. 621. MODIFICATION OF SELECTED RESERVE REENLISTMENT BONUS.

(a) ELIGIBLE MEMBERS.—Subsection (a)(1) of section 308b of title 37, United States Code, is amended by striking out "ten years" and inserting in lieu thereof "14 years".

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

"(b) BONUS AMOUNTS; PAYMENT.—(1) The amount of a bonus under this section may not exceed—

"(A) $5,000, in the case of a member who reenlists or extends an enlistment for a period of six years;

"(B) $2,500, in the case of a member who, having never received a bonus under this section, reenlists or extends an enlistment for a period of three years; and

"(C) $2,000, in the case of a member who, having received a bonus under this section for a previous three-year reenlistment or extension of an enlistment, reenlists or extends the enlistment for an additional period of three years.

"(2) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.".

(c) SPECIAL ELIGIBILITY REQUIREMENTS; NUMBER OF INDIVIDUAL BONUSES.—Subsection (c) of such section is amended to read as follows:

"(c) CONDITION ON ELIGIBILITY; LIMITATION ON NUMBER OF BONUSES.—(1) To be eligible for a second bonus under this section in the amount specified in subsection (b)(1)(C), a member must—

"(A) enter into the subsequent reenlistment or extension of an enlistment for a period of three years not later than the date on which the enlistment or extension for which the first bonus was paid would expire; and

"(B) still satisfy the designated skill or unit requirements required under subsection (a)(2).

"(2) A member may not be paid more than one six-year bonus or two three-year bonuses under this section.".

(d) EFFECT OF FAILURE TO SERVE SATISFACTORILY.—Subsection (d) of such section is amended to read as follows:

"(d) REPAYMENT OF BONUS.—A member who receives a bonus under this section and who fails, during the period for which the bonus was paid, to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same ratio to the amount of the bonus paid to the member as the period that the member failed to serve satisfactorily bears to the total period for which the bonus was paid.".

(e) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "AUTHORITY AND ELIGIBILITY REQUIREMENTS.—" after "(a)";

(2) in subsection (e), by inserting "REGULATIONS.—" after "(e)"; and

(3) in subsection (f), by inserting "TERMINATION OF AUTHORITY.—" after "(f)".

SEC. 622. MODIFICATION OF SELECTED RESERVE ENLISTMENT BONUS FOR FORMER ENLISTED MEMBERS.

(a) ELIGIBLE PERSONS.—Subsection (a)(2) of section 308i of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking out "10 years" and inserting in lieu thereof "14 years";

(2) in subparagraph (C), by striking out "and";

(3) by redesignating subparagraph (D) as subparagraph (E);

(4) in subparagraph (E) (as so redesignated), by inserting "(except under this section)" after "bonus"; and

(5) by inserting after subparagraph (C) the following new subparagraph:

"(D) is projected to occupy a position as a member of the Selected Reserve in a specialty in which—

"(i) the person successfully served while a member on active duty; and

"(ii) the person attained a level of qualification while a member on active duty commensurate with the grade and years of service of the member; and".

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

"(b) BONUS AMOUNTS; PAYMENT.—(1) The amount of a bonus under this section may not exceed—

"(A) $5,000, in the case of a person who enlists for a period of six years;

"(B) $2,500, in the case of a person who, having never received a bonus under this section, enlists for a period of three years; and

"(C) $2,000, in the case of a person who, having received a bonus under this section for a previous three-year enlistment, reenlists or extends the enlistment for an additional period of three years.

"(2) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.".

(c) SPECIAL ELIGIBILITY REQUIREMENTS; NUMBER OF INDIVIDUAL BONUSES.—Subsection (c) of such section is amended to read as follows:

"(c) CONDITION ON ELIGIBILITY; LIMITATION ON NUMBER OF BONUSES.—(1) To be eligible for a second bonus under this section in the amount specified in subsection (b)(1)(C), a person must—

"(A) enter into a reenlistment or extension of an enlistment for a period of three years not later than the date on which the enlistment for which the first bonus was paid would expire; and

"(B) still satisfy the eligibility requirements under subsection (a).

"(2) A person may not be paid more than one six-year bonus or two three-year bonuses under this section.".

(d) REORGANIZATION OF SECTION.—Such section is further amended—

(1) by redesignating subsections (e), (f), and (g) as paragraphs (2), (3), and (4), respectively, of subsection (d); and

(2) by redesignating subsections (h) and (i) as subsections (e) and (f), respectively.

(e) CONFORMING AND CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "AUTHORITY AND ELIGIBILITY REQUIREMENTS.—" after "(a)";

(2) in subsection (d)—

(A) by inserting "REPAYMENT OF BONUS.—(1)" after "(d)";

(B) in paragraphs (2) and (4), as redesignated by subsection (d)(1), by striking out "subsection (d)" and inserting in lieu thereof "paragraph (1)"; and

(C) in paragraph (3), as redesignated by subsection (d)(1)—

(i) by striking out "subsection (h)" and inserting in lieu thereof "subsection (e)"; and

(ii) by striking out "subsection (d)" and inserting in lieu thereof "paragraph (1)";

(3) in subsection (e), as redesignated by subsection (d)(2), by inserting "REGULATIONS.—" after "(e)"; and

(4) in subsection (f), as redesignated by subsection (d)(2), by inserting "TERMINATION OF AUTHORITY.—" after "(f)".

SEC. 623. EXPANSION OF RESERVE AFFILIATION BONUS TO INCLUDE COAST GUARD RESERVE.

Section 308e of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "Under regulations prescribed by the Secretary of Defense, the Secretary of a military department" and inserting in lieu thereof "The Secretary concerned";

(2) in subsection (b)(3), by striking out "designated by the Secretary of Defense for the purposes of this section" and inserting in lieu thereof "designated for purposes of this section in the regulations prescribed under subsection (f)";

(3) in subsection (c)(3), by striking out "regulations prescribed by the Secretary of Defense" and inserting in lieu thereof "the regulations prescribed under subsection (f)"; and

(4) by adding at the end the following new subsections:

"(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary of Defense and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"(g) The authority in subsection (a) does not apply to the Secretary of Commerce and the Secretary of Health and Human Services.".

SEC. 624. INCREASE IN SPECIAL PAY AND BONUSES FOR NUCLEAR-QUALIFIED OFFICERS.

(a) SPECIAL PAY FOR OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(a) of title 37, United States Code, is amended by striking out "$12,000" and inserting in lieu thereof "$15,000".

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(a)(1) of title 37, United States Code, is amended by striking out "$8,000" and inserting in lieu thereof "$10,000".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUSES.—Section 312c of title 37, United States Code, is amended—

(1) in subsection (a)(1), by striking out "$10,000" and inserting in lieu thereof "$12,000"; and

(2) in subsection (b)(1), by striking out "$4,500" and inserting in lieu thereof "$5,500".

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect as of October 1, 1997.

(2) The amendments made by subsections (a) and (b) shall apply with respect to agreements accepted under sections 312(a) and 312b(a), respectively, of title 37, United States Code, on or after October 1, 1997.

SEC. 625. PROVISION OF BONUSES IN LIEU OF SPECIAL PAY FOR ENLISTED MEMBERS EXTENDING TOURS OF DUTY AT DESIGNATED LOCATIONS OVERSEAS.

(a) INCLUSION OF BONUS INCENTIVE.—(1) Section 314 of title 37, United States Code, is amended to read as follows:

"§ 314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas

"(a) COVERED MEMBERS.—This section applies with respect to an enlisted member of an armed force who—

"(1) is entitled to basic pay;

"(2) has a specialty that is designated by the Secretary concerned for the purposes of this section;

"(3) has completed a tour of duty (as defined in accordance with regulations prescribed by the Secretary concerned) at a location outside the 48 contiguous States and the District of Columbia that is designated by the Secretary concerned for the purposes of this section; and

"(4) at the end of that tour of duty executes an agreement to extend that tour for a period of not less than one year.

"(b) SPECIAL PAY OR BONUS AUTHORIZED.—Upon the acceptance by the Secretary concerned of the agreement providing for an extension of the tour of duty of an enlisted member described in subsection (a), the member is entitled, at the election of the Secretary concerned, to either—

"(1) special pay in monthly installments in an amount prescribed by the Secretary, but not to exceed $80 per month; or

"(2) an annual bonus in an amount prescribed by the Secretary, but not to exceed $2,000 per year.

"(c) SELECTION AND PAYMENT OF SPECIAL PAY OR BONUS.—Not later than the date on which the Secretary concerned accepts an agreement described in subsection (a)(4) providing for the extension of a member's tour of duty, the Secretary concerned shall notify the member regarding whether the member will receive special pay or a bonus under this section. The payment rate for the special pay or bonus shall be fixed at the time of the agreement and may not be changed during the period of the extended tour of duty. The Secretary concerned may pay a bonus under this section either in a lump sum or installments.

"(d) REPAYMENT OF BONUS.—(1) A member who, having entered into a written agreement to extend a tour of duty for a period under subsection (a), receives a bonus payment under subsection (b)(2) for a 12-month period covered by the agreement and ceases during that 12-month period to perform the agreed tour of duty shall refund to the United States the unearned portion of the bonus. The unearned portion of the bonus is the amount by which the amount of the bonus paid to the member exceeds the amount determined by multiplying the amount of the bonus paid by the percent determined by dividing 12 into the number of full months during which the member performed the duty in the 12-month period.

"(2) The Secretary concerned may waive the obligation of a member to reimburse the United States under paragraph (1) if the Secretary determines that conditions and circumstances warrant the waiver.

"(3) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement does not discharge the member signing the agreement from a debt arising under the agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

"(e) EFFECT OF REST AND RECUPERATIVE ABSENCE.—A member who elects to receive one of the benefits specified in section 705(b) of title 10 as part of the extension of a tour of duty is not entitled to the special pay authorized by subsection (b)(1) for the period of the extension of duty for which the benefit under such section is provided.".

(2) The item relating to section 314 in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas.".

(b) APPLICATION OF AMENDMENT.—Section 314 of title 37, United States Code, as amended by subsection (a), shall apply with respect to an agreement to extend a tour of duty as provided in such section executed on or after October 1, 1997.

SEC. 626. INCREASE IN AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code (as amended by section 603), is further amended in subsection (a)(1) by striking out "$75" and inserting in lieu thereof "$100".

SEC. 627. DEADLINE FOR PAYMENT OF READY RESERVE MUSTER DUTY ALLOWANCE.

Section 433(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "and shall be" and all that follows through "is performed"; and

(2) by inserting after the first sentence the following new sentence: "The allowance may be paid to the member before, on, or after the date on which the muster duty is performed, but not later than 30 days after that date.".

Subtitle C—Travel and Transportation Allowances

SEC. 631. TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS BEFORE APPROVAL OF MEMBER'S COURT-MARTIAL SENTENCE.

Section 406(h)(2)(C) of title 37, United States Code, is amended by striking out the comma at the end of clause (iii) and all that follows through "title 10." and inserting in lieu thereof a period.

SEC. 632. DISLOCATION ALLOWANCE.

(a) IN GENERAL.—Section 407 of title 37, United States Code, is amended to read as follows:

"§ 407. Travel and transportation allowances: dislocation allowance

"(a) ELIGIBILITY FOR PRIMARY DISLOCATION ALLOWANCE.—(1) Under regulations prescribed by the Secretary concerned, a member of a uniformed service described in paragraph (2) is entitled to a primary dislocation allowance at the rate determined under subsection (c) for the member's pay grade and dependency status.

"(2) A member of the uniformed services referred to in paragraph (1) is any of the following:

"(A) A member who makes a change of permanent station and the member's dependents actually make an authorized move in connection with the change, including a move by the dependents—

"(i) to join the member at the member's duty station after an unaccompanied tour of duty when the member's next tour of duty is an accompanied tour at the same station; and

"(ii) to a location designated by the member after an accompanied tour of duty when the member's next tour of duty is an unaccompanied tour at the same duty station.

"(B) A member whose dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title.

"(C) A member whose dependents actually move from their place of residence under circumstances described in section 406a of this title.

"(D) A member who is without dependents and—

"(i) actually moves to a new permanent station where the member is not assigned to quarters of the United States; or

"(ii) actually moves from a place of residence under circumstances described in section 406a of this title.

"(E) A member who is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.

"(3) If a primary dislocation allowance is paid under this subsection to a member described in subparagraph (C) or (D)(ii) of paragraph (2), the member is not entitled to another dislocation allowance as a member described in subparagraph (A) or (E) of such paragraph in connection with the same move.

"(b) SECONDARY ALLOWANCE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES.—(1) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a primary dislocation allowance under subsection (a) as a member described in paragraph (2)(C) or (2)(D)(ii) of such subsection, the member is also entitled to a secondary dislocation allowance at the rate determined under subsection (c) for the member's pay grade and dependency status if, subsequent to the member or the member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title.

"(2) If a secondary dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance

as a member described in paragraph (2)(A) or (2)(E) of subsection (a) in connection with those moves.

"(c) DISLOCATION ALLOWANCE RATES.—(1) The amount of the dislocation allowance to be paid under this section to a member shall be based on the member's pay grade and dependency status at the time the member becomes entitled to the allowance.

"(2) The initial rate for the dislocation allowance, for each pay grade and dependency status, shall be equal to the rate in effect for that pay grade and dependency status on December 31, 1997, as adjusted by the average percentage increase in the rates of basic pay for calendar year 1998. Effective on the same date that the monthly rates of basic pay for members are increased for a subsequent calendar year, the Secretary of Defense shall adjust the rates for the dislocation allowance for that calendar year by the percentage equal to the average percentage increase in the rates of basic pay for that calendar year.

"(d) FISCAL YEAR LIMITATION; EXCEPTIONS.—(1) A member is not entitled to more than one dislocation allowance under this section during a fiscal year unless—

"(A) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

"(B) the member is ordered to a service school as a change of permanent station;

"(C) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

"(D) subparagraph (C) or (D)(ii) of subsection (a)(2) or subsection (b) apply with respect to the member or the member's dependents.

"(2) This subsection does not apply in time of national emergency or in time of war.

"(e) FIRST OR LAST DUTY.—A member is not entitled to payment of a dislocation allowance under this section when the member is ordered from the member's home to the member's first duty station or from the member's last duty station to the member's home.

"(f) RULE OF CONSTRUCTION.—For purposes of this section, a member whose dependents may not make an authorized move in connection with a change of permanent station is considered a member without dependents.

"(g) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1998.

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

SEC. 641. ONE-YEAR OPPORTUNITY TO DISCONTINUE PARTICIPATION IN SURVIVOR BENEFIT PLAN.

(a) ELECTION TO DISCONTINUE WITHIN ONE YEAR AFTER SECOND ANNIVERSARY OF COMMENCEMENT OF PAYMENT OF RETIRED PAY.—(1) Subchapter II of chapter 73 of title 10, United States Code, is amended by inserting after section 1448 the following new section:

"§ 1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay

"(a) AUTHORITY.—A participant in the Plan may, subject to the provisions of this section, elect to discontinue participation in the Plan at any time during the one-year period beginning on the second anniversary of the date on which payment of retired pay to the participant commences.

"(b) CONCURRENCE OF SPOUSE.—

"(1) CONCURRENCE REQUIRED.—A married participant may not (except as provided in paragraph (2)) make an election under subsection (a) without the concurrence of the participant's spouse.

"(2) EXCEPTIONS.—A participant may make such an election without the concurrence of the participant's spouse by establishing to the satisfaction of the Secretary concerned that one of the conditions specified in section 1448(a)(3)(C) of this title exists.

"(3) FORM OF CONCURRENCE.—The concurrence of a spouse under paragraph (1) shall be made in such written form and shall contain such information as may be required under regulations prescribed by the Secretary of Defense.

"(c) LIMITATION ON ELECTION WHEN FORMER SPOUSE COVERAGE IN EFFECT.—The limitation set forth in section 1450(f)(2) of this title applies to an election to discontinue participation in the Plan under subsection (a).

"(d) WITHDRAWAL OF ELECTION TO DISCONTINUE.—Section 1448(b)(1)(D) of this title applies to an election under subsection (a).

"(e) CONSEQUENCES OF DISCONTINUATION.—Section 1448(b)(1)(E) of this title applies to an election under subsection (a).

"(f) NOTICE TO AFFECTED BENEFICIARIES.—The Secretary concerned shall notify any former spouse or other natural person previously designated under section 1448(b) of this title of an election to discontinue participation under subsection (a).

"(g) EFFECTIVE DATE OF ELECTION.—An election under subsection (a) is effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

"(h) INAPPLICABILITY OF IRREVOCABILITY PROVISIONS.—Paragraphs (4)(B) and (5)(C) of section 1448(a) of this title do not apply to prevent an election under subsection (a).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1448 the following new item:

"1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay.".

(b) TRANSITION PROVISION FOR CURRENT PARTICIPANTS.—Notwithstanding the limitation on the time for making an election under section 1448a of title 10, United States Code (as added by subsection (a)), that is specified in subsection (a) of such section, a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of such title may make an election in accordance with that section within one year after the effective date of that section under subsection (c) if the second anniversary of the

commencement of payment of retired pay to the participant precedes that effective date.

(c) EFFECTIVE DATE.—Section 1448a of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

SEC. 642. TIME IN WHICH CHANGE IN SURVIVOR BENEFIT COVERAGE FROM FORMER SPOUSE TO SPOUSE MAY BE MADE.

(a) EXTENSION OF TIME FOR CHANGE.—Section 1450(f)(1)(C) of title 10, United States Code, is amended by adding at the end the following new sentence: "Notwithstanding the preceding sentence, a change of election under this subsection to provide an annuity to a spouse instead of a former spouse may (subject to paragraph (2)) be made at any time after the person providing the annuity remarries without regard to the time limitation in section 1448(a)(5)(B) of this title.".

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

SEC. 643. REVIEW OF FEDERAL FORMER SPOUSE PROTECTION LAWS.

(a) REVIEW REQUIRED.—The Secretary of Defense shall carry out a comprehensive review (including a comparison) of—

(1) the protections, benefits, and treatment afforded under Federal law to members and former members of the uniformed services and former spouses of such persons; and

(2) the protections, benefits, and treatment afforded under Federal law to employees and former employees of the Government and former spouses of such persons.

(b) MILITARY PERSONNEL MATTERS TO BE REVIEWED.—In the case of members and former members of the uniformed services and former spouses of such persons, the review under subsection (a) shall include the following:

(1) All provisions of law (principally those originally enacted in the Uniformed Services Former Spouses' Protection Act (title X of Public Law 97–252)) that—

(A) establish, provide for the enforcement of, or otherwise protect interests of members and former members of the uniformed services and former spouses of such persons in retired or retainer pay of members and former members; or

(B) provide other benefits for members and former members of the uniformed services and former spouses of such persons.

(2) The experience of the uniformed services in administering those provisions of law, including the adequacy and effectiveness of the legal assistance provided by the Department of Defense in matters related to the Uniformed Services Former Spouses' Protection Act.

(3) The experience of members and former members of the uniformed services and former spouses of such persons in the administration of those provisions of law.

(4) The experience of members and former members of the uniformed services and former spouses of such persons in the application of those provisions of law by State courts.

(5) The history of State statutes and State court interpretations of the Uniformed Services Former Spouses' Protection Act and other provisions of Federal law described in paragraph

(1)(A) and the extent to which those interpretations follow those laws.

(c) CIVILIAN PERSONNEL MATTERS TO BE REVIEWED.—In the case of former spouses of employees and former employees of the Government, the review under subsection (a) shall include the following:

(1) All provisions of law that—

(A) establish, provide for the enforcement of, or otherwise protect interests of employees and former employees of the Government and former spouses of such persons in annuities of employees and former employees under Federal employees' retirement systems; or

(B) provide other benefits for employees and former employees of the Government and former spouses of such persons.

(2) The experience of the Office of Personnel Management and other agencies of the Government in administering those provisions of law.

(3) The experience of employees and former employees of the Government and former spouses of such persons in the administration of those provisions of law.

(4) The experience of employees and former employees of the Government and former spouses of such persons in the application of those provisions of law by State courts.

(d) SAMPLING AUTHORIZED.—The Secretary may use sampling in carrying out the review under this section.

(e) REPORT.—Not later than September 30, 1999, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the review under subsection (a). The report shall include any recommendations for legislation that the Secretary considers appropriate.

SEC. 644. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms "uniformed services" and "Secretary concerned" have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term "surviving spouse" has the meaning given the terms "widow" and "widower" in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month that begins after the month in which this Act is enacted.

(f) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

SEC. 645. ADMINISTRATION OF BENEFITS FOR SO-CALLED MINIMUM INCOME WIDOWS.

(a) PAYMENTS TO BE MADE BY SECRETARY OF VETERANS AFFAIRS.—Section 653(d) of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 1448 note) is amended—

(1) by inserting "(1)" before "An annuity" the first place it appears; and

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

"(2) Payment of annuities under this section shall be made by the Secretary of Veterans Affairs. In making such payments, the Secretary shall combine the payment under this section with the payment of any amount due the same person under section 4 of Public Law 92–425 (10 U.S.C. 1448 note), as provided in subsection (e)(1) of that section. The Secretary concerned shall transfer amounts for payments under this section to the Secretary of Veterans Affairs in the same manner as is provided under subsection (e)(2) of section 4 of Public Law 92–425 for payments under that section.".

(b) COMBINATION WITH OTHER BENEFITS.—Section 4(e)(1) of Public Law 92–425 (10 U.S.C. 1448 note) is amended—

(1) by inserting after the first sentence the following new sentence: "In making such payments, the Secretary shall combine with the payment under this section payment of any amount due the same person under section 653(d) of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 1448 note).."; and

(2) by inserting "(and, if applicable, under section 653(d) of the National Defense Authorization Act, Fiscal Year 1989)" after "under this section".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the first day of the first month beginning after the date of the enactment of this Act and shall apply with respect

to payments of benefits for months beginning on or after that date, except that the Secretary of Veterans Affairs may provide, if necessary for administrative implementation, that such amendments shall apply beginning with a later month, not later than the first month beginning more than 180 days after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 651. LOAN REPAYMENT PROGRAM FOR COMMISSIONED OFFICERS IN CERTAIN HEALTH PROFESSIONS.

(a) IN GENERAL.—Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2173. Education loan repayment program: commissioned officers in specified health professions

"(a) AUTHORITY TO REPAY EDUCATION LOANS.—For the purpose of maintaining adequate numbers of commissioned officers of the armed forces on active duty who are qualified in the various health professions, the Secretary of a military department may repay, in the case of a person described in subsection (b), a loan that—

"(1) was used by the person to finance education regarding a health profession; and

"(2) was obtained from a governmental entity, private financial institution, school, or other authorized entity.

"(b) ELIGIBLE PERSONS.—To be eligible to obtain a loan repayment under this section, a person must—

"(1) satisfy one of the requirements specified in subsection (c);

"(2) be fully qualified for, or hold, an appointment as a commissioned officer in one of the health professions; and

"(3) sign a written agreement to serve on active duty, or, if on active duty, to remain on active duty for a period in addition to any other incurred active duty obligation.

"(c) ACADEMIC AND PROFESSIONAL REQUIREMENTS.—One of the following academic requirements must be satisfied for purposes of determining the eligibility of a person for a loan repayment under this section:

"(1) The person is fully qualified in a health care profession that the Secretary of the military department concerned has determined to be necessary to meet identified skill shortages.

"(2) The person is enrolled as a full-time student in the final year of a course of study at an accredited educational institution leading to a degree in a health profession other than medicine or osteopathic medicine.

"(3) The person is enrolled in the final year of an approved graduate program leading to specialty qualification in medicine, dentistry, osteopathic medicine, or other health profession.

"(d) CERTAIN PERSONS INELIGIBLE.—Participants of the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of this title and students of the Uniformed Services University of the Health Sciences established under section 2112 of this title are not eligible for the repayment of an education loan under this section.

"(e) LOAN REPAYMENTS.—(1) Subject to the limits established by paragraph (2), a loan repayment under this section may consist

of payment of the principal, interest, and related expenses of a loan obtained by a person described in subsection (b) for—

"(A) all educational expenses, comparable to all educational expenses recognized under section 2127(a) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program; and

"(B) reasonable living expenses, not to exceed expenses comparable to the stipend paid under section 2121(d) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

"(2) For each year of obligated service that a person agrees to serve in an agreement described in subsection (b)(3), the Secretary of the military department concerned may pay not more than $22,000 on behalf of the person. This maximum amount shall be increased annually by the Secretary of Defense effective October 1 of each year by the percentage equal to the percent increase in the average annual cost of educational expenses and stipend costs of a single scholarship under the Armed Forces Health Professions Scholarship and Financial Assistance program. The total amount that may be repaid on behalf of any person may not exceed an amount determined on the basis of a four-year active duty service obligation.

"(f) ACTIVE DUTY SERVICE OBLIGATION.—(1) A person entering into an agreement described in subsection (b)(3) incurs an active duty service obligation. The length of this obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each maximum annual amount, or portion thereof, paid on behalf of the person for qualified loans.

"(2) For persons on active duty before entering into the agreement, the active duty service obligation shall be served consecutively to any other obligation incurred under the agreement.

"(g) EFFECT OF FAILURE TO COMPLETE OBLIGATION.—A commissioned officer who is relieved of the officer's active duty obligation under this section before the completion of that obligation may be given, with or without the consent of the officer, any alternative obligation comparable to any of the alternative obligations authorized by section 2123(e) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

"(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section, including standards for qualified loans and authorized payees and other terms and conditions for the making of loan repayments.".

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

"2173. Education loan repayment program: commissioned officers in specified health professions.".

SEC. 652. CONFORMANCE OF NOAA COMMISSIONED OFFICERS SEPARATION PAY TO SEPARATION PAY FOR MEMBERS OF OTHER UNIFORMED SERVICES.

(a) ELIMINATION OF LIMITATIONS ON AMOUNT OF SEPARATION PAY.—Section 9 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h) is amended—

(1) in subsection (b)(1), by striking out ", or $30,000, whichever is less";

(2) in subsection (b)(2), by striking out ", but in no event more than $15,000"; and

(3) in subsection (d), by striking out "(1)", and by striking out paragraph (2).

(b) WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY.—Section 9(e)(2) of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h(e)(2)) is amended in the first sentence by inserting before the period at the end the following: ", less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986)".

(c) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect as of October 1, 1997, and shall apply to payments of separation pay that are made after September 30, 1997.

SEC. 653. ELIGIBILITY OF PUBLIC HEALTH SERVICE OFFICERS AND NOAA COMMISSIONED CORPS OFFICERS FOR REIMBURSEMENT OF ADOPTION EXPENSES.

(a) PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

"(16) Section 1052, Reimbursement for adoption expenses.".

(b) NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act of August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following new paragraph:

"(16) Section 1052, Reimbursement for adoption expenses.".

(c) PROSPECTIVE APPLICABILITY.—The amendments made by this section shall apply only to adoptions that are completed on or after the date of the enactment of this Act.

SEC. 654. PAYMENT OF BACK QUARTERS AND SUBSISTENCE ALLOWANCES TO WORLD WAR II VETERANS WHO SERVED AS GUERRILLA FIGHTERS IN THE PHILIPPINES.

(a) IN GENERAL.—The Secretary of the military department concerned shall pay, upon request, to an individual described in subsection (b) the amount determined with respect to that individual under subsection (c).

(b) COVERED INDIVIDUALS.—A payment under subsection (a) shall be made to any individual who as a member of the Armed Forces during World War II—

(1) was captured within the territory of the Philippines by Japanese forces;

(2) escaped from captivity; and

(3) served as a guerrilla fighter in the Philippines during the period from January 1942 through February 1945.

(c) AMOUNT TO BE PAID.—The amount of a payment under subsection (a) shall be the amount of quarters and subsistence allowance which accrued to an individual described in subsection (b) during the period specified in paragraph (3) of subsection (b) and which was not paid to that individual. For the purposes of this subsection, the Secretary of War shall be deemed to have determined that conditions in the Philippines during the specified period justified payment under applicable regulations of quarters

and subsistence allowances at the maximum special rate for duty where emergency conditions existed. The Secretary shall apply interest compounded at the three-month Treasury bill rate.

(d) PAYMENT TO SURVIVORS.—In the case of any individual described in subsection (b) who is deceased, payment under this section with respect to that individual shall be made to that individual's nearest surviving relative, as determined by the Secretary concerned.

SEC. 655. SUBSISTENCE OF MEMBERS OF THE ARMED FORCES ABOVE THE POVERTY LEVEL.

(a) STUDY AND REPORT.—(1) The Secretary of Defense shall conduct a study of members of the Armed Forces and their families who subsist at, near, or below the poverty level. The study shall include the following:

(A) An analysis of potential solutions for ensuring that members of the Armed Forces and their families do not have to subsist at, near, or below the poverty level, including potential solutions involving changes in the system of allowances for members.

(B) Identification of the military populations most likely to need income support under Federal Government programs, including—

(i) the populations living in areas of the United States where housing costs are notably high;

(ii) the populations living outside the United States; and

(iii) the number of persons in each identified population.

(C) The desirability of increasing rates of basic pay and allowances for members over a defined period of years by a range of percentages that provides for higher percentage increases for lower ranking members than for higher ranking members.

(2) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the results of the study and such recommendations as the Secretary considers to be appropriate.

(b) IMPLEMENTATION OF DEPARTMENT OF DEFENSE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR PERSONNEL OUTSIDE THE UNITED STATES.—(1) Subsection (b) of section 1060a of title 10, United States Code, is amended to read as follows:

"(b) FEDERAL PAYMENTS AND COMMODITIES.—For the purpose of obtaining Federal payments and commodities in order to carry out the program referred to in subsection (a), the Secretary of Agriculture shall make available to the Secretary of Defense the same payments and commodities as are made for the special supplemental food program in the United States under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). The Secretary of Defense may use funds available for the Department of Defense to carry out the program under subsection (a).".

(2) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding the intentions of the Secretary regarding implementation of the program authorized under section 1060a of title 10, United States Code, including any plans to implement the program.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Expansion of retiree dental insurance plan to include surviving spouse and child dependents of certain deceased members.
Sec. 702. Provision of prosthetic devices to covered beneficiaries.
Sec. 703. Study concerning the provision of comparative information.

Subtitle B—TRICARE Program

Sec. 711. Addition of definition of TRICARE program to title 10.
Sec. 712. Plan for expansion of managed care option of TRICARE program.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Implementation of designated provider agreements for Uniformed Services Treatment Facilities.
Sec. 722. Continued acquisition of reduced-cost drugs.
Sec. 723. Limitation on total payments.

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

Sec. 731. Improvements in health care coverage and access for members assigned to certain duty locations far from sources of care.
Sec. 732. Waiver or reduction of copayments under overseas dental program.
Sec. 733. Premium collection requirements for medical and dental insurance programs; extension of deadline for implementation of dental insurance program for military retirees.
Sec. 734. Dental insurance plan coverage for retirees of the Public Health Service and NOAA.
Sec. 735. Consistency between CHAMPUS and Medicare in payment rates for services.
Sec. 736. Use of personal services contracts for provision of health care services and legal protection for providers.
Sec. 737. Portability of State licenses for Department of Defense health care professionals.
Sec. 738. Standard form and requirements regarding claims for payment for services.
Sec. 739. Chiropractic health care demonstration program.

Subtitle E—Other Matters

Sec. 741. Continued admission of civilians as students in physician assistant training program of Army Medical Department.
Sec. 742. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.
Sec. 743. Authority for agreement for use of medical resource facility, Alamogordo, New Mexico.
Sec. 744. Disclosures of cautionary information on prescription medications.
Sec. 745. Competitive procurement of certain ophthalmic services.
Sec. 746. Comptroller General study of adequacy and effect of maximum allowable charges for physicians under CHAMPUS.
Sec. 747. Comptroller General study of Department of Defense pharmacy programs.
Sec. 748. Comptroller General study of Navy graduate medical education program.
Sec. 749. Study of expansion of pharmaceuticals by mail program to include additional Medicare-eligible covered beneficiaries.
Sec. 750. Comptroller General study of requirement for military medical facilities in National Capital Region.
Sec. 751. Report on policies and programs to promote healthy lifestyles for members of the Armed Forces and their dependents.
Sec. 752. Sense of Congress regarding quality health care for retirees.

Subtitle F—Persian Gulf Illness

Sec. 761. Definitions.
Sec. 762. Plan for health care services for Persian Gulf veterans.
Sec. 763. Comptroller General study of revised disability criteria for physical evaluation boards.
Sec. 764. Medical care for certain reserves who served in Southwest Asia during the Persian Gulf War.
Sec. 765. Improved medical tracking system for members deployed overseas in contingency or combat operations.

Sec. 766. Notice of use of investigational new drugs or drugs unapproved for their applied use.
Sec. 767. Report on plans to track location of members in a theater of operations.
Sec. 768. Sense of Congress regarding the deployment of specialized units for detecting and monitoring chemical, biological, and similar hazards in a theater of operations.
Sec. 769. Report on effectiveness of research efforts regarding Gulf War illnesses.
Sec. 770. Persian Gulf illness clinical trials program.
Sec. 771. Sense of Congress concerning Gulf War illness.

Subtitle A—Health Care Services

SEC. 701. EXPANSION OF RETIREE DENTAL INSURANCE PLAN TO INCLUDE SURVIVING SPOUSE AND CHILD DEPENDENTS OF CERTAIN DECEASED MEMBERS.

Section 1076c(b)(4) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out "dies" and inserting in lieu thereof "died"; and

(B) by striking out "or" at the end of the subparagraph;

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

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

"(C) who died while on active duty for a period of more than 30 days and whose eligible dependents are not eligible, or no longer eligible, for dental benefits under section 1076a of this title pursuant to subsection (i)(2) of such section.".

SEC. 702. PROVISION OF PROSTHETIC DEVICES TO COVERED BENEFICIARIES.

(a) INCLUSION AMONG AUTHORIZED CARE.—Subsection (a) of section 1077 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(15) Prosthetic devices, as determined by the Secretary of Defense to be necessary because of significant conditions resulting from trauma, congenital anomalies, or disease.".

(b) CONFORMING AMENDMENT.—Subsection (b) of such section is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) Hearing aids, orthopedic footwear, and spectacles, except that, outside of the United States and at stations inside the United States where adequate civilian facilities are unavailable, such items may be sold to dependents at cost to the United States.".

SEC. 703. STUDY CONCERNING THE PROVISION OF COMPARATIVE INFORMATION.

(a) STUDY.—The Secretary of Defense shall conduct a study concerning the provision of the information described in subsection (b) to beneficiaries under the TRICARE program established under the authority of chapter 55 of title 10, United States Code, and prepare and submit to Congress a report concerning such study.

(b) PROVISION OF COMPARATIVE INFORMATION.—Information described in this subsection, with respect to a managed care entity that contracts with the Secretary of Defense to provide medical assistance under the program described in subsection (a), shall include the following:

(1) The benefits covered by the entity involved, including—

(A) covered items and services beyond those provided under a traditional fee-for-service program;

(B) any beneficiary cost sharing; and

(C) any maximum limitations on out-of-pocket expenses.

(2) The net monthly premium, if any, under the entity.

(3) The service area of the entity.

(4) To the extent available, quality and performance indicators for the benefits under the entity (and how they compare to such indicators under the traditional fee-for-service programs in the area involved), including—

(A) disenrollment rates for enrollees electing to receive benefits through the entity for the previous two years (excluding disenrollment due to death or moving outside the service area of the entity);

(B) information on enrollee satisfaction;

(C) information on health process and outcomes;

(D) grievance procedures;

(E) the extent to which an enrollee may select the health care provider of their choice, including health care providers within the network of the entity and out-of-network health care providers (if the entity covers out-of-network items and services); and

(F) an indication of enrollee exposure to balance billing and the restrictions on coverage of items and services provided to such enrollee by an out-of-network health care provider.

(5) Whether the entity offers optional supplemental benefits and the terms and conditions (including premiums) for such coverage.

(6) An overall summary description as to the method of compensation of participating physicians.

Subtitle B—TRICARE Program

SEC. 711. ADDITION OF DEFINITION OF TRICARE PROGRAM TO TITLE 10.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(7) The term 'TRICARE program' means the managed health care program that is established by the Department of Defense under the authority of this chapter, principally section 1097 of this title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.".

SEC. 712. PLAN FOR EXPANSION OF MANAGED CARE OPTION OF TRICARE PROGRAM.

(a) PLAN FOR EXPANSION OF TRICARE PRIME.—The Secretary of Defense shall prepare a plan for the expansion of the managed care option of the TRICARE Program, known as TRICARE Prime, into areas of the United States located outside of the catchment areas of medical treatment facilities of the uniformed services, but in which the managed care option is a cost-effective alternative because of—

(1) the significant number of members of the uniformed services and covered beneficiaries under chapter 55 of title 10, United States Code (including retired members of the Armed Forces and their dependents), who reside in the areas; and

(2) the presence in the areas of sufficient nonmilitary health care provider networks.

(b) ALTERNATIVES.—As an alternative to expansion of TRICARE Prime to areas of the United States in which there are few or no nonmilitary health care provider networks, the Secretary shall include in the plan required under subsection (a) an evaluation of the feasibility and cost-effectiveness of providing a member of the Armed Forces on active duty who is stationed in such an area, or whose dependents reside in such an area, with one or both of the following:

(1) A monetary stipend to assist the member in obtaining health care services for the member or the member's dependents.

(2) A reduction in the cost-sharing requirements applicable to the TRICARE program options otherwise available to the member to match the reduced cost-sharing responsibilities of the managed care option of the TRICARE program.

(c) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretary shall submit to Congress the plan required under subsection (a).

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. IMPLEMENTATION OF DESIGNATED PROVIDER AGREEMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.

(a) COMMENCEMENT OF HEALTH CARE SERVICES UNDER AGREEMENT.—Subsection (c) of section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting "(1)" before "Unless"; and

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

"(2) The Secretary may modify the effective date established under paragraph (1) for an agreement to permit a transition period of not more than six months between the date on which the agreement is executed by the parties and the date on which the designated provider commences the delivery of health care services under the agreement.".

(b) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—Subsection (d) of such section is amended by inserting before the period at the end the following: ", including any transitional period provided by the Secretary under paragraph (2) of such subsection".

SEC. 722. CONTINUED ACQUISITION OF REDUCED-COST DRUGS.

Section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new subsection:

"(g) CONTINUED ACQUISITION OF REDUCED-COST DRUGS.—A designated provider shall be treated as part of the Department of Defense for purposes of section 8126 of title 38, United States Code, in connection with the provision by the designated provider of health care services to covered beneficiaries pursuant to the participation agreement of the designated provider under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 42 U.S.C. 248c note) or pursuant to the agreement entered into under subsection (b).".

SEC. 723. LIMITATION ON TOTAL PAYMENTS.

Section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new sentence: "In establishing the ceiling rate for enrollees with the designated providers who are also eligible for the Civilian Health and Medical Program of the Uniformed Services, the Secretary of Defense shall take into account the health status of the enrollees.".

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

SEC. 731. IMPROVEMENTS IN HEALTH CARE COVERAGE AND ACCESS FOR MEMBERS ASSIGNED TO CERTAIN DUTY LOCATIONS FAR FROM SOURCES OF CARE.

(a) SUPPLEMENTAL CARE PROGRAM.—(1) Section 1074(c) of title 10, United States Code, is amended—

(A) by inserting "(1)" after "(c)"; and

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

"(2)(A) Subject to such exceptions as the Secretary of Defense considers necessary, coverage for medical care for members of the armed forces under this subsection, and standards with respect to timely access to such care, shall be comparable to coverage for medical care and standards for timely access to such care under the managed care option of the TRICARE program known as TRICARE Prime.

"(B) The Secretary of Defense shall enter into arrangements with contractors under the TRICARE program or with other appropriate contractors for the timely and efficient processing of claims under this subsection.

"(3)(A) The Secretary of Defense may not require a member of the armed forces described in subparagraph (B) to receive routine primary medical care at a military medical treatment facility.

"(B) A member referred to in subparagraph (A) is a member of the armed forces on active duty who is entitled to medical care under this subsection and who—

"(i) receives a duty assignment described in subparagraph (C); and

"(ii) pursuant to the assignment of such duty, resides at a location that is more than 50 miles, or approximately one hour of driving time, from the nearest military medical treatment facility adequate to provide the needed care.

"(C) A duty assignment referred to in subparagraph (B) means any of the following:

"(i) Permanent duty as a recruiter.

"(ii) Permanent duty at an educational institution to instruct, administer a program of instruction, or provide administrative services in support of a program of instruction for the Reserve Officers' Training Corps.

"(iii) Permanent duty as a full-time adviser to a unit of a reserve component.

"(iv) Any other permanent duty designated by the Secretary concerned for purposes of this paragraph.".

(2) The amendments made by paragraph (1) shall apply with respect to coverage of medical care for, and the provision of such care to, a member of the Armed Forces under section 1074(c) of title 10, United States Code, on and after the later of the following:

(A) April 1, 1998.

(B) The date on which the TRICARE program is in place in the service area of the member.

(b) TEMPORARY AUTHORITY FOR MANAGED CARE EXPANSION TO MEMBERS ON ACTIVE DUTY AT CERTAIN REMOTE LOCATIONS.—(1) A member of the Armed Forces described in subsection (c) is entitled to receive care under the Civilian Health and Medical Program of the Uniformed Services. In connection with such care, the Secretary of Defense shall waive the obligation of the member to pay a deductible, copayment, or annual fee that would otherwise be applicable under that program for care provided to the members under the program.

(2) A member who is entitled under paragraph (1) to receive health care services under CHAMPUS shall receive such care from a network provider under the TRICARE program if such a provider is available in the service area of the member.

(3) Paragraph (1) shall take effect on the date of the enactment of this Act and shall expire with respect to a member upon the later of the following:

(A) The date that is one year after the date of the enactment of this Act.

(B) The date on which the amendments made by subsection (a) apply with respect to the coverage of medical care for, and provision of such care to, the member.

(c) ELIGIBLE MEMBERS.—A member referred to in subsection (b) is a member of the Armed Forces on active duty who—

(1) receives a duty assignment described in subsection (d); and

(2) pursuant to the assignment of such duty, resides at a location that is more than 50 miles, or approximately one hour of driving time, from—

(A) the nearest health care facility of the uniformed services adequate to provide the needed care under chapter 55 of title 10, United States Code; and

(B) the nearest source of the needed care that is available to the member under the TRICARE Prime plan.

(d) DUTY ASSIGNMENTS COVERED.—A duty assignment referred to in subsection (c)(1) means any of the following:

(1) Permanent duty as a recruiter.

(2) Permanent duty at an educational institution to instruct, administer a program of instruction, or provide administrative services in support of a program of instruction for the Reserve Officers' Training Corps.

(3) Permanent duty as a full-time adviser to a unit of a reserve component of the Armed Forces.

(4) Any other permanent duty designated by the Secretary concerned for purposes of this subsection.

(e) PAYMENT OF COSTS.—Deductibles, copayments, and annual fees not payable by a member by reason of a waiver granted under the regulations prescribed pursuant to subsection (b) shall be paid out of funds available to the Department of Defense for the Defense Health Program.

(f) DEFINITIONS.—In this section:

(1) The term "TRICARE program" has the meaning given that term in section 1072(7) of title 10, United States Code.

(2) The term "TRICARE Prime plan" means a plan under the TRICARE program that provides for the voluntary enrollment of persons for the receipt of health care services to be furnished in a manner similar to the manner in which health care services are furnished by health maintenance organizations.

SEC. 732. WAIVER OR REDUCTION OF COPAYMENTS UNDER OVERSEAS DENTAL PROGRAM.

Section 1076a(h) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "Secretary" and inserting in lieu thereof "Secretary of Defense"; and

(2) by adding at the end the following new sentence: "In the case of such an overseas dental plan, the Secretary may waive or reduce the copayments otherwise required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.".

SEC. 733. PREMIUM COLLECTION REQUIREMENTS FOR MEDICAL AND DENTAL INSURANCE PROGRAMS; EXTENSION OF DEADLINE FOR IMPLEMENTATION OF DENTAL INSURANCE PROGRAM FOR MILITARY RETIREES.

(a) PREMIUM COLLECTION FOR SELECTED RESERVE DENTAL INSURANCE.—Paragraph (3) of section 1076b(b) of title 10, United States Code, is amended to read as follows:

"(3) The Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage by the dental insurance plan. To the maximum extent practicable, a member's share shall be deducted and withheld from the basic pay payable to the member for inactive duty training or basic pay payable to the member for active duty (if pay is available to the member). Such share shall be used to pay the premium for coverage by the dental insurance plan.".

(b) PREMIUM COLLECTION FOR RETIREE DENTAL INSURANCE PLAN.—Paragraph (2) of section 1076c(c) of such title is amended to read as follows:

"(2) The Secretary of Defense shall establish procedures for the collection of the premiums charged for coverage by the dental insurance plan. To the maximum extent practicable, the premiums payable by a member entitled to retired pay shall be deducted and withheld from the retired pay of the member (if pay is available to the member).".

(c) REPORT TO CONGRESS.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the premium collection procedures established pursuant to paragraph (3) of section 1076b(b) of title 10, United States Code, and paragraph

(2) of section 1076c(c) of such title. The report shall describe the extent to which premium collections are made under such paragraphs through deductions and withholding from pay.

(d) LIMITATION ON IMPLEMENTATION OF ALTERNATIVE COLLECTION PROCEDURES.—The Secretary of Defense may not implement procedures for collecting premiums under section 1076b(b)(3) of title 10, United States Code, or section 1076c(c)(2) of such title other than by deductions and withholding from pay until 120 days after the date that the Secretary submits a report to Congress describing the justifications for implementing such alternative procedures.

(e) EXTENSION OF DEADLINE FOR IMPLEMENTATION OF DENTAL INSURANCE PLAN FOR MILITARY RETIREES.—Section 703(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2590) is amended by striking "October 1, 1997" and inserting "April 1, 1998".

SEC. 734. DENTAL INSURANCE PLAN COVERAGE FOR RETIREES OF THE PUBLIC HEALTH SERVICE AND NOAA.

(a) ELIGIBILITY.—(1) Subsection (a) of section 1076c of title 10, United States Code, is amended by striking out "military retirees" and inserting in lieu thereof "retirees of the uniformed services".

(2) Subsection (b)(1) of such section is amended by striking out "Armed Forces" and inserting in lieu thereof "uniformed services".

(b) OFFICIALS RESPONSIBLE.—(1) Subsection (a) of such section (as amended by subsection (a)) is further amended by inserting ", in consultation with the other administering Secretaries," after "Secretary of Defense".

(2) Subsection (h) of such section is amended by striking out "Secretary of Transportation" and inserting in lieu thereof "other administering Secretaries".

SEC. 735. CONSISTENCY BETWEEN CHAMPUS AND MEDICARE IN PAYMENT RATES FOR SERVICES.

(a) CONFORMITY BETWEEN RATES.—Section 1079(h) of title 10, United States Code, is amended by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following new paragraph:

"(1) Except as provided in paragraphs (2) and (3), payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be equal to an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.). The Secretary of Defense shall determine the appropriate payment amount under this paragraph in consultation with the other administering Secretaries.".

(b) REDUCED RATES AUTHORIZED.—Paragraph (5) of such section is amended by adding at the end the following new sentence: "With the consent of the health care provider, the Secretary is also authorized to reduce the authorized payment for certain health care services below the amount otherwise required by the payment limitations under paragraph (1).".

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

(1) in paragraph (5), by striking out "paragraph (4), the Secretary" and inserting in lieu thereof "paragraph (2), the Secretary of Defense"; and

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

SEC. 736. USE OF PERSONAL SERVICES CONTRACTS FOR PROVISION OF HEALTH CARE SERVICES AND LEGAL PROTECTION FOR PROVIDERS.

(a) USE OF CONTRACTS OUTSIDE MEDICAL TREATMENT FACILITIES.—Section 1091(a) of title 10, United States Code, is amended—

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

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

"(2) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may also enter into personal services contracts to carry out other health care responsibilities of the Secretary (such as the provision of medical screening examinations at Military Entrance Processing Stations) at locations outside medical treatment facilities, as determined necessary pursuant to regulations prescribed by the Secretary. The Secretary may not enter into a contract under this paragraph after the end of the one-year period beginning on the date of the enactment of this paragraph.".

(b) DEFENSE OF SUITS.—Section 1089 of such title is amended—

(1) in subsection (a), by adding at the end the following new sentence: "This subsection shall also apply if the physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or the estate of such person) involved is serving under a personal services contract entered into under section 1091 of this title."; and

(2) in subsection (f)—

(A) by inserting "(1)" after "(f)"; and

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

"(2) With respect to the Secretary of Defense and the Armed Forces Retirement Home Board, the authority provided by paragraph (1) also includes the authority to provide for reasonable attorney's fees for persons described in subsection (a), as determined necessary pursuant to regulations prescribed by the head of the agency concerned.".

(c) REPORT.—Not later than March 31, 1998, the Secretary of Defense shall submit to Congress a report on the feasible alternative means for performing the medical screening examinations that are routinely performed at Military Entrance Processing Stations. The report shall contain a discussion of the feasibility and cost of the use of—

(1) the TRICARE system for the performance of the examinations; and

(2) each other alternative identified in the report.

SEC. 737. PORTABILITY OF STATE LICENSES FOR DEPARTMENT OF DEFENSE HEALTH CARE PROFESSIONALS.

Section 1094 of title 10, United States Code, is amended—

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

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

"(d)(1) Notwithstanding any law regarding the licensure of health care providers, a health-care professional described in paragraph (2) may practice the health profession or professions of the health-care professional in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, regardless of whether the practice occurs in a health care facility of the Department of Defense, a civilian facility affiliated with the Department of Defense, or any other location authorized by the Secretary of Defense.

"(2) A health-care professional referred to in paragraph (1) is a member of the armed forces who—

"(A) has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession; and

"(B) is performing authorized duties for the Department of Defense.".

SEC. 738. STANDARD FORM AND REQUIREMENTS REGARDING CLAIMS FOR PAYMENT FOR SERVICES.

(a) CLARIFICATION OF EXISTING REQUIREMENTS.—Section 1106 of title 10, United States Code, is amended to read as follows:

"§ 1106. Submittal of claims: standard form; time limits

"(a) STANDARD FORM.—The Secretary of Defense, after consultation with the other administering Secretaries, shall prescribe by regulation a standard form for the submission of claims for the payment of health care services provided under this chapter.

"(b) TIME FOR SUBMISSION.—A claim for payment for services provided under this chapter shall be submitted as provided in such regulations not later than one year after the services are provided.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by striking out the item relating to section 1106 and inserting in lieu thereof the following new item:

"1106. Submittal of claims: standard form; time limits.".

SEC. 739. CHIROPRACTIC HEALTH CARE DEMONSTRATION PROGRAM.

(a) TWO-YEAR EXTENSION.—Subsection (b) of section 731 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1092 note) is amended by striking out "1997" and inserting in lieu thereof "1999".

(b) EXPANSION TO AT LEAST THREE ADDITIONAL TREATMENT FACILITIES.—Subsection (a)(2)(A) of such section is amended by striking out "not less than 10" and inserting in lieu thereof "the National Naval Medical Center, the Walter Reed Army Medical Center, and not less than 11 other".

(c) REPORTS.—Subsection (c) of such section is amended—

(1) by striking paragraph (3); and

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

"(3) Not later than January 30, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that identifies the additional treatment facilities designated to furnish chiropractic care under the program that were not so designated before the report required by paragraph

(1) was prepared, together with the plan for the conduct of the program at the additional treatment facilities.

"(4) Not later than May 1, 1998, the Secretary of Defense shall modify the plan for evaluating the program submitted pursuant to paragraph (2) in order to provide for the evaluation of the program at all of the designated treatment facilities under the program, including the treatment facilities referred to in paragraph (3).

"(5) Not later than May 1, 2000, the Secretary shall submit to the committees referred to in paragraph (3) a final report in accordance with the plan submitted pursuant to paragraph (2).".

Subtitle E—Other Matters

SEC. 741. CONTINUED ADMISSION OF CIVILIANS AS STUDENTS IN PHYSICIAN ASSISTANT TRAINING PROGRAM OF ARMY MEDICAL DEPARTMENT.

(a) CIVILIAN ATTENDANCE.—(1) Chapter 407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4416. Academy of Health Sciences: admission of civilians in physician assistant training program

"(a) IN GENERAL.—The Secretary of the Army may, pursuant to an agreement entered into with an accredited institution of higher education—

"(1) permit students of the institution to attend the didactic portion of the physician assistant training program conducted by the Army Medical Department at the Academy of Health Sciences at Fort Sam Houston, Texas; and

"(2) accept from the institution academic services to support the physician assistant training program at the Academy.

"(b) AGREEMENT FOR EXCHANGE OF SERVICES.—An agreement entered into with an institution of higher education under this section shall require the institution, in exchange for services provided under paragraph (1) of subsection (a), to provide academic services described in paragraph (2) of such subsection that the Secretary and authorized representatives of the institution consider appropriate.

"(c) SELECTION OF STUDENTS.—In consultation with the authorized representatives of the institution of higher education concerned, the Secretary shall prescribe the qualifications and methods of selection for students of the institution to receive instruction at the Academy under this section. The qualifications shall be comparable to those generally required for admission to the physician assistant training program at the Academy.

"(d) RULES OF ATTENDANCE.—Except as the Secretary determines necessary, a student who receives instruction at the Academy under this section shall be subject to the same regulations governing attendance, discipline, discharge, and dismissal as apply to other persons attending the Academy.

"(e) LIMITATIONS.—The Secretary shall ensure the following:

"(1) That the Army Medical Department, in carrying out an agreement under this section, does not incur costs in excess of the costs that the department would incur to obtain, by means other than the agreement, academic services that are

comparable to those provided by the institution pursuant to the agreement.

"(2) That attendance of civilian students at the Academy under this section does not cause a decrease in the number of members of the armed forces enrolled in the physician assistant training program at the Academy.

"(f) ANNUAL REPORT.—(1) Each year, the Secretary shall submit to Congress a report on the exchange of services under this section during the year. The report shall contain the following:

"(A) The number of civilian students who receive instruction at the Academy under this section.

"(B) An assessment of the benefits derived by the United States.

"(2) Reports are required under paragraph (1) only for years during which an agreement is in effect under this section.".

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

"4416. Academy of Health Sciences: admission of civilians in physician assistant training program.".

(b) EFFECT ON EXISTING DEMONSTRATION PROGRAM.—An agreement entered into under the demonstration program for the admission of civilians as physician assistant students at the Academy of Health Sciences, Fort Sam Houston, Texas, established pursuant to section 732 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2810) shall be treated as an agreement entered into under section 4416 of title 10, United States Code (as added by subsection (a)). The agreement may be extended in such manner and for such period as the parties to the agreement consider appropriate consistent with section 4416.

SEC. 742. PAYMENT FOR EMERGENCY HEALTH CARE OVERSEAS FOR MILITARY AND CIVILIAN PERSONNEL OF THE ON-SITE INSPECTION AGENCY.

(a) PAYMENT OF COSTS.—The Secretary of Defense may pay the costs of any emergency health care that—

(1) is needed by a member of the Armed Forces, civilian employee of the Department of Defense, or civilian employee of a contractor operating under a contract with the Department of Defense while the member or employee is performing temporary or permanent duty with the On-Site Inspection Agency outside the United States; and

(2) is furnished to such person during fiscal year 1998 by a source outside the United States.

(b) FUNDING.—Funds authorized to be appropriated for the expenses of the On-Site Inspection Agency for fiscal year 1998 by this Act shall be available to cover payments for emergency health care provided under subsection (a).

SEC. 743. AUTHORITY FOR AGREEMENT FOR USE OF MEDICAL RESOURCE FACILITY, ALAMOGORDO, NEW MEXICO.

(a) AUTHORITY.—(1) The Secretary of the Air Force may enter into an agreement with Gerald Champion Hospital, Alamogordo, New Mexico, under which the Secretary may furnish health care services to eligible individuals in a medical resource facility in Alamogordo, New Mexico, that is constructed and equipped, in part, using funds provided by the Secretary under the agreement.

(2) For purposes of this section:

(A) The term "eligible individual" means any individual eligible for medical and dental care under chapter 55 of title 10, United States Code, including any member of the uniformed services entitled to such care under section 1074(a) of that title.

(B) The terms "medical resource facility" and "facility" mean the medical resource facility to be constructed and equipped pursuant to the agreement authorized by paragraph (1).

(C) The term "Hospital" means Gerald Champion Hospital, Alamogordo, New Mexico.

(b) CONTENT OF AGREEMENT.—Any agreement entered into under subsection (a) shall specify, at a minimum, the following:

(1) The relationship between the Hospital and the Secretary of the Air Force in the provision of health care services to eligible individuals in the medical resource facility, including—

(A) whether or not the Secretary and the Hospital are to use and administer the facility jointly or independently; and

(B) under what circumstances the Hospital is to act as a provider of health care services under the managed care option of the TRICARE program known as TRICARE Prime.

(2) Matters relating to the administration of the agreement, including—

(A) the duration of the agreement;

(B) the rights and obligations of the Secretary and the Hospital under the agreement, including any contracting or grievance procedures applicable under the agreement;

(C) the types of care to be provided to eligible individuals under the agreement, including the cost to the Department of the Air Force of providing the care to eligible individuals during the term of the agreement;

(D) the access of Air Force medical personnel to the facility under the agreement;

(E) the rights and responsibilities of the Secretary and the Hospital upon termination of the agreement; and

(F) any other matters jointly identified by the Secretary and the Hospital.

(3) The nature of the arrangement between the Secretary and the Hospital with respect to the ownership of the facility and any property under the agreement, including—

(A) the nature of that arrangement while the agreement is in force;

(B) the nature of that arrangement upon termination of the agreement; and

(C) any requirement for reimbursement of the Secretary by the Hospital as a result of the arrangement upon termination of the agreement.

(4) The amount of the funds made available under subsection (c) that the Secretary will contribute for the construction and equipping of the facility.

(5) Any conditions or restrictions relating to the construction, equipping, or use of the facility.

(c) AVAILABILITY OF FUNDS FOR CONSTRUCTION AND EQUIPPING OF FACILITY.—(1) Of the amount authorized to be appropriated

pursuant to section 301(4) for operation and maintenance for the Air Force, not more than $7,000,000 may be used by the Secretary of the Air Force to make a contribution toward the construction and equipping of the medical resource facility in the event that the Secretary enters into the agreement authorized by subsection (a). Notwithstanding any other provision of law, the Secretary may not use other sources of funds to make a contribution toward the construction or equipping of the facility.

(2) Notwithstanding subsection (b)(3) regarding the ownership and reimbursement issues to be addressed in the agreement authorized by subsection (a), the Secretary may not contribute funds made available under paragraph (1) toward the construction and equipping of the facility unless the agreement requires, in exchange for the contribution, that the Hospital provide health care services to eligible individuals without charge to the Secretary or at a reduced rate. The value of the services provided by the Hospital shall be at least equal to the amount of the contribution made by the Secretary, and the Hospital shall complete the provision of services equal in value to the Secretary's contribution within seven years after the facility becomes operational. The provision of additional discounted services to be provided by the Hospital shall be included in the agreement. The value and types of services to be provided by the Hospital shall be negotiated in accordance with principles of resource-sharing agreements under the TRICARE program.

(d) NOTICE AND WAIT.—The Secretary of the Air Force may not enter into the agreement authorized by subsection (a) until 90 days after the Secretary of Defense submits to the congressional defense committees the report required by subsection (e).

(e) REPORT ON PROPOSED AGREEMENT.—The Secretary of Defense shall submit to Congress a report containing an analysis of, and recommendations regarding, the agreement proposed to be entered into under subsection (a), in particular, the implications of the agreement on regional health care costs and its effect on implementation of the TRICARE program in the region. The report shall also include a copy of the agreement, the results of a cost-benefit analysis conducted by the Secretary of the Air Force with respect to the agreement, and such other information with respect to the agreement as the Secretary of Defense and the Secretary of the Air Force considers appropriate. The cost-benefit analysis shall consider the effects of the agreement on operation and maintenance and military construction requirements at Holloman Air Force Base, New Mexico.

(f) SUBSEQUENT REPORTS.—If the Secretary of the Air Force enters into the agreement authorized by subsection (a), the Secretary shall submit to Congress an annual report containing a revised cost-benefit analysis of the consequences of the agreement as in effect during the year covered by the report, including a full accounting of any cost savings realized by the Department of the Air Force as a result of the agreement. A report shall be submitted for each year in which the agreement is in effect or until the Hospital provides the full value of health care services required under subsection (c)(2), whichever occurs first.

SEC. 744. DISCLOSURES OF CAUTIONARY INFORMATION ON PRESCRIPTION MEDICATIONS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the administering Secretaries referred to in section 1073 of title 10, United States Code, shall prescribe regulations to require each source described in subsection (d) that dispenses a prescription medication to a beneficiary under chapter 55 of such title to include with the medication the written cautionary information required by subsection (b).

(b) INFORMATION TO BE DISCLOSED.—Information required to be disclosed about a medication under the regulations shall include appropriate cautions about usage of the medication, including possible side effects and potentially hazardous interactions with foods.

(c) FORM OF INFORMATION.—The regulations shall require that information be furnished in a form that, to the maximum extent practicable, is easily read and understood.

(d) COVERED SOURCES.—The regulations shall apply to the following:

(1) Pharmacies and any other dispensers of prescription medications in medical facilities of the uniformed services.

(2) Sources of prescription medications under any mail order pharmaceuticals program provided by any of the administering Secretaries under chapter 55 of title 10, United States Code.

(3) Pharmacies paid under the Civilian Health and Medical Program of the Uniformed Services (including the TRICARE program).

(4) Pharmacies, and any other pharmaceutical dispensers, of designated providers referred to in section 721(5) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2593; 10 U.S.C. 1073 note).

SEC. 745. COMPETITIVE PROCUREMENT OF CERTAIN OPHTHALMIC SERVICES.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1998, the Secretary of Defense shall competitively procure from private-sector sources, or other sources outside of the Department of Defense, all ophthalmic services related to the provision of single vision and multivision eyeware for members of the Armed Forces, retired members, and certain covered beneficiaries under chapter 55 of title 10, United States Code, who would otherwise receive such ophthalmic services through the Department of Defense.

(b) EXCEPTION.—Subsection (a) shall not apply to the extent that the Secretary of Defense determines that the use of sources within the Department of Defense to provide such ophthalmic services—

(1) is necessary to meet the readiness requirements of the Armed Forces; or

(2) is more cost effective.

(c) COMPLETION OF EXISTING ORDERS.—Subsection (a) shall not apply to orders for ophthalmic services received on or before September 30, 1998.

SEC. 746. COMPTROLLER GENERAL STUDY OF ADEQUACY AND EFFECT OF MAXIMUM ALLOWABLE CHARGES FOR PHYSICIANS UNDER CHAMPUS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study regarding the adequacy of the maximum allowable charges for physicians established under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the effect of such charges on the participation of physicians in CHAMPUS. The study shall include an evaluation of the following:

(1) The methodology used by the Secretary of Defense to establish maximum allowable charges for physicians under CHAMPUS, and whether such methodology conforms to the requirements of section 1079(h) of title 10, United States Code.

(2) The differences between the established charges under CHAMPUS and reimbursement rates for similar services under title XVIII of the Social Security Act and other health care programs.

(3) The basis for physician complaints that the CHAMPUS established charges are too low.

(4) The difficultly of CHAMPUS in ensuring physician compliance with the CHAMPUS established charges in the absence of legal mechanisms to enforce compliance, and the effect of noncompliance on patient out-of-pocket expenses.

(5) The effect of the established charges under CHAMPUS on the participation of physicians in CHAMPUS, and the extent and success of Department of Defense efforts to increase physician participation in areas with low participation rates.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 747. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE PHARMACY PROGRAMS.

(a) STUDY.—Not later than March 31, 1998, the Comptroller General shall submit to Congress a study evaluating the pharmacy programs of the Department of Defense. The study shall examine the impact of such pharmacy programs on the aggregate cost, quality, and accessibility of health care provided to covered beneficiaries under chapter 55 of title 10, United States Code, and shall include an examination of the following:

(1) The merits and feasibility of establishing a uniform formulary for military treatment facility pharmacies and civilian contractor pharmacy benefit administrators.

(2) The reasons that military treatment facilities deny covered beneficiaries access to pharmacy care and shift such beneficiaries to other sources of pharmacy care.

(3) The merits and feasibility of using private sector cost control mechanisms implemented by authorized civilian contractors in the Department of Defense medical programs, and the existence of any barriers to the use of such mechanisms, including factors that may undermine the incentives of such contractors to optimize treatment outcomes in managing the care of covered beneficiaries without exceeding budgeted resources.

(4) The cost impacts, if any, of the use of commercial managed care methods of furnishing pharmaceuticals to covered beneficiaries by TRICARE program contractors instead of

procuring pharmaceuticals at discounted prices pursuant to section 8126 of title 38, United States Code.

(5) The existence of options for increasing the discounts available to TRICARE program contractors without undermining controls for preventing diversion of items procured by the Department of Defense to nonmilitary populations.

(b) RESPONSE TO STUDY.—Not later than 90 days after the Comptroller General submits to Congress the study required by subsection (a), the Secretary of Defense shall submit to Congress a report on the feasibility and advisability of implementing changes to the pharmacy programs of the Department of Defense based on the findings and conclusions of the study.

SEC. 748. COMPTROLLER GENERAL STUDY OF NAVY GRADUATE MEDICAL EDUCATION PROGRAM.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the validity of the recommendations made by the Medical Education Policy Council of the Bureau of Medicine and Surgery of the Navy regarding restructuring the graduate medical education program of the Department of the Navy. The study shall specifically address the Council's recommendations relating to residency training conducted at the Naval Medical Center, Portsmouth, Virginia, and the National Naval Medical Center, Bethesda, Maryland.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress and the Secretary of the Navy a report containing the results of the study required by subsection (a).

(c) MORATORIUM ON RESTRUCTURING.—Until the report required by subsection (b) is submitted to Congress, the Secretary of the Navy may not make any change in the types of residency programs conducted under the Navy graduate medical education program or the locations at which such residency programs are conducted or otherwise restructure the Navy graduate medical education program.

SEC. 749. STUDY OF EXPANSION OF PHARMACEUTICALS BY MAIL PROGRAM TO INCLUDE ADDITIONAL MEDICARE-ELIGIBLE COVERED BENEFICIARIES.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding the feasibility and advisability of expanding the category of persons eligible to participate in the demonstration project for the purchase of prescription pharmaceuticals by mail, as required by section 702(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1079 note), to include persons referred to in subsection (c) of section 1086 of title 10, United States Code, who are covered by subsection (d)(1) of such section and reside in the United States outside of the catchment area of a medical treatment facility of the uniformed services.

SEC. 750. COMPTROLLER GENERAL STUDY OF REQUIREMENT FOR MILITARY MEDICAL FACILITIES IN NATIONAL CAPITAL REGION.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the requirements for Army, Navy, and Air Force medical facilities in the National Capital Region (as defined

in section 2674(f)(2) of title 10, United States Code). The study shall—

(1) specifically address requirements with respect to geography, facilities, integrated residencies, and medical environments; and

(2) provide specific recommendations with respect to how medical and health care provided by these facilities may be better coordinated to more efficiently serve, throughout the National Capital Region, members of the Armed Forces on active duty and covered beneficiaries under chapter 55 of title 10, United States Code.

(b) SUBMISSION OF REPORT.—Not later than six months after the date of the enactment of this Act, the Comptroller General shall submit to Congress and the Secretary of Defense a report containing the results of the study required by subsection (a).

SEC. 751. REPORT ON POLICIES AND PROGRAMS TO PROMOTE HEALTHY LIFESTYLES FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.

(a) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the effectiveness of the policies and programs of the Department of Defense intended to promote healthy lifestyles for members of the Armed Forces and their dependents.

(b) POLICIES AND PROGRAMS TO BE ASSESSED.—The report under subsection (a) shall include an assessment of the effectiveness of the following:

(1) Programs intended to educate members of the Armed Forces and their dependents about the potential health consequences of the use of alcohol and tobacco.

(2) Policies of the commissaries, post exchanges, and service clubs, and for entertainment activities of the Department of Defense, relating to the sale and use of alcohol and tobacco.

(3) Programs intended to provide support to members of the Armed Forces and their dependents who choose to reduce or eliminate their use of alcohol or tobacco.

(4) Any other policies or programs intended to promote healthy lifestyles for members of the Armed Forces and their dependents.

SEC. 752. SENSE OF CONGRESS REGARDING QUALITY HEALTH CARE FOR RETIREES.

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

(1) Many retired military personnel believe that they were promised lifetime health care in exchange for 20 or more years of service.

(2) Military retirees are the only Federal Government personnel who have been prevented from using their employer-provided health care at or after 65 years of age.

(3) Military health care has become increasingly difficult to obtain for military retirees as the Department of Defense reduces its health care infrastructure.

(4) Military retirees deserve to have a health care program that is at least comparable with that of retirees from civilian employment by the Federal Government.

(5) The availability of quality, lifetime health care is a critical recruiting incentive for the Armed Forces.

(6) Quality health care is a critical aspect of the quality of life of the men and women serving in the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States has incurred a moral obligation to provide health care to members and former members of the Armed Forces who are entitled to retired or retainer pay (or its equivalent);

(2) it is, therefore, necessary to provide quality, affordable health care to such retirees; and

(3) Congress and the President should take steps to address the problems associated with the availability of health care for such retirees within two years after the date of the enactment of this Act.

Subtitle F—Persian Gulf Illness

SEC. 761. DEFINITIONS.

For purposes of this subtitle:

(1) The term "Gulf War illness" means any one of the complex of illnesses and symptoms that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(2) The term "Persian Gulf War" has the meaning given that term in section 101 of title 38, United States Code.

(3) The term "Persian Gulf veteran" means an individual who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(4) The term "contingency operation" has the meaning given that term in section 101(a) of title 10, United States Code, and includes a humanitarian operation, peacekeeping operation, or similar operation.

SEC. 762. PLAN FOR HEALTH CARE SERVICES FOR PERSIAN GULF VETERANS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall prepare a plan to provide appropriate health care to Persian Gulf veterans (and dependents eligible by law) who suffer from a Gulf War illness.

(b) CONTENTS OF PLAN.—In preparing the plan, the Secretaries shall—

(1) use the presumptions of service connection and illness specified in paragraphs (1) and (2) of section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) to determine the Persian Gulf veterans (and dependents eligible by law) who should be covered by the plan;

(2) consider the need and methods available to provide health care services to Persian Gulf veterans who are no longer on active duty in the Armed Forces, such as Persian Gulf veterans who are members of the reserve components and Persian Gulf veterans who have been separated from the Armed Forces; and

(3) estimate the costs to the Government of providing full or partial health care services under the plan to covered Persian Gulf veterans (and covered dependents eligible by law).

(c) FOLLOW-UP TREATMENT.—The plan required by subsection (a) shall specifically address the measures to be used to monitor the quality, appropriateness, and effectiveness of, and patient satisfaction with, health care services provided to Persian Gulf veterans after their initial medical examination as part of registration in the Persian Gulf War Veterans Health Registry or the Comprehensive Clinical Evaluation Program.

(d) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretaries shall submit to Congress the plan required by subsection (a).

SEC. 763. COMPTROLLER GENERAL STUDY OF REVISED DISABILITY CRITERIA FOR PHYSICAL EVALUATION BOARDS.

Not later than March 1, 1998, the Comptroller General shall submit to Congress a study evaluating the revisions made by the Secretary of Defense (as required by section 721(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note)) to the Physical Evaluation Board criteria used to set disability ratings for members of the Armed Forces who are no longer medically qualified for continuation on active duty so as to ensure accurate disability ratings related to a diagnosis of a Gulf War illness.

SEC. 764. MEDICAL CARE FOR CERTAIN RESERVES WHO SERVED IN SOUTHWEST ASIA DURING THE PERSIAN GULF WAR.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074d the following new section:

"§ 1074e. Medical care: certain Reserves who served in Southwest Asia during the Persian Gulf Conflict

"(a) ENTITLEMENT TO MEDICAL CARE.—A member of the armed forces described in subsection (b) is entitled to medical care for a qualifying Persian Gulf symptom or illness to the same extent and under the same conditions (other than the requirement that the member be on active duty) as a member of a uniformed service who is entitled to such care under section 1074(a) of this title.

"(b) COVERED MEMBERS.—Subsection (a) applies to a member of a reserve component who—

"(1) is a Persian Gulf veteran;

"(2) has a qualifying Persian Gulf symptom or illness; and

"(3) is not otherwise entitled to medical care for such symptom or illness under this chapter and is not otherwise eligible for hospital care and medical services for such symptom or illness under section 1710 of title 38.

"(c) DEFINITIONS.—In this section:

"(1) The term 'Persian Gulf veteran' means a member of the armed forces who served on active duty in the Southwest Asia theater of operations during the Persian Gulf Conflict.

"(2) The term 'qualifying Persian Gulf symptom or illness' means, with respect to a member described in subsection (b), a symptom or illness—

"(A) that the member registered before September 1, 1997, in the Comprehensive Clinical Evaluation Program

of the Department of Defense and that is presumed under section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 1074 note) to be a result of service in the Southwest Asia theater of operations during the Persian Gulf Conflict; or

"(B) that the member registered before September 1, 1997, in the Persian Gulf War Veterans Health Registry maintained by the Department of Veterans Affairs pursuant to section 702 of the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074d the following new item:

"1074e. Medical care: certain Reserves who served in Southwest Asia during the Persian Gulf Conflict.".

SEC. 765. IMPROVED MEDICAL TRACKING SYSTEM FOR MEMBERS DEPLOYED OVERSEAS IN CONTINGENCY OR COMBAT OPERATIONS.

(a) SYSTEM REQUIRED.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1074e (as added by section 764) the following new section:

"§ 1074f. Medical tracking system for members deployed overseas

"(a) SYSTEM REQUIRED.—The Secretary of Defense shall establish a system to assess the medical condition of members of the armed forces (including members of the reserve components) who are deployed outside the United States or its territories or possessions as part of a contingency operation (including a humanitarian operation, peacekeeping operation, or similar operation) or combat operation.

"(b) ELEMENTS OF SYSTEM.—The system described in subsection (a) shall include the use of predeployment medical examinations and postdeployment medical examinations (including an assessment of mental health and the drawing of blood samples) to accurately record the medical condition of members before their deployment and any changes in their medical condition during the course of their deployment. The postdeployment examination shall be conducted when the member is redeployed or otherwise leaves an area in which the system is in operation (or as soon as possible thereafter).

"(c) RECORDKEEPING.—The results of all medical examinations conducted under the system, records of all health care services (including immunizations) received by members described in subsection (a) in anticipation of their deployment or during the course of their deployment, and records of events occurring in the deployment area that may affect the health of such members shall be retained and maintained in a centralized location to improve future access to the records.

"(d) QUALITY ASSURANCE.—The Secretary of Defense shall establish a quality assurance program to evaluate the success of the system in ensuring that members described in subsection (a) receive predeployment medical examinations and postdeployment medical examinations and that the recordkeeping requirements with respect to the system are met.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074e (as added by section 764) the following new item:

"1074f. Medical tracking system for members deployed overseas.".

(b) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress an analysis of the administrative implications of establishing and administering the medical tracking system required by section 1074f of title 10, United States Code, as added by subsection (a). The report shall include, for fiscal year 1999 and the 5 successive fiscal years, a separate analysis and specification of the projected costs and operational considerations for each of the following required aspects of the system:

(1) Predeployment medical examinations.

(2) Postdeployment medical examinations.

(3) Recordkeeping.

SEC. 766. NOTICE OF USE OF INVESTIGATIONAL NEW DRUGS OR DRUGS UNAPPROVED FOR THEIR APPLIED USE.

(a) NOTICE REQUIREMENTS.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1107. Notice of use of an investigational new drug or a drug unapproved for its applied use

"(a) NOTICE REQUIRED.—(1) Whenever the Secretary of Defense requests or requires a member of the armed forces to receive an investigational new drug or a drug unapproved for its applied use, the Secretary shall provide the member with notice containing the information specified in subsection (d).

"(2) The Secretary shall also ensure that health care providers who administer an investigational new drug or a drug unapproved for its applied use, or who are likely to treat members who receive such a drug, receive the information required to be provided under paragraphs (3) and (4) of subsection (d).

"(b) TIME OF NOTICE.—The notice required to be provided to a member under subsection (a)(1) shall be provided before the investigational new drug or drug unapproved for its applied use is first administered to the member, if practicable, but in no case later than 30 days after the drug is first administered to the member.

"(c) FORM OF NOTICE.—The notice required under subsection (a)(1) shall be provided in writing unless the Secretary of Defense determines that the use of written notice is impractical because of the number of members receiving the investigational new drug or drug unapproved for its applied use, time constraints, or similar reasons. If the Secretary provides notice under subsection (a)(1) in a form other than in writing, the Secretary shall submit to Congress a report describing the notification method used and the reasons for the use of the alternative method.

"(d) CONTENT OF NOTICE.—The notice required under subsection (a)(1) shall include the following:

"(1) Clear notice that the drug being administered is an investigational new drug or a drug unapproved for its applied use.

"(2) The reasons why the investigational new drug or drug unapproved for its applied use is being administered.

"(3) Information regarding the possible side effects of the investigational new drug or drug unapproved for its applied use, including any known side effects possible as a result of the interaction of such drug with other drugs or treatments being administered to the members receiving such drug.

"(4) Such other information that, as a condition of authorizing the use of the investigational new drug or drug unapproved for its applied use, the Secretary of Health and Human Services may require to be disclosed.

"(e) RECORDS OF USE.—The Secretary of Defense shall ensure that the medical records of members accurately document—

"(1) the receipt by members of any investigational new drug or drug unapproved for its applied use; and

"(2) the notice required by subsection (a)(1).

"(f) DEFINITIONS.—In this section:

"(1) The term 'investigational new drug' means a drug covered by section 505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)).

"(2) The term 'drug unapproved for its applied use' means a drug administered for a use not described in the approved labeling of the drug under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355).".

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

"1107. Notice of use of an investigational new drug or a drug unapproved for its applied use.".

SEC. 767. REPORT ON PLANS TO TRACK LOCATION OF MEMBERS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan for collecting and maintaining information regarding the daily location of units of the Armed Forces, and to the extent practicable individual members of such units, serving in a theater of operations during a contingency operation or combat operation.

SEC. 768. SENSE OF CONGRESS REGARDING THE DEPLOYMENT OF SPECIALIZED UNITS FOR DETECTING AND MONITORING CHEMICAL, BIOLOGICAL, AND SIMILAR HAZARDS IN A THEATER OF OPERATIONS.

It is the sense of Congress that the Secretary of Defense, in conjunction with the Chairman of the Joint Chiefs of Staff, should take such actions as are necessary to ensure that the units of the Armed Forces deployed in the theater of operations for each contingency operation or combat operation include specialized units with sufficient capability (including personnel with the appropriate training and expertise, and the appropriate equipment) to detect and monitor the presence of chemical, biological, and similar hazards to which members of the Armed Forces could be exposed in that theater during the operation.

SEC. 769. REPORT ON EFFECTIVENESS OF RESEARCH EFFORTS REGARDING GULF WAR ILLNESSES.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report evaluating the effectiveness of medical research initiatives regarding Gulf War illnesses. The report shall address the following:

(1) The type and effectiveness of previous research efforts, including the activities undertaken pursuant to section 743 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1074 note), section 722 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note), and sections 270 and 271 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1613).

(2) Recommendations regarding additional research regarding Gulf War illnesses, including research regarding the nature and causes of Gulf War illnesses and appropriate treatments for such illnesses.

(3) The adequacy of Federal funding and the need for additional funding for medical research initiatives regarding Gulf War illnesses.

SEC. 770. PERSIAN GULF ILLNESS CLINICAL TRIALS PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There are many ongoing studies that investigate risk factors which may be associated with the health problems experienced by Persian Gulf veterans; however, there have been no studies that examine health outcomes and the effectiveness of the treatment received by such veterans.

(2) The medical literature and testimony presented in hearings on Gulf War illnesses indicate that there are therapies, such as cognitive behavioral therapy, that have been effective in treating patients with symptoms similar to those seen in many Persian Gulf veterans.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall establish a program of cooperative clinical trials at multiple sites to assess the effectiveness of protocols for treating Persian Gulf veterans who suffer from ill-defined or undiagnosed conditions. Such protocols shall include a multidisciplinary treatment model, of which cognitive behavioral therapy is a component.

(c) FUNDING.—Of the funds authorized to be appropriated in section 201(1) for research, development, test, and evaluation for the Army, the sum of $4,500,000 shall be available for program element 62787A (medical technology) in the budget of the Department of Defense for fiscal year 1998 to carry out the clinical trials program established pursuant to subsection (b).

SEC. 771. SENSE OF CONGRESS CONCERNING GULF WAR ILLNESS.

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

(1) Americans served in the Persian Gulf Conflict of 1991 in defense of vital national security interests of the United States.

(2) It was known to United States intelligence and military commanders that biological and chemical agents were in theater throughout the conflict.

(3) An undetermined amount of these agents were released into theater.

(4) A large number of United States military veterans and allied veterans who served in the Southwest Asia theater of operations have been stricken with a variety of severe illnesses.

(5) Previous efforts to discern the causes of those illnesses have been inadequate, and those illnesses are affecting the health of both veterans and their families.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all promising technology and treatments relating to Gulf War illnesses should be fully explored and tested to facilitate treatment for members of the Armed Forces and veterans who served the United States in the Persian Gulf conflict and are stricken with unexplainable illness.

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

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

Sec. 801. Expansion of authority to enter into contracts crossing fiscal years to all severable service contracts not exceeding a year.
Sec. 802. Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements.
Sec. 803. Restriction on undefinitized contract actions.
Sec. 804. Limitation and report on payment of restructuring costs under defense contracts.
Sec. 805. Increased price limitation on purchases of right-hand drive vehicles.
Sec. 806. Multiyear procurement contracts.
Sec. 807. Audit of procurement of military clothing and clothing-related items by military installations in the United States.
Sec. 808. Limitation on allowability of compensation for certain contractor personnel.
Sec. 809. Elimination of certification requirement for grants.
Sec. 810. Repeal of limitation on adjustment of shipbuilding contracts.
Sec. 811. Item-by-item and country-by-country waivers of domestic source limitations.

Subtitle B—Acquisition Assistance Programs

Sec. 821. One-year extension of pilot mentor-protege program.
Sec. 822. Test program for negotiation of comprehensive subcontracting plans.

Subtitle C—Administrative Provisions

Sec. 831. Retention of expired funds during the pendency of contract litigation.
Sec. 832. Protection of certain information from disclosure.
Sec. 833. Unit cost reports.
Sec. 834. Plan for providing contracting information to general public and small businesses.
Sec. 835. Two-year extension of crediting of certain purchases toward meeting subcontracting goals.

Subtitle D—Other Matters

Sec. 841. Repeal of certain acquisition requirements and reports
Sec. 842. Use of major range and test facility installations by commercial entities.
Sec. 843. Requirement to develop and maintain list of firms not eligible for defense contracts.
Sec. 844. Sense of Congress regarding allowability of costs of employee stock ownership plans.
Sec. 845. Expansion of personnel eligible to participate in demonstration project relating to acquisition workforce.
Sec. 846. Time for submission of annual report relating to Buy American Act.
Sec. 847. Repeal of requirement for contractor guarantees on major weapon systems.
Sec. 848. Requirements relating to micro-purchases.
Sec. 849. Promotion rate for officers in an acquisition corps.
Sec. 850. Use of electronic commerce in Federal procurement.
Sec. 851. Conformance of policy on performance based management of civilian acquisition programs with policy established for defense acquisition programs.

Sec. 852. Modification of process requirements for the solutions-based contracting pilot program.
Sec. 853. Guidance and standards for defense acquisition workforce training requirements.
Sec. 854. Study and report to Congress assessing dependence on foreign sources for resistors and capacitors.
Sec. 855. Department of Defense and Federal Prison Industries joint study.

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

SEC. 801. EXPANSION OF AUTHORITY TO ENTER INTO CONTRACTS CROSSING FISCAL YEARS TO ALL SEVERABLE SERVICE CONTRACTS NOT EXCEEDING A YEAR.

(a) EXPANDED AUTHORITY.—Section 2410a of title 10, United States Code, is amended to read as follows:

"§ 2410a. Severable service contracts for periods crossing fiscal years

"(a) AUTHORITY.—The Secretary of Defense, the Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

"(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2410a. Severable service contracts for periods crossing fiscal years.".

SEC. 802. VESTING OF TITLE IN THE UNITED STATES UNDER CONTRACTS PAID UNDER PROGRESS PAYMENT ARRANGEMENTS OR SIMILAR ARRANGEMENTS.

Section 2307 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) VESTING OF TITLE IN THE UNITED STATES.—If a contract paid by a method authorized under subsection (a)(1) provides for title to property to vest in the United States, the title to the property shall vest in accordance with the terms of the contract, regardless of any security interest in the property that is asserted before or after the contract is entered into.".

SEC. 803. RESTRICTION ON UNDEFINITIZED CONTRACT ACTIONS.

(a) APPLICABILITY OF WAIVER AUTHORITY TO HUMANITARIAN OR PEACEKEEPING OPERATIONS.—Section 2326(b)(4) of title 10, United States Code, is amended to read as follows:

"(4) The head of an agency may waive the provisions of this subsection with respect to a contract of that agency if that head

of an agency determines that the waiver is necessary in order to support any of the following operations:

"(A) A contingency operation.

"(B) A humanitarian or peacekeeping operation.".

(b) HUMANITARIAN OR PEACEKEEPING OPERATION DEFINED.—Section 2302(7) of such title is amended—

(1) by striking out "(7)(A)" and inserting in lieu thereof "(7)"; and

(2) by striking out "(B) In subparagraph (A), the" and inserting in lieu thereof "(8) The".

SEC. 804. LIMITATION AND REPORT ON PAYMENT OF RESTRUCTURING COSTS UNDER DEFENSE CONTRACTS.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2324 the following new section:

"§ 2325. Restructuring costs

"(a) LIMITATION ON PAYMENT OF RESTRUCTURING COSTS.—(1) The Secretary of Defense may not pay, under section 2324 of this title, a defense contractor for restructuring costs associated with a business combination of the contractor unless the Secretary determines in writing either—

"(A) that the amount of projected savings for the Department of Defense associated with the restructuring will be at least twice the amount of the costs allowed; or

"(B) that the amount of projected savings for the Department of Defense associated with the restructuring will exceed the amount of the costs allowed and that the business combination will result in the preservation of a critical capability that otherwise might be lost to the Department.

"(2) The Secretary may not delegate the authority to make a determination under paragraph (1) to an official of the Department of Defense below the level of an Assistant Secretary of Defense.

"(b) REPORT.—Not later than March 1 in each of 1998, 1999, 2000, 2001, and 2002, the Secretary of Defense shall submit to Congress a report that contains, with respect to business combinations occurring on or after August 15, 1994, the following:

"(1) For each defense contractor to which the Secretary has paid, under section 2324 of this title, restructuring costs associated with a business combination, a summary of the following:

"(A) An estimate of the amount of savings for the Department of Defense associated with the restructuring that has been realized as of the end of the preceding calendar year.

"(B) An estimate of the amount of savings for the Department of Defense associated with the restructuring that is expected to be achieved on defense contracts.

"(2) An identification of any business combination for which the Secretary has paid restructuring costs under section 2324 of this title during the preceding calendar year and, for each such business combination—

"(A) the supporting rationale for allowing such costs;

"(B) factual information associated with the determination made under subsection (a) with respect to such costs; and

"(C) a discussion of whether the business combination would have proceeded without the payment of restructuring costs by the Secretary.

"(3) For business combinations of major defense contractors that took place during the year preceding the year of the report—

"(A) an assessment of any potentially adverse effects that the business combinations could have on competition for Department of Defense contracts (including potential horizontal effects, vertical effects, and organizational conflicts of interest), the national technology and industrial base, or innovation in the defense industry; and

"(B) the actions taken to mitigate the potentially adverse effects.

"(c) DEFINITION.—In this section, the term 'business combination' includes a merger or acquisition.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2324 the following new item:

"2325. Restructuring costs.".

(b) GAO REPORTS.—(1) Not later than April 1, 1998, the Comptroller General shall—

(A) in consultation with appropriate officials in the Department of Defense—

(i) identify major market areas affected by business combinations of defense contractors since January 1, 1990; and

(ii) develop a methodology for determining the savings from business combinations of defense contractors on the prices paid on particular defense contracts; and

(B) submit to the congressional defense committees a report describing, for each major market area identified pursuant to subparagraph (A)(i), the changes in numbers of businesses competing for major defense contracts since January 1, 1990.

(2) Not later than December 1, 1998, the Comptroller General shall submit to the congressional defense committees a report containing the following:

(A) Updated information on—

(i) restructuring costs of business combinations paid by the Department of Defense pursuant to certifications under section 818 of the National Defense Authorization Act for Fiscal Year 1995, and

(ii) savings realized by the Department of Defense as a result of the business combinations for which the payment of restructuring costs was so certified.

(B) An assessment of the savings from business combinations of defense contractors on the prices paid on a meaningful sample of defense contracts, determined in accordance with the methodology developed pursuant to paragraph (1)(A)(ii), as well as a description of the methodology.

(C) Any recommendations that the Comptroller General considers appropriate.

(3) In this subsection, the term "business combination" has the meaning given that term in section 2325(c) of title 10, United States Code, as added by subsection (a).

(c) EFFECTIVE DATE.—Section 2325(a) of title 10, United States Code, as added by subsection (a), shall apply with respect to business combinations that occur after the date of the enactment of this Act.

(d) REPEAL OF SUPERSEDED PROVISIONS.—Subsections (a) and (g)(3) of section 818 of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 2324 note) are repealed.

SEC. 805. INCREASED PRICE LIMITATION ON PURCHASES OF RIGHT-HAND DRIVE VEHICLES.

Section 2253(a)(2) of title 10, United States Code, is amended by striking out "$12,000" and inserting in lieu thereof "$30,000".

SEC. 806. MULTIYEAR PROCUREMENT CONTRACTS.

(a) REQUIREMENT FOR AUTHORIZATION BY LAW IN ACTS OTHER THAN APPROPRIATIONS ACTS.—(1) Subsection (i) of section 2306b of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) In the case of the Department of Defense, a multiyear contract in an amount equal to or greater than $500,000,000 may not be entered into for any fiscal year under this section unless the contract is specifically authorized by law in an Act other than an appropriations Act.".

(2) Paragraph (3) of section 2306b(i) of title 10, United States Code, as added by paragraph (1), shall not apply with respect to a contract authorized by law before the date of the enactment of this Act.

(b) CODIFICATION OF ANNUAL RECURRING MULTIYEAR PROCUREMENT REQUIREMENTS.—(1) Such section is further amended by adding at the end the following new subsection:

"(l) VARIOUS ADDITIONAL REQUIREMENTS WITH RESPECT TO MULTIYEAR DEFENSE CONTRACTS.—(1)(A) The head of an agency may not initiate a contract described in subparagraph (B) unless the congressional defense committees are notified of the proposed contract at least 30 days in advance of the award of the proposed contract.

"(B) Subparagraph (A) applies to the following contracts:

"(i) A multiyear contract—

"(I) that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract; or

"(II) that includes an unfunded contingent liability in excess of $20,000,000.

"(ii) Any contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year.

"(2) The head of an agency may not initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability.

"(3) The head of an agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of the multiyear contract would exceed $500,000,000 unless authority for the contract is specifically provided in an appropriations Act.

"(4) The head of an agency may not terminate a multiyear procurement contract until 10 days after the date on which notice of the proposed termination is provided to the congressional defense committees.

"(5) The execution of multiyear contracting authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

"(6) This subsection does not apply to the National Aeronautics and Space Administration or to the Coast Guard.

"(7) In this subsection, the term 'congressional defense committees' means the following:

"(A) The Committee on Armed Services of the Senate and the Subcommittee on Defense of the Committee on Appropriations of the Senate.

"(B) The Committee on National Security of the House of Representatives and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "finds—" in the matter preceding paragraph (1) and inserting in lieu thereof "finds each of the following:";

(B) by capitalizing the initial letter of the first word in each of paragraphs (1) through (6);

(C) by striking out the semicolon at the end of paragraphs (1) through (4) and inserting in lieu thereof a period; and

(D) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period.

(2) Subsection (d)(1) is amended by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)".

(3) Subsection (i)(1) is amended by striking "five-year" and inserting in lieu thereof "future-years".

SEC. 807. AUDIT OF PROCUREMENT OF MILITARY CLOTHING AND CLOTHING-RELATED ITEMS BY MILITARY INSTALLATIONS IN THE UNITED STATES.

(a) AUDIT REQUIREMENT.—Not later than September 30, 1998, the Inspector General of the Department of Defense shall perform an audit of purchases of military clothing and clothing-related items in excess of the micro-purchase threshold by military installations during fiscal years 1996 and 1997 to determine the extent to which such installations procured military clothing and clothing-related items in violation of the Buy American Act (41 U.S.C. 10a et seq.) during those fiscal years.

(b) INSTALLATIONS TO BE AUDITED.—The audit under subsection (a)—

(1) shall include an audit of the procurement of military clothing and clothing-related items by a military installation of each of the Army, Navy, Air Force, and Marine Corps; and

(2) shall not cover procurements of clothing and clothing-related items by the Defense Logistics Agency.

(c) DEFINITION.—The term "micro-purchase threshold" has the meaning provided by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

(d) REPORT.—Not later than October 31, 1998, the Inspector General of the Department of Defense shall submit to Congress a report on the results of the audit performed under subsection (a).

SEC. 808. LIMITATION ON ALLOWABILITY OF COMPENSATION FOR CERTAIN CONTRACTOR PERSONNEL.

(a) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 2324 of title 10, United States Code, is amended by adding at the end the following:

"(P) Costs of compensation of senior executives of contractors for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).".

(2) Subsection (l) of such section is amended by adding at the end the following:

"(4) The term 'compensation', for a year, means the total amount of wages, salary, bonuses and deferred compensation for the year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the year.

"(5) The term 'senior executive', with respect to a contractor, means—

"(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

"(B) the four most highly compensated employees in management positions of the contractor other than the chief executive officer; and

"(C) in the case of a contractor that has components which report directly to the contractor's headquarters, the five most highly compensated employees in management positions at each such component.

"(6) The term 'fiscal year' means a fiscal year established by a contractor for accounting purposes.".

(b) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER NON-DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 306 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256) is amended by adding at the end the following:

"(P) Costs of compensation of senior executives of contractors for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).".

(2) Such section is further amended by adding at the end the following:

"(m) OTHER DEFINITIONS.—In this section:

"(1) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

"(2) The term 'senior executive', with respect to a contractor, means—

"(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

"(B) the four most highly compensated employees in management positions of the contractor other than the chief executive officer; and

"(C) in the case of a contractor that has components which report directly to the contractor's headquarters, the five most highly compensated individuals in management positions at each such component.

"(3) The term 'fiscal year' means a fiscal year established by a contractor for accounting purposes.".

(c) LEVELS OF COMPENSATION NOT ALLOWABLE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"SEC. 39. LEVELS OF COMPENSATION OF CERTAIN CONTRACTOR PERSONNEL NOT ALLOWABLE AS COSTS UNDER CERTAIN CONTRACTS.

"(a) DETERMINATION REQUIRED.—For purposes of section 2324(e)(1)(P) of title 10, United States Code, and section 306(e)(1)(P) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)(P)), the Administrator shall review commercially available surveys of executive compensation and, on the basis of the results of the review, determine a benchmark compensation amount to apply for each fiscal year. In making determinations under this subsection the Administrator shall consult with the Director of the Defense Contract Audit Agency and such other officials of executive agencies as the Administrator considers appropriate.

"(b) BENCHMARK COMPENSATION AMOUNT.—The benchmark compensation amount applicable for a fiscal year is the median amount of the compensation provided for all senior executives of all benchmark corporations for the most recent year for which data is available at the time the determination under subsection (a) is made.

"(c) DEFINITIONS.—In this section:

"(1) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

"(2) The term 'senior executive', with respect to a corporation, means—

"(A) the chief executive officer of the corporation or any individual acting in a similar capacity for the corporation;

"(B) the four most highly compensated employees in management positions of the corporation other than the chief executive officer; and

"(C) in the case of a corporation that has components which report directly to the corporate headquarters, the five most highly compensated individuals in management positions at each such component.

"(3) The term 'benchmark corporation', with respect to a fiscal year, means a publicly-owned United States corporation that has annual sales in excess of $50,000,000 for the fiscal year.

"(4) The term 'publicly-owned United States corporation' means a corporation organized under the laws of a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States the voting stock of which is publicly traded.

"(5) The term 'fiscal year' means a fiscal year established by a contractor for accounting purposes.".

(2) The table of sections in section 1(b) of such Act is amended by adding at the end the following:

"Sec. 39. Levels of compensation of certain contractor personnel not allowable as costs under certain contracts.".

(d) REGULATIONS.—Regulations implementing the amendments made by this section shall be published in the Federal Register not later than the effective date of the amendments under subsection (e).

(e) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date that is 90 days after the date of the enactment of this Act; and

(2) apply with respect to costs of compensation incurred after January 1, 1998, under covered contracts entered into before, on, or after the date of the enactment of this Act.

(f) EXCLUSIVE APPLICABILITY.—Notwithstanding any other provision of law, no other limitation in law on the allowability of costs of compensation of senior executives under covered contracts shall apply to such costs of compensation incurred after January 1, 1998.

(g) DEFINITIONS.—In this section:

(1) The term "covered contract" has the meaning given such term in section 2324(l) of title 10, United States Code, and section 306(l) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(l)).

(2) The terms "compensation" and "senior executive" have the meanings given such terms in section 2324(l) of title 10, United States Code, and section 306(m) of the Federal Property and Administrative Services Act of 1949.

SEC. 809. ELIMINATION OF CERTIFICATION REQUIREMENT FOR GRANTS.

Section 5153 of the Drug-Free Workplace Act of 1988 (Public Law 100–690; 102 Stat. 4306; 41 U.S.C. 702) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking out "has certified to the granting agency that it will" and inserting in lieu thereof "agrees to"; and

(B) in paragraph (2), by striking out "certifies to the agency" and inserting in lieu thereof "agrees"; and

(2) in subsection (b)(1)—

(A) by striking out subparagraph (A);

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(C) in subparagraph (A), as so redesignated, by striking out "such certification by failing to carry out".

SEC. 810. REPEAL OF LIMITATION ON ADJUSTMENT OF SHIPBUILDING CONTRACTS.

(a) REPEAL.—(1) Section 2405 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2405.

(b) APPLICABILITY.—(1) Except as provided in paragraph (2), the repeal made by subsection (a) shall be effective with respect to claims, requests for equitable adjustment, and demands for payment under shipbuilding contracts that have been or are submitted before, on, or after the date of the enactment of this Act.

(2) Section 2405 of title 10, United States Code, as in effect immediately before the date of the enactment of this Act, shall continue to apply to a contractor's claim, request for equitable adjustment, or demand for payment under a shipbuilding contract that was submitted before such date if—

(A) a contracting officer denied the claim, request, or demand, and the period for appealing the decision to a court or board under the Contract Disputes Act of 1978 expired before such date;

(B) a court or board of contract appeals considering the claim, request, or demand (including any appeal of a decision of a contracting officer to deny the claim, request, or demand) denied or dismissed the claim, request, or demand (or the appeal), and the action of the court or board became final and unappealable before such date; or

(C) the contractor released or releases the claim, request, or demand.

SEC. 811. ITEM-BY-ITEM AND COUNTRY-BY-COUNTRY WAIVERS OF DOMESTIC SOURCE LIMITATIONS.

(a) ITEM-BY-ITEM AND COUNTRY-BY-COUNTRY IMPLEMENTATION OF CERTAIN WAIVER AUTHORITY.—Section 2534 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i) IMPLEMENTATION OF CERTAIN WAIVER AUTHORITY.—(1) The Secretary of Defense may exercise the waiver authority described in paragraph (2) only if the waiver is made for a particular item listed in subsection (a) and for a particular foreign country.

"(2) This subsection applies to the waiver authority provided by subsection (d) on the basis of the applicability of paragraph (2) or (3) of that subsection.

"(3) The waiver authority described in paragraph (2) may not be delegated below the Under Secretary of Defense for Acquisition and Technology.

"(4) At least 15 days before the effective date of any waiver made under the waiver authority described in paragraph (2), the Secretary shall publish in the Federal Register and submit to the congressional defense committees a notice of the determination to exercise the waiver authority.

"(5) Any waiver made by the Secretary under the waiver authority described in paragraph (2) shall be in effect for a period not greater than one year, as determined by the Secretary.".

(b) EFFECTIVE DATE.—Subsection (i) of section 2534 of such title, as added by subsection (a), shall apply with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (d) of such section 2534, on the basis of the applicability of paragraph (2) or (3) of that subsection.

Subtitle B—Acquisition Assistance Programs

SEC. 821. ONE-YEAR EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

(a) ONE-YEAR EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.—Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out "1998" and inserting in lieu thereof "1999";

(2) in paragraph (2), by striking out "1999" and inserting in lieu thereof "2000"; and

(3) in paragraph (3), by striking out "1999" and inserting in lieu thereof "2000".

(b) STUDY ON IMPLEMENTATION OF PILOT MENTOR-PROTEGE PROGRAM.—(1) The Comptroller General shall conduct a study on the implementation of the Mentor-Protege Program established under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) and the extent to which the program is achieving the purposes established under that section.

(2) The study also shall include the following:

(A) A review of the manner in which funds for the program have been obligated.

(B) An identification and assessment of the average amount spent by the Department of Defense on individual mentor-protege agreements and the correlation between levels of funding and the business development of the protege firms.

(C) An evaluation of the effectiveness of the incentives provided to mentor firms to participate in the program.

(D) An assessment of the success of the Mentor-Protege Program in enhancing the business competitiveness and financial independence of protege firms.

(3) The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study not later than March 31, 1998.

SEC. 822. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) CONTENT OF SUBCONTRACTING PLANS.—Subsection (b)(2) of section 834 of the National Defense Authorization Act for Fiscal

Years 1990 and 1991 (Public Law 101–189; 15 U.S.C. 637 note) is amended—

(1) by striking out "plan—" and inserting in lieu thereof "plan of a contractor—";

(2) by striking out subparagraph (A);

(3) by redesignating subparagraph (B) as subparagraph (A) and by striking out the period at the end of such subparagraph and inserting in lieu thereof "; and"; and

(4) by adding at the end the following:

"(B) shall cover each Department of Defense contract that is entered into by the contractor and each subcontract that is entered into by the contractor as the subcontractor under a Department of Defense contract.".

(b) EXTENSION OF PROGRAM.—Subsection (e) of such section is amended by striking out "September 30, 1998" in the second sentence and inserting in lieu thereof "September 30, 2000.".

Subtitle C—Administrative Provisions

SEC. 831. RETENTION OF EXPIRED FUNDS DURING THE PENDENCY OF CONTRACT LITIGATION.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410m. Retention of amounts collected from contractor during the pendency of contract dispute

"(a) RETENTION OF FUNDS.—Notwithstanding sections 1552(a) and 3302(b) of title 31, any amount, including interest, collected from a contractor as a result of a claim made by a military department or Defense Agency under the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), shall remain available in accordance with this section to pay—

"(1) any settlement of the claim by the parties;

"(2) any judgment rendered in the contractor's favor on an appeal of the decision on that claim to the Armed Services Board of Contract Appeals under section 7 of such Act (41 U.S.C. 606); or

"(3) any judgment rendered in the contractor's favor in an action on that claim in a court of the United States.

"(b) PERIOD OF AVAILABILITY.—(1) The period of availability of an amount under subsection (a), in connection with a claim—

"(A) expires 180 days after the expiration of the period for bringing an action on that claim in the United States Court of Federal Claims under section 10(a) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)) if, within that 180-day period—

"(i) no appeal on the claim is commenced at the Armed Services Board of Contract Appeals under section 7 of such Act; and

"(ii) no action on the claim is commenced in a court of the United States; or

"(B) if not expiring under subparagraph (A), expires—

"(i) in the case of a settlement of the claim, 180 days after the date of the settlement; or

"(ii) in the case of a judgment rendered on the claim in an appeal to the Armed Services Board of Contract

Appeals under section 7 of the Contract Disputes Act of 1978 or an action in a court of the United States, 180 days after the date on which the judgment becomes final and not appealable.

"(2) While available under this section, an amount may be obligated or expended only for a purpose described in subsection (a).

"(3) Upon the expiration of the period of availability of an amount under paragraph (1), the amount shall be covered into the Treasury as miscellaneous receipts.

"(c) REPORTING REQUIREMENT.—Each year, the Under Secretary of Defense (Comptroller) shall submit to Congress a report on the amounts, if any, that are available for obligation pursuant to this section. The report shall include, at a minimum, the following:

"(1) The total amount available for obligation.

"(2) The total amount collected from contractors during the year preceding the year in which the report is submitted.

"(3) The total amount disbursed in such preceding year and a description of the purpose for each disbursement.

"(4) The total amount returned to the Treasury in such preceding year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by adding at the end the following new item:

"2410m. Retention of amounts collected from contractor during the pendency of contract dispute.".

SEC. 832. PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.

Section 2371 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

"(2)(A) Paragraph (1) applies to information described in subparagraph (B) that is in the records of the Department of Defense if the information was submitted to the Department in a competitive or noncompetitive process having the potential for resulting in an award, to the party submitting the information, of a cooperative agreement that includes a clause described in subsection (d) or another transaction authorized by subsection (a).

"(B) The information referred to in subparagraph (A) is the following:

"(i) A proposal, proposal abstract, and supporting documents.

"(ii) A business plan submitted on a confidential basis.

"(iii) Technical information submitted on a confidential basis.".

SEC. 833. UNIT COST REPORTS.

(a) IMMEDIATE REPORT REQUIRED ONLY FOR PREVIOUSLY UNREPORTED INCREASED COSTS.—Subsection (c) of section 2433 of title 10, United States Code, is amended by striking out "during the current fiscal year (other than the last quarterly unit cost report

under subsection (b) for the preceding fiscal year)" in the matter following paragraph (3).

(b) IMMEDIATE REPORT NOT REQUIRED FOR COST VARIANCES OR SCHEDULE VARIANCES OF MAJOR CONTRACTS.—Subsection (c) of such section is further amended—

(1) by inserting "or" at the end of paragraph (1);

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

(3) by striking out paragraph (3).

(c) CONGRESSIONAL NOTIFICATION OF INCREASED COST NOT CONDITIONED ON DISCOVERY SINCE BEGINNING OF FISCAL YEAR.—Subsection (d)(3) of such section is amended by striking out "(for the first time since the beginning of the current fiscal year)" in the first sentence.

SEC. 834. PLAN FOR PROVIDING CONTRACTING INFORMATION TO GENERAL PUBLIC AND SMALL BUSINESSES.

(a) REQUIREMENT FOR PLAN.—The Secretary of Defense shall develop a plan for improving the responsiveness of the Department of Defense to persons from the general public and small businesses seeking information on how to pursue contracting and technology development opportunities with the department. The plan shall include an assessment and recommendation on the designation of a central point of contact in the department to provide such information.

(b) SUBMISSION.—Not later than March 31, 1998, the Secretary shall submit the plan developed under subsection (a) to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 835. TWO-YEAR EXTENSION OF CREDITING OF CERTAIN PURCHASES TOWARD MEETING SUBCONTRACTING GOALS.

Section 2410d(c) of title 10, United States Code, is amended, effective as of September 30, 1997, by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

Subtitle D—Other Matters

SEC. 841. REPEAL OF CERTAIN ACQUISITION REQUIREMENTS AND REPORTS

(a) REPEAL OF REPORTING REQUIREMENT FOR NONMAJOR ACQUISITION PROGRAMS.—Section 2220(b) of title 10, United States Code, is amended by striking out "and nonmajor" in the first sentence.

(b) REPEAL OF ADDITIONAL APPROVAL REQUIREMENT UNDER COMPETITION EXCEPTION FOR INTERNATIONAL AGREEMENTS.—Section 2304(f)(2)(E) of title 10, United States Code, is amended by striking out "and such document is approved by the competition advocate for the procuring activity".

(c) CONTENT OF LIMITED SELECTED ACQUISITION REPORTS.—Section 2432(h)(2) of title 10, United States Code, is amended—

(1) by striking out subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(d) REPEAL OF REPORT RELATING TO PROCUREMENT REGULATIONS.—Section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) is amended by striking out subsection (g).

SEC. 842. USE OF MAJOR RANGE AND TEST FACILITY INSTALLATIONS BY COMMERCIAL ENTITIES.

(a) EXTENSION OF AUTHORITY.—Subsection (g) of section 2681 of title 10, United States Code, is amended by striking out "1998" and inserting in lieu thereof "2002".

(b) REVISED REPORTING REQUIREMENT.—Subsection (h) of such section is amended to read as follows:

"(h) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report identifying existing and proposed procedures to ensure that the use of Major Range and Test Facility Installations by commercial entities does not compete with private sector test and evaluation services.".

SEC. 843. REQUIREMENT TO DEVELOP AND MAINTAIN LIST OF FIRMS NOT ELIGIBLE FOR DEFENSE CONTRACTS.

Section 2327 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (c) the following new subsections:

"(d) LIST OF FIRMS SUBJECT TO PROHIBITION.—(1) The Secretary of Defense shall develop and maintain a list of all firms and subsidiaries of firms that the Secretary has identified as being subject to the prohibition in subsection (b).

"(2)(A) A person may request the Secretary to include on the list maintained under paragraph (1) any firm or subsidiary of a firm that the person believes to be owned or controlled by a foreign government described in subsection (b)(2). Upon receipt of such a request, the Secretary shall determine whether the conditions in paragraphs (1) and (2) of subsection (b) exist in the case of that firm or subsidiary. If the Secretary determines that such conditions do exist, the Secretary shall include the firm or subsidiary on the list.

"(B) A firm or subsidiary of a firm included on the list may request the Secretary to remove such firm or subsidiary from the list on the basis that it has been erroneously included on the list or its ownership circumstances have significantly changed. Upon receipt of such a request, the Secretary shall determine whether the conditions in paragraphs (1) and (2) of subsection (b) exist in the case of that firm or subsidiary. If the Secretary determines that such conditions do not exist, the Secretary shall remove the firm or subsidiary from the list.

"(C) The Secretary shall establish procedures to carry out this paragraph.

"(3) The head of an agency shall prohibit each firm or subsidiary of a firm awarded a contract by the agency from entering into a subcontract under that contract in an amount in excess of $25,000 with a firm or subsidiary included on the list maintained under paragraph (1) unless there is a compelling reason to do so. In the case of any subcontract requiring consent by the head of an agency, the head of the agency shall not consent to the award of the subcontract to a firm or subsidiary included on such list unless there is a compelling reason for such approval.

"(e) DISTRIBUTION OF LIST.—The Administrator of General Services shall ensure that the list developed and maintained under

subsection (d) is made available to Federal agencies and the public in the same manner and to the same extent as the list of suspended and debarred contractors compiled pursuant to subpart 9.4 of the Federal Acquisition Regulation.".

SEC. 844. SENSE OF CONGRESS REGARDING ALLOWABILITY OF COSTS OF EMPLOYEE STOCK OWNERSHIP PLANS.

It is the sense of Congress that the Secretary of Defense should not disallow, under Department of Defense contracts, the following costs:

(1) Interest costs associated with deferred compensation employee stock ownership plans that were incurred before January 1, 1994.

(2) Costs related to employee stock ownership plan (ESOP) debt, control premiums, or marketability discounts associated with the valuation of ESOP stock of closely held companies that were incurred before January 1, 1995.

SEC. 845. EXPANSION OF PERSONNEL ELIGIBLE TO PARTICIPATE IN DEMONSTRATION PROJECT RELATING TO ACQUISITION WORKFORCE.

(a) COVERED PERSONNEL.—(1) Subsection (a) of section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is amended by adding before the period at the end the following: "and supporting personnel assigned to work directly with the acquisition workforce".

(2) Subsection (b)(3)(A) of such section is amended by inserting before the semicolon the following: "or involves a team of personnel more than half of which consists of members of the acquisition workforce and the remainder of which consists of supporting personnel assigned to work directly with the acquisition workforce".

(b) COMMENCEMENT OF PROJECT.—Subsection (b)(3)(B) of such section is amended by striking out "this Act" and inserting in lieu thereof "the National Defense Authorization Act for Fiscal Year 1998".

(c) LIMITATION ON NUMBER OF PARTICIPANTS.—Such section is further amended by adding at the end the following:

"(d) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate in the demonstration project under this section may not exceed 95,000.".

SEC. 846. TIME FOR SUBMISSION OF ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

Section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2611; 41 U.S.C. 10b–3) is amended by striking out "120 days" and inserting in lieu thereof "90 days".

SEC. 847. REPEAL OF REQUIREMENT FOR CONTRACTOR GUARANTEES ON MAJOR WEAPON SYSTEMS.

(a) REPEAL.—Section 2403 of title 10, United States Code, is repealed.

(b) CLERICAL AND CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2403.

(2) Section 803 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2604; 10 U.S.C. 2430 note) is amended—

(A) in subsection (a), by striking out "2403,";
(B) by striking out subsection (c); and
(C) by redesignating subsection (d) as subsection (c).

SEC. 848. REQUIREMENTS RELATING TO MICRO-PURCHASES.

(a) REQUIREMENT.—(1) Not later than October 1, 1998, at least 60 percent of all eligible purchases made by the Department of Defense for an amount less than the micro-purchase threshold shall be made through streamlined micro-purchase procedures.

(2) Not later than October 1, 2000, at least 90 percent of all eligible purchases made by the Department of Defense for an amount less than the micro-purchase threshold shall be made through streamlined micro-purchase procedures.

(b) ELIGIBLE PURCHASES.—The Secretary of Defense shall establish which purchases are eligible for purposes of subsection (a). In establishing which purchases are eligible, the Secretary may exclude those categories of purchases determined not to be appropriate or practicable for streamlined micro-purchase procedures.

(c) PLAN.—Not later than March 1, 1998, the Secretary of Defense shall provide to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan to implement this section.

(d) REPORT.—Not later than March 1 in each of the years 1999, 2000, and 2001, the Secretary of Defense shall submit to the congressional defense committees a report on the implementation of this section. Each report shall include—

(A) the total dollar amount of all Department of Defense purchases for an amount less than the micro-purchase threshold in the fiscal year preceding the year in which the report is submitted;

(B) the total dollar amount of such purchases that were considered to be eligible purchases;

(C) the total amount of such eligible purchases that were made through a streamlined micro-purchase method; and

(D) a description of the categories of purchases excluded from the definition of eligible purchases established under subsection (b).

(e) DEFINITIONS.—In this section:

(1) The term "micro-purchase threshold" has the meaning provided in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(2) The term "streamlined micro-purchase procedures" means procedures providing for the use of the Government-wide commercial purchase card or any other method for carrying out micro-purchases that the Secretary of Defense prescribes in the regulations implementing this subsection.

SEC. 849. PROMOTION RATE FOR OFFICERS IN AN ACQUISITION CORPS.

(a) REVIEW OF ACQUISITION CORPS PROMOTION SELECTIONS.—Upon the approval of the President or his designee of the report of a selection board convened under section 611(a) of title 10, United States Code, which considered members of an Acquisition Corps of a military department for promotion to a grade above O–4, the Secretary of the military department shall submit a copy of the report to the Under Secretary of Defense for Acquisition and Technology for review.

(b) REPORTING REQUIREMENT.—Not later than January 31 of each year, the Under Secretary of Defense for Acquisition and Technology shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the Under Secretary's assessment of the extent to which each military department is complying with the requirement set forth in section 1731(b) of title 10, United States Code.

(c) TERMINATION OF REQUIREMENTS.—This section shall cease to be effective on October 1, 2000.

SEC. 850. USE OF ELECTRONIC COMMERCE IN FEDERAL PROCUREMENT.

(a) POLICY.—Section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426) is amended to read as follows:

"SEC. 30. USE OF ELECTRONIC COMMERCE IN FEDERAL PROCUREMENT.

"(a) IN GENERAL.—The head of each executive agency, after consulting with the Administrator, shall establish, maintain, and use, to the maximum extent that is practicable and cost-effective, procedures and processes that employ electronic commerce in the conduct and administration of its procurement system.

"(b) APPLICABLE STANDARDS.—In conducting electronic commerce, the head of an agency shall apply nationally and internationally recognized standards that broaden interoperability and ease the electronic interchange of information.

"(c) AGENCY PROCEDURES.—The head of each executive agency shall ensure that systems, technologies, procedures, and processes established pursuant to this section—

"(1) are implemented with uniformity throughout the agency, to the extent practicable;

"(2) are implemented only after granting due consideration to the use or partial use, as appropriate, of existing electronic commerce and electronic data interchange systems and infrastructures such the Federal acquisition computer network architecture known as FACNET;

"(3) facilitate access to Federal Government procurement opportunities, including opportunities for small business concerns, socially and economically disadvantaged small business concerns, and business concerns owned predominantly by women; and

"(4) ensure that any notice of agency requirements or agency solicitation for contract opportunities is provided in a form that allows convenient and universal user access through a single, Government-wide point of entry.

"(d) IMPLEMENTATION.—The Administrator shall, in carrying out the requirements of this section—

"(1) issue policies to promote, to the maximum extent practicable, uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may require departures from uniform procedures and processes in appropriate cases, when warranted because of the agency mission;

"(2) ensure that the head of each executive agency complies with the requirements of subsection (c) with respect to the agency systems, technologies, procedures, and processes established pursuant to this section; and

"(3) consult with the heads of appropriate Federal agencies with applicable technical and functional expertise, including the Office of Information and Regulatory Affairs, the National Institute of Standards and Technology, the General Services Administration, and the Department of Defense.

"(e) REPORT.—Not later than March 1, 1998, and every year afterward through 2003, the Administrator shall submit to Congress a report setting forth in detail the progress made in implementing the requirements of this section. The report shall include the following:

"(1) A strategic plan for the implementation of a Government-wide electronic commerce capability.

"(2) An agency-by-agency summary of implementation of the requirements of subsection (c), including timetables, as appropriate, addressing when individual agencies will come into full compliance.

"(3) A specific assessment of compliance with the requirement in subsection (c) to provide universal public access through a single, Government-wide point of entry.

"(4) Beginning with the report submitted on March 1, 1999, an agency-by-agency summary of the volume and dollar value of transactions that were conducted using electronic commerce methods during the previous calendar year.

"(5) A discussion of possible incremental changes to the electronic commerce capability referred to in subsection (c)(4) to increase the level of government contract information available to the private sector, including an assessment of the advisability of including contract award information in the electronic commerce functional standard.

"(f) ELECTRONIC COMMERCE DEFINED.—For the purposes of this section, the term 'electronic commerce' means electronic techniques for accomplishing business transactions, including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfers, and electronic data interchange.".

(b) REPEAL OF REQUIREMENTS FOR IMPLEMENTATION OF FACNET CAPABILITY.—Section 30A of the Office of Federal Procurement Policy Act (41 U.S.C. 426a) is repealed.

(c) REPEAL OF REQUIREMENT FOR GAO REPORT.—Section 9004 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 426a note) is repealed.

(d) REPEAL OF CONDITION FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

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

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(e) AMENDMENTS TO PROCUREMENT NOTICE REQUIREMENTS.—(1) Section 8(g)(1) of the Small Business Act (15 U.S.C. 637(g)(1)) is amended—

(A) by striking out subparagraphs (A) and (B);

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), and (H) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively; and

(C) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) the proposed procurement is for an amount not greater than the simplified acquisition threshold and is to be conducted by—

"(i) using widespread electronic public notice of the solicitation in a form that allows convenient and universal user access through a single, Government-wide point of entry; and

"(ii) permitting the public to respond to the solicitation electronically.".

(2) Section 18(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)) is amended—

(A) by striking out subparagraphs (A) and (B);

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), and (H) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively; and

(C) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) the proposed procurement is for an amount not greater than the simplified acquisition threshold and is to be conducted by—

"(i) using widespread electronic public notice of the solicitation in a form that allows convenient and universal user access through a single, Government-wide point of entry; and

"(ii) permitting the public to respond to the solicitation electronically.".

(3) The amendments made by paragraphs (1) and (2) shall be implemented in a manner consistent with any applicable international agreements.

(f) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note) is amended—

(A) in subsection (c)(4)—

(i) by striking out "the Federal acquisition computer network ('FACNET')" and inserting in lieu thereof "the electronic commerce"; and

(ii) by striking out "(as added by section 9001)"; and

(B) in subsection (e)(9)(A), by striking out ", or by dissemination through FACNET,".

(2) Section 5401 of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 40 U.S.C. 1501) is amended—

(A) in subsection (a)—

(i) by striking out "through the Federal Acquisition Computer Network (in this section referred to as 'FACNET')"; and

(ii) by striking out the last sentence;

(B) in subsection (b)—

(i) by striking out "ADDITIONAL FACNET FUNCTIONS.—" and all that follows through "(41 U.S.C. 426(b)), the FACNET architecture" and inserting in lieu thereof "FUNCTIONS.—(1) The system for providing on-line computer access"; and

(ii) in paragraph (2), by striking out "The FACNET architecture" and inserting in lieu thereof "The system for providing on-line computer access";

(C) in subsection (c)(1), by striking out "the FACNET architecture" and inserting in lieu thereof "the system for providing on-line computer access"; and

(D) by striking out subsection (d).

(3)(A) Section 2302c of title 10, United States Code, is amended to read as follows:

"§ 2302c. Implementation of electronic commerce capability

"(a) IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.—(1) The head of each agency named in paragraphs (1), (5), and (6) shall implement the electronic commerce capability required by section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426).

"(2) The Secretary of Defense shall act through the Under Secretary of Defense for Acquisition and Technology to implement the capability within the Department of Defense.

"(3) In implementing the electronic commerce capability pursuant to paragraph (1), the head of an agency referred to in paragraph (1) shall consult with the Administrator for Federal Procurement Policy.

"(b) DESIGNATION OF AGENCY OFFICIAL.—The head of each agency named in paragraph (5) or (6) of section 2303 of this title shall designate a program manager to implement the electronic commerce capability for that agency. The program manager shall report directly to an official at a level not lower than the senior procurement executive designated for the agency under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).".

(B) Section 2304(g)(4) of such title is amended by striking out "31(g)" and inserting in lieu thereof "31(f)".

(4)(A) Section 302C of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252c) is amended to read as follows:

"SEC. 302C. IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.

"(a) IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.—(1) The head of each executive agency shall implement the electronic commerce capability required by section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426).

"(2) In implementing the electronic commerce capability pursuant to paragraph (1), the head of an executive agency shall consult with the Administrator for Federal Procurement Policy.

"(b) DESIGNATION OF AGENCY OFFICIAL.—The head of each executive agency shall designate a program manager to implement the electronic commerce capability for that agency. The program manager shall report directly to an official at a level not lower than the senior procurement executive designated for the executive agency under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).".

(B) Section 303(g)(5) of the Federal Property and Administrative Services Act (41 U.S.C. 253(g)(5)) is amended by striking out "31(g)" and inserting in lieu thereof "31(f)".

(g) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) The repeal made by subsection (c) of this section shall take effect on the date of the enactment of this Act.

SEC. 851. CONFORMANCE OF POLICY ON PERFORMANCE BASED MANAGEMENT OF CIVILIAN ACQUISITION PROGRAMS WITH POLICY ESTABLISHED FOR DEFENSE ACQUISITION PROGRAMS.

(a) PERFORMANCE GOALS.—Section 313(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 263(a)) is amended to read as follows:

"(a) CONGRESSIONAL POLICY.—It is the policy of Congress that the head of each executive agency should achieve, on average, 90 percent of the cost, performance, and schedule goals established for major acquisition programs of the agency.".

(b) CONFORMING AMENDMENT TO REPORTING REQUIREMENT.—Section 6(k) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(k)) is amended by inserting "regarding major acquisitions that is" in the first sentence after "policy".

SEC. 852. MODIFICATION OF PROCESS REQUIREMENTS FOR THE SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) SOURCE SELECTION.—Paragraph (9) of section 5312(c) of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 40 U.S.C. 1492(c)) is amended—

(1) in subparagraph (A), by striking out ", and ranking of alternative sources," and inserting in lieu thereof "or sources,";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by inserting "(or a longer period, if approved by the Administrator)" after "30 to 60 days";

(B) in clause (i), by inserting "or sources" after "source"; and

(C) in clause (ii), by striking out "that source" and inserting in lieu thereof "the source whose offer is determined to be most advantageous to the Government"; and

(3) in subparagraph (C), by striking out "with alternative sources (in the order ranked)".

(b) TIME MANAGEMENT DISCIPLINE.—Paragraph (12) of such section is amended by inserting before the period at the end the following: ", except that the Administrator may approve the application of a longer standard period".

SEC. 853. GUIDANCE AND STANDARDS FOR DEFENSE ACQUISITION WORKFORCE TRAINING REQUIREMENTS.

The Secretary of Defense shall develop appropriate guidance and standards to ensure that the Department of Defense will continue, where appropriate and cost-effective, to enter into contracts for the training requirements of sections 1723, 1724, and 1735 of title 10, United States Code, while maintaining appropriate control over the content and quality of such training.

SEC. 854. STUDY AND REPORT TO CONGRESS ASSESSING DEPENDENCE ON FOREIGN SOURCES FOR RESISTORS AND CAPACITORS.

(a) STUDY.—The Secretary of Defense shall conduct a study of the capacitor and resistor industries in the United States and the degree of United States dependence on foreign sources for resistors and capacitors.

(b) REPORT.—Not later than May 1, 1998, the Secretary shall submit to Congress a report on the results of the study under subsection (a). The report shall include the following:

(1) An assessment of the industrial base for the production of resistors and capacitors within the United States and a projection of any changes in that base that are likely to occur after the implementation of relevant tariff reductions required by the Information Technology Agreement entered into at the World Trade Organization Ministerial in Singapore in December 1996.

(2) An assessment of the level of dependence on foreign sources for procurement of resistors and capacitors and a projection of the level of dependence on foreign sources that is likely to occur after the implementation of relevant tariff reductions required by the Information Technology Agreement.

(3) The implications for the national security of the United States of the projections reported under paragraphs (1) and (2).

(4) Recommendations for appropriate changes, if any, in defense procurement policies or other Federal policies based on such implications.

SEC. 855. DEPARTMENT OF DEFENSE AND FEDERAL PRISON INDUSTRIES JOINT STUDY.

(a) STUDY OF EXISTING PROCUREMENT PROCEDURES.—The Secretary of Defense and the Director of Federal Prison Industries shall jointly conduct a study of the procurement procedures, regulations, and statutes that govern procurement transactions between the Department of Defense and Federal Prison Industries.

(b) REPORT.—(1) The Secretary and the Director shall, not later than 180 days after the date of the enactment of this Act, submit to the committees listed in paragraph (2) a report containing the findings of the study and recommendations on the means to improve the efficiency and reduce the cost of transactions described in subsection (a).

(2) The committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services and the Committee on the Judiciary of the Senate.

(B) The Committee on National Security and the Committee on the Judiciary of the House of Representatives.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

Sec. 901. Assistants to the Chairman of the Joint Chiefs of Staff for National Guard matters and for Reserve matters.
Sec. 902. Use of CINC Initiative Fund for force protection.
Sec. 903. Revision to required frequency for provision of policy guidance for contingency plans.
Sec. 904. Annual justification for Department of Defense advisory committees.
Sec. 905. Airborne reconnaissance management.
Sec. 906. Termination of the Armed Services Patent Advisory Board.
Sec. 907. Coordination of Department of Defense criminal investigations and audits.

Subtitle B—Department of Defense Personnel Management

Sec. 911. Reduction in personnel assigned to management headquarters and headquarters support activities.
Sec. 912. Defense acquisition workforce.

Subtitle C—Department of Defense Schools and Centers

Sec. 921. Professional military education schools.
Sec. 922. Center for Hemispheric Defense Studies.
Sec. 923. Correction to reference to George C. Marshall European Center for Security Studies.

Subtitle D—Department of Defense Intelligence-Related Matters

Sec. 931. Transfer of certain military department programs from TIARA budget aggregation.
Sec. 932. Report on coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community.
Sec. 933. Protection of imagery, imagery intelligence, and geospatial information and data.
Sec. 934. POW/MIA intelligence analysis.

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

SEC. 901. ASSISTANTS TO THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF FOR NATIONAL GUARD MATTERS AND FOR RESERVE MATTERS.

(a) ESTABLISHMENT OF POSITIONS.—The Secretary of Defense shall establish the following positions within the Joint Staff:

(1) Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters.

(2) Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters.

(b) SELECTION.—(1) The Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters shall be selected by the Chairman from officers of the Army National Guard of the United States or the Air Guard of the United States who—

(A) are recommended for such selection by their respective Governors or, in the case of the District of Columbia, the commanding general of the District of Columbia National Guard;

(B) have had at least 10 years of federally recognized commissioned service in the National Guard; and

(C) are in a grade above the grade of colonel.

(2) The Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters shall be selected by the Chairman from officers of the Army Reserve, the Naval Reserve, the Marine Corps Reserve, or the Air Force Reserve who—

(A) are recommended for such selection by the Secretary of the military department concerned;

(B) have had at least 10 years of commissioned service in their reserve component; and

(C) are in a grade above the grade of colonel or, in the case of the Naval Reserve, captain.

(c) TERM OF OFFICE.—Each Assistant to the Chairman under subsection (a) serves at the pleasure of the Chairman for a term of two years and may be continued in that assignment in the same manner for one additional term. However, in time of war there is no limit on the number of terms.

(d) GRADE.—Each Assistant to the Chairman, while so serving, holds the grade of major general or, in the case of the Naval Reserve, rear admiral. Each such officer shall be considered to be serving in a position external to that officer's Armed Force for purposes of section 721 of title 10, United States Code, as added by section 501(a).

(e) DUTIES.—The Assistant to the Chairman for National Guard Matters is an adviser to the Chairman on matters relating to the National Guard and performs the duties prescribed for that position by the Chairman. The Assistant to the Chairman for Reserve Matters is an adviser to the Chairman on matters relating to the reserves and performs the duties prescribed for that position by the Chairman.

(f) OTHER RESERVE COMPONENT REPRESENTATION ON JOINT STAFF.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs, shall develop appropriate policy guidance to ensure that, to the maximum extent practicable, the level of reserve component officer representation within the Joint Staff is commensurate with the significant role of the reserve components within the Total Force.

(2) Not later than March 1, 1998, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the steps taken and being taken to implement this subsection.

(g) EFFECTIVE DATE.—The positions specified in subsection (a) shall be established by the Secretary of Defense not later than 60 days after the date of the enactment of this Act.

SEC. 902. USE OF CINC INITIATIVE FUND FOR FORCE PROTECTION.

Section 166a(b) of title 10, United States Code, is amended by adding at the end the following:

"(9) Force protection.".

SEC. 903. REVISION TO REQUIRED FREQUENCY FOR PROVISION OF POLICY GUIDANCE FOR CONTINGENCY PLANS.

Section 113(g)(2) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "annually"; and

(2) in the second sentence, by inserting "be provided every two years or more frequently as needed and shall" after "Such guidance shall".

SEC. 904. ANNUAL JUSTIFICATION FOR DEPARTMENT OF DEFENSE ADVISORY COMMITTEES.

(a) ANNUAL JUSTIFICATION REQUIRED.—Chapter 7 of title 10, United States Code, is amended by adding after section 182, as added by section 382(a)(1), the following new section:

"§ 183. Advisory committees: annual justification required

"(a) ANNUAL REPORT.—The Secretary of Defense shall include in the annual report of the Secretary under section 113(c) of this title a report on advisory committees of the Department of Defense. In each such report, the Secretary shall—

"(1) identify each advisory committee that the Secretary proposes to support, or that the Secretary is required by law or direction from the President to support, during the next fiscal year; and

"(2) for each committee identified under paragraph (1), set forth—

"(A) the justification or requirement for that committee; and

"(B) the projected cost to the Department of Defense to support that committee during the next fiscal year.

"(b) ADVISORY COMMITTEE DEFINED.—In this section, the term 'advisory committee' means an entity that is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 182, as added by section 382(a)(2), the following new item:

"183. Advisory committees: annual justification required.".

SEC. 905. AIRBORNE RECONNAISSANCE MANAGEMENT.

(a) REORGANIZATION OF DEFENSE AIRBORNE RECONNAISSANCE MANAGEMENT.—Not later than September 30, 1998, the Secretary of Defense shall reorganize the management of defense airborne reconnaissance within the Department of Defense in accordance with the plan developed under subsection (b).

(b) PLAN AND REPORT.—(1) The Secretary of Defense shall develop a plan to reorganize the following organizations by transferring functions as required under subsections (c) and (d):

(A) The organization within the Department of Defense that is subordinate to the Under Secretary of Defense for Acquisition and Technology and known as the Defense Airborne Reconnaissance Office.

(B) The organization within the Department of Defense that is subordinate to the Secretary of the Navy and known as the Unmanned Aerial Vehicle Joint Program Office.

(2) The Secretary shall submit to the congressional defense committees a report containing—

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

(B) an explanation of how the plan addresses the findings and recommendations in the final report of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense).

(3) The plan under paragraph (1) shall be developed, and the report under paragraph (2) shall be submitted, not later than March 1, 1998.

(c) TRANSFER OF CERTAIN FUNCTIONS TO SECRETARIES OF MILITARY DEPARTMENTS.—(1) Not later than September 30, 1998, the Secretary of Defense shall transfer to the Secretaries of the military departments those functions specified in paragraph (2) that were performed on the day before the date of the enactment of this Act by the Defense Airborne Reconnaissance Office and the Unmanned Aerial Vehicle Joint Program Office.

(2) The functions referred to in paragraph (1) are the functions of the Defense Airborne Reconnaissance Office and the Unmanned Aerial Vehicle Joint Program Office relating to their responsibilities for acquisition of systems, budgeting, program management (for research, development, test, and evaluation, for procurement, for life-cycle support, and for operations), and related responsibilities for individual airborne reconnaissance programs.

(d) TRANSFER OF CERTAIN FUNCTIONS TO DEFENSE AIRBORNE RECONNAISSANCE OFFICE.—(1) Not later than September 30, 1998, the Secretary of Defense shall transfer to the Defense Airborne Reconnaissance Office those functions specified in paragraph (2) that were performed on the day before the date of the enactment of this Act by the Unmanned Aerial Vehicle Joint Program Office.

(2) The functions referred to in paragraph (1) are the functions of the Unmanned Aerial Vehicle Joint Program Office relating to its responsibilities for management and oversight of defense airborne reconnaissance architecture, requirements, and system interfaces (other than the responsibilities specified in subsection (c)(2)).

SEC. 906. TERMINATION OF THE ARMED SERVICES PATENT ADVISORY BOARD.

(a) TERMINATION OF BOARD.—The organization within the Department of Defense known as the Armed Services Patent Advisory Board is terminated. No funds available for the Department of Defense may be used for the operation of that Board after the effective date specified in subsection (c).

(b) TRANSFER OF FUNCTIONS.—All functions performed on the day before the date of the enactment of this Act by the Armed Services Patent Advisory Board (including performance of the responsibilities of the Department of Defense for security review of patent applications under chapter 17 of title 35, United States Code) shall be transferred to the Defense Technology Security Administration.

(c) EFFECTIVE DATE.—Subsection (a) shall take effect at the end of the 120-day period beginning on the date of the enactment of this Act.

SEC. 907. COORDINATION OF DEPARTMENT OF DEFENSE CRIMINAL INVESTIGATIONS AND AUDITS.

(a) MILITARY DEPARTMENT CRIMINAL INVESTIGATIVE ORGANIZATIONS.—(1) The heads of the military department criminal investigative organizations shall take such action as may be practicable to conserve the limited resources available to the military department criminal investigative organizations by sharing personnel, expertise, infrastructure, training, equipment, software, and other resources.

(2) The heads of the military department criminal investigative organizations shall meet on a regular basis to determine the manner in which and the extent to which the military department criminal investigative organizations will be able to share resources.

(b) DEFENSE AUDITING ORGANIZATIONS.—(1) The heads of the defense auditing organizations shall take such action as may be practicable to conserve the limited resources available to the defense auditing organizations by sharing personnel, expertise, infrastructure, training, equipment, software, and other resources.

(2) The heads of the defense auditing organizations shall meet on a regular basis to determine the manner in which and the extent to which the defense auditing organizations will be able to share resources.

(c) IMPLEMENTATION PLAN.—Not later than December 31, 1997, the Secretary of Defense shall submit to Congress a plan designed to maximize the resources available to the military department criminal investigative organizations and the defense auditing organizations, as required by this section.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "military department criminal investigative organizations" means—

(A) the Army Criminal Investigation Command;

(B) the Naval Criminal Investigative Service; and

(C) the Air Force Office of Special Investigations.

(2) The term "defense auditing organizations" means—

(A) the Office of the Inspector General of the Department of Defense;

(B) the Defense Contract Audit Agency;

(C) the Army Audit Agency;

(D) the Naval Audit Service; and

(E) the Air Force Audit Agency.

Subtitle B—Department of Defense Personnel Management

SEC. 911. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 3 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 130a. Management headquarters and headquarters support activities personnel: limitation

"(a) LIMITATION.—Effective October 1, 2002, the number of management headquarters and headquarters support activities personnel in the Department of Defense may not exceed 75 percent of the baseline number.

"(b) PHASED REDUCTION.—The number of management headquarters and headquarters support activities personnel in the Department of Defense—

"(1) as of October 1, 1998, may not exceed 95 percent of the baseline number;

"(2) as of October 1, 1999, may not exceed 90 percent of the baseline number;

"(3) as of October 1, 2000, may not exceed 85 percent of the baseline number; and

"(4) as of October 1, 2001, may not exceed 80 percent of the baseline number.

"(c) BASELINE NUMBER.—In this section, the term 'baseline number' means the number of management headquarters and headquarters support activities personnel in the Department of Defense as of October 1, 1997.

"(d) LIMITATION ON MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT PERSONNEL ASSIGNED TO THE UNITED STATES TRANSPORTATION COMMAND.—(1) Effective October 1, 1998, the number of management headquarters activities and management headquarters support activities personnel assigned to, or employed in, the United States Transportation Command may not exceed the number equal to 95 percent of the number of such personnel as of October 1, 1997.

"(2) For purposes of paragraph (1), the United States Transportation Command shall be considered to include the following:

"(A) The United States Transportation Command Headquarters.

"(B) The Air Mobility Command of the Air Force.

"(C) The Military Sealift Command of the Navy.

"(D) The Military Traffic Management Command of the Army.

"(E) The Defense Courier Service.

"(F) Any other element of the Department of Defense assigned to the United States Transportation Command.

"(3) The Secretary of Defense may waive or suspend operation of paragraph (1) in the event of a war or national emergency.

"(e) MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES PERSONNEL DEFINED.—In this section:

"(1) The term 'management headquarters and headquarters support activities personnel' means military and civilian personnel of the Department of Defense who are assigned to, or employed in, functions in management headquarters activities or in management headquarters support activities.

"(2) The terms 'management headquarters activities' and 'management headquarters support activities' have the meanings given those terms in Department of Defense Directive 5100.73, entitled 'Department of Defense Management Headquarters and Headquarters Support Activities', as in effect on November 12, 1996.

"(f) LIMITATION ON REASSIGNMENT OF FUNCTIONS.—In carrying out reductions in the number of personnel assigned to, or employed in, management headquarters and headquarters support activities in order to comply with this section, the Secretary of Defense and the Secretaries of the military departments may not reassign functions in order to evade the requirements of this section.

"(g) FLEXIBILITY.—If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (b) with respect to any fiscal year would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (a) during fiscal year 2001 would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. The authority under this subsection may be used only once, with respect to a single fiscal year.".

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

"130a. Management headquarters and headquarters support activities personnel: limitation.".

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to achieve the personnel reductions required by section 130a of title 10, United States Code, as added by subsection (a); and

(2) including the recommendations of the Secretary regarding—

(A) the revision, replacement, or augmentation of Department of Defense Directive 5100.73, entitled "Department of Defense Management Headquarters and Headquarters Support Activities", as in effect on November 12, 1996; and

(B) the revision of the definitions of the terms "management headquarters activities" and "management headquarters support activities" under that Directive so that those terms apply uniformly throughout the Department of Defense.

(c) DUTIES OF TASK FORCE ON DEFENSE REFORM TO INCLUDE CONSIDERATION OF MANAGEMENT HEADQUARTERS ACTIVITIES.—(1) The Secretary of Defense shall require that the areas of study of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense) include an examination of the missions, functions, and responsibilities of the various management headquarters activities and management headquarters support activities of the Department of Defense. In carrying out that examination of those activities, the Task Force shall identify areas of duplication in those activities and recommend to the Secretary options to streamline, reduce, and eliminate redundancies.

(2) The examination of the missions, functions, and responsibilities of the various management headquarters activities and management headquarters support activities of the Department of Defense under paragraph (1) shall include the following:

(A) An assessment of benefits of consolidation or selected elimination of Department of Defense management headquarters activities and management headquarters support activities.

(B) An assessment of the opportunities to streamline the management headquarters and management headquarters support infrastructure that were realized as a result of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) or as result of other management reform initiatives implemented administratively during the period from 1993 through 1997.

(C) An assessment of such other options for streamlining or restructuring the management headquarters and management headquarters support infrastructure as the Task Force considers appropriate and as can be carried out under existing provisions of law.

(3) Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the results of the examination by the Task Force under this subsection. The Secretary shall include in the report any report to the Secretary from the Task Force with respect to the matters described in paragraphs (1) and (2).

(d) CODIFICATION OF PRIOR PERMANENT LIMITATION ON OSD PERSONNEL.—(1) Chapter 4 of title 10, United States Code, is amended by adding at the end a new section 143 consisting of—

(A) a heading as follows:

"§ 143. Office of the Secretary of Defense personnel: limitation";

and

(B) a text consisting of the text of subsections (a) through (f) of section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617).

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

"143. Office of the Secretary of Defense personnel: limitation.".

(3) Section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617) is repealed.

SEC. 912. DEFENSE ACQUISITION WORKFORCE.

(a) REDUCTION OF DEFENSE ACQUISITION WORKFORCE.—(1) The Secretary of Defense shall accomplish reductions in defense acquisition personnel positions during fiscal year 1998 so that the total number of such personnel as of October 1, 1998, is less than the total number of such personnel as of October 1, 1997, by at least the applicable number determined under paragraph (2).

(2)(A) The applicable number for purposes of paragraph (1) is 25,000. However, the Secretary of Defense may specify a lower number, which may not be less than 10,000, as the applicable number for purposes of paragraph (1) if the Secretary determines, and certifies to Congress not later than June 1, 1998, that an applicable number greater than the number specified by the Secretary would be inconsistent with the cost-effective management of the defense acquisition system to obtain best value equipment and would adversely affect military readiness.

(B) The Secretary shall include with such a certification a detailed explanation of each of the matters certified.

(C) The authority of the Secretary under subparagraph (A) may only be delegated to the Deputy Secretary of Defense.

(3) For purposes of this subsection, the term "defense acquisition personnel" means military and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58 dated January 14, 1992).

(b) REPORT ON SPECIFIC ACQUISITION POSITIONS PREVIOUSLY ELIMINATED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on reductions in the defense acquisition workforce made since fiscal year 1989. The report shall show aggregate reductions by fiscal year and shall show for each fiscal year reductions identified by specific job title, classification, or position. The report shall also identify those reductions carried out pursuant to law (and how the Secretary implemented any statutory requirement for such reductions, including definition of the workforce subject to the reduction) and those reductions carried out as a result of base closures and realignments under the so-called BRAC process. The Secretary shall include in the report a definition of the term "defense acquisition workforce" that is to be applied uniformly throughout the Department of Defense.

(c) IMPLEMENTATION PLAN TO STREAMLINE AND IMPROVE ACQUISITION ORGANIZATIONS.—(1) Not later than April 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to streamline the acquisition organizations, workforce, and infrastructure of the Department of Defense. The Secretary shall include with the report a detailed discussion of the recommendations of the Secretary based on the review under subsection (d) and the assessment of the Task Force on Defense Reform pursuant to subsection (e), together with a request for the enactment of any legislative changes necessary for implementation of the plan. The Secretary shall include in the report the results of the review under subsection (d) and the independent assessment of the Task Force on Defense Reform pursuant to subsection (e).

(2) In carrying out this subsection and subsection (d), the Secretary of Defense shall formally consult with the Chairman of the Joint Chiefs of Staff, the Director of Program Analysis and Evaluation, the Under Secretary of Defense (Comptroller), and the Under Secretary for Acquisition and Technology.

(d) REVIEW OF ACQUISITION ORGANIZATIONS AND FUNCTIONS.—The Secretary of Defense shall conduct a review of the organizations and functions of the Department of Defense acquisition activities and of the personnel required to carry out those functions. The review shall identify the following:

(1) Opportunities for cross-service, cross-functional arrangements within the military services and defense agencies.

(2) Specific areas of overlap, duplication, and redundancy among the various acquisition organizations.

(3) Opportunities to further streamline acquisition processes.

(4) Benefits of an enhanced Joint Requirements Oversight Council in the acquisition process.

(5) Alternative consolidation options for acquisition organizations.

(6) Alternative methods for performing industry oversight and quality assurance.

(7) Alternative options to shorten the procurement cycle.

(8) Alternative acquisition infrastructure reduction options within current authorities.

(9) Alternative organizational arrangements that capitalize on core acquisition competencies among the military services and defense agencies.

(10) Future acquisition personnel requirements of the Department.

(11) Adequacy of the Program, Plans, and Budgeting System in fulfilling current and future acquisition needs of the Department.

(12) Effect of technology and advanced management tools in the future acquisition system.

(13) Applicability of more flexible alternative approaches to the current civil service system for the acquisition workforce.

(14) Adequacy of Department of Defense Instruction numbered 5000.58 dated January 14, 1992.

(e) DUTIES OF TASK FORCE ON DEFENSE REFORM TO INCLUDE CONSIDERATION OF ACQUISITION ORGANIZATIONS.—(1) The Secretary of Defense shall require that the areas of study of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense) include an examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense, including the acquisition workforce of the Department. In carrying out that examination of those organizations and that workforce, the Task Force shall identify areas of duplication in defense acquisition organization and recommend to the Secretary options to streamline, reduce, and eliminate redundancies.

(2) The examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense under paragraph (1) shall include the following:

(A) An assessment of benefits of consolidation or selected elimination of Department of Defense acquisition organizations.

(B) An assessment of the opportunities to streamline the defense acquisition infrastructure that were realized as a result of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) or as result of other acquisition reform initiatives implemented administratively during the period from 1993 through 1997.

(C) An assessment of such other options for streamlining or restructuring the defense acquisition infrastructure as the Task Force considers appropriate and as can be carried out under existing provisions of law.

(3) Not later than March 1, 1998, the Task Force shall submit to the Secretary a report on the results of its review of the acquisition organizations of the Department of Defense, including any recommendations of the Task Force for improvements to those organizations.

(f) TECHNICAL REFERENCE CORRECTION.—Section 1721(c) of title 10, United States Code, is amended by striking out "November 25, 1988" and inserting in lieu thereof "November 12, 1996".

Subtitle C—Department of Defense Schools and Centers

SEC. 921. PROFESSIONAL MILITARY EDUCATION SCHOOLS.

(a) COMPONENT INSTITUTIONS OF THE NATIONAL DEFENSE UNIVERSITY.—(1) Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2165. National Defense University: component institutions

"(a) IN GENERAL.—There is a National Defense University in the Department of Defense.

"(b) COMPONENT INSTITUTIONS.—The National Defense University consists of the following institutions:

"(1) The National War College.

"(2) The Industrial College of the Armed Forces.

"(3) The Armed Forces Staff College.

"(4) The Institute for National Strategic Studies.

"(5) The Information Resources Management College.".

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

"2165. National Defense University: component institutions.".

(b) MARINE CORPS UNIVERSITY AS PROFESSIONAL MILITARY EDUCATION SCHOOL.—Subsection (d) of section 2162 of such title is amended to read as follows:

"(d) PROFESSIONAL MILITARY EDUCATION SCHOOLS.—This section applies to each of the following professional military education schools:

"(1) The National Defense University.

"(2) The Army War College.

"(3) The College of Naval Warfare.

"(4) The Air War College.

"(5) The United States Army Command and General Staff College.

"(6) The College of Naval Command and Staff.

"(7) The Air Command and Staff College.

"(8) The Marine Corps University.".

(c) REPEAL OF DUPLICATIVE DEFINITION.—Section 1595(d) of such title is amended—

(1) by striking out "(1)" before "In the case of"; and

(2) by striking out paragraph (2).

SEC. 922. CENTER FOR HEMISPHERIC DEFENSE STUDIES.

(a) INSTITUTION OF THE NATIONAL DEFENSE UNIVERSITY.—Subsection (b) of section 2165 of title 10, United States Code, as added by section 921(a)(1), is amended by adding at the end the following new paragraph:

"(6) The Center for Hemispheric Defense Studies.".

(b) CIVILIAN FACULTY MEMBERS.—Section 1595 of title 10, United States Code, is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) APPLICABILITY TO DIRECTOR AND DEPUTY DIRECTOR AT CERTAIN INSTITUTIONS.—In addition to the persons specified in subsection (a), this section also applies with respect to the Director and the Deputy Director of the following:

"(1) The George C. Marshall European Center for Security Studies.

"(2) The Asia-Pacific Center for Security Studies.

"(3) The Center for Hemispheric Defense Studies.".

SEC. 923. CORRECTION TO REFERENCE TO GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

(a) CORRECTION TO REFERENCE TO NAME OF CENTER.—Subsection (a) of section 506 of the Intelligence Authorization Act, Fiscal Year 1990 (Public Law 101–193; 8 U.S.C. 1430 note), is amended by striking out "the United States Army Russian Institute" and inserting in lieu thereof "the George C. Marshall European Center for Security Studies".

(b) SECTION HEADING.—The heading of such section is amended to read as follows:

"REQUIREMENTS FOR CITIZENSHIP FOR STAFF OF GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES".

Subtitle D—Department of Defense Intelligence Matters

SEC. 931. TRANSFER OF CERTAIN MILITARY DEPARTMENT PROGRAMS FROM TIARA BUDGET AGGREGATION.

(a) TRANSFER.—Effective March 1, 1998, the Secretary of Defense shall, for each program identified by the Secretary under subsection (c)(2), transfer the management and budgeting of funds for that program from the TIARA budget aggregation to a nonintelligence budget activity of the military department responsible for that program.

(b) ASSESSMENT.—The Secretary of Defense shall conduct an assessment of the policy of the Department of Defense that is used for determining the programs of the Department that are included within the TIARA budget aggregation. In conducting the assessment, the Secretary—

(1) shall consider whether the current policy is in need of revision to reflect changes in technology and battlefield use of TIARA systems;

(2) shall specifically consider the appropriateness of the continued inclusion in the TIARA budget aggregation of each of the programs described in subsection (e); and

(3) may consider the appropriateness of the continued inclusion in the TIARA budget aggregation of any other program (in addition to the programs described to in subsection (e)) that as of the date of the enactment of this Act is managed and budgeted as part of the TIARA budget aggregation.

(c) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the assessment carried out under section (b). The Secretary shall include in the report—

(1) a description of any proposed changes to Department of Defense policies for determining which programs are included in the TIARA budget aggregation; and

(2) identification of each program (among the programs considered pursuant to paragraphs (2) and (3) of subsection (b)) for which the management and budgeting of funds is to be transferred under subsection (a).

(d) IDENTIFICATION OF PROGRAMS.—(1) In specifying the programs to be included on the list under subsection (c)(2), the Secretary—

(A) shall (except as otherwise provided pursuant to a waiver under paragraph (2)) include each program described in subsection (e); and

(B) may include such additional programs considered in the assessment pursuant to subsection (b)(3) as the Secretary determines appropriate.

(2) The Secretary, after considering the results of the assessment under subsection (c), may waive the applicability of paragraph (1)(A) to any program described in subsection (e). The Secretary shall include in the report under subsection (c) identification of each such program for which the Secretary has granted such a waiver and supporting rationale for each waiver.

(e) COVERED PROGRAMS.—The programs described in this subsection are the following (each of which, as of the date of the enactment of this Act, is managed and budgeted as part of the TIARA budget aggregation):

(1) Each targeting or target acquisition program of the Department of Defense, including the Joint Surveillance and Target Attack Radar System (JSTARS) and the Advanced Deployable System.

(2) Each Tactical Warning and Attack Assessment program of the Department of Defense, including the Defense Support Program, the Space-Based Infrared Program, and early warning radars.

(3) Each tactical communications system of the Department of Defense, including the Joint Tactical Terminal.

(f) TIARA BUDGET AGGREGATION DEFINED.—For purposes of this section, the term "TIARA budget aggregation" means the aggregation of programs of the Department of Defense for which funds are managed and budgeted through a common designation as Tactical Intelligence and Related Activities (TIARA) of the Department of Defense.

SEC. 932. REPORT ON COORDINATION OF ACCESS OF COMMANDERS AND DEPLOYED UNITS TO INTELLIGENCE COLLECTED AND ANALYZED BY THE INTELLIGENCE COMMUNITY.

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

(1) Coordination of operational intelligence support for the commanders of the combatant commands and deployed units of the Armed Forces has proven to be inadequate.

(2) Procedures used to reconcile information among various intelligence community and Department of Defense data bases have proven to be inadequate and, being inadequate, have diminished the usefulness of that information and have precluded commanders and planners within the Armed Forces from fully benefiting from key information that should have been available to them.

(3) Excessive compartmentalization of responsibilities and information within the Department of Defense and the other elements of the intelligence community has resulted in inaccurate analysis of important intelligence material.

(4) Excessive restrictions on the distribution of information within the executive branch have disadvantaged units of the Armed Forces that would have benefited most from the information.

(5) Procedures used in the Department of Defense to ensure that critical intelligence information is provided to the right combat units in a timely manner failed during the Persian Gulf War and, as a result, information about potential chemical weapons storage locations did not reach the units that eventually destroyed those storage areas.

(6) A recent, detailed review of the events leading to and following the destruction of chemical weapons by members of the Armed Forces at Khamisiyah, Iraq, during the Persian Gulf War has revealed a number of inadequacies in the way the Department of Defense and the other elements of the intelligence community handled, distributed, recorded, and stored intelligence information about the threat of exposure of United States forces to chemical weapons and the toxic agents in those weapons.

(7) The inadequacy of procedures for recording the receipt of, and reaction to, intelligence reports provided by the intelligence community to combat units of the Armed Forces during the Persian Gulf War has caused it to be impossible to analyze the failures in transmission of intelligence-related information on the location of chemical weapons at Khamisiyah, Iraq, that resulted in the demolition of chemical weapons by members of the Armed Forces unaware of the hazards to which they were exposed.

(b) REPORT REQUIREMENT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report that identifies the specific actions that have been taken or are being taken to ensure that there is adequate coordination of access of commanders of the combatant commands and deployed units of the Armed Forces to intelligence collected and analyzed by the intelligence community.

SEC. 933. PROTECTION OF IMAGERY, IMAGERY INTELLIGENCE, AND GEOSPATIAL INFORMATION AND DATA.

(a) PROTECTION OF INFORMATION ON CAPABILITIES.—Paragraph (1)(B) of section 455(b) of title 10, United States Code, is amended by inserting ", or capabilities," after "methods".

(b) PRODUCTS PROTECTED.—(1) Paragraph (2) of such section is amended to read as follows:

"(2) In this subsection, the term 'geodetic product' means imagery, imagery intelligence, or geospatial information.".

(2) Section 467(4) of title 10, United States Code, is amended—

(A) by inserting "and" at the end of subparagraph (A);

(B) in subparagraph (B), by striking out "and geodetic data; and" and inserting in lieu thereof "geodetic data, and related products."; and

(C) by striking out subparagraph (C).

SEC. 934. POW/MIA INTELLIGENCE ANALYSIS.

(a) INTELLIGENCE ANALYSIS.—The Director of Central Intelligence, in consultation with the Secretary of Defense, shall provide intelligence analysis on matters concerning prisoners of war and missing persons (as defined in chapter 76 of title 10, United States Code) to all departments and agencies of the Federal Government involved in such matters.

(b) USE OF INTELLIGENCE IN ANALYSIS OF POW/MIA CASES IN DEPARTMENT OF DEFENSE.—The Secretary of Defense shall ensure that the Defense Prisoner of War/Missing Personnel Office of the Department of Defense takes into full account all intelligence regarding matters concerning of prisoners of war and missing persons (as defined in chapter 76 of title 10, United States Code) in analyzing cases involving such persons.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authority for obligation of unauthorized fiscal year 1997 defense appropriations.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1997.
Sec. 1005. Increase in fiscal year 1996 transfer authority.
Sec. 1006. Revision of authority for Fisher House trust funds.
Sec. 1007. Flexibility in financing closure of certain outstanding contracts for which a small final payment is due.
Sec. 1008. Biennial financial management improvement plan.
Sec. 1009. Estimates and requests for procurement and military construction for the reserve components.
Sec. 1010. Sense of Congress regarding funding for reserve component modernization not requested in President's budget.
Sec. 1011. Management of working-capital funds.
Sec. 1012. Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits.
Sec. 1013. Payment of claims by members for loss of personal property due to flooding in Red River Basin.
Sec. 1014. Advances for payment of public services.
Sec. 1015. United States Man and the Biosphere Program limitation.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Procedures for sale of vessels stricken from the Naval Vessel Register.
Sec. 1022. Authority to enter into a long-term charter for a vessel in support of the Surveillance Towed-Array Sensor (SURTASS) program.
Sec. 1023. Transfer of two specified obsolete tugboats of the Army.

Sec. 1024. Congressional review period with respect to transfer of ex-U.S.S. Hornet (CV–12) and ex-U.S.S. Midway (CV–41).
Sec. 1025. Transfers of naval vessels to certain foreign countries.
Sec. 1026. Reports relating to export of vessels that may contain polychlorinated biphenyls.
Sec. 1027. Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority.

Subtitle C—Counter-Drug Activities

Sec. 1031. Use of National Guard for State drug interdiction and counter-drug activities.
Sec. 1032. Authority to provide additional support for counter-drug activities of Mexico.
Sec. 1033. Authority to provide additional support for counter-drug activities of Peru and Colombia.
Sec. 1034. Annual report on development and deployment of narcotics detection technologies.

Subtitle D—Miscellaneous Report Requirements and Repeals

Sec. 1041. Repeal of miscellaneous reporting requirements.
Sec. 1042. Study of transfer of modular airborne fire fighting system.
Sec. 1043. Overseas infrastructure requirements.
Sec. 1044. Additional matters for annual report on activities of the General Accounting Office.
Sec. 1045. Eye safety at small arms firing ranges.
Sec. 1046. Reports on Department of Defense procedures for investigating military aviation accidents and for notifying and assisting families of victims.

Subtitle E—Matters Relating to Terrorism

Sec. 1051. Oversight of counterterrorism and antiterrorism activities; report.
Sec. 1052. Provision of adequate troop protection equipment for Armed Forces personnel engaged in peace operations; report on antiterrorism activities and protection of personnel.

Subtitle F—Matters Relating to Defense Property

Sec. 1061. Lease of nonexcess personal property of military departments.
Sec. 1062. Lease of nonexcess property of Defense Agencies.
Sec. 1063. Donation of excess chapel property to churches damaged or destroyed by arson or other acts of terrorism.
Sec. 1064. Authority of the Secretary of Defense concerning disposal of assets under cooperative agreements on air defense in Central Europe.
Sec. 1065. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.
Sec. 1066. Transfer of B–17 aircraft to museum.
Sec. 1067. Report on disposal of excess and surplus materials.

Subtitle G—Other Matters

Sec. 1071. Authority for special agents of the Defense Criminal Investigative Service to execute warrants and make arrests.
Sec. 1072. Study of investigative practices of military criminal investigative organizations relating to sex crimes.
Sec. 1073. Technical and clerical amendments.
Sec. 1074. Sustainment and operation of the Global Positioning System.
Sec. 1075. Protection of safety-related information voluntarily provided by air carriers.
Sec. 1076. National Guard Challenge Program to create opportunities for civilian youth.
Sec. 1077. Disqualification from certain burial-related benefits for persons convicted of capital crimes.
Sec. 1078. Restrictions on the use of human subjects for testing of chemical or biological agents.
Sec. 1079. Treatment of military flight operations.
Sec. 1080. Naturalization of certain foreign nationals who serve honorably in the Armed Forces during a period of conflict.
Sec. 1081. Applicability of certain pay authorities to members of specified independent study organizations.
Sec. 1082. Display of POW/MIA flag.
Sec. 1083. Program to commemorate 50th anniversary of the Korean conflict.
Sec. 1084. Commendation of members of the Armed Forces and Government civilian personnel who served during the Cold War; certificate of recognition.

Sec. 1085. Sense of Congress on granting of statutory Federal charters.
Sec. 1086. Sense of Congress regarding military voting rights.
Sec. 1087. Designation of Bob Hope as an honorary veteran of the Armed Forces of the United States.
Sec. 1088. Five-year extension of aviation insurance program.

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the committee of conference to accompany the conference report on the bill H.R. 1119 of the One Hundred Fifth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. AUTHORITY FOR OBLIGATION OF UNAUTHORIZED FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1997 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1997 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1997 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.—The term "fiscal year 1997 defense appropriations" means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1997 in the Department of Defense Appropriations Act, 1997 (as contained in section 101(b) of Public Law 104–208).

(2) FISCAL YEAR 1997 DEFENSE AUTHORIZATIONS.—The term "fiscal year 1997 defense authorizations" means amounts authorized to be appropriated for the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1997.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105–18).

SEC. 1005. INCREASE IN FISCAL YEAR 1996 TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 100 Stat. 414) is amended by striking out "$2,000,000,000" and inserting in lieu thereof "$3,100,000,000".

SEC. 1006. REVISION OF AUTHORITY FOR FISHER HOUSE TRUST FUNDS.

(a) CORRECTION TO ELIMINATE USE OF TERM ASSOCIATED WITH FUNDING AUTHORITIES.—Section 2221(c) of title 10, United States Code, is amended by striking out "or maintenance" each place it appears.

(b) CORPUS OF AIR FORCE TRUST FUND.—The Secretary of the Air Force shall deposit in the Fisher House Trust Fund, Department of the Air Force, an amount that the Secretary determines appropriate to establish the corpus of the fund.

SEC. 1007. FLEXIBILITY IN FINANCING CLOSURE OF CERTAIN OUTSTANDING CONTRACTS FOR WHICH A SMALL FINAL PAYMENT IS DUE.

(a) CLOSURE OF OUTSTANDING CONTRACTS.—The Secretary of Defense may make the final payment on a contract to which this

section applies from the account established pursuant to subsection (d).

(b) COVERED CONTRACTS.—This section applies to any contract of the Department of Defense—

(1) that was entered into before December 5, 1990; and

(2) for which an unobligated balance of an appropriation that had been initially applied to the contract was canceled before December 5, 1990, pursuant to section 1552 of title 31, United States Code, as in effect before that date.

(c) AUTHORITY LIMITED TO SMALL FINAL PAYMENTS.—The Secretary may use the authority provided by this section only for a contract for which the amount of the final payment due is not greater than the micro-purchase threshold (as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428)).

(d) ACCOUNT.—The Secretary may establish an account for the purposes of this section. The Secretary may from time to time transfer into the account, from funds made available to the Department of Defense for procurement or for research, development, test, and evaluation, such amounts as the Secretary determines to be needed for the purposes of the account, except that the total of such transfers may not exceed $1,000,000. Amounts in the account may be used only for the purposes of this section.

(e) CLOSURE OF ACCOUNT.—When the Secretary determines that all contracts to which this section applies have been closed and there is no further need for the account established under subsection (d), the Secretary shall close the account. Any amounts remaining in the account shall be covered into the Treasury as miscellaneous receipts.

SEC. 1008. BIENNIAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.

(a) BIENNIAL PLAN.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2222. Biennial financial management improvement plan

"(a) BIENNIAL PLAN REQUIRED.—The Secretary of Defense shall submit to Congress a biennial strategic plan for the improvement of financial management within the Department of Defense. The plan shall be submitted not later than September 30 of each even-numbered year.

"(b) CONCEPT OF OPERATIONS.—Each plan under subsection (a) shall include a statement of the Secretary of Defense's concept of operations for the financial management of the Department of Defense. Each such statement shall be a clear description of the manner in which the Department's financial management operations are carried out or will be carried out under the improvements set forth in the plan under subsection (a), including identification of operations that must be performed.

"(c) MATTERS TO BE ADDRESSED IN PLAN.—(1) Each plan under subsection (a) shall address all aspects of financial management within the Department of Defense, including the finance systems, accounting systems, and data feeder systems of the Department that support financial functions of the Department.

"(2) For the purposes of paragraph (1), a data feeder system is an automated or manual system from which information is derived for a financial management system or an accounting system.".

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

"2222. Biennial financial management improvement plan.".

(b) ADDITIONAL CONTENT OF FIRST PLAN.—The first financial management improvement plan submitted under section 2222 of title 10, United States Code (as added by subsection (a)), shall include the following:

(1) A description of the costs and benefits of integrating the various finance and accounting systems of the Department of Defense and reducing the total number of such systems, together with the Secretary's assessment of the feasibility of implementing such an integration.

(2) Identification of problems with the accuracy of data included in the finance systems, accounting systems, and data feeder systems that support financial functions of the Department of Defense, together with a description of the actions that the Secretary can take to address those problems.

(3) Identification of weaknesses in the internal controls of the systems referred to in paragraph (2), together with a description of the actions that the Secretary can take to address those weaknesses.

(4) A description of actions that the Secretary can take to eliminate negative unliquidated obligations, unmatched disbursements, and in-transit disbursements and to avoid such obligations and disbursements in the future.

(5) A description of the status of the efforts being undertaken in the Department to consolidate and eliminate—

(A) redundant or unneeded finance systems; and

(B) redundant or unneeded accounting systems.

(6) A description of efforts being undertaken to consolidate or eliminate redundant personnel data systems, acquisition data systems, asset accounting systems, time and attendance systems, and other data feeder systems of the Department.

(7) A description of efforts being undertaken to integrate the data feeder systems of the Department with the finance and accounting systems of the Department.

(8) A description of problems with the organization or performance of the Operating Locations and Service Centers of the Defense Finance and Accounting Service, together with a description of the actions the Secretary can take to address those problems.

(9) A description of the costs and benefits of reorganizing the Operating Locations and Service Centers of the Defense Finance and Accounting Service according to function, together with the Secretary's assessment of the feasibility of carrying out such a reorganization.

(10) A description of the costs and benefits of contracting for private-sector performance of specific functions currently performed by the Defense Finance and Accounting Service, together with the Secretary's assessment of the feasibility of contracting for such performance.

(11) A description of actions that can be taken to ensure that each comptroller position (and comparable position) in the Department of Defense, whether filled by a member of the Armed Forces or by a civilian employee, is held by a person who, by reason of education, technical competence, and

experience, has the core competencies for financial management.

(12) A description of any other change in the financial management structure of the Department or revision of the financial processes and business practices of the Department that the Secretary considers necessary to improve financial management in the Department.

(c) ADDITIONAL MATTERS.—For each of the problems and actions identified pursuant to paragraphs (1) through (12) of subsection (b) or in any other part of the plan covered by that subsection, the Secretary shall include statements of objectives, performance measures, and schedules and shall specify the individual and organizational responsibilities.

(d) DEFINITION.—In subsection (b), the term "data feeder system" has the meaning given that term in subsection (c)(2) of section 2222 of title 10, United States Code, as added by subsection (a).

SEC. 1009. ESTIMATES AND REQUESTS FOR PROCUREMENT AND MILITARY CONSTRUCTION FOR THE RESERVE COMPONENTS.

(a) DETAILED PRESENTATION IN FUTURE-YEARS DEFENSE PROGRAM.—Section 10543 of title 10, United States Code, is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Secretary of Defense"; and

(2) by adding at the end the following:

"(b) ASSOCIATED ANNEXES.—The associated annexes of the future-years defense program shall specify, at the same level of detail as is set forth in the annexes for the active components, the amount requested for—

"(1) procurement of each item of equipment to be procured for each reserve component; and

"(2) each military construction project to be carried out for each reserve component, together with the location of the project.

"(c) REPORT.—(1) If the aggregate of the amounts specified in paragraphs (1) and (2) of subsection (b) for a fiscal year is less than the amount equal to 90 percent of the average authorized amount applicable for that fiscal year under paragraph (2), the Secretary of Defense shall submit to Congress a report specifying for each reserve component the additional items of equipment that would be procured, and the additional military construction projects that would be carried out, if that aggregate amount were an amount equal to such average authorized amount. The report shall be at the same level of detail as is required by subsection (b).

"(2) In this subsection, the term 'average authorized amount', with respect to a fiscal year, means the average of—

"(A) the aggregate of the amounts authorized to be appropriated for the preceding fiscal year for the procurement of items of equipment, and for military construction, for the reserve components; and

"(B) the aggregate of the amounts authorized to be appropriated for the fiscal year preceding the fiscal year referred to in subparagraph (A) for the procurement of items of equipment, and for military construction, for the reserve components.".

(b) PROHIBITION.—The level of detail provided for procurement and military construction in the future-years defense programs for fiscal years after fiscal year 1998 may not be less than the

level of detail provided for procurement and military construction in the future-years defense program for fiscal year 1998.

SEC. 1010. SENSE OF CONGRESS REGARDING FUNDING FOR RESERVE COMPONENT MODERNIZATION NOT REQUESTED IN PRESIDENT'S BUDGET.

(a) CRITERIA.—It is the sense of Congress that, to the maximum extent practicable, Congress should authorize appropriations for procurement of reserve component modernization equipment for a fiscal year for equipment that is not included in the budget of the President for that fiscal year only if—

(1) there is a requirement for that equipment that has been validated by the Joint Requirements Oversight Council;

(2) procurement of that equipment is included for reserve component modernization in the modernization plan of the military department concerned and is incorporated into the current future-years defense program;

(3) procurement of that equipment is consistent with planned use of reserve component forces under Department of Defense war plans; and

(4) funds for that procurement, if authorized and appropriated for that fiscal year, could be obligated during that fiscal year.

(b) CONSIDERATION OF VIEWS OF CHAIRMAN OF JOINT CHIEFS OF STAFF.—It is further the sense of Congress that, in applying the criteria set forth in subsection (a) with respect to procurement of reserve component modernization equipment, Congress should obtain the views of the Chairman of the Joint Chiefs of Staff on whether, under Department of Defense war plans, that equipment is appropriate for procurement for, and assignment to, reserve component forces.

SEC. 1011. MANAGEMENT OF WORKING-CAPITAL FUNDS.

(a) CONTRACTING FOR CAPITAL ASSETS PROCUREMENT IN ADVANCE OF FUNDS.—Section 2208 of title 10, United States Code, is amended by striking out subsection (k) and inserting in lieu thereof the following new subsection:

"(k)(1) Subject to paragraph (2), a contract for the procurement of a capital asset financed by a working-capital fund may be awarded in advance of the availability of funds in the working-capital fund for the procurement.

"(2) Paragraph (1) applies to any of the following capital assets that have a development or acquisition cost of not less than $100,000:

"(A) An unspecified minor military construction project under section 2805(c)(1) of this title.

"(B) Automatic data processing equipment or software.

"(C) Any other equipment.

"(D) Any other capital improvement.".

(b) USE OF ADVANCE BILLING.—Such section is further amended by adding at the end the following new subsection:

"(l)(1) An advance billing of a customer of a working-capital fund may be made if the Secretary of the military department concerned submits to Congress written notification of the advance billing within 30 days after the end of the month in which the advanced billing was made. The notification shall include the following:

"(A) The reasons for the advance billing.

"(B) An analysis of the effects of the advance billing on military readiness.

"(C) An analysis of the effects of the advance billing on the customer.

"(2) The Secretary of Defense may waive the notification requirements of paragraph (1)—

"(A) during a period war or national emergency; or

"(B) to the extent that the Secretary determines necessary to support a contingency operation.

"(3) In this subsection:

"(A) The term 'advance billing', with respect to a working-capital fund, means a billing of a customer by the fund, or a requirement for a customer to reimburse or otherwise credit the fund, for the cost of goods or services provided (or for other expenses incurred) on behalf of the customer that is rendered or imposed before the customer receives the goods or before the services have been performed.

"(B) The term 'customer' means a requisitioning component or agency.".

(c) FISCAL YEAR LIMITATIONS.—(1) The total amount of advance billings for Department of the Navy working-capital funds and the Defense Business Operations Fund may not exceed—

(A) $1,000,000,000 for fiscal year 1998; and

(B) $800,000,000 for fiscal year 1999.

(2) For purposes of paragraph (1), the term "advance billing" has the meaning given such term in section 2208(l)(3) of title 10, United States Code, as added by subsection (b).

SEC. 1012. AUTHORITY OF SECRETARY OF DEFENSE TO SETTLE CLAIMS RELATING TO PAY, ALLOWANCES, AND OTHER BENEFITS.

Section 3702(e) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out "Comptroller General" and inserting in lieu thereof "Secretary of Defense"; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) Payment of a claim settled under paragraph (1) shall be made from an appropriation that is available, for the fiscal year in which the payment is made, for the same purpose as the appropriation to which the obligation claimed would have been charged if the obligation had been timely paid.".

SEC. 1013. PAYMENT OF CLAIMS BY MEMBERS FOR LOSS OF PERSONAL PROPERTY DUE TO FLOODING IN RED RIVER BASIN.

(a) PAYMENT AUTHORIZED.—Notwithstanding section 3721(e) of title 31, United States Code, the Secretary of a military department may pay the claim of a member of the Armed Forces who resided (or whose dependents resided) in the vicinity of Grand Forks Air Force Base, North Dakota, during April and May 1997 for loss and damage to personal property incurred by the member as a direct result of the flooding in the Red River Basin during such months.

(b) REPORT ON DEPARTMENT POLICY.—The Secretary of Defense shall submit to Congress a report describing the Department of Defense policy regarding the payment of a claim by a member of the Armed Forces who is not assigned to quarters of the United States for losses and damage to personal property of the member incurred at the member's residence as a result of a natural disaster. The report shall include a description of the number of such claims

received over the past 10 years, the number of claims paid, and the number of claims rejected. If the Secretary determines the Department of Defense should modify its policy in order to accept additional claims by members who are not assigned to quarters of the United States for losses and damage to personal property, the Secretary shall also include in the report any legislative changes that the Secretary considers necessary to enable the Secretary to implement the policy change.

SEC. 1014. ADVANCES FOR PAYMENT OF PUBLIC SERVICES.

(a) IN GENERAL.—Subsection (a) of section 2396 of title 10, United States Code, is amended—

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

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph: "(4) public service utilities.".

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

"§ 2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries".

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries.".

SEC. 1015. UNITED STATES MAN AND THE BIOSPHERE PROGRAM LIMITATION.

During fiscal year 1998, the Secretary of Defense may not take any steps to carry out or support the United States Man and the Biosphere Program or any related project.

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. PROCEDURES FOR SALE OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER.

Section 7305(c) of title 10, United States Code, is amended to read as follows:

"(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

"(2) In such a case, the Secretary may—

"(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

"(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

"(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).".

SEC. 1022. AUTHORITY TO ENTER INTO A LONG-TERM CHARTER FOR A VESSEL IN SUPPORT OF THE SURVEILLANCE TOWED-ARRAY SENSOR (SURTASS) PROGRAM.

The Secretary of the Navy is authorized to enter into a contract in accordance with section 2401 of title 10, United States Code, for the charter, for a period through fiscal year 2003, of the vessel RV CORY CHOUEST (United States official number 933435) in support of the Surveillance Towed-Array Sensor (SURTASS) program.

SEC. 1023. TRANSFER OF TWO SPECIFIED OBSOLETE TUGBOATS OF THE ARMY.

(a) AUTHORITY TO TRANSFER VESSELS.—The Secretary of the Army may transfer the two obsolete tugboats of the Army described in subsection (b) to the Brownsville Navigation District, Brownsville, Texas.

(b) VESSELS COVERED.—Subsection (a) applies to the following two decommissioned tugboats of the Army, each of which is listed as of the date of the enactment of this Act as being surplus to the needs of the Army: the Normandy (LT–1971) and the Salerno (LT–1953).

(c) TRANSFERS TO BE AT NO COST TO UNITED STATES.—A transfer authorized by this section shall be made at no cost to the United States.

(d) TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the transfers authorized by this section as the Secretary considers appropriate.

SEC. 1024. CONGRESSIONAL REVIEW PERIOD WITH RESPECT TO TRANSFER OF EX-U.S.S. HORNET (CV–12) AND EX-U.S.S. MIDWAY (CV–41).

(a) REDUCTION IN CONGRESSIONAL REVIEW PERIOD.—In applying section 7306 of title 10, United States Code, with respect to the transfer of a vessel specified in subsection (c), subsection (d)(1)(B) of that section shall be applied by substituting "30 days" for "60 days".

(b) WAIVER IF ONLY ONE QUALIFIED ENTITY APPLIES FOR TRANSFER OF VESSEL.—If in the case of a vessel specified in subsection (c) only a single qualified entity, as determined by the Secretary of the Navy, applies for transfer of the vessel, the Secretary may carry out the transfer of the vessel under section 7306 of title 10, United States Code, without regard to subsection (d)(1)(B) of that section. In such a case, the transfer may be made only after 10 days of continuous session of Congress (determined in the manner specified in section 7306(d)(2) of title 10, United States Code) have expired following the date on which the Secretary submits

to Congress a certification that only a single qualified entity applied for transfer of the vessel.

(c) COVERED VESSELS.—This section applies to the following vessels (each of which is a decommissioned aircraft carrier):

(1) Ex-U.S.S. HORNET (CV–12).

(2) Ex-U.S.S. MIDWAY (CV–41).

SEC. 1025. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the HUNLEY class submarine tender HOLLAND (AS 32).

(2) To the Government of Chile, the KAISER class oiler ISHERWOOD (T–AO 191).

(3) To the Government of Egypt:

(A) The following frigates of the KNOX class:

(i) The PAUL (FF 1080).

(ii) The MILLER (FF 1091).

(iii) The JESSE L. BROWN (FFT 1089).

(iv) The MOINESTER (FFT 1097).

(B) The following frigates of the OLIVER HAZARD PERRY class:

(i) The FAHRION (FFG 22).

(ii) The LEWIS B. PULLER (FFG 23).

(4) To the Government of Israel, the NEWPORT class tank landing ship PEORIA (LST 1183).

(5) To the Government of Malaysia, the NEWPORT class tank landing ship BARBOUR COUNTY (LST 1195).

(6) To the Government of Mexico, the KNOX class frigate ROARK (FF 1053).

(7) To the Taipei Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act), the following frigates of the KNOX class:

(A) The WHIPPLE (FF 1062).

(B) The DOWNES (FF 1070).

(8) To the Government of Thailand, the NEWPORT class tank landing ship SCHENECTADY (LST 1185).

(b) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(c) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1026. REPORTS RELATING TO EXPORT OF VESSELS THAT MAY CONTAIN POLYCHLORINATED BIPHENYLS.

(a) REPORTS REQUIRED.—Not later than March 1, 1998, the Secretary of the Navy (with respect to the Navy), the Administrator of the Maritime Administration (with respect to the Maritime Administration), and the Administrator of the Environmental Protection Agency (with respect to the Environmental Protection Agency) shall each submit to Congress a report on the implementation of the agreement between the Department of the Navy and the Environmental Protection Agency that became effective August 6, 1997, and that is titled "Export of Naval Vessels that May Contain Polychlorinated Biphenyls for Scrapping Outside the United States".

(b) CONTENTS OF REPORTS.—The reports required by subsection (a) shall address, at a minimum, the following:

(1) An assessment of the effects of the notification requirements regarding the export of vessels for scrapping, any impediments that those requirements may create for the export of vessels, and any changes to the agreement that may be required to address those impediments.

(2) An explanation of the process by which it is determined which solid items containing polychlorinated biphenyls are readily removable and must be removed before the export of a vessel for scrapping, what types of polychlorinated biphenyls have been determined to be readily removable pursuant to this process, any impediments that such determinations may create for the export of vessels, and any changes to the agreement that may be required to address those impediments or to ensure protection of human health and the environment.

(c) AMENDMENTS RELATING TO DISPOSAL OF OBSOLETE VESSELS FROM THE NATIONAL DEFENSE RESERVE FLEET.—Section 6 of the National Maritime Heritage Act of 1994 (Public Law 103–451; 108 Stat. 4776; 16 U.S.C. 5405) is amended—

(1) in subsections (a)(1) and (b)(2)—

(A) by inserting "or 510(i)" after "508"; and

(B) by inserting "or 1160(i)" after "1158";

(2) in subsection (b)(2), by striking out "first 6" and inserting in lieu thereof "first 8"; and

(3) in subsection (c)(1)(A), by striking out "1999" and inserting in lieu thereof "2001".

SEC. 1027. CONVERSION OF DEFENSE CAPABILITY PRESERVATION AUTHORITY TO NAVY SHIPBUILDING CAPABILITY PRESERVATION AUTHORITY.

(a) IN GENERAL.—(1) Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7315. Preservation of Navy shipbuilding capability

"(a) SHIPBUILDING CAPABILITY PRESERVATION AGREEMENTS.—The Secretary of the Navy may enter into an agreement, to be known as a 'shipbuilding capability preservation agreement', with a shipbuilder under which the cost reimbursement rules described in subsection (b) shall be applied to the shipbuilder under a Navy contract for the construction of a ship. Such an agreement may be entered into in any case in which the Secretary determines

that the application of such cost reimbursement rules would facilitate the achievement of the policy objectives set forth in section 2501(b) of this title.

"(b) COST REIMBURSEMENT RULES.—The cost reimbursement rules applicable under an agreement entered into under subsection (a) are as follows:

"(1) The Secretary of the Navy shall, in determining the reimbursement due a shipbuilder for its indirect costs of performing a contract for the construction of a ship for the Navy, allow the shipbuilder to allocate indirect costs to its private sector work only to the extent of the shipbuilder's allocable indirect private sector costs, subject to paragraph (3).

"(2) For purposes of paragraph (1), the allocable indirect private sector costs of a shipbuilder are those costs of the shipbuilder that are equal to the sum of the following:

"(A) The incremental indirect costs attributable to such work.

"(B) The amount by which the revenue attributable to such private sector work exceeds the sum of—

"(i) the direct costs attributable to such private sector work; and

"(ii) the incremental indirect costs attributable to such private sector work.

"(3) The total amount of allocable indirect private sector costs for a contract covered by the agreement may not exceed the amount of indirect costs that a shipbuilder would have allocated to its private sector work during the period covered by the agreement in accordance with the shipbuilder's established accounting practices.

"(c) AUTHORITY TO MODIFY COST REIMBURSEMENT RULES.—The cost reimbursement rules set forth in subsection (b) may be modified by the Secretary of the Navy for a particular agreement if the Secretary determines that modifications are appropriate to the particular situation to facilitate achievement of the policy set forth in section 2501(b) of this title.

"(d) APPLICABILITY.—(1) An agreement entered into with a shipbuilder under subsection (a) shall apply to each of the following Navy contracts with the shipbuilder:

"(A) A contract that is in effect on the date on which the agreement is entered into.

"(B) A contract that is awarded during the term of the agreement.

"(2) In a shipbuilding capability preservation agreement applicable to a shipbuilder, the Secretary may agree to apply the cost reimbursement rules set forth in subsection (b) to allocations of indirect costs to private sector work performed by the shipbuilder only with respect to costs that the shipbuilder incurred on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under a contract between the shipbuilder and a private sector customer of the shipbuilder that became effective on or after January 26, 1996.".

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

"7315. Preservation of Navy shipbuilding capability.".

(b) IMPLEMENTATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Navy shall establish application procedures and procedures for expeditious consideration of shipbuilding capability preservation agreements as authorized by section 7315 of title 10, United States Code, as added by subsection (a).

(c) REPORT.—Not later than February 15, 1998, the Secretary of the Navy shall submit to Congress a report on applications for shipbuilding capability preservation agreements under section 7315 of title 10, United States Code, as added by subsection (a). The report shall specify the number of the applications received, the number of the applications approved, and a discussion of the reasons for disapproval of any application disapproved.

(d) REPEAL OF SUPERSEDED PROVISION.—Section 808 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 393; 10 U.S.C. 2501 note) is repealed.

Subtitle C—Counter-Drug Activities

SEC. 1031. USE OF NATIONAL GUARD FOR STATE DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.

(a) RELATIONSHIP TO TRAINING AND READINESS.—Subsection (b) of section 112 of title 32, United States Code, is amended—

(1) by inserting "(1)" before "Under regulations"; and

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

"(2) To ensure that the use of units and personnel of the National Guard of a State pursuant to a State drug interdiction and counter-drug activities plan is not detrimental to the training and readiness of such units and personnel, the requirements of section 2012(d) of title 10 shall apply in determining the drug interdiction and counter-drug activities that units and personnel of the National Guard of a State may perform.

"(3) Section 508 of this title, regarding the provision of assistance to certain specified youth and charitable organizations, shall apply in any case in which a unit or member of the National Guard of a State is proposed to be used pursuant to a State drug interdiction and counter-drug activities plan to provide to an organization specified in subsection (d) of such section any of the services described in subsection (b) of such section or services regarding counter-drug education.".

(b) ENGINEER-TYPE ACTIVITIES.—Subsection (c) of such section is amended—

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

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

"(4) certify that any engineer-type activities (as defined by the Secretary of Defense) under the plan will be performed only by units and members of the National Guard;".

(c) ANNUAL REPORT.—Such section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

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

"(g) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report regarding assistance provided and

activities carried out under this section during the preceding fiscal year. The report shall include the following:

"(1) The number of members of the National Guard excluded under subsection (e) from the computation of end strengths.

"(2) A description of the drug interdiction and counter-drug activities conducted under State drug interdiction and counter-drug activities plans referred to in subsection (c) with funds provided under this section.

"(3) An accounting of the amount of funds provided to each State.

"(4) A description of the effect on military training and readiness of using units and personnel of the National Guard to perform activities under the State drug interdiction and counter-drug activities plans.".

(d) CONFORMING AMENDMENTS.—Subsection (e) of such section is amended—

(1) by striking out "(1)" before "Members"; and

(2) by striking out paragraph (2).

SEC. 1032. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) EXTENSION OF AUTHORITY; CONSULTATION OF SECRETARY OF STATE.—Subsection (a) of section 1031 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2637), is amended—

(1) by striking out "fiscal year 1997" and inserting in lieu thereof "fiscal years 1997 and 1998"; and

(2) by inserting after the first sentence the following new sentence: "In providing support to the Government of Mexico under this section, the Secretary of Defense shall consult with the Secretary of State.".

(b) EXTENSION OF AVAILABILITY OF FUNDS.—Subsection (d) of such section is amended—

(1) by striking out "not more than" and inserting in lieu thereof "an amount not to exceed"; and

(2) by adding at the end the following new sentences: "Funds made available for fiscal year 1997 under this subsection and unobligated by September 30, 1997, may be obligated during fiscal year 1998. No funds are authorized to be appropriated for fiscal year 1998 for the provision of support under this section.".

SEC. 1033. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF PERU AND COLOMBIA.

(a) AUTHORITY TO PROVIDE SUPPORT.—Subject to subsection (f), during fiscal years 1998 through 2002, the Secretary of Defense may provide either or both of the foreign governments named in subsection (b) with the support described in subsection (c) for the counter-drug activities of that government. In providing support to a government under this section, the Secretary of Defense shall consult with the Secretary of State. The support provided under the authority of this section shall be in addition to support provided to the governments under any other provision of law.

(b) GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—The foreign governments eligible to receive counter-drug support under this section are as follows:

(1) The Government of Peru.

(2) The Government of Colombia.

(c) TYPES OF SUPPORT.—The authority under subsection (a) is limited to the provision of the following types of support to a government named in subsection (b):

(1) The types of support specified in paragraphs (1), (2), and (3) of section 1031(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2637).

(2) The transfer of riverine patrol boats.

(3) The maintenance and repair of equipment of the government that is used for counter-drug activities.

(d) APPLICABILITY OF OTHER SUPPORT AUTHORITIES.—Except as otherwise provided in this section, the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) shall apply to the provision of support under this section.

(e) FISCAL YEAR 1998 FUNDING; LIMITATION ON OBLIGATIONS.—(1) Of the amount authorized to be appropriated under section 301(20) for drug interdiction and counter-drug activities, an amount not to exceed $9,000,000 shall be available for the provision of support under this section.

(2) Amounts made available to carry out this section shall remain available until expended, except that the total amount obligated and expended under this section may not exceed $20,000,000 during any of the fiscal years 1999 through 2002.

(f) CONDITION ON PROVISION OF SUPPORT.—(1) The Secretary of Defense may not obligate or expend funds during a fiscal year to provide support under this section to a government named in subsection (b) until the end of the 15-day period beginning on the date on which the Secretary submits to the congressional committees the written certification described in subsection (g) for that fiscal year.

(2) In the case of the first fiscal year in which support is to be provided under this section to a government named in subsection (b), the obligation or expenditure of funds under this section to provide support to that government shall also be subject to the condition that—

(A) the Secretary submit to the congressional committees the riverine counter-drug plan described in subsection (h); and

(B) a period of 60 days expires after the date on which the report is submitted.

(3) In the case of subsequent fiscal years in which support is to be provided under this section to a government named in subsection (b), the obligation or expenditure of funds under this section to provide support to that government shall also be subject to the condition that the Secretary submit to the congressional committees any revision of the counter-drug plan described in subsection (h) applicable to that government.

(4) For purposes of this subsection, the term "congressional committees" means the following:

(A) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

(B) The Committee on National Security and the Committee on International Relations of the House of Representatives.

(g) REQUIRED CERTIFICATION.—The written certification required by subsection (f)(1) for a fiscal year is a certification of the following with respect to each government to receive support under this section:

(1) That the provision of the support to the government will not adversely affect the military preparedness of the United States Armed Forces.

(2) That the equipment and materiel provided as support will be used only by officials and employees of the government who have undergone background investigations by that government and have been approved by that government to perform counter-drug activities on the basis of the background investigations.

(3) That the government has certified to the Secretary of Defense that—

(A) the equipment and materiel provided as support will be used only by the officials and employees referred to in paragraph (2);

(B) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(C) the equipment and materiel will be used only for the purposes intended by the United States Government.

(4) That the government has implemented, to the satisfaction of the Secretary of Defense, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(5) That the departments, agencies, and instrumentalities of the government will grant United States Government personnel access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(6) That the government will provide security with respect to the equipment and materiel provided as support that is substantially the same degree of security that the United States Government would provide with respect to such equipment and materiel.

(7) That the government will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(h) RIVERINE COUNTER-DRUG PLAN.—The Secretary of Defense, in consultation with the Secretary of State, shall prepare for fiscal year 1998 (and revise as necessary for subsequent fiscal years) a riverine counter-drug plan involving the governments named in subsection (b) to which support will be provided under this section. The plan for a fiscal year shall include the following with respect to each government to receive support under this section:

(1) A detailed security assessment, including a discussion of the threat posed by illicit drug traffickers in the foreign country.

(2) An evaluation of previous and ongoing riverine counter-drug operations by the government.

(3) An assessment of the monitoring of past and current assistance provided by the United States under this section to the government to ensure the appropriate use of such assistance.

(4) A description of the centralized management and coordination among Federal agencies involved in the development and implementation of the plan.

(5) A description of the roles and missions and coordination among agencies of the government involved in the development and implementation of the plan.

(6) A description of the resources to be contributed by the Department of Defense and the Department of State for the fiscal year or years covered by the plan and the manner in which such resources will be utilized under the plan.

(7) For the first fiscal year in which support is to be provided under this section, a schedule for establishing a riverine counter-drug program that can be sustained by the government within five years, and for subsequent fiscal years, a description of the progress made in establishing and carrying out the program.

(8) A reporting system to measure the effectiveness of the riverine counter-drug program.

(9) A detailed discussion of how the riverine counter-drug program supports the national drug control strategy of the United States.

SEC. 1034. ANNUAL REPORT ON DEVELOPMENT AND DEPLOYMENT OF NARCOTICS DETECTION TECHNOLOGIES.

(a) REPORT REQUIREMENT.—Not later than December 1st of each year, the Director of the Office of National Drug Control Policy shall submit to Congress and the President a report on the development and deployment of narcotics detection technologies by Federal agencies. Each such report shall be prepared in consultation with the Secretary of Defense, the Secretary of State, the Secretary of Transportation, and the Secretary of the Treasury.

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include—

(1) a description of each project implemented by a Federal agency relating to the development or deployment of narcotics detection technology;

(2) the agency responsible for each project described in paragraph (1);

(3) the amount of funds obligated or expended to carry out each project described in paragraph (1) during the fiscal year in which the report is submitted or during any fiscal year preceding the fiscal year in which the report is submitted;

(4) the amount of funds estimated to be obligated or expended for each project described in paragraph (1) during any fiscal year after the fiscal year in which the report is submitted to Congress; and

(5) a detailed timeline for implementation of each project described in paragraph (1).

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1041. REPEAL OF MISCELLANEOUS REPORTING REQUIREMENTS.

(a) REQUIREMENT FOR NOTICE OF CONVERSION OF CERTAIN HEATING SYSTEMS AT INSTALLATIONS IN EUROPE.—Section 2690(b) of title 10, United States Code, is amended by striking out "unless the Secretary—" and all that follows and inserting in lieu thereof the following: "unless the Secretary determines that the conversion—

"(1) is required by the government of the country in which the facility is located; or

"(2) is cost-effective over the life cycle of the facility.".

(b) REPORT ON AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING.—Section 2823 of title 10, United States Code, is amended—

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

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(c) REPORT ON STRETCHOUT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 117 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 1933; 10 U.S.C. 2431 note), is repealed.

(d) ELIMINATION OF REQUIREMENT FOR QUARTERLY REPORT CONCERNING TRAVEL FUNDING FOR CHEMICAL DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONERS.—(1) Section 1412(g) of the National Defense Authorization Act for Fiscal Year 1986 (50 U.S.C. 1521(g)) is amended—

(A) by striking out paragraph (3);

(B) by striking out the last sentence of paragraph (4); and

(C) by redesignating paragraph (4) (as so amended) as paragraph (3).

(2) Section 153(b) of the National Defense Authorization Act for Fiscal Year 1996 (50 U.S.C. 1521 note) is amended—

(A) by striking out "QUARTERLY" in the heading; and

(B) by striking out paragraphs (4) and (5).

SEC. 1042. STUDY OF TRANSFER OF MODULAR AIRBORNE FIRE FIGHTING SYSTEM.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of Agriculture, shall submit to Congress a report evaluating the feasibility of transferring jurisdiction over units of the Modular Airborne Fire Fighting System from the Department of Agriculture to the Department of Defense.

SEC. 1043. OVERSEAS INFRASTRUCTURE REQUIREMENTS.

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

(1) United States military forces have been withdrawn from the Philippines.

(2) United States military forces are to be withdrawn from Panama by 2000.

(3) There continues to be local opposition to the continued presence of United States military forces in Okinawa.

(4) The Quadrennial Defense Review lists "the loss of U.S. access to critical facilities and lines of communication in key regions" as one of the so-called "wild card" scenarios covered in the review.

(5) The National Defense Panel states that "U.S. forces' long-term access to forward bases, to include air bases, ports, and logistics facilities, cannot be assumed".

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should develop alternatives to the current arrangement for forward basing of the Armed Forces outside the United States, including alternatives to the existing infrastructure for forward basing of forces and alternatives to the existing international agreements that provide for basing of United States forces in foreign countries; and

(2) because the Pacific Rim continues to emerge as a region of significant economic and military importance to the United States, a continued presence of the Armed Forces in that region is vital to the capability of the United States to timely protect its interests in the region.

(c) REPORT REQUIRED.—Not later than March 31, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the overseas infrastructure requirements of the Armed Forces.

(d) CONTENT.—The report shall contain the following:

(1) The quantity and types of forces that the United States must station in each region of the world in order to support the current national military strategy of the United States.

(2) The quantity and types of forces that the United States will need to station in each region of the world in order to meet the expected or potential future threats to the national security interests of the United States.

(3) The requirements for access to, and use of, air space and ground maneuver areas in each such region for training for the quantity and types of forces identified for the region pursuant to paragraphs (1) and (2).

(4) A list of the international agreements, currently in force, that the United States has entered into with foreign countries regarding the basing of United States forces in those countries and the dates on which the agreements expire.

(5) A discussion of any anticipated political opposition or other opposition to the renewal of any of those international agreements.

(6) A discussion of future overseas basing requirements for United States forces, taking into account expected changes in national security strategy, national security environment, and weapons systems.

(7) The expected costs of maintaining the overseas infrastructure for foreign based forces of the United States, including the costs of constructing any new facilities that will be necessary overseas to meet emerging requirements relating to the national security interests of the United States.

(e) FORM OF REPORT.—The report may be submitted in a classified or unclassified form.

SEC. 1044. ADDITIONAL MATTERS FOR ANNUAL REPORT ON ACTIVITIES OF THE GENERAL ACCOUNTING OFFICE.

Section 719(b) of title 31, United States Code, is amended by adding at the end the following:

"(3) The report under subsection (a) shall also include a statement of the staff hours and estimated cost of work performed on audits, evaluations, investigations, and related work during each of the three fiscal years preceding the fiscal year in which the report is submitted, stated separately for each division of the General Accounting Office by category as follows:

"(A) A category for work requested by the chairman of a committee of Congress, the chairman of a subcommittee of such a committee, or any other Member of Congress.

"(B) A category for work required by law to be performed by the Comptroller General.

"(C) A category for work initiated by the Comptroller General in the performance of the Comptroller General's general responsibilities.".

SEC. 1045. EYE SAFETY AT SMALL ARMS FIRING RANGES.

(a) ACTIONS REQUIRED.—The Secretary of the Defense shall—

(1) conduct a study of eye safety at small arms firing ranges of the Armed Forces; and

(2) develop for the use of the Armed Forces a protocol for reporting eye injuries incurred in small arms firing activities at the ranges.

(b) AGENCY TASKING.—The Secretary may delegate authority to carry out the responsibilities set forth in subsection (a) to the United States Army Center for Health Promotion and Preventive Medicine or any other element of the Department of Defense that the Secretary considers well qualified to carry out those responsibilities.

(c) CONTENT OF STUDY.—The study under subsection (a)(1) shall include the following:

(1) An evaluation of the existing policies, procedures, and practices of the Armed Forces regarding medical surveillance of eye injuries resulting from weapons fire at the small arms ranges.

(2) An examination of the existing policies, procedures, and practices of the Armed Forces regarding reporting on vision safety issues resulting from weapons fire at the small arms ranges.

(3) Determination of rates of eye injuries, and trends in eye injuries, resulting from weapons fire at the small arms ranges.

(4) An evaluation of the costs and benefits of a requirement for use of eye protection devices by all personnel firing small arms at the ranges.

(d) REPORT.—The Secretary shall submit a report on the activities required under this section to the Committees on Armed Services and on Veterans' Affairs of the Senate and the Committees on National Security and on Veterans' Affairs of the House of Representatives. The report shall include—

(1) the findings resulting from the study under paragraph (1) of subsection (a); and

(2) the protocol developed under paragraph (2) of such subsection.

(e) SCHEDULE.—(1) The Secretary shall ensure that the study is commenced not later than January 1, 1998, and is completed not later than six months after the date on which it is commenced.

(2) The Secretary shall submit the report required under subsection (d) not later than 30 days after the completion of the study.

SEC. 1046. REPORTS ON DEPARTMENT OF DEFENSE PROCEDURES FOR INVESTIGATING MILITARY AVIATION ACCIDENTS AND FOR NOTIFYING AND ASSISTING FAMILIES OF VICTIMS.

(a) REPORT ON AVIATION ACCIDENT INVESTIGATION PROCEDURES.—Not later than February 1, 1998, the Secretary of Defense shall submit to Congress a report on the advisability of establishing a process for investigating Department of Defense aviation accidents that combines accident investigation with safety investigation into a single, public investigation process, similar to the accident investigation process of the National Transportation Safety Board. The report shall include a discussion of the advantages and disadvantages of adopting such an investigation process.

(b) REPORT ON FAMILY ASSISTANCE.—Not later than April 2, 1998, the Secretary of Defense shall submit to Congress a report on assistance provided by the Department of Defense to families of casualties among military and civilian personnel of the department in the case of aviation accidents involving such personnel. The report shall include—

(1) a discussion of the adequacy and effectiveness of the family notification procedures of the Department of Defense, including the procedures of the military departments; and

(2) a description of the assistance provided to members of the families of such personnel.

(c) REPORT BY DEPARTMENT OF DEFENSE INSPECTOR GENERAL.—Not later than December 1, 1997, the Inspector General of the Department of Defense shall review the procedures of the Federal Aviation Administration and the National Transportation Safety Board for providing information and assistance to members of families of casualties of nonmilitary aviation accidents and shall submit to Congress a report on the review. The report shall include a discussion of the following:

(1) Designation of an experienced non-profit organization to provide assistance in meeting the needs of families of accident casualties.

(2) An assessment of the system and procedures for providing families with information on accidents and accident investigations.

(3) Protection of members of families from unwanted solicitations relating to the accident.

(4) A recommendation regarding whether the procedures reviewed (including the matters discussed under paragraphs (1), (2), and (3)) or similar procedures should be adopted by the Department of Defense for use by the Department in providing information and assistance to members of families of casualties of military aviation accidents and, if the recommendation is not to adopt such procedures, a detailed justification for the recommendation.

(d) UNCLASSIFIED FORM OF REPORTS.—The reports under this section shall be submitted in unclassified form.

Subtitle E—Matters Relating to Terrorism

SEC. 1051. OVERSIGHT OF COUNTERTERRORISM AND ANTITERRORISM ACTIVITIES; REPORT.

(a) OVERSIGHT OF COUNTERTERRORISM AND ANTITERRORISM ACTIVITIES.—Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) establish a reporting system for executive agencies with respect to the budget and expenditure of funds by such agencies for the purpose of carrying out counterterrorism and antiterrorism programs and activities; and

(2) using such reporting system, collect information on—

(A) the budget and expenditure of funds by executive agencies during the current fiscal year for purposes of carrying out counterterrorism and antiterrorism programs and activities; and

(B) the specific programs and activities for which such funds were expended.

(b) REPORT.—Not later that March 1 of each year, the President shall submit to Congress a report in classified and unclassified form (using the information described in subsection (a)(2)) describing, for each executive agency and for the executive branch as a whole, the following:

(1) The amounts proposed to be expended for counterterrorism and antiterrorism programs and activities for the fiscal year beginning in the calendar year in which the report is submitted.

(2) The amounts proposed to be expended for counterterrorism and antiterrorism programs and activities for the fiscal year in which the report is submitted and the amounts that have already been expended for such programs and activities for that fiscal year.

(3) The specific counterterrorism and antiterrorism programs and activities being implemented, any priorities with respect to such programs and activities, and whether there has been any duplication of efforts in implementing such programs and activities.

SEC. 1052. PROVISION OF ADEQUATE TROOP PROTECTION EQUIPMENT FOR ARMED FORCES PERSONNEL ENGAGED IN PEACE OPERATIONS; REPORT ON ANTITERRORISM ACTIVITIES AND PROTECTION OF PERSONNEL.

(a) PROTECTION OF PERSONNEL.—The Secretary of Defense shall take appropriate actions to ensure that units of the Armed Forces engaged in a peace operation are provided adequate troop protection equipment for that operation.

(b) SPECIFIC ACTIONS.—In taking actions under subsection (a), the Secretary shall—

(1) identify the additional troop protection equipment, if any, required to equip a division (or the equivalent of a division) with adequate troop protection equipment for peace operations; and

(2) establish procedures to facilitate the exchange or transfer of troop protection equipment among units of the Armed Forces.

(c) DESIGNATION OF RESPONSIBLE OFFICIAL.—The Secretary of Defense shall designate an official within the Department of Defense to be responsible for—

(1) ensuring the appropriate allocation of troop protection equipment among the units of the Armed Forces engaged in peace operations; and

(2) monitoring the availability, status or condition, and location of such equipment.

(d) TROOP PROTECTION EQUIPMENT DEFINED.—In this section, the term "troop protection equipment" means the equipment required by units of the Armed Forces to defend against any hostile threat that is likely during a peace operation, including an attack by a hostile crowd, small arms fire, mines, and a terrorist bombing attack.

(e) REPORT ON ANTITERRORISM ACTIVITIES OF THE DEPARTMENT OF DEFENSE AND PROTECTION OF PERSONNEL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, in classified and unclassified form, on antiterrorism activities of the Department of Defense and the actions taken by the Secretary under subsections (a), (b), and (c). The report shall include the following:

(1) A description of the programs designed to carry out antiterrorism activities of the Department of Defense, any deficiencies in those programs, and any actions taken by the Secretary to improve implementation of such programs.

(2) An assessment of the current policies and practices of the Department of Defense with respect to the protection of members of the Armed Forces overseas against terrorist attack, including any modifications to such policies or practices that are proposed or implemented as a result of the assessment.

(3) An assessment of the procedures of the Department of Defense for determining accountability, if any, in the command structure of the Armed Forces in instances in which a terrorist attack results in the loss of life at an overseas military installation or facility.

(4) A detailed description of the roles of the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Secretaries of the military departments, and the combatant commanders in providing guidance and support with respect to the protection of members of the Armed Forces deployed overseas against terrorist attack (both before and after the November 1995 bombing in Riyadh, Saudi Arabia) and how these roles have changed since the June 25, 1996, terrorist bombing at Khobar Towers in Dhahran, Saudi Arabia.

(5) A description of the actions taken by the Secretary of Defense under subsections (a), (b), and (c) to provide adequate troop protection equipment for units of the Armed Forces engaged in a peace operation.

Subtitle F—Matters Relating to Defense Property

SEC. 1061. LEASE OF NON-EXCESS PERSONAL PROPERTY OF MILITARY DEPARTMENTS.

(a) RECEIPT OF FAIR MARKET VALUE.—Subsection (b)(4) of section 2667 of title 10, United States Code, is amended by striking out ", in the case of the lease of real property,".

(b) COMPETITIVE SELECTION.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

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

"(g)(1) If a proposed lease under subsection (a) involves only personal property, the lease term exceeds one year, and the fair market value of the lease interest exceeds $100,000, as determined by the Secretary concerned, the Secretary shall use competitive procedures to select the lessee.

"(2) Not later than 45 days before entering into a lease described in paragraph (1), the Secretary concerned shall submit to Congress written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.".

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

"§ 2667. Leases: non-excess property of military departments".

(2) The table of sections at the beginning of chapter 159 of title 10, United States Code, is amended by striking out the item relating to section 2667 and inserting in lieu thereof the following new item:

"2667. Leases: non-excess property of military departments.".

(d) CONFORMING AMENDMENT.—Section 2490a(f)(2) of title 10, United States Code, is amended by striking out "section 2667(g)" and inserting in lieu thereof "section 2667(h)".

SEC. 1062. LEASE OF NON-EXCESS PROPERTY OF DEFENSE AGENCIES.

(a) LEASE AUTHORITY.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2667 the following new section:

"§ 2667a. Leases: non-excess property of Defense agencies

"(a) LEASE AUTHORITY.—Whenever the Secretary of Defense considers it advantageous to the United States, the Secretary may lease to such lessee and upon such terms as the Secretary considers will promote the national defense or to be in the public interest, personal property that is—

"(1) under the control of a Defense agency;

"(2) not for the time needed for public use; and

"(3) not excess property, as defined by section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

"(b) LIMITATION, TERMS, AND CONDITIONS.—A lease under subsection (a)—

"(1) may not be for more than five years unless the Secretary of Defense determines that a lease for a longer period will promote the national defense or be in the public interest;

"(2) may give the lessee the first right to buy the property if the lease is revoked to allow the United States to sell the property under any other provision of law;

"(3) shall permit the Secretary to revoke the lease at any time, unless the Secretary determines that the omission of such a provision will promote the national defense or be in the public interest;

"(4) shall provide for the payment (in cash or in kind) by the lessee of consideration in an amount that is not less than the fair market value of the lease interest, as determined by the Secretary; and

"(5) may provide, notwithstanding any other provision of law, for the improvement, maintenance, protection, repair, restoration, or replacement by the lessee, of the property leased as the payment of part or all of the consideration for the lease.

"(c) COMPETITIVE SELECTION.—(1) If the term of a proposed lease under subsection (a) exceeds one year and the fair market value of the lease interest exceeds $100,000, as determined by the Secretary of Defense, the Secretary shall use competitive procedures to select the lessee.

"(2) Not later than 45 days before entering into a lease described in paragraph (1), the Secretary shall submit to Congress a written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.

"(d) DISPOSITION OF MONEY RENT.—Money rentals received pursuant to a lease entered into by the Secretary of Defense under subsection (a) shall be deposited in a special account in the Treasury established for the Defense agency whose property is subject to the lease. Amounts in a Defense agency's special account shall be available, to the extent provided in appropriations Acts, solely for the maintenance, repair, restoration, or replacement of the leased property.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2667 the following new item:

"2667a. Leases: non-excess property of Defense agencies.".

SEC. 1063. DONATION OF EXCESS CHAPEL PROPERTY TO CHURCHES DAMAGED OR DESTROYED BY ARSON OR OTHER ACTS OF TERRORISM.

(a) AUTHORITY TO DONATE.—Chapter 153 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2580. Donation of excess chapel property

"(a) AUTHORITY TO DONATE.—The Secretary of a military department may donate personal property specified in subsection (b) to an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is a religious organization in order to assist the organization in restoring or replacing property of the organization that has been damaged or destroyed as a result of an act of arson or terrorism, as determined pursuant to procedures prescribed by the Secretary of Defense.

"(b) PROPERTY COVERED.—(1) The property authorized to be donated under subsection (a) is furniture and other personal property that—

"(A) is in, or was formerly in, a chapel under the jurisdiction of the Secretary of a military department and closed or being closed; and

"(B) is determined by the Secretary to be excess to the requirements of the armed forces.

"(2) No real property may be donated under this section.

"(c) DONEES NOT TO BE CHARGED.—No charge may be imposed by the Secretary of a military department on a donee of property under this section in connection with the donation. However, the donee shall agree to defray any expense for shipping or other transportation of property donated under this section from the location of the property when donated to any other location.".

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

"2580. Donation of excess chapel property.".

SEC. 1064. AUTHORITY OF THE SECRETARY OF DEFENSE CONCERNING DISPOSAL OF ASSETS UNDER COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE.

(a) GENERAL AUTHORITIES.—The Secretary of Defense, pursuant to an amendment or amendments to the European air defense agreements, may dispose of any defense articles owned by the United States and acquired to carry out such agreements by providing such articles to the Federal Republic of Germany. In carrying out such disposal, the Secretary—

(1) may provide without monetary charge to the Federal Republic of Germany articles specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in exchange for the articles provided under paragraph (1)) articles, services, or any other consideration, as determined appropriate by the Secretary.

(b) DEFINITION OF EUROPEAN AIR DEFENSE AGREEMENTS.—For the purposes of this section, the term "European air defense agreements" means—

(1) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on December 6, 1983; and

(2) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on July 12, 1984.

SEC. 1065. SALE OF EXCESS, OBSOLETE, OR UNSERVICEABLE AMMUNITION AND AMMUNITION COMPONENTS.

(a) AUTHORITY.—(1) Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition components

"(a) AUTHORITY TO SELL OUTSIDE DOD.—The Secretary of the Army may sell to an eligible purchaser described in subsection (c) ammunition or ammunition components that are excess, obsolete, or unserviceable and have not been demilitarized if—

"(1) the purchaser enters into an agreement, in advance, with the Secretary—

"(A) to demilitarize the ammunition or components; and

"(B) to reclaim, recycle, or reuse the component parts or materials; or

"(2) the Secretary, or an official of the Department of the Army designated by the Secretary, approves the use of the ammunition or components proposed by the purchaser as being consistent with the public interest.

"(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell ammunition and ammunition components under this section, except that the Secretary may use procedures other than competitive procedures in any case in which the Secretary determines that there is only one potential buyer of the items being offered for sale.

"(c) ELIGIBLE PURCHASERS.—To be eligible to purchase excess, obsolete, or unserviceable ammunition or ammunition components under this section, the purchaser shall be a licensed manufacturer (as defined in section 921(10) of title 18) that, as determined by the Secretary, has a capability to modify, reclaim, transport, and either store or sell the ammunition or ammunition components sought to be purchased.

"(d) HOLD HARMLESS AGREEMENT.—The Secretary shall require a purchaser of ammunition or ammunition components under this section to agree to hold harmless and indemnify the United States from any claim for damages for death, injury, or other loss resulting from a use of the ammunition or ammunition components, except in a case of willful misconduct or gross negligence of a representative of the United States.

"(e) VERIFICATION OF DEMILITARIZATION.—The Secretary shall establish procedures for ensuring that a purchaser of ammunition or ammunition components under this section demilitarizes the ammunition or ammunition components in accordance with any agreement to do so under subsection (a)(1). The procedures shall include onsite verification of demilitarization activities.

"(f) CONSIDERATION.—The Secretary may accept ammunition, ammunition components, or ammunition demilitarization services as consideration for ammunition or ammunition components sold under this section. The fair market value of any such consideration shall be equal to or exceed the fair market value or, if higher, the sale price of the ammunition or ammunition components sold.

"(g) RELATIONSHIP TO ARMS EXPORT CONTROL ACT.—Nothing in this section shall be construed to affect the applicability of section 38 of the Arms Export Control Act (22 U.S.C. 2778) to sales of ammunition or ammunition components on the United States Munitions List.

"(h) DEFINITIONS.—In this section:

"(1) The term 'excess, obsolete, or unserviceable', with respect to ammunition or ammunition components, means that

the ammunition or ammunition components are no longer necessary for war reserves or for support of training of the Army or production of ammunition or ammunition components.

"(2) The term 'demilitarize', with respect to ammunition or ammunition components—

"(A) means to destroy the military offensive or defensive advantages inherent in the ammunition or ammunition components; and

"(B) includes any mutilation, scrapping, melting, burning, or alteration that prevents the use of the ammunition or ammunition components for the military purposes for which the ammunition or ammunition components was designed or for a lethal purpose.".

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

"4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.".

(b) REVIEW OF INITIAL SALES.—(1) For each of the first three fiscal years during which the Secretary of the Army sells ammunition or ammunition components under the authority of section 4687 of title 10, United States Code, as added by subsection (a), the Director of the Army Audit Agency shall conduct a review of sales under such section to ensure that—

(A) purchasers that enter into an agreement under subsection (a)(1) of such section to demilitarize the purchased ammunition or ammunition components fully comply with the agreement; and

(B) purchasers that are authorized under subsection (a)(2) of such section to use the purchased ammunition or ammunition components actually use the ammunition or ammunition components in the manner proposed.

(2) Not later than 180 days after the end of each fiscal year in which the review is conducted, the Secretary of the Army shall submit to Congress a report containing the results of the review for the fiscal year covered by the report.

SEC. 1066. TRANSFER OF B–17 AIRCRAFT TO MUSEUM.

(a) AUTHORITY.—The Secretary of the Air Force may convey, without consideration to the Planes of Fame Museum, Chino, California (in this section referred to as the "museum"), all right, title, and interest of the United States in and to the B–17 aircraft known as the "Picadilly Lilly", an aircraft that has been in the possession of the museum since 1959. Such a conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The Secretary may not convey ownership of the aircraft under subsection (a) until the Secretary determines that the museum has altered the aircraft in such manner as the Secretary determines necessary to ensure that the aircraft does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON TRANSFER OF OWNERSHIP OR POSSESSION.—The Secretary shall include in the instrument of conveyance of the aircraft—

(1) a condition that the museum not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary of the Air Force; and

(2) a condition that if the Secretary of the Air Force determines at any time that the museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance authorized by this section shall be made at no cost to the United States. Any costs associated with such conveyance, including costs of determining compliance with subsection (b), shall be borne by the museum.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) CLARIFICATION OF LIABILITY.—Notwithstanding any other provision of law, upon conveyance of ownership of the B–17 aircraft specified in subsection (a) to the museum, the United States shall not be liable for any death, injury, loss, or damage that results from any use of that aircraft by any person other than the United States.

SEC. 1067. REPORT ON DISPOSAL OF EXCESS AND SURPLUS MATERIALS.

(a) REPORT REQUIRED.—Not later than January 31, 1998, the Secretary of Defense shall submit to Congress a report on the actions that have been taken or are planned to be taken within the Department of Defense to address problems with the sale or other disposal of materials that are excess or surplus to the needs of the Department of Defense.

(b) REQUIRED CONTENT.—At a minimum, the report shall address the following issues:

(1) The effort to standardize the coding of military equipment for demilitarization at all stages of the process, from initial acquisition through disposal.

(2) The changes underway to improve the methods used for the demilitarization of military equipment.

(3) Recent efforts to improve the accuracy of coding performed by Government employees and contractor employees.

(4) Recent efforts to improve the enforcement of the penalties that are applicable to Government employees and contractor employees who fail to comply with rules or procedures applicable to the demilitarization of military equipment.

(5) The methods of oversight and enforcement used by the Department of Defense to review the demilitarization of military equipment by the purchasers of the equipment.

(6) The current and planned controls designed to prevent the inappropriate transfer of excess military equipment outside the United States.

(7) The current procedures used by the Department, including repurchase, to recover military equipment that is sold or

otherwise disposed of without appropriate action having been taken to demilitarize the equipment or to provide for demilitarization of the equipment.

(8) The legislative changes, if any, that would be necessary to improve the recovery rate under the procedures identified under paragraph (7).

(c) IDENTIFICATION OF FREQUENT ERRORS AND MISUSE.—Based on fiscal year 1997 findings, the Secretary of Defense shall identify in the report—

(1) the 50 categories of military equipment that most frequently received an erroneous demilitarization code; and

(2) the categories of military equipment that are particularly vulnerable to improper use after disposal.

Subtitle G—Other Matters

SEC. 1071. AUTHORITY FOR SPECIAL AGENTS OF THE DEFENSE CRIMINAL INVESTIGATIVE SERVICE TO EXECUTE WARRANTS AND MAKE ARRESTS.

(a) AUTHORITY.—Chapter 81 of title 10, United States Code, is amended by inserting after section 1585 the following new section:

"§ 1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests

"(a) AUTHORITY.—The Secretary of Defense may authorize any DCIS special agent described in subsection (b)—

"(1) to execute and serve any warrant or other process issued under the authority of the United States; and

"(2) to make arrests without a warrant—

"(A) for any offense against the United States committed in the presence of that agent; and

"(B) for any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing the felony.

"(b) AGENTS TO HAVE AUTHORITY.—Subsection (a) applies to any DCIS special agent whose duties include conducting, supervising, or coordinating investigations of criminal activity in programs and operations of the Department of Defense.

"(c) GUIDELINES ON EXERCISE OF AUTHORITY.—The authority provided under subsection (a) shall be exercised in accordance with guidelines prescribed by the Inspector General of the Department of Defense and approved by the Attorney General and any other applicable guidelines prescribed by the Secretary of Defense or the Attorney General.

"(d) DCIS SPECIAL AGENT DEFINED.—In this section, the term 'DCIS special agent' means an employee of the Department of Defense who is a special agent of the Defense Criminal Investigative Service (or any successor to that service).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1585 the following new item:

"1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests.".

SEC. 1072. STUDY OF INVESTIGATIVE PRACTICES OF MILITARY CRIMINAL INVESTIGATIVE ORGANIZATIONS RELATING TO SEX CRIMES.

(a) INDEPENDENT STUDY REQUIRED.—(1) The Secretary of Defense shall provide for an independent study of the policies, procedures, and practices of the military criminal investigative organizations for the conduct of investigations of complaints of sex crimes and other criminal sexual misconduct arising in the Armed Forces.

(2) The Secretary shall provide for the study to be conducted by the National Academy of Public Administration. The amount of a contract for the study may not exceed $2,000,000.

(3) The Secretary shall require that all components of the Department of Defense cooperate fully with the organization carrying out the study.

(b) MATTERS TO BE INCLUDED IN STUDY.—The Secretary shall require that the organization conducting the study under this section specifically consider each of the following matters:

(1) The need (if any) for greater organizational independence and autonomy for the military criminal investigative organizations than exists under current chain-of-command structures within the military departments.

(2) The authority of each of the military criminal investigative organizations to investigate allegations of sex crimes and other criminal sexual misconduct and the policies of those organizations for carrying out such investigations.

(3) The training (including training in skills and techniques related to the conduct of interviews) provided by each of those organizations to agents or prospective agents responsible for conducting or providing support to investigations of alleged sex crimes and other criminal sexual misconduct, including—

(A) the extent to which that training is comparable to the training provided by the Federal Bureau of Investigation and other civilian law enforcement agencies; and

(B) the coordination of training and investigative policies related to alleged sex crimes and other criminal sexual misconduct of each of those organizations with the Federal Bureau of Investigation and other civilian Federal law enforcement agencies.

(4) The procedures and relevant professional standards of each military criminal investigative organization with regard to recruitment and hiring of agents, including an evaluation of the extent to which those procedures and standards provide for—

(A) sufficient screening of prospective agents based on background investigations; and

(B) obtaining sufficient information about the qualifications and relevant experience of prospective agents.

(5) The advantages and disadvantages of establishing, within each of the military criminal investigative organizations or within the Defense Criminal Investigative Service only, a

special unit for the investigation of alleged sex crimes and other criminal sexual misconduct.

(6) The clarity of guidance for, and consistency of investigative tactics used by, each of the military criminal investigative organizations for the investigation of alleged sex crimes and other criminal sexual misconduct, together with a comparison with the guidance and tactics used by the Federal Bureau of Investigation and other civilian law enforcement agencies for such investigations.

(7) The number of allegations of agent misconduct in the investigation of sex crimes and other criminal sexual misconduct for each of those organizations, together with a comparison with the number of such allegations concerning agents of the Federal Bureau of Investigation and other civilian law enforcement agencies for such investigations.

(8) The procedures of each of the military criminal investigative organizations for administrative identification (known as "titling") of persons suspected of committing sex crimes or other criminal sexual misconduct, together with a comparison with the comparable procedures of the Federal Bureau of Investigation and other civilian Federal law enforcement agencies for such investigations.

(9) The accuracy, timeliness, and completeness of reporting of sex crimes and other criminal sexual misconduct by each of the military criminal investigative organizations to the National Crime Information Center maintained by the Department of Justice.

(10) Any recommendation for legislation or administrative action to revise the organizational or operational arrangements of the military criminal investigative organizations or to alter recruitment, training, or operational procedures, as they pertain to the investigation of sex crimes and other criminal sexual misconduct.

(c) REPORT.—(1) The Secretary of Defense shall require the organization conducting the study under this section to submit to the Secretary a report on the study not later than one year after the date of the enactment of this Act. The organization shall include in the report its findings and conclusions concerning each of the matters specified in subsection (b).

(2) The Secretary shall submit the report under paragraph (1), together with the Secretary's comments on the report, to Congress not later than 30 days after the date on which the report is submitted to the Secretary under paragraph (1).

(d) MILITARY CRIMINAL INVESTIGATIVE ORGANIZATION DEFINED.—For the purposes of this section, the term "military criminal investigative organization" means any of the following:

(1) The Army Criminal Investigation Command.

(2) The Naval Criminal Investigative Service.

(3) The Air Force Office of Special Investigations.

(4) The Defense Criminal Investigative Service.

(e) CRIMINAL SEXUAL MISCONDUCT DEFINED.—For the purposes of this section, the term "criminal sexual misconduct" means conduct by a member of the Armed Forces involving sexual abuse, sexual harassment, or other sexual misconduct that constitutes an offense under the Uniform Code of Military Justice.

SEC. 1073. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking out "471" in the item relating to chapter 23 and inserting in lieu thereof "481".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are each amended by striking out "2540" in the item relating to chapter 152 and inserting in lieu thereof "2541".

(3) Section 116(b)(2) is amended by striking out "such subsection" and inserting in lieu thereof "subsection (a)".

(4) Section 129c(e)(1) is amended by striking out "section 115a(g)(2)" and inserting in lieu thereof "section 115a(e)(2)".

(5) Section 193(d)(1) is amended by striking out "performs" and inserting in lieu thereof "perform".

(6) Section 382(g) is amended by striking out "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997" and inserting in lieu thereof "September 23, 1996".

(7) Section 443(b)(1) is amended by striking out the period at the end and inserting in lieu thereof a semicolon.

(8) Section 445 is amended—

(A) by striking "(1)" before "Except with";

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

(C) by striking "(2)" before "Whenever it appears" and inserting "(b) INJUNCTIVE RELIEF.—"; and

(D) by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)".

(9) Section 858b(a)(1) is amended in the first sentence by striking out "forfeiture" and all that follows through "due that member" and inserting in lieu thereof "forfeiture of pay, or of pay and allowances, due that member".

(10) The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X of chapter 47 is amended by striking out "Art.".

(11) Section 943(c) is amended—

(A) by capitalizing the initial letter of the third word of the subsection heading;

(B) in the second sentence, by striking out "Court" and inserting in lieu thereof "court"; and

(C) in the third sentence, by striking out "such positions" and inserting in lieu thereof "positions referred to in the preceding sentences".

(12) Section 954 is amended by striking out "this" and inserting in lieu thereof "his".

(13) Section 971(b)(4) is amended by capitalizing the first letter of the fifth and sixth words.

(14) Section 972(b) is amended by striking out "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996" in the matter preceding paragraph (1) and inserting in lieu thereof "February 10, 1996".

(15) Section 976(f) is amended by striking out "shall," and all that follows and inserting in lieu thereof "shall be fined under title 18 or imprisoned not more than 5 years, or both,

except that, in the case of an organization (as defined in section 18 of such title), the fine shall not be less than $25,000.".

(16) Section 977 is amended—

(A) in subsection (c), by striking out "Beginning on October 1, 1996, not more than" and inserting in lieu thereof "Not more than"; and

(B) in subsection (d)(2), by striking out "before October 1, 1996," and all that follows through "so assigned" the second place it appears.

(17) Section 1078a(g)(4)(B)(iii)(II) is amended by striking out "section 1447(8)" and inserting in lieu thereof "section 1447(13)".

(18) Section 1129(c) is amended—

(A) by striking out "the date of the enactment of this section," and inserting in lieu thereof "November 30, 1993,"; and

(B) by striking out "before the date of the enactment of this section or" and inserting in lieu thereof "before such date or".

(19) Section 1151(b) is amended by capitalizing the first letter of the second word in the subsection heading.

(20) Section 1152(g) is amended by inserting "(1)" before "The Secretary may".

(21) Section 1143(d) is amended by striking out "section 806(a)(2) of the Military Family Act of 1985" and inserting in lieu thereof "section 1784(a)(2) of this title".

(22) Section 1174(a)(1) is amended by striking out ", 1177,".

(23) Section 1406 is amended—

(A) by striking out "3962(b)" in footnote number 3 in the table in subsection (b)(1) and in footnote number 1 in the table in subsection (c)(1) and inserting in lieu thereof "3962"; and

(B) by striking out "8962(b)" in footnote number 3 in the table in subsection (b)(1) and in footnote number 1 in the table in subsection (e)(1) and inserting in lieu thereof "8962".

(24) Section 1408(d) is amended—

(A) by decapitalizing the first letter of the fifth word in the subsection heading;

(B) by redesignating the second paragraph (6) as paragraph (7); and

(C) in paragraph (7), as so redesignated, by striking out "out-of State" in subparagraph (A) and inserting in lieu thereof "out-of-State".

(25) Section 1408(g) is amended by decapitalizing the first letter of the second and ninth words in the subsection heading.

(26) Section 1444a(b) is amended by striking out "section 1455(c)" and inserting in lieu thereof "section 1455(d)(2)".

(27) Section 1448 is amended by capitalizing the first letter of the third word of the section heading.

(28) Section 1451(a)(2) is amended by inserting a period in the paragraph heading before the one-em dash.

(29) Section 1452 is amended—

(A) in subsection (a)(1)(A), by striking out "providing" in the matter preceding clause (i) and inserting in lieu thereof "provided"; and

(B) in subsection (e), by striking out "section 8339(i)" and "section 8331(b)" and inserting in lieu thereof "section 8339(j)" and "section 8341(b)", respectively.

(30) Section 1504(i)(1) is amended by striking out "this subsection" and inserting in lieu thereof "this section".

(31) Section 1599c(c)(1)(F) is amended by striking out "Sections 106(f)" and inserting in lieu thereof "Sections 106(e)".

(32) Section 1613(a) is amended by striking out "1604" and inserting in lieu thereof "1603".

(33) Section 1763 is amended—

(A) by striking out "On and after October 1, 1993, the Secretary of Defense" and inserting in lieu thereof "The Secretary of Defense"; and

(B) by striking out "secretaries" and inserting in lieu thereof "Secretaries".

(34) Section 1792 is amended—

(A) in subsection (a)(1), by striking out the comma after "implementing"; and

(B) in subsection (d)(2), by striking out "section 1794" and inserting in lieu thereof "section 1784".

(35) Section 2010(e) is repealed.

(36) Section 2107a(g) is amended by inserting "the" after "August 1, 1979, as a member of".

(37) Section 2109(c)(1)(A) is amended by striking out "section 2106(b)(6)" and inserting in lieu thereof "section 2104(b)(6)".

(38) Section 2114(h) is amended by striking out "section 2123(e)(1)" and inserting in lieu thereof "section 2123(e)".

(39) Section 2198(c) is amended by striking out "identified in" and all that follows through the period at the end and inserting in lieu thereof "that is identified under section 2505 of this title as critical for attaining the national security objectives set forth in section 2501(a) of this title.".

(40) Section 2249a(a)(1) is amended by striking out "50 App. 2405(j)" and inserting in lieu thereof "50 U.S.C. App. 2405(j)(1)(A)".

(41) Section 2302d(a)(2) is amended by striking out "procurement of" and inserting in lieu thereof "procurement for the system is estimated to be".

(42) Section 2304(c)(5) is amended by striking out "subsection (j)" and inserting in lieu thereof "subsection (k)".

(43) Section 2304(f) is amended—

(A) in paragraph (1)(B)(iii), by striking out "(6)(C)" and inserting in lieu thereof "(6)(B)"; and

(B) in paragraph (6)—

(i) by striking out subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph by striking out "paragraph (1)(B)(iv)" and inserting in lieu thereof "paragraph (1)(B)(iii)".

(44) Section 2305a(a) is amended by striking out "(41 U.S.C." and inserting in lieu thereof "(40 U.S.C.".

(45) Section 2306(h) is amended by inserting "for the purchase of property" after "Multiyear contracting authority".

(46) Section 2306a(a)(5) is amended by striking out "subsection (b)(1)(B)" and inserting in lieu thereof "subsection (b)(1)(C)".

(47) Section 2306b is amended by striking out "this subsection" in the first sentence of subsection (k) and inserting in lieu thereof "this section".

(48)(A) The heading of section 2306b is amended to read as follows:

"§ 2306b. Multiyear contracts: acquisition of property".

(B) The item relating to such section in the table of sections at the beginning of chapter 137 is amended to read as follows:

"2306b. Multiyear contracts: acquisition of property.".

(49) Section 2315(a) is amended by striking out "the Information Technology Management Reform Act of 1996" and inserting in lieu thereof "division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)".

(50) Section 2371a is amended by inserting "Defense" before "Advanced Research Projects Agency".

(51) Section 2375(c) is amended—

(A) by striking out "provisions relating to exceptions" and inserting in lieu thereof "a provision relating to an exception"; and

(B) by striking out "section 2306a(d)" and inserting in lieu thereof "section 2306a(b)".

(52) Section 2401a(a) is amended by striking out "leasing of such vehicles" and inserting in lieu thereof "such leasing".

(53) Section 2491(8) is amended by striking out "that appears" and all that follows through the period at the end and inserting in lieu thereof "that is identified under section 2505 of this title as critical for attaining the national security objectives set forth in section 2501(a) of this title.".

(54) Section 2533(a) is amended by striking out the first closing parenthesis after "41 U.S.C. 10a".

(55) Section 2534(b)(3) is amended by striking out "(a)(3)(A)(ii)" and inserting in lieu thereof "(a)(3)(A)(iii)".

(56) Section 2554(c)(1) is amended by striking out "the date of the enactment of this Act" and inserting in lieu thereof "September 23, 1996".

(57) Section 2645(a)(1)(B) is amended by striking out "on which" after "the date on which".

(58) Section 2684(b) is amended by striking out ", United States Code,".

(59) Section 2694(b)(1)(D) is amended by striking out "executive ageny" and inserting in lieu thereof "executive agency".

(60) Section 2878(d)(4) is amended by striking out "11401" and inserting in lieu thereof "11411".

(61) Section 2885 is amended by striking out "five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996" and inserting in lieu thereof "on February 10, 2001".

(62) Sections 4342(a)(10), 6954(a)(10), and 9342(a)(10) are amended by striking out "Marianas" and inserting in lieu thereof "Mariana".

(63) Section 7606(e) is amended by striking out "sections" and inserting in lieu thereof "section".

(64) Section 7902(b)(8) is amended by inserting "United States" before "Geological Survey".

(65) Section 8038(e) is amended by striking out "(1)".

(66) The item relating to section 8069 in the table of sections at the beginning of chapter 807 is amended by striking out "Nurse Corps" and inserting in lieu thereof "nurses".

(67) Section 12733(3) is amended—

(A) by inserting a comma after "(B)"; and

(B) by striking out "in which the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997 occurs" and inserting in lieu thereof "that includes September 23, 1996,".

(68) Section 14317(d) is amended by striking out "section 14314" in the first sentence and inserting in lieu thereof "section 14315".

(b) TITLE 37, UNITED STATES CODE.—Section 205(d) of title 37, United States Code, is amended by striking out the period after "August 1, 1979" and inserting in lieu thereof a comma.

(c) PUBLIC LAW 104–201.—Effective as of September 23, 1996, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) is amended as follows:

(1) Section 324(b)(2) (110 Stat. 2480) is amended by inserting after "In this subsection" the following: "and subsection (c)".

(2) Section 367 (110 Stat. 2496) is amended—

(A) in subsection (a), by striking out "Subchapter II of chapter" and inserting in lieu thereof "Chapter"; and

(B) in subsection (b), by striking out "subchapter" and inserting in lieu thereof "chapter".

(3) Section 371(a) (110 Stat. 2499) is amended by striking out "Section 559(a)(1)" and inserting in lieu thereof "Section 559".

(4) Section 531(a) (110 Stat. 2517) is amended by inserting "of title 10, United States Code," before "is amended".

(5) Section 614(b)(2)(B) (110 Stat. 2544) is amended by striking out "the period" and inserting in lieu thereof "the semicolon".

(6) Section 802(1) (110 Stat. 2604) is amended by striking out "1995" in the first quoted matter therein and inserting in lieu thereof "1996".

(7) Section 829(c) (110 Stat. 2612) is amended—

(A) in paragraph (2), by striking out "Section 2502(b)" and inserting in lieu thereof "Section 2502(c)"; and

(B) by redesignating paragraph (3) as subparagraph (C) of paragraph (2).

(8) Section 1116(b) (110 Stat. 2686) is amended by striking out "section 1122" and inserting in lieu thereof "section 1111".

(9) Section 1606 (110 Stat. 2737) is amended—

(A) in subsection (a)(1)—

(i) by striking out the comma before "or are"; and

(ii) by inserting a semicolon after "Secretary of Defense";

(B) in subsection (b)(1)(A), by striking out "Secretary of each" and inserting in lieu thereof "secretary of each"; and

(C) in subsection (b)(2)(B), by inserting a semicolon after "Defense".

(d) OTHER ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) Effective as of February 10, 1996, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) is amended as follows:

(A) Section 321(a)(2)(A) (110 Stat. 251) is amended by striking out "2710(d)" and inserting in lieu thereof "2701(d)".

(B) Section 356(d)(3) (110 Stat. 271) is amended by striking out "or" after "to any provision" and inserting in lieu thereof "of".

(C) Section 533(b) (110 Stat. 315) is amended by inserting before the period at the end the following: "and the amendments made by subsection (b), effective as of October 5, 1994".

(D) Section 703(b) (110 Stat. 372) is amended by striking out "Such paragraph" and inserting in lieu thereof "Such section".

(E) Section 1501 (110 Stat. 500) is amended—

(i) in subsection (d)(1), by striking out "337(b)" and "2717" and inserting in lieu thereof "377(b)" and "2737", respectively; and

(ii) in subsection (f)(2), by inserting "of the Reserve Officer Personnel Management Act" before "shall take".

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(A) Section 812(c) (10 U.S.C. 1723 note) is amended by inserting "and Technology" after "for Acquisition".

(B) Section 1091(*l*)(3) (32 U.S.C. 501 note) is amended by striking out "the day preceding the date of the enactment of this Act" and inserting in lieu thereof "October 19, 1994".

(C) Section 4471 (10 U.S.C. 2501 note) is amended by realigning subsection (e) so as to be flush to the left margin.

(3) Section 807(b)(2)(A) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2320 note) is amended by inserting before the period the following: "and Technology".

(4) The National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) is amended as follows:

(A) Section 1205 (10 U.S.C. 1746 note) is amended by striking out "Under Secretary of Defense for Acquisition" each place it appears and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology".

(B) Section 2905 (10 U.S.C. 2687 note) is amended—

(i) in subsection (b)(7), by striking out "4331" in subparagraphs (K)(iii) and (L)(iv)(III) and inserting in lieu thereof "4321"; and

(ii) in subsection (f)(3), by striking out "section 2873(a)" and inserting in lieu thereof "section 2883(a)".

(C) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(B), by striking out "Defense Subcommittees" and inserting in lieu thereof "Subcommittee on Defense"; and

(ii) in subsection (f)(2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof

"the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(5) Section 1121(c) of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 10 U.S.C. 113 note) is amended by striking out "under this section—" and all that follow through "fiscal year 1990" and inserting in lieu thereof "under this section may not exceed 5,000 during any fiscal year".

(6) Section 204(e)(3) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking out "section 2873(a)" and inserting in lieu thereof "section 2883(a)".

(e) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) Section 5315 is amended—

(A) in the item relating to the Chief Information Officer of the Department of the Interior, by inserting "the" before "Interior"; and

(B) in the item relating to the Chief Information Officer of the Department of the Treasury, by inserting "the" before "Treasury".

(2) Section 5316 is amended by striking out "Atomic Energy" after "Assistant to the Secretary of Defense for" and inserting in lieu thereof "Nuclear and Chemical and Biological Defense Programs".

(f) ACT OF AUGUST 10, 1956.—Section 3(a)(3) of the Act of August 10, 1956 (33 U.S.C. 857a) is amended by striking out "1374,".

(g) ACQUISITION POLICY STATUTES.—

(1) Section 309 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259) is amended by striking out "and" at the end of subsection (b)(2).

(2) The Office of Federal Procurement Policy Act is amended as follows:

(A) The item relating to section 27 in the table of contents in section 1(b) is amended to read as follows:

"Sec. 27. Restrictions on disclosing and obtaining contractor bid or proposal information or source selection information.".

(B) Section 6(d) (41 U.S.C. 405(d)) is amended—

(i) by striking out the period at the end of paragraph (5)(J) and inserting in lieu thereof a semicolon;

(ii) by moving paragraph (6) two ems to the left; and

(iii) in paragraph (12), by striking out "small business" and inserting in lieu thereof "small businesses".

(C) Section 35(b)(2) (41 U.S.C. 431(b)(2)) is amended by striking out "commercial" and inserting in lieu thereof "commercially available".

(3) Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended in subsections (d) and (e) by striking out "(as in effect on September 30, 1995)" each place it appears.

(4) Subsections (d)(1) and (e) of section 16 of the Small Business Act (15 U.S.C. 645) are each amended by striking out "concerns" and inserting in lieu thereof "concern".

(h) AMENDMENTS TO CONFORM CHANGE IN SHORT TITLE OF INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1996.—

(1) Section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3) is amended in subsections (a)(4) and (b)(2) by striking out "Information Technology Management Reform Act of 1996" and inserting in lieu thereof "Clinger-Cohen Act of 1996 (40 U.S.C. 1441)".

(2) Section 612(f) of title 28, United States Code, is amended by striking out "the Information Technology Management Reform Act of 1996" and inserting in lieu thereof "division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)".

(3) Section 310(b) of title 38, United States Code, is amended by striking out "the Information Technology Management Reform Act of 1996" and inserting in lieu thereof "division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)".

(4) Section 6(b) of the Computer Security Act of 1987 (40 U.S.C. 1441 note) is amended by striking out "Information Technology Management Reform Act of 1996" and inserting in lieu thereof "Clinger-Cohen Act of 1996 (40 U.S.C. 1441)".

(5) Chapter 35 of title 44, United States Code, is amended—

(A) in section 3502(9)—

(i) by striking out "the Information Technology Management Reform Act of 1996" and inserting in lieu thereof "the Clinger-Cohen Act of 1996 (40 U.S.C. 1401)"; and

(ii) by inserting "(40 U.S.C. 1452)" after "that Act";

(B) in section 3504(h)(2), by striking out "the Information Technology Management Reform Act of 1996" and inserting in lieu thereof "division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)"; and

(C) in sections 3504(g)(2), 3504(g)(3), 3504(h)(1)(B), and 3518(d) by striking out "Information Technology Management Reform Act of 1996" and inserting in lieu thereof "Clinger-Cohen Act of 1996 (40 U.S.C. 1441)".

(i) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1074. SUSTAINMENT AND OPERATION OF THE GLOBAL POSITIONING SYSTEM.

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

(1) The Global Positioning System (consisting of a constellation of satellites and associated facilities capable of providing users on earth with a highly precise statement of their location on earth) makes significant contributions to the attainment of the national security and foreign policy goals of the United States, the safety and efficiency of international transportation, and the economic growth, trade, and productivity of the United States.

(2) The infrastructure for the Global Positioning System (including both space and ground segments of the infrastructure) is vital to the effectiveness of United States and allied military forces and to the protection of the national security interests of the United States.

(3) In addition to having military uses, the Global Positioning System has essential civil, commercial, and scientific uses.

(4) As a result of the increasing demand of civil, commercial, and scientific users of the Global Positioning System—

(A) there has emerged in the United States a new commercial industry to provide Global Positioning System equipment and related services to the many and varied users of the system; and

(B) there have been rapid technical advancements in Global Positioning System equipment and services that have contributed significantly to reductions in the cost of the Global Positioning System and increases in the technical capabilities and availability of the system for military uses.

(5) It is in the national interest of the United States for the United States—

(A) to support continuation of the multiple-use character of the Global Positioning System;

(B) to promote broader acceptance and use of the Global Positioning System and the technological standards that facilitate expanded use of the system for civil purposes;

(C) to coordinate with other countries to ensure (i) efficient management of the electromagnetic spectrum used by the Global Positioning System, and (ii) protection of that spectrum in order to prevent disruption of signals from the system and interference with that portion of the electromagnetic spectrum used by the system; and

(D) to encourage open access in all international markets to the Global Positioning System and supporting equipment, services, and techniques.

(b) INTERNATIONAL COOPERATION.—Congress urges the President to promote the security of the United States and its allies, the public safety, and commercial interests by taking the following steps:

(1) Undertaking a coordinated effort within the executive branch to seek to establish the Global Positioning System, and augmentations to the system, as a worldwide resource.

(2) Seeking to enter into international agreements to establish signal and service standards that protect the Global Positioning System from disruption and interference.

(3) Undertaking efforts to eliminate any barriers to, and other restrictions of foreign governments on, peaceful uses of the Global Positioning System.

(4) Requiring that any proposed international agreement involving nonmilitary use of the Global Positioning System or any augmentation to the system not be agreed to by the United States unless the proposed agreement has been reviewed by the Secretary of State, the Secretary of Defense, the Secretary of Transportation, and the Secretary of Commerce (acting as the Interagency Global Positioning System Executive Board established by Presidential Decision Directive NSTC–6, dated March 28, 1996).

(c) FISCAL YEAR 1998 PROHIBITION OF SUPPORT OF FOREIGN SYSTEM.—None of the funds authorized to be appropriated under this Act may be used to support the operation and maintenance or enhancement of a satellite navigation system operated by a foreign country.

(d) IN GENERAL.—(1) Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 134 the following new chapter:

"CHAPTER 136—PROVISIONS RELATING TO SPECIFIC PROGRAMS

"Sec.
"2281. Global Positioning System.

"§ 2281. Global Positioning System

"(a) SUSTAINMENT AND OPERATION FOR MILITARY PURPOSES.—The Secretary of Defense shall provide for the sustainment of the capabilities of the Global Positioning System (hereinafter in this section referred to as the 'GPS'), and the operation of basic GPS services, that are beneficial for the national security interests of the United States. In doing so, the Secretary shall—

"(1) develop appropriate measures for preventing hostile use of the GPS so as to make it unnecessary for the Secretary to use the selective availability feature of the system continuously while not hindering the use of the GPS by the United States and its allies for military purposes; and

"(2) ensure that United States armed forces have the capability to use the GPS effectively despite hostile attempts to prevent the use of the system by such forces.

"(b) SUSTAINMENT AND OPERATION FOR CIVILIAN PURPOSES.—The Secretary of Defense shall provide for the sustainment and operation of the GPS Standard Positioning Service for peaceful civil, commercial, and scientific uses on a continuous worldwide basis free of direct user fees. In doing so, the Secretary—

"(1) shall provide for the sustainment and operation of the GPS Standard Positioning Service in order to meet the performance requirements of the Federal Radionavigation Plan prepared jointly by the Secretary of Defense and the Secretary of Transportation pursuant to subsection (c);

"(2) shall coordinate with the Secretary of Transportation regarding the development and implementation by the Government of augmentations to the basic GPS that achieve or enhance uses of the system in support of transportation;

"(3) shall coordinate with the Secretary of Commerce, the United States Trade Representative, and other appropriate officials to facilitate the development of new and expanded civil and commercial uses for the GPS;

"(4) shall develop measures for preventing hostile use of the GPS in a particular area without hindering peaceful civil use of the system elsewhere; and

"(5) may not agree to any restriction on the Global Positioning System proposed by the head of a department or agency of the United States outside the Department of Defense in the exercise of that official's regulatory authority that would adversely affect the military potential of the Global Positioning System.

"(c) FEDERAL RADIONAVIGATION PLAN.—The Secretary of Defense and the Secretary of Transportation shall jointly prepare the Federal Radionavigation Plan. The plan shall be revised and updated not less often than every two years. The plan shall be prepared in accordance with the requirements applicable to such plan as first prepared pursuant to section 507 of the International Maritime Satellite Telecommunications Act (47 U.S.C. 756). The plan, and any amendment to the plan, shall be published in the Federal Register.

"(d) BIENNIAL REPORT.—(1) Not later than 30 days after the end of each even-numbered fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Global Positioning System. The report shall include a discussion of the following matters:

"(A) The operational status of the system.

"(B) The capability of the system to satisfy effectively (i) the military requirements for the system that are current as of the date of the report, and (ii) the performance requirements of the Federal Radionavigation Plan.

"(C) The most recent determination by the President regarding continued use of the selective availability feature of the system and the expected date of any change or elimination of the use of that feature.

"(D) The status of cooperative activities undertaken by the United States with the governments of other countries concerning the capability of the system or any augmentation of the system to satisfy civil, commercial, scientific, and military requirements, including a discussion of the status and results of activities undertaken under any regional international agreement.

"(E) Any progress made toward establishing GPS as an international standard for consistency of navigational service.

"(F) Any progress made toward protecting GPS from disruption and interference.

"(G) The effects of use of the system on national security, regional security, and the economic competitiveness of United States industry, including the Global Positioning System equipment and service industry and user industries.

"(2) In preparing the parts of each such report required under subparagraphs (D), (E), (F), and (G) of paragraph (1), the Secretary of Defense shall consult with the Secretary of State, the Secretary of Commerce, and the Secretary of Transportation.

"(e) DEFINITIONS.—In this section:

"(1) The term 'basic GPS services' means the following components of the Global Positioning System that are operated and maintained by the Department of Defense:

"(A) The constellation of satellites.

"(B) The navigation payloads that produce the Global Positioning System signals.

"(C) The ground stations, data links, and associated command and control facilities.

"(2) The term 'GPS Standard Positioning Service' means the civil and commercial service provided by the basic Global Positioning System as defined in the 1996 Federal Radionavigation Plan (published jointly by the Secretary of Defense and the Secretary of Transportation in July 1997).".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by inserting after the item relating to chapter 134 the following new item:

"136. Provisions Relating to Specific Programs ..... 2281".

SEC. 1075. PROTECTION OF SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AIR CARRIERS.

(a) AUTHORITY TO PROTECT INFORMATION.—Section 2640 of title 10, United States Code, is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) AUTHORITY TO PROTECT SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AN AIR CARRIER.—(1) Subject to paragraph (2), the Secretary of Defense may (notwithstanding any other provision of law) withhold from public disclosure safety-related information that is provided to the Secretary voluntarily by an air carrier for the purposes of this section.

"(2) Information may be withheld under paragraph (1) from public disclosure only if the Secretary determines that—

"(A) the disclosure of the information would inhibit an air carrier from voluntarily providing, in the future, safety-related information for the purposes of this section or for other air safety purposes involving the Department of Defense or another Federal agency; and

"(B) the receipt of such information generally enhances the fulfillment of responsibilities under this section or other air safety responsibilities involving the Department of Defense or another Federal agency.

"(3) If the Secretary provides to the head of another agency safety-related information described in paragraph (1) with respect to which the Secretary has made a determination described in paragraph (2), the head of that agency shall (notwithstanding any other provision of law) withhold the information from public disclosure unless the disclosure is specifically authorized by the Secretary.".

(b) APPLICABILITY.—Subsection (h) of section 2640 of title 10, United States Code, as added by subsection (a), shall apply with respect to requests for information made on or after the date of the enactment of this Act.

SEC. 1076. NATIONAL GUARD CHALLENGE PROGRAM TO CREATE OPPORTUNITIES FOR CIVILIAN YOUTH.

(a) PROGRAM AUTHORITY.—Chapter 5 of title 32, United States Code, is amended by adding at the end the following new section:

"§ 509. National Guard Challenge Program of opportunities for civilian youth

"(a) PROGRAM AUTHORITY AND PURPOSE.—The Secretary of Defense, acting through the Chief of the National Guard Bureau, may conduct a National Guard civilian youth opportunities program (to be known as the 'National Guard Challenge Program') to use the National Guard to provide military-based training, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of such youth.

"(b) CONDUCT OF THE PROGRAM.—The Secretary of Defense shall provide for the conduct of the National Guard Challenge Program in such States as the Secretary considers to be appropriate,

except that Federal expenditures under the program may not exceed $50,000,000 for any fiscal year.

"(c) PROGRAM AGREEMENTS.—(1) To carry out the National Guard Challenge Program in a State, the Secretary of Defense shall enter into an agreement with the Governor of the State or, in the case of the District of Columbia, with the commanding general of the District of Columbia National Guard, under which the Governor or the commanding general will establish, organize, and administer the National Guard Challenge Program in the State.

"(2) The agreement may provide for the Secretary to provide funds to the State for civilian personnel costs attributable to the use of civilian employees of the National Guard in the conduct of the National Guard Challenge Program.

"(d) MATCHING FUNDS REQUIRED.—The amount of assistance provided under this section to a State program of the National Guard Challenge Program may not exceed—

"(1) for fiscal year 1998, 75 percent of the costs of operating the State program during that year;

"(2) for fiscal year 1999, 70 percent of the costs of operating the State program during that year;

"(3) for fiscal year 2000, 65 percent of the costs of operating the State program during that year; and

"(4) for fiscal year 2001 and each subsequent fiscal year, 60 percent of the costs of operating the State program during that year.

"(e) PERSONS ELIGIBLE TO PARTICIPATE IN PROGRAM.—A school dropout from secondary school shall be eligible to participate in the National Guard Challenge Program. The Secretary of Defense shall prescribe the standards and procedures for selecting participants from among school dropouts.

"(f) AUTHORIZED BENEFITS FOR PARTICIPANTS.—(1) To the extent provided in an agreement entered into in accordance with subsection (c) and subject to the approval of the Secretary of Defense, a person selected for training in the National Guard Challenge Program may receive the following benefits in connection with that training:

"(A) Allowances for travel expenses, personal expenses, and other expenses.

"(B) Quarters.

"(C) Subsistence.

"(D) Transportation.

"(E) Equipment.

"(F) Clothing.

"(G) Recreational services and supplies.

"(H) Other services.

"(I) Subject to paragraph (2), a temporary stipend upon the successful completion of the training, as characterized in accordance with procedures provided in the agreement.

"(2) In the case of a person selected for training in the National Guard Challenge Program who afterwards becomes a member of the Civilian Community Corps under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611 et seq.), the person may not receive a temporary stipend under paragraph (1)(I) while the person is a member of that Corps. The person may receive the temporary stipend after completing service in the Corps unless the person elects to receive benefits provided

under subsection (f) or (g) of section 158 of such Act (42 U.S.C. 12618).

"(g) PROGRAM PERSONNEL.—(1) Personnel of the National Guard of a State in which the National Guard Challenge Program is conducted may serve on full-time National Guard duty for the purpose of providing command, administrative, training, or supporting services for the program. For the performance of those services, any such personnel may be ordered to duty under section 502(f) of this title for not longer than the period of the program.

"(2) A Governor participating in the National Guard Challenge Program and the commanding general of the District of Columbia National Guard (if the District of Columbia National Guard is participating in the program) may procure by contract the temporary full time services of such civilian personnel as may be necessary to augment National Guard personnel in carrying out the National Guard Challenge Program in that State.

"(3) Civilian employees of the National Guard performing services for the National Guard Challenge Program and contractor personnel performing such services may be required, when appropriate to achieve the purposes of the program, to be members of the National Guard and to wear the military uniform.

"(h) EQUIPMENT AND FACILITIES.—(1) Equipment and facilities of the National Guard, including military property of the United States issued to the National Guard, may be used in carrying out the National Guard Challenge Program.

"(2) Activities under the National Guard Challenge Program shall be considered noncombat activities of the National Guard for purposes of section 710 of this title.

"(i) STATUS OF PARTICIPANTS.—(1) A person receiving training under the National Guard Challenge Program shall be considered an employee of the United States for the purposes of the following provisions of law:

"(A) Subchapter I of chapter 81 of title 5 (relating to compensation of Federal employees for work injuries).

"(B) Section 1346(b) and chapter 171 of title 28 and any other provision of law relating to the liability of the United States for tortious conduct of employees of the United States.

"(2) In the application of the provisions of law referred to in paragraph (1)(A) to a person referred to in paragraph (1)—

"(A) the person shall not be considered to be in the performance of duty while the person is not at the assigned location of training or other activity or duty authorized in accordance with a program agreement referred to in subsection (c), except when the person is traveling to or from that location or is on pass from that training or other activity or duty;

"(B) the person's monthly rate of pay shall be deemed to be the minimum rate of pay provided for grade GS–2 of the General Schedule under section 5332 of title 5; and

"(C) the entitlement of a person to receive compensation for a disability shall begin on the day following the date on which the person's participation in the National Guard Challenge Program is terminated.

"(3) A person referred to in paragraph (1) may not be considered an employee of the United States for any purpose other than a purpose set forth in that paragraph.

"(j) SUPPLEMENTAL RESOURCES.—To carry out the National Guard Challenge Program in a State, the Governor of the State

or, in the case of the District of Columbia, the commanding general of the District of Columbia National Guard may supplement funds made available under the program out of other resources (including gifts) available to the Governor or the commanding general. The Governor or the commanding general may accept, use, and dispose of gifts or donations of money, other property, or services for the National Guard Challenge Program.

"(k) REPORT.—Within 90 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the design, conduct, and effectiveness of the National Guard Challenge Program during the preceding fiscal year. In preparing the report, the Secretary shall coordinate with the Governor of each State in which the National Guard Challenge Program is carried out and, if the program is carried out in the District of Columbia, with the commanding general of the District of Columbia National Guard.

"(l) DEFINITIONS.—In this section:

"(1) The term 'State' includes the Commonwealth of Puerto Rico, the territories, and the District of Columbia.

"(2) The term 'school dropout' means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.".

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

"509. National Guard Challenge Program of opportunities for civilian youth.".

SEC. 1077. DISQUALIFICATION FROM CERTAIN BURIAL-RELATED BENEFITS FOR PERSONS CONVICTED OF CAPITAL CRIMES.

(a) IN GENERAL.—(1) Chapter 49 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 985. Persons convicted of capital crimes: denial of certain burial-related benefits

"(a) PROHIBITION OF PERFORMANCE OF MILITARY HONORS.—The Secretary of a military department and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, may not provide military honors at the funeral or burial of a person who has been convicted of a capital offense under Federal or State law for which the person was sentenced to death or life imprisonment without parole.

"(b) DISQUALIFICATION FROM BURIAL IN MILITARY CEMETERIES.—A person convicted of a capital offense under Federal law is not entitled to or eligible for, and may not be provided, burial in—

"(1) Arlington National Cemetery;

"(2) the Soldiers' and Airmen's National Cemetery; or

"(3) any other cemetery administered by the Secretary of a military department or the Secretary of Defense.

"(c) DEFINITIONS.—In this section:

"(1) The term 'capital offense' means an offense for which the death penalty may be imposed.

"(2) The term 'burial' includes inurnment.

"(3) The term 'State' includes the District of Columbia and any commonwealth or territory of the United States.".

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

"985. Persons convicted of capital crimes: denial of certain burial-related benefits.".

(b) APPLICABILITY.—Section 985 of title 10, United States Code, as added by subsection (a), applies with respect to persons dying after January 1, 1997.

SEC. 1078. RESTRICTIONS ON THE USE OF HUMAN SUBJECTS FOR TESTING OF CHEMICAL OR BIOLOGICAL AGENTS.

(a) PROHIBITED ACTIVITIES.—The Secretary of Defense may not conduct (directly or by contract)—

(1) any test or experiment involving the use of a chemical agent or biological agent on a civilian population; or

(2) any other testing of a chemical agent or biological agent on human subjects.

(b) EXCEPTIONS.—Subject to subsections (c), (d), and (e), the prohibition in subsection (a) does not apply to a test or experiment carried out for any of the following purposes:

(1) Any peaceful purpose that is related to a medical, therapeutic, pharmaceutical, agricultural, industrial, or research activity.

(2) Any purpose that is directly related to protection against toxic chemicals or biological weapons and agents.

(3) Any law enforcement purpose, including any purpose related to riot control.

(c) INFORMED CONSENT REQUIRED.—The Secretary of Defense may conduct a test or experiment described in subsection (b) only if informed consent to the testing was obtained from each human subject in advance of the testing on that subject.

(d) PRIOR NOTICE TO CONGRESS.—Not later than 30 days after the date of final approval within the Department of Defense of plans for any experiment or study to be conducted by the Department of Defense (whether directly or under contract) involving the use of human subjects for the testing of a chemical agent or a biological agent, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth a full accounting of those plans, and the experiment or study may then be conducted only after the end of the 30-day period beginning on the date such report is received by those committees.

(e) BIOLOGICAL AGENT DEFINED.—In this section, the term "biological agent" means any micro-organism (including bacteria, viruses, fungi, rickettsiac, or protozoa), pathogen, or infectious substance, and any naturally occurring, bioengineered, or synthesized component of any such micro-organism, pathogen, or infectious substance, whatever its origin or method of production, that is capable of causing—

(1) death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism;

(2) deterioration of food, water, equipment, supplies, or materials of any kind; or

(3) deleterious alteration of the environment.

(f) REPORT AND CERTIFICATION.—Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

"(9) A description of any program involving the testing of biological or chemical agents on human subjects that was carried out by the Department of Defense during the period covered by the report, together with—

"(A) a detailed justification for the testing;

"(B) a detailed explanation of the purposes of the testing;

"(C) a description of each chemical or biological agent tested; and

"(D) the Secretary's certification that informed consent to the testing was obtained from each human subject in advance of the testing on that subject.".

(g) REPEAL OF SUPERSEDED PROVISION OF LAW.—Section 808 of the Department of Defense Appropriation Authorization Act, 1978 (50 U.S.C. 1520), is repealed.

SEC. 1079. TREATMENT OF MILITARY FLIGHT OPERATIONS.

No military flight operation (including a military training flight), or designation of airspace for such an operation, may be treated as a transportation program or project for purposes of section 303(c) of title 49, United States Code.

SEC. 1080. NATURALIZATION OF CERTAIN FOREIGN NATIONALS WHO SERVE HONORABLY IN THE ARMED FORCES DURING A PERIOD OF CONFLICT.

(a) IN GENERAL.—Section 329(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1440(a)(1)) is amended—

(1) by inserting ", reenlistment, extension of enlistment," after "at the time of enlistment"; and

(2) by inserting "or on board a public vessel owned or operated by the United States for noncommercial service," after "United States, the Canal Zone, American Samoa, or Swains Island,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to enlistments, reenlistments, extensions of enlistment, and inductions of persons occurring on or after the date of the enactment of this Act.

SEC. 1081. APPLICABILITY OF CERTAIN PAY AUTHORITIES TO MEMBERS OF SPECIFIED INDEPENDENT STUDY ORGANIZATIONS.

(a) APPLICABILITY OF CERTAIN PAY AUTHORITIES.—(1) An individual who is a member of a commission or panel specified in subsection (b) and is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the commission or panel is not subject to the provisions of that section with respect to such membership.

(2) An individual who is a member of a commission or panel specified in subsection (b) and is a member or former member of a uniformed service is not subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the commission or panel.

(b) SPECIFIED ENTITIES.—Subsection (a) applies—

(1) effective as of September 23, 1996, to members of the National Defense Panel established by section 924 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2626); and

(2) effective as of October 9, 1996, to members of the Commission on Servicemembers and Veterans Transition Assistance established by section 701 of the Veterans' Benefits Improvements Act of 1996 (Public Law 104–275; 110 Stat. 3346; 38 U.S.C. 545 note).

SEC. 1082. DISPLAY OF POW/MIA FLAG.

(a) REQUIRED DISPLAY.—The POW/MIA flag shall be displayed at the locations specified in subsection (c) on POW/MIA flag display days. Such display shall serve (1) as the symbol of the Nation's concern and commitment to achieving the fullest possible accounting of Americans who, having been prisoners of war or missing in action, still remain unaccounted for, and (2) as the symbol of the Nation's commitment to achieving the fullest possible accounting for Americans who in the future may become prisoners of war, missing in action, or otherwise unaccounted for as a result of hostile action.

(b) DAYS FOR FLAG DISPLAY.—(1) For purposes of this section, POW/MIA flag display days are the following:

(A) Armed Forces Day, the third Saturday in May.

(B) Memorial Day, the last Monday in May.

(C) Flag Day, June 14.

(D) Independence Day, July 4.

(E) National POW/MIA Recognition Day.

(F) Veterans Day, November 11.

(2) In addition to the days specified in paragraph (1), POW/MIA flag display days include—

(A) in the case of display at medical centers of the Department of Veterans Affairs (required by subsection (c)(7)), any day on which the flag of the United States is displayed; and

(B) in the case of display at United States Postal Service post offices (required by subsection (c)(8)), the last business day before a day specified in paragraph (1) that in any year is not itself a business day.

(c) LOCATIONS FOR FLAG DISPLAY.—The locations for the display of the POW/MIA flag under subsection (a) are the following:

(1) The Capitol.

(2) The White House.

(3) The Korean War Veterans Memorial and the Vietnam Veterans Memorial.

(4) Each national cemetery.

(5) The buildings containing the official office of—

(A) the Secretary of State;

(B) the Secretary of Defense;

(C) the Secretary of Veterans Affairs; and

(D) the Director of the Selective Service System.

(6) Each major military installation, as designated by the Secretary of Defense.

(7) Each medical center of the Department of Veterans Affairs.

(8) Each United States Postal Service post office.

(d) COORDINATION WITH OTHER DISPLAY REQUIREMENT.—Display of the POW/MIA flag at the Capitol pursuant to paragraph (1) of subsection (c) is in addition to the display of that flag in the Rotunda of the Capitol pursuant to Senate Concurrent Resolution 5 of the 101st Congress, agreed to on February 22, 1989 (103 Stat. 2533).

(e) DISPLAY TO BE IN A MANNER VISIBLE TO THE PUBLIC.—Display of the POW/MIA flag pursuant to this section shall be in a manner designed to ensure visibility to the public.

(f) LIMITATION.—This section may not be construed or applied so as to require any employee to report to work solely for the purpose of providing for the display of the POW/MIA flag.

(g) POW/MIA FLAG DEFINED.—As used in this section, the term "POW/MIA flag" means the National League of Families POW/MIA flag recognized officially and designated by section 2 of Public Law 101–355 (36 U.S.C. 189).

(h) REGULATIONS FOR IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the head of each department, agency, or other establishment responsible for a location specified in subsection (c) (other than the Capitol) shall prescribe such regulations as necessary to carry out this section.

(i) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.

(j) REPEAL OF SUPERSEDED LAW.—Section 1084 of Public Law 102–190 (36 U.S.C. 189 note) is repealed.

SEC. 1083. PROGRAM TO COMMEMORATE 50TH ANNIVERSARY OF THE KOREAN CONFLICT.

(a) COMMEMORATIVE PROGRAM.—The Secretary of Defense may conduct a program to commemorate the 50th anniversary of the Korean conflict. In conducting the commemorative program, the Secretary may coordinate, support, and facilitate other programs and activities of the Federal Government, State and local governments, and other persons in commemoration of the Korean conflict.

(b) COMMEMORATIVE ACTIVITIES.—The commemorative program may include activities and ceremonies—

(1) to provide the people of the United States with a clear understanding and appreciation of the lessons and history of the Korean conflict;

(2) to thank and honor veterans of the Korean conflict and their families;

(3) to pay tribute to the sacrifices and contributions made on the home front by the people of the United States during the Korean conflict;

(4) to highlight advances in technology, science, and medicine related to military research conducted during the Korean conflict;

(5) to recognize the contributions and sacrifices made by the allies of the United States in the Korean conflict; and

(6) to highlight the role of the Armed Forces of the United States, then and now, in maintaining world peace through strength.

(c) NAMES AND SYMBOLS.—The Secretary of Defense shall have the sole and exclusive right to use the names "The Department of Defense Korean Conflict Commemoration", and such seal, emblems, and badges incorporating such name as the Secretary may lawfully adopt. Nothing in this section may be construed to supersede rights that are established or vested before the date of the enactment of this Act.

(d) COMMEMORATIVE ACCOUNT.—(1) There is established in the Treasury an account to be known as the "Department of Defense

Korean Conflict Commemoration Account", which shall be administered by the Secretary of Defense. There shall be deposited into the account all proceeds derived from the Secretary's use of the exclusive rights described in subsection (c). The Secretary may use funds in the account only for the purpose of conducting the commemorative program.

(2) Not later than 60 days after completion of all activities and ceremonies conducted as part of the commemorative program, the Secretary shall submit to Congress a report containing an accounting of all of the funds deposited into and expended from the account or otherwise expended under this section, and of any funds remaining in the account. Unobligated funds remaining in the account on that date shall be held in the account until transferred by law.

(e) ACCEPTANCE OF VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, United States Code, the Secretary of Defense may accept from any person voluntary services to be provided in furtherance of the commemorative program.

(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, United States Code, relating to compensation for work-related injuries. The person shall also be considered a special governmental employee for purposes of standards of conduct and sections 202, 203, 205, 207, 208, and 209 of title 18, United States Code. A person who is not otherwise employed by the Federal Government shall not be considered to be a Federal employee for any other purpose by reason of the provision of voluntary services under this subsection.

(3) The Secretary may provide for reimbursement of incidental expenses incurred by a person providing voluntary services under this subsection. The Secretary shall determine which expenses are eligible for reimbursement under this paragraph.

(f) LIMITATION ON EXPENDITURES.—Total expenditures to carry out the commemorative program may not exceed $100,000.

SEC. 1084. COMMENDATION OF MEMBERS OF THE ARMED FORCES AND GOVERNMENT CIVILIAN PERSONNEL WHO SERVED DURING THE COLD WAR; CERTIFICATE OF RECOGNITION.

(a) FINDINGS.—The Congress finds the following:

(1) During the period of the Cold War, from the end of World War II until the collapse of the Soviet Union in 1991, the United States and the Soviet Union engaged in a global military rivalry.

(2) This rivalry, potentially the most dangerous military confrontation in the history of mankind, has come to a close without a direct superpower military conflict.

(3) Military and civilian personnel of the Department of Defense, personnel in the intelligence community, members of the foreign service, and other officers and employees of the United States faithfully performed their duties during the Cold War.

(4) Many such personnel performed their duties while isolated from family and friends and served overseas under frequently arduous conditions in order to protect the United States and achieve a lasting peace.

(5) The discipline and dedication of those personnel were fundamental to the prevention of a superpower military conflict.

(b) CONGRESSIONAL COMMENDATION.—The Congress hereby commends the members of the Armed Forces and civilian personnel of the Government who contributed to the historic victory in the Cold War and expresses its gratitude and appreciation for their service and sacrifices.

(c) CERTIFICATES OF RECOGNITION.—The Secretary of Defense shall prepare a certificate recognizing the Cold War service of qualifying members of the Armed Forces and civilian personnel of the Department of Defense and other Government agencies contributing to national security, as determined by the Secretary, and shall provide the certificate to such members and civilian personnel upon request.

SEC. 1085. SENSE OF CONGRESS ON GRANTING OF STATUTORY FEDERAL CHARTERS.

(a) FINDINGS.—Congress finds that the practice of providing by statute Federal charters to certain nonprofit organizations—

(1) may be perceived as implying a Government imprimatur of approval of those organizations; and

(2) may mistakenly lead to public perception that the United States ensures the integrity and worthiness of those organizations.

(b) SENSE OF CONGRESS.—It is the sense of Congress—

(1) that because of the perceived implicit Government imprimatur of approval conveyed by enactment of a Federal charter for an organization, such a charter should be granted only in the rarest and most extraordinary cases; and

(2) that no statutory Federal charter should be enacted after the enactment of this Act unless the charter is approved by Congress upon favorable report by the committees of jurisdiction of the respective Houses.

SEC. 1086. SENSE OF CONGRESS REGARDING MILITARY VOTING RIGHTS.

(a) FINDINGS.—Congress finds that—

(1) members of the Armed Forces have a fundamental right to vote in Federal, State, and local elections; and

(2) an extended absence of a member of the Armed Forces from the place of the member's residency or domicile due to military or naval orders is not of itself grounds to consider the member's residency or domicile as lost or changed.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense, in consultation with the Attorney General, should review how best to protect the right of members of the Armed Forces to vote in Federal, State, and local elections while taking into account the right of States to prescribe requirements for voter registration. Such a review should include an assessment of challenges to military voting rights and consideration of possible legislative remedies to ensure that, for purposes of voting in Federal, State, and local elections, a member of the Armed Forces who is absent from a State in compliance with military or naval orders is not, solely by reason of that absence, considered to have lost or changed residency or domicile.

SEC. 1087. DESIGNATION OF BOB HOPE AS AN HONORARY VETERAN OF THE ARMED FORCES OF THE UNITED STATES.

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

(1) In its more than 200 years of existence as a nation, the United States has never conferred on any person the status of being an honorary veteran of the Armed Forces of the United States.

(2) Status as an honorary veteran of the Armed Forces of the United States is and should remain an extraordinary honor not lightly conferred nor frequently granted.

(3) The lifetime of accomplishments and service of Leslie Townes (Bob) Hope on behalf of members of the Armed Forces of the United States fully justifies the conferring of that status.

(4) Bob Hope attempted to enlist in the Armed Forces to serve his country during World War II but was informed that the greatest service he could provide his country was as a civilian entertainer for the troops.

(5) During World War II, the Korean Conflict, the Vietnam War, the Persian Gulf War, and the Cold War, Bob Hope travelled to visit and entertain millions of members of the Armed Forces in numerous countries, on ships at sea, and in combat zones ashore.

(6) Bob Hope has been awarded the Congressional Gold Medal, the Presidential Medal of Freedom, the Distinguished Service Medal of each of the branches of the Armed Forces and more than 100 other citations and awards from national veterans service organizations and civic and humanitarian organizations.

(7) Bob Hope has given unselfishly of himself for over half a century to be with American service members on foreign shores, working tirelessly to bring a spirit of humor and cheer to millions of service members during their loneliest moments, and has, thereby, extended to them for the American people a touch of home away from home.

(b) DESIGNATION OF BOB HOPE AS HONORARY VETERAN.—Congress—

(1) extends its gratitude, on behalf of the American people, to Leslie Townes (Bob) Hope, of the State of California, for his lifetime of accomplishments and service on behalf of members of the Armed Forces of the United States; and

(2) hereby confers upon him the status of being an honorary veteran of the Armed Forces of the United States.

SEC. 1088. FIVE-YEAR EXTENSION OF AVIATION INSURANCE PROGRAM.

(a) EXTENSION.—Section 44310 of title 49, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 2002".

(b) EFFECTIVE DATE.—This section shall take effect as of September 30, 1997.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Use of prohibited constraints to manage Department of Defense personnel.
Sec. 1102. Veterans' preference status for certain veterans who served on active duty during the Persian Gulf War.
Sec. 1103. Repeal of deadline for placement consideration of involuntarily separated military reserve technicians.
Sec. 1104. Rate of pay of Department of Defense overseas teachers upon transfer to General Schedule position.

Sec. 1105. Garnishment and involuntary allotment.
Sec. 1106. Extension and revision of voluntary separation incentive pay authority.
Sec. 1107. Use of approved fire-safe accommodations by Government employees on official business.
Sec. 1108. Navy higher education pilot program regarding administration of business relationships between Government and private sector.
Sec. 1109. Authority for Marine Corps University to employ civilian faculty members.

SEC. 1101. USE OF PROHIBITED CONSTRAINTS TO MANAGE DEPARTMENT OF DEFENSE PERSONNEL.

Section 129 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Not later than February 1 of each year, the Secretary of each military department and the head of each Defense Agency shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the management of the civilian workforce under the jurisdiction of that official.

"(2) Each report of an official under paragraph (1) shall contain the following:

"(A) The official's certification (i) that the civilian workforce under the jurisdiction of the official is not subject to any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees, and (ii) that, during the 12 months preceding the date on which the report is due, such workforce has not been subject to any such constraint or limitation.

"(B) A description of how the civilian workforce is managed.

"(C) A detailed description of the analytical tools used to determine civilian workforce requirements during the 12-month period referred to in subparagraph (A).".

SEC. 1102. VETERANS' PREFERENCE STATUS FOR CERTAIN VETERANS WHO SERVED ON ACTIVE DUTY DURING THE PERSIAN GULF WAR.

(a) DEFINITION OF VETERAN FOR PURPOSES OF PREFERENCE ELIGIBLE STATUS.—Section 2108 of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking "or" at the end of subparagraph (A);

(B) by inserting "or" at the end of subparagraph (B); and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) served on active duty as defined by section 101(21) of title 38 in the armed forces during the period beginning on August 2, 1990, and ending on January 2, 1992;"; and

(2) in paragraph (3)(B), by inserting "or (C)" after "paragraph (1)(B)".

(b) ADDITIONAL POINTS.—Section 3309(2) of such title is amended by striking "2108(3)(A)" and inserting "2108(3)(A)–(B)".

(c) TECHNICAL AMENDMENTS.—Section 2108(1)(B) of such title is further amended—

(1) by striking "the date of enactment of the Veterans' Education and Employment Assistance Act of 1976," and inserting "October 15, 1976,"; and

(2) by striking "511(d) of title 10" and inserting "12103(d) of title 10".

SEC. 1103. REPEAL OF DEADLINE FOR PLACEMENT CONSIDERATION OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

(a) REPEAL OF DEADLINE.—Section 3329(b) of title 5, United States Code, is amended by striking out "not later than 6 months after the date of the application".

(b) TECHNICAL CORRECTION.—Such section is further amended by striking out "a position described in subsection (c)" the second place it appears.

SEC. 1104. RATE OF PAY OF DEPARTMENT OF DEFENSE OVERSEAS TEACHERS UPON TRANSFER TO GENERAL SCHEDULE POSITION.

(a) PREVENTION OF EXCESSIVE INCREASES.—Section 5334(d) of title 5, United States Code, is amended by striking out "20 percent" and all that follows and inserting in lieu thereof "an amount determined under regulations which the Secretary of Defense shall prescribe for the determination of the yearly rate of pay of the position. The amount by which a rate of pay is increased under the regulations may not exceed the amount equal to 20 percent of that rate of pay.".

(b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendment made by subsection (a) shall take effect 180 days after the date of the enactment of this Act.

(2) In the case of a person who is employed in a teaching position referred to in section 5334(d) of title 5, United States Code, on the day before the effective date under paragraph (1), the rate of pay of that person determined under that section (as in effect on that day) may not be reduced by reason of the amendment made by subsection (a) for so long as the person continues to serve in that position or another such position without a break in service of more than three days on or after that day.

SEC. 1105. GARNISHMENT AND INVOLUNTARY ALLOTMENT.

Section 5520a of title 5, United States Code, is amended—

(1) in subsection (j), by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) Such regulations shall provide that an agency's administrative costs in executing a garnishment action may be added to the garnishment, and that the agency may retain costs recovered as offsetting collections.";

(2) in subsection (k)—

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

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

(3) by striking out subsection (l).

SEC. 1106. EXTENSION AND REVISION OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY.

(a) REMITTANCE TO CSRS FUND.—Section 5597 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(h)(1)(A) In addition to any other payment that it is required to make under subchapter III of chapter 83 or chapter 84, the Department of Defense shall remit to the Office of Personnel Management an amount equal to 15 percent of the final basic pay of each covered employee.

"(B) If the employee is one with respect to whom a remittance would otherwise be required under section 4(a) of the Federal Workforce Restructuring Act of 1994 based on the separation involved, the remittance under this subsection shall be instead of the remittance otherwise required under such section 4(a).

"(2) Amounts remitted under paragraph (1) shall be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund.

"(3) For the purposes of this subsection—

"(A) the term 'covered employee' means an employee who is subject to subchapter III of chapter 83 or chapter 84 and to whom a voluntary separation incentive has been paid under this section on the basis of a separation occurring on or after October 1, 1997; and

"(B) the term 'final basic pay' has the meaning given such term in section 4(a)(2) of the Federal Workforce Restructuring Act of 1994.".

(b) EXTENSION OF AUTHORITY.—(1) Subsection (e) of section 5597 of title 5, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(2) Section 4436(d)(2) of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (5 U.S.C. 8348 note) is amended by striking out "January 1, 2000" and inserting in lieu thereof "January 1, 2002".

SEC. 1107. USE OF APPROVED FIRE-SAFE ACCOMMODATIONS BY GOVERNMENT EMPLOYEES ON OFFICIAL BUSINESS.

(a) PERCENTAGE USE REQUIREMENT.—Section 5707a of title 5, United States Code, is amended—

(1) by redesignating subsections (a) through (d) as subsections (b) through (e), respectively; and

(2) by inserting after the section heading the following new subsection:

"(a)(1) For the purpose of making payments under this chapter for lodging expenses incurred in a State, each agency shall ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency for a fiscal year are booked in approved places of public accommodation.

"(2) Each agency shall establish explicit procedures to satisfy the percentage requirement of paragraph (1).

"(3) An agency shall be considered to be in compliance with the percentage requirement of paragraph (1) until September 30, 2002, and after that date if travel arrangements of the agency, whether made for civilian employees, members of the uniformed services, or foreign service personnel, are made through travel management processes designed to book commercial lodging in approved places of public accommodation, whenever available.".

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

"(f) For purposes of this section:

"(1) The term 'agency' does not include the government of the District of Columbia.

"(2) The term 'approved places of public accommodation' means hotels, motels, and other places of public accommodation that are listed by the Director of the Federal Emergency Management Agency as meeting the requirements of the fire

prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2225).

"(3) The term 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.".

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

(1) in subsection (b), as redesignated by subsection (a)(1)—

(A) by striking out "places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974" and inserting in lieu thereof "approved places of public accommodation"; and

(B) by striking out "as defined in section 4 of the Federal Fire Prevention and Control Act of 1974";

(2) in subsection (c), as redesignated by subsection (a)(1), by striking out "does not meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974" and inserting in lieu thereof "is not an approved place of public accommodation"; and

(3) in subsection (e), as redesignated by subsection (a)(1)—

(A) by striking out "encourage" and inserting in lieu thereof "facilitate the ability of"; and

(B) by striking out "places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974" and inserting in lieu thereof "approved places of public accommodation".

(d) REPORT BY FEDERAL EMERGENCY MANAGEMENT AGENCY.—Not later than six months after the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit to Congress a report describing the procedures to be used to ensure that all approved places of public accommodation (within the meaning of section 5707a(f)(2) of title 5, United States Code, as added by subsection (b)) appear on the national master list maintained by the Director under section 28(b) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2224(b)) of all of the places of public accommodation affecting commerce located in each State that meet the requirements of the fire prevention and control guidelines described in section 29 of such Act (15 U.S.C. 2225).

(e) REPORT ON IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Administrator of General Services shall submit to Congress a report describing the measures that have been taken and will be taken by Federal agencies to comply with the requirement that not less than 90 percent of the commercial-lodging room nights for employees of each Federal agency for a fiscal year are booked in approved places of public accommodation, as specified in section 5707a(a) of title 5, United States Code, as added by subsection (a). Measures to satisfy such

requirement may include the use of contract travel agents, automated booking systems, and data developed from travel payment systems. The Administrator shall prepare the report in consultation with the heads of the Federal agencies subject to such requirement.

SEC. 1108. NAVY HIGHER EDUCATION PILOT PROGRAM REGARDING ADMINISTRATION OF BUSINESS RELATIONSHIPS BETWEEN GOVERNMENT AND PRIVATE SECTOR.

(a) PILOT PROJECT AUTHORIZED.—During fiscal years 1998 through 2002, the Secretary of the Navy may establish and conduct a pilot program of graduate-level higher education regarding the administration of business relationships between the Government and the private sector.

(b) PURPOSE.—The purpose of the pilot program is to make available to employees of the Naval Undersea Warfare Center, employees of the Naval Sea Systems Command, and employees of the Acquisition Center for Excellence of the Navy (upon establishment of such Acquisition Center), a curriculum of graduate-level higher education leading to the award of a graduate degree designed to prepare participants effectively to meet the challenges of administering Government contracting and other business relationships between the United States and private sector businesses in the context of constantly changing or newly emerging industries, technologies, governmental organizations, policies, and procedures (including governmental organizations, policies, and procedures recommended in the National Performance Review).

(c) PARTNERSHIP WITH INSTITUTION OF HIGHER EDUCATION.—(1) The Secretary of the Navy may enter into an agreement with an institution of higher education to assist the Naval Undersea Warfare Center with the development of the curriculum for the pilot program, to offer courses and provide instruction and materials to participants to the extent provided for in the agreement, to provide such other assistance in support of the program as may be provided for in the agreement, and to award a graduate degree under the program.

(2) To be eligible to enter into an agreement under paragraph (1), an institution of higher education must have an established program of graduate-level education that is relevant to the purpose of the pilot program.

(d) CURRICULUM.—The curriculum offered under the pilot program shall—

(1) be designed specifically to achieve the purpose of the pilot program; and

(2) include courses that are—

(A) typically offered under curricula leading to award of the degree of Master of Business Administration by institutions of higher education; and

(B) necessary for meeting educational qualification requirements for certification as an acquisition program manager.

(e) DISTANCE LEARNING OPTION.—The Secretary of the Navy may include as part of the pilot program policies and procedures for offering distance learning instruction by means of telecommunications, correspondence, or other methods for off-site receipt of instruction.

(f) REPORT.—Not later than 90 days after the termination of the pilot program, the Secretary of the Navy shall submit to Congress a report containing—

(1) an assessment by the Secretary of the value of the program for meeting the purpose of the program and the desirability of permanently establishing a similar program for other employees of the Department of Defense; and

(2) such other information and recommendations regarding the program as the Secretary considers appropriate.

(g) LIMITATION ON FUNDING SOURCE.—Any funds required for the pilot program for a fiscal year shall be derived only from the appropriation "Operation and Maintenance, Navy" for that fiscal year.

SEC. 1109. AUTHORITY FOR MARINE CORPS UNIVERSITY TO EMPLOY CIVILIAN FACULTY MEMBERS.

(a) EXPANDED AUTHORITY.—Subsections (a) and (c) of section 7478 of title 10, United States Code, are amended by striking out "at the Marine Corps Command and Staff College" and inserting in lieu thereof "of the Marine Corps University".

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

"§ 7478. Naval War College and Marine Corps University: civilian faculty members".

(2) The item relating to such section in the table of sections at the beginning of chapter 643 of such title is amended to read as follows:

"7478. Naval War College and Marine Corps University: civilian faculty members.".

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

Sec. 1201. Findings.
Sec. 1202. Sense of Congress.
Sec. 1203. Withdrawal of United States ground forces from Republic of Bosnia and Herzegovina.
Sec. 1204. Secretary of Defense reports on tasks carried out by United States forces.
Sec. 1205. Presidential report on situation in Republic of Bosnia and Herzegovina.
Sec. 1206. Definitions.

Subtitle B—Export Controls on High Performance Computers

Sec. 1211. Export approvals for high performance computers.
Sec. 1212. Report on exports of high performance computers.
Sec. 1213. Post-shipment verification of export of high performance computers.
Sec. 1214. GAO study on certain computers; end user information assistance.
Sec. 1215. Congressional committees.

Subtitle C—Other Matters

Sec. 1221. Defense burdensharing.
Sec. 1222. Temporary use of general purpose vehicles and nonlethal military equipment under acquisition and cross servicing agreements.
Sec. 1223. Sense of Congress and reports regarding financial costs of enlargement of the North Atlantic Treaty Organization.
Sec. 1224. Sense of Congress regarding enlargement of the North Atlantic Treaty Organization.
Sec. 1225. Sense of the Congress relating to level of United States military personnel in the East Asia and Pacific region.
Sec. 1226. Report on future military capabilities and strategy of the People's Republic of China.

Sec. 1227. Sense of Congress on need for Russian openness on the Yamantau Mountain project.
Sec. 1228. Assessment of the Cuban threat to United States national security.
Sec. 1229. Report on Helsinki Joint Statement.
Sec. 1230. Commendation of Mexico on free and fair elections.
Sec. 1231. Sense of Congress regarding Cambodia.
Sec. 1232. Congratulating Governor Christopher Patten of Hong Kong.

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

SEC. 1201. FINDINGS.

The Congress finds the following:

(1) United States Armed Forces were deployed to the Republic of Bosnia and Herzegovina as part of the North Atlantic Treaty Organization (NATO) Implementation Force (IFOR) to implement the military aspects of the Dayton Peace Agreement.

(2) The military aspects of the Dayton Peace Agreement have been successfully implemented to date with the military forces of the warring factions successfully separated and a cessation in the hostilities that resulted in the deaths of hundreds of thousands of Bosnians.

(3) Implementation of the civil aspects of the Dayton Peace Agreement has lagged far behind the schedule for such implementation envisioned in the Agreement with the result that United States Armed Forces have undertaken a prolonged engagement in the Republic of Bosnia and Herzegovina.

(4) On December 13, 1995, the President stated in a letter to Congress, "NATO and U.S. military commanders believe, and I expect, that the military mission can be accomplished in about a year. Twelve months will allow IFOR time to complete the military tasks assigned in the Dayton agreement and to establish a secure environment, in which political and economic reconstruction efforts by the parties and international civilian agencies can take hold. Within one year, we expect that the military provisions of the Dayton agreement will have been carried out, implementation of the civilian aspects and economic reconstruction will have been firmly launched, free elections will have been held under international supervision and a stable military balance will have been established."

(5) Notwithstanding a number of assurances relating to the accomplishment of the military mission in the Republic of Bosnia and Herzegovina by December 1996, the President, on November 15, 1996, announced his decision to extend the presence of United States forces in the Republic of Bosnia and Herzegovina to participate in the NATO Stabilization Force (SFOR) until June 1998.

(6) Despite initial projections by the Department of Defense that the costs of United States operations in the Republic of Bosnia and Herzegovina would total $1,500,000,000, the projected cost of United States operations in the Republic of Bosnia and Herzegovina through June 1998 is estimated to exceed $7,000,000,000.

(7) The fiscal year 1998 estimate of the Department of Defense for operations in the Republic of Bosnia and

Herzegovina assumes that the level of military forces participating in SFOR will be reduced soon after the start of the fiscal year.

(8) The President and the Secretary of Defense have stated that United States forces are to be withdrawn from the Republic of Bosnia and Herzegovina by the end of June 1998.

SEC. 1202. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) United States ground combat forces should not participate in a follow-on force in the Republic of Bosnia and Herzegovina after June 1998;

(2) the European Security and Defense Identity, which, as facilitated by the Combined Joint Task Forces concept, enables the Western European Union, with the consent of the North Atlantic Alliance, to assume political control and strategic direction of NATO assets made available for the Alliance, may be an ideal instrument for a follow-on force for the Republic of Bosnia and Herzegovina;

(3) a NATO-led force without the participation of United States ground combat forces in the Republic of Bosnia and Herzegovina may be suitable for a follow-on force for the Republic of Bosnia and Herzegovina if the European Security and Defense Identity is not sufficiently developed or is otherwise considered inappropriate for such a mission;

(4) the United States may decide to provide appropriate support to a Western European Union-led or NATO-led follow-on force, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in the region;

(5) the President should inform our European NATO allies of this expression of the sense of Congress and should urge them strongly to undertake preparations for a Western European Union-led or NATO-led force as a follow-on force to the NATO-led SFOR if needed to maintain peace and stability in the Republic of Bosnia and Herzegovina; and

(6) the President should consult with the Congress with respect to any support to be provided to a Western European Union-led or NATO-led follow-on force in the Republic of Bosnia and Herzegovina after June 30, 1998.

SEC. 1203. WITHDRAWAL OF UNITED STATES GROUND FORCES FROM REPUBLIC OF BOSNIA AND HERZEGOVINA .

(a) LIMITATION.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1998 or any subsequent fiscal year may be used for the deployment of any United States ground combat forces in the Republic of Bosnia and Herzegovina after June 30, 1998, unless the President, not later than May 15, 1998, and after consultation with the bipartisan leadership of the two Houses of Congress, transmits to Congress a certification—

(1) that the continued presence of United States ground combat forces, after June 30, 1998, in the Republic of Bosnia and Herzegovina is required in order to meet the national security interests of the United States; and

(2) that after June 30, 1998, it will remain United States policy that United States ground forces will not serve as, or be used as, civil police in the Republic of Bosnia and Herzegovina.

(b) REPORT.—The President shall submit with the certification under subsection (a) a report that includes the following:

(1) The reasons why that presence is in the national security interest of the United States.

(2) The number of United States military personnel to be deployed in and around the Republic of Bosnia and Herzegovina and other areas of the former Yugoslavia after that date.

(3) The expected duration of any such deployment.

(4) The mission and objectives of the United States Armed Forces to be deployed in and around the Republic of Bosnia and Herzegovina and other areas of the former Yugoslavia after June 30, 1998.

(5) The exit strategy of such forces.

(6) The incremental costs associated with any such deployment.

(7) The effect of such deployment on the morale, retention, and effectiveness of United States armed forces.

(8) A description of the forces from other nations involved in a follow-on mission, shown on a nation-by-nation basis.

(9) A description of the command and control arrangement established for United States forces involved in a follow-on mission.

(10) An assessment of the expected threats to United States forces involved in a follow-on mission.

(11) The plan for rotating units and personnel to and from the Republic of Bosnia and Herzegovina during a follow-on mission, including the level of participation by reserve component units and personnel.

(12) The mission statement and operational goals of the United States forces involved in a follow-on mission.

(c) REQUEST FOR SUPPLEMENTAL APPROPRIATIONS.—The President shall transmit to Congress with a certification under subsection (a) a supplemental appropriations request for the Department of Defense for such amounts as are necessary for the costs of any continued deployment beyond June 30, 1998.

(d) CONSTRUCTION WITH PRESIDENT'S CONSTITUTIONAL AUTHORITY.—Nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

(e) CONSTRUCTION WITH APPROPRIATIONS PROVISION.—The provisions of this section are enacted, and shall be applied, as supplemental to (and not in lieu of) the provisions of section 8132 of the Department of Defense Appropriations Act, 1998 (Public Law 105–56).

SEC. 1204. SECRETARY OF DEFENSE REPORTS ON TASKS CARRIED OUT BY UNITED STATES FORCES.

(a) REQUIREMENT FOR TWO REPORTS.—The Secretary of Defense shall submit to the congressional defense committees—

(1) not later than December 15, 1997, a report identifying each activity being carried out, as of December 1, 1997, by covered United States forces in the Republic of Bosnia and Herzegovina; and

(2) not later than April 15, 1998, a report identifying each activity being carried out, as of April 1, 1998, by covered United States forces in the Republic of Bosnia and Herzegovina.

(b) COVERED UNITED STATES FORCES.—For purposes of this section, covered United States forces in the Republic of Bosnia and Herzegovina are United States ground forces in the Republic of Bosnia and Herzegovina that are assigned to the multinational peacekeeping force known as the Stabilization Force (SFOR) or any other multinational peacekeeping force that is the successor to the SFOR.

(c) MATTERS TO BE INCLUDED.—The Secretary shall include in each report under subsection (a), for each activity identified under that subsection, the following:

(1) The number of United States military personnel involved in the performance of that activity.

(2) Whether forces assigned to the SFOR (or successor multinational peacekeeping force) from other nations also participated in that activity.

(3) The justification for using military forces rather than civilian organizations to perform that activity.

(4) In the case of activities that (as determined by the Secretary) are considered to be supporting tasks, as that term is used in paragraph 3 of Article VI of Annex 1-A to the General Framework Agreement for Peace in Bosnia and Herzegovina, the justification for using military forces.

(5) The likelihood that each such activity will have to be carried out by United States military forces after June 30, 1998.

SEC. 1205. PRESIDENTIAL REPORT ON SITUATION IN REPUBLIC OF BOSNIA AND HERZEGOVINA.

(a) REQUIREMENT.—Not later than February 1, 1998, the President shall submit to Congress a report on the political and military conditions in the Republic of Bosnia and Herzegovina. The report shall be submitted in both classified and unclassified form.

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include a discussion of the following:

(1) An assessment of the progress made in implementing the civil, economic, and political aspects of the Dayton Peace Agreement.

(2) An identification of the specific steps taken to transfer the United States portion of the peacekeeping mission in the Republic of Bosnia and Herzegovina to forces of the member-states of the Western European Union or to a NATO-led force without the participation of United States ground combat forces in the Republic of Bosnia and Herzegovina.

(3) A detailed discussion of the proposed role and involvement of the United States in supporting peacekeeping activities in the Republic of Bosnia and Herzegovina following the withdrawal of United States ground combat forces from the Republic of Bosnia and Herzegovina.

(4) A detailed explanation and timetable for carrying out the commitment to withdraw all United States ground forces from the Republic of Bosnia and Herzegovina by June 30, 1998, including the planned date of commencement and completion of the withdrawal.

(5) The military and political considerations that will affect the decision to carry out such a transition.

(6) Any plan to maintain or expand other Bosnia-related operations (such as the operations designated as Operation

Deliberate Guard) if tensions in the Republic of Bosnia and Herzegovina remain sufficient to delay reductions of United States military forces participating in the Stabilization Force and the estimated cost associated with each such operation.

SEC. 1206. DEFINITIONS.

As used in this subtitle:

(1) DAYTON PEACE AGREEMENT.—The term "Dayton Peace Agreement" means the General Framework Agreement for Peace in Bosnia and Herzegovina, initialed by the parties in Dayton, Ohio, on November 21, 1995, and signed in Paris on December 14, 1995.

(2) IMPLEMENTATION FORCE.—The term "Implementation Force" means the NATO-led multinational military force in the Republic of Bosnia and Herzegovina (commonly referred to as "IFOR"), authorized under the Dayton Peace Agreement.

(3) STABILIZATION FORCE.—The term "Stabilization Force" means the NATO-led follow-on force to the Implementation Force in the Republic of Bosnia and Herzegovina and other countries in the region (commonly referred to as "SFOR"), authorized under United Nations Security Council Resolution 1088 (December 12, 1996).

(4) FOLLOW-ON MISSION.—The term "follow-on mission" means a mission involving the deployment of ground elements of the United States Armed Forces in the Republic of Bosnia and Herzegovina after June 30, 1998 (other than as described in section 1203(b)).

(5) NATO.—The term "NATO" means the North Atlantic Treaty Organization.

Subtitle B—Export Controls on High Performance Computers

SEC. 1211. EXPORT APPROVALS FOR HIGH PERFORMANCE COMPUTERS.

(a) PRIOR APPROVAL OF EXPORTS AND REEXPORTS.—The President shall require that no digital computer with a composite theoretical performance level of more than 2,000 millions of theoretical operations per second (MTOPS) or with such other composite theoretical performance level as may be established subsequently by the President under subsection (d), may be exported or reexported without a license to a country specified in subsection (b) if the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, or the Director of the Arms Control and Disarmament Agency objects, in writing, to such export or reexport. Any person proposing to export or reexport such a digital computer shall so notify the Secretary of Commerce, who, within 24 hours after receiving the notification, shall transmit the notification to the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency.

(b) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as "Computer Tier 3" eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10,

1997, subject to modification by the President under subsection (e).

(c) TIME LIMIT.—Written objections under subsection (a) to an export or reexport shall be raised within 10 days after the notification is received under subsection (a). If such a written objection to the export or reexport of a computer is raised, the computer may be exported or reexported only pursuant to a license issued by the Secretary of Commerce under the Export Administration Regulations of the Department of Commerce, without regard to the licensing exceptions otherwise authorized under section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997. If no objection is raised within the 10-day period, the export or reexport is authorized.

(d) ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE.—The President, in consultation with the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency, may establish a new composite theoretical performance level for purposes of subsection (a). Such new level shall not take effect until 180 days after the President submits to the congressional committees designated in section 1215 a report setting forth the new composite theoretical performance level and the justification for such new level. Each report shall, at a minimum—

(1) address the extent to which high performance computers of a composite theoretical level between the level established in subsection (a) or such level as has been previously adjusted pursuant to this section and the new level, are available from other countries;

(2) address all potential uses of military significance to which high performance computers at the new level could be applied; and

(3) assess the impact of such uses on the national security interests of the United States.

(e) ADJUSTMENT OF COVERED COUNTRIES.—

(1) IN GENERAL.—The President, in consultation with the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency, may add a country to or remove a country from the list of covered countries in subsection (b), except that a country may be removed from the list only in accordance with paragraph (2).

(2) DELETIONS FROM LIST OF COVERED COUNTRIES.—The removal of a country from the list of covered countries under subsection (b) shall not take effect until 120 days after the President submits to the congressional committees designated in section 1215 a report setting forth the justification for the deletion.

(3) EXCLUDED COUNTRIES.—A country may not be removed from the list of covered countries under subsection (b) if—

(A) the country is a "nuclear-weapon state" (as defined by Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons) and the country is not a member of the North Atlantic Treaty Organization; or

(B) the country is not a signatory of the Treaty on the Non-Proliferation of Nuclear Weapons and the country is listed on Annex 2 to the Comprehensive Nuclear Test-Ban Treaty.

(f) CLASSIFICATION.—Each report under subsections (d) and (e) shall be submitted in an unclassified form and may, if necessary, have a classified supplement.

SEC. 1212. REPORT ON EXPORTS OF HIGH PERFORMANCE COMPUTERS.

(a) REPORT.—Not later than 60 days after the date of the enactment of this Act, the President shall provide to the congressional committees specified in section 1215 a report identifying all exports of digital computers with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) to all countries since January 25, 1996. For each export, the report shall identify—

(1) whether an export license was applied for and whether one was granted;

(2) the date of the transfer of the computer;

(3) the United States manufacturer and exporter of the computer;

(4) the MTOPS level of the computer; and

(5) the recipient country and end user.

(b) ADDITIONAL INFORMATION ON EXPORTS TO CERTAIN COUNTRIES.—In the case of exports to countries specified in subsection (c), the report under subsection (a) shall identify the intended end use for the exported computer and the assessment by the executive branch of whether the end user is a military end user or an end user involved in activities relating to nuclear, chemical, or biological weapons or missile technology. Information provided under this subsection may be submitted in classified form if necessary.

(c) COVERED COUNTRIES.—For purposes of subsection (b), the countries specified in this subsection are—

(1) the countries listed as "Computer Tier 3" eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997; and

(2) the countries listed in section 740.7(e) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1213. POST-SHIPMENT VERIFICATION OF EXPORT OF HIGH PERFORMANCE COMPUTERS.

(a) REQUIRED POST-SHIPMENT VERIFICATION.—The Secretary of Commerce shall conduct post-shipment verification of each digital computer with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) that is exported from the United States, on or after the date of the enactment of this Act, to a country specified in subsection (b).

(b) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as "Computer Tier 3" eligible countries in section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997, subject to modification by the President under section 1211(e).

(c) ANNUAL REPORT.—The Secretary of Commerce shall submit to the congressional committees specified in section 1215 an annual report on the results of post-shipment verifications conducted under this section during the preceding year. Each such report shall include a list of all such items exported from the United States to such countries during the previous year and, with respect to each such export, the following:

(1) The destination country.

(2) The date of export.

(3) The intended end use and intended end user.

(4) The results of the post-shipment verification.

(d) EXPLANATION WHEN VERIFICATION NOT CONDUCTED.—If a post-shipment verification has not been conducted in accordance with subsection (a) with respect to any such export during the period covered by a report, the Secretary shall include in the report for that period a detailed explanation of the reasons why such a post-shipment verification was not conducted.

SEC. 1214. GAO STUDY ON CERTAIN COMPUTERS; END USER INFORMATION ASSISTANCE.

(a) IN GENERAL.—The Comptroller General of the United States shall submit to the congressional committees specified in section 1215 a study of the national security risks relating to the sale of computers with a composite theoretical performance of between 2,000 and 7,000 millions of theoretical operations per second (MTOPS) to end users in countries specified in subsection (c). The study shall also analyze any foreign availability of computers described in the preceding sentence and the impact of such sales on United States exporters.

(b) END USER INFORMATION ASSISTANCE TO EXPORTERS.—The Secretary of Commerce shall establish a procedure by which exporters may seek information on questionable end users in countries specified in subsection (c) who are seeking to obtain computers described in subsection (a).

(c) COVERED COUNTRIES.—For purposes of subsections (a) and (b), the countries specified in this subsection are the countries listed as "Computer Tier 3" eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1215. CONGRESSIONAL COMMITTEES.

For purposes of sections 1211(d), 1212(a), 1213(c), and 1214(a) the congressional committees specified in those sections are the following:

(1) The Committee on Banking, Housing, and Urban Affairs and the Committee on Armed Services of the Senate.

(2) The Committee on International Relations and the Committee on National Security of the House of Representatives.

Subtitle C—Other Matters

SEC. 1221. DEFENSE BURDENSHARING.

(a) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) For any nation in which United States military personnel are assigned to permanent duty ashore, increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving by September 30, 2000, 75 percent of such costs. An increase

in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1998.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1998.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide.

(b) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (a) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures to the extent otherwise authorized by law:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation fees or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation, consistent with the terms of such agreement.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(c) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (a);

(2) all measures taken by the President, including those authorized in subsection (b), to achieve the actions described in subsection (a);

(3) the difference between the amount allocated by other nations for each of the actions described in subsection (a) during the period beginning on March 1, 1996, and ending on February 28, 1997, and during the period beginning on March 1, 1997, and ending on February 28, 1998; and

(4) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(d) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1998, in classified and unclassified form.

SEC. 1222. TEMPORARY USE OF GENERAL PURPOSE VEHICLES AND NONLETHAL MILITARY EQUIPMENT UNDER ACQUISITION AND CROSS SERVICING AGREEMENTS.

Section 2350(1) of title 10, United States Code, is amended by striking out "other items" in the second sentence and all that follows through "United States Munitions List" and inserting in lieu thereof "other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List promulgated".

SEC. 1223. SENSE OF CONGRESS AND REPORTS REGARDING FINANCIAL COSTS OF ENLARGEMENT OF THE NORTH ATLANTIC TREATY ORGANIZATION.

(a) FINDINGS.—Congress finds the following:

(1) In a report to Congress in February 1997 on the rationale, benefits, costs, and implications of North Atlantic Treaty Organization enlargement the Secretary of Defense estimated that the financial cost to the United States of such enlargement will be modest, totaling between $2,000,000,000 and $2,600,000,000 for the period from 1997 through 2009.

(2) A study by the RAND Corporation published in 1996 calculated that the total financial cost to the United States of such enlargement will be between $5,000,000,000 and $6,000,000,000 over the same period.

(3) A March 1996 report by the Congressional Budget Office on the financial costs of enlarging the North Atlantic Treaty Organization alliance estimated the United States share of alliance enlargement costs to be between $4,800,000,000 and $18,900,000,000 through 2010, depending upon political developments in Europe.

(4) An August 1997 report by the General Accounting Office reviewing the financial cost estimates of the Secretary of Defense concluded that North Atlantic Treaty Organization enlargement could entail additional costs beyond those included in the Secretary's estimate and questioned the validity of the Secretary's estimate due to the lack of supporting cost documentation and the inclusion of cost elements not related to NATO enlargement.

(5) The North Atlantic Alliance is scheduled to complete its analysis of the military requirements for the integration of Poland, the Czech Republic, and Hungary into the Alliance in December 1997.

(6) The North Atlantic Alliance is also scheduled to complete in December 1997 its financial cost estimate of the military requirements related to the integration of those nations.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the analysis of the North Atlantic Alliance of the military requirements relating to NATO enlargement and of the financial costs to the Alliance of NATO enlargement will be one of the major factors in the consideration by the Senate of the ratification of instruments to approve the admission of new member nations to the Alliance and by Congress for the authorization and appropriation of the funding for the costs associated with such enlargement.

(c) REPORT ASSESSING NATO COST ANALYSIS.—Not later than March 31, 1998, the Secretary of Defense shall submit to Congress a report providing—

(1) an assessment of the analysis by the North Atlantic Alliance of the military requirements related to NATO enlargement and of the estimate of the financial costs to the NATO Alliance for the integration of Poland, the Czech Republic, and Hungary into the Alliance;

(2) a description of the analytical means used to determine such requirements and costs; and

(3) a general assessment of the additional military requirements and costs that would result from a significantly increased threat.

(d) REPORT ON DEPARTMENT OF DEFENSE COSTS.—(1) The Secretary of Defense shall submit to Congress, in conjunction with the submission of the President's budget for fiscal year 1999, a report on Department of Defense costs for NATO enlargement. The report shall include a detailed estimate of such costs for fiscal year 1998 that identifies all appropriations, by budget activity, for the military departments and other elements of the Department of Defense to support NATO enlargement.

(2) The Secretary of Defense shall include in the budget justification materials submitted to Congress by the Secretary in support of the budget of Department of Defense for fiscal year 1999

complete and detailed descriptions and estimates of the amounts provided in that budget for the costs of NATO enlargement.

SEC. 1224. SENSE OF CONGRESS REGARDING ENLARGEMENT OF THE NORTH ATLANTIC TREATY ORGANIZATION.

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

(1) The North Atlantic Treaty Organization (NATO) met on July 8 and 9, 1997, in Madrid, Spain, and issued invitations to the Czech Republic, Hungary, and Poland to begin accession talks to join NATO.

(2) Congress has expressed its support for the process of NATO enlargement by approving the NATO Enlargement Facilitation Act of 1996 (title VI of the matter enacted in section 101(c) of division A of Public Law 104–208; 22 U.S.C. 1928 note).

(3) The United States has supported the position that the process of enlarging NATO will continue after the first round of invitations in July 1997.

(4) Romania and Slovenia are to be commended for their progress toward political and economic reform and appear to be striving to meet the guidelines for prospective membership in NATO.

(5) In furthering the purpose and objective of NATO in promoting stability and well-being in the North Atlantic area, NATO should invite Romania and Slovenia to accession negotiations to become NATO members as expeditiously as possible upon the satisfaction of all relevant membership criteria and consistent with NATO security objectives.

(b) SENSE OF CONGRESS.—It is the sense of Congress that North Atlantic Treaty Organization should be commended—

(1) for having committed to review the process of enlarging the Organization in 1999; and

(2) for singling out the positive developments toward democracy and rule of law in Romania and Slovenia.

SEC. 1225. SENSE OF CONGRESS RELATING TO LEVEL OF UNITED STATES MILITARY PERSONNEL IN THE EAST ASIA AND PACIFIC REGION.

(a) FINDINGS.—Congress finds the following:

(1) The stability of the Asia-Pacific region is a matter of vital national interest affecting the well-being of all Americans.

(2) The nations of the Pacific Rim collectively represent the United States largest trading partner and are expected to account for almost one-third of the world's economic activity by the start of the next century.

(3) The increased reliance by the United States on trade and Middle East oil sources has reinforced United States security interests in the Southeast Asia shipping lanes through the South China Sea and the key straits of Malacca, Sunda, Lombok, and Makassar.

(4) The South China Sea is an important area for United States Navy ships passing from the Pacific to the Indian Ocean and the Persian Gulf.

(5) Maintaining freedom of navigation in the South China Sea is an important interest of the United States.

(6) The threats of proliferation of weapons of mass destruction, the emerging nationalism amidst long-standing ethnic

and national rivalries, and the unresolved territorial disputes combine to create a political landscape of potential instability and conflict in this region that could jeopardize the interests of the United States and the safety of United States nationals.

(7) A critical component of the East Asia strategy of the United States is maintaining forward deployed forces in Asia to ensure broad regional stability, to help to deter aggression, to lessen the pressure for arms races, and to contribute to the political and economic advances of the region from which the United States benefits.

(8) The forward presence of the United States in Northeast Asia enables the United States to respond to regional contingencies, to protect sea lines of communication, to sustain influence, and to support operations as distant as operations in the Persian Gulf.

(9) The military forces of the United States serve to prevent the political or economic control of the Asia-Pacific region by a rival, hostile power or coalition of such powers, thus preventing any such group from obtaining control over the vast resources, enormous wealth, and advanced technology of the region.

(10) Allies of the United States in the region can base their defense planning on a reliable American security commitment, a reduction of which could stimulate an arms buildup in the region.

(11) The Joint Announcement of the United States-Japan Security Consultative Committee of December 1996, acknowledged that "the forward presence of U.S. forces continues to be an essential element for pursuing our common security objectives".

(12) The United States and Japan signed the United States-Japan Security Declaration in April 1996, in which the United States reaffirmed its commitment to maintain this level of 100,000 United States military personnel in the region.

(13) The United States military presence is recognized by the nations of the region as serving stability and enabling United States engagement.

(14) The nations of East Asia and the Pacific consider the commitment of the forces of the United States to be so vital to their future that they scrutinize actions of the United States for any sign of weakened commitment to the security of the region.

(15) The reduction of forward-based military forces could negatively affect the ability of the United States to contribute to the maintenance of peace and stability of the Asia and Pacific region.

(16) Recognizing that while the United States must consider the overall capabilities of its forces in its decisions to deploy troops, nevertheless any reduction in the number of forward-based troops may reduce the perception of American capability and commitment in the region that cannot be completely offset by modernization of the remaining forces.

(17) During time of crisis, deployment of forces to East Asia, even though such forces were previously removed from the area, might be deemed to be an act of provocation that

could be used as a pretext by a hostile power for armed aggression within the region, and the existence of that possibility might hinder such a deployment.

(18) Proposals to reduce the forward presence of the United States in the East Asia region or subordinate security interests to United States domestic budgetary concerns can erode the perception of the commitment of the United States to its alliances and interests in the region.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should maintain at least approximately 100,000 United States military personnel in the East Asia and Pacific region until such time as there is a peaceful and permanent resolution to the major security and political conflicts in the region.

SEC. 1226. REPORT ON FUTURE MILITARY CAPABILITIES AND STRATEGY OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the pattern of military modernization of the People's Republic of China. The report shall address the probable course of military-technological development in the People's Liberation Army and the development of Chinese security strategy and military strategy, and of military organizations and operational concepts, through 2015.

(b) MATTERS TO BE INCLUDED.—The report shall include analyses and forecasts of the following:

(1) The goals of Chinese security strategy and military strategy.

(2) Trends in Chinese strategy regarding the political goals of the People's Republic of China in the Asia-Pacific region and its political and military presence in other regions of the world, including Central Asia, Southwest Asia, Europe, and Latin America.

(3) Developments in Chinese military doctrine, focusing on (but not limited to) efforts to exploit an emerging Revolution in Military Affairs or to conduct preemptive strikes.

(4) Efforts by the People's Republic of China to enhance its capabilities in the area of nuclear weapons development.

(5) Efforts by the People's Republic of China to develop long-range air-to-air or air defense missiles that would provide the capability to target special support aircraft such as Airborne Warning and Control System (AWACS) aircraft, Joint Surveillance and Target Attack Radar System (JSTARS) aircraft, or other command and control, intelligence, airborne early warning, or electronic warfare aircraft.

(6) Efforts by the People's Republic of China to develop a capability to conduct "information warfare" at the strategic, operational, and tactical levels of war.

(7) Development by the People's Republic of China of capabilities in the area of electronic warfare.

(8) Efforts by the People's Republic of China to develop a capability to establish control of space or to deny access and use of military and commercial space systems in times of crisis or war, including programs to place weapons in space or to develop earth-based weapons capable of attacking space-based systems.

(9) Trends that would lead the People's Republic of China toward the development of advanced intelligence, surveillance,

and reconnaissance capabilities, including gaining access to commercial or third-party systems with military significance.

(10) Efforts by the People's Republic of China to develop highly accurate and stealthy ballistic and cruise missiles, including sea-launched cruise missiles, particularly in numbers sufficient to conduct attacks capable of overwhelming projected defense capabilities in the Asia-Pacific region.

(11) Development by the People's Republic of China of command and control networks, particularly those capable of battle management of long-range precision strikes.

(12) Efforts by the People's Republic of China in the area of telecommunications, including common channel signaling and synchronous digital hierarchy technologies.

(13) Development by People's Republic of China of advanced aerospace technologies with military applications (including gas turbine "hot section" technologies).

(14) Programs of the People's Republic of China involving unmanned aerial vehicles, particularly those with extended ranges or loitering times or potential strike capabilities.

(15) Exploitation by the People's Republic of China for military purposes of the Global Positioning System or other similar systems (including commercial land surveillance satellites), with such analysis and forecasts focusing particularly on indications of an attempt to increase the accuracy of weapons or situational awareness of operating forces.

(16) Development by the People's Republic of China of capabilities for denial of sea control, including such systems as advanced sea mines, improved submarine capabilities, or land-based sea-denial systems.

(17) Efforts by the People's Republic of China to develop its anti-submarine warfare capabilities.

(18) Continued development by the People's Republic of China of follow-on forces, particularly forces capable of rapid air or amphibious assault.

(19) Efforts by the People's Republic of China to enhance its capabilities in such additional areas of strategic concern as the Secretary identifies.

(c) ANALYSIS OF IMPLICATIONS OF SALES OF PRODUCTS AND TECHNOLOGIES TO ENTITIES IN CHINA.—The report under subsection (a) shall include, with respect to each area for analyses and forecasts specified in subsection (b)—

(1) an assessment of the military effects of sales of United States and foreign products and technologies to entities in the People's Republic of China; and

(2) the potential threat of developments related to such effects to United States strategic interests.

(d) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than March 15, 1998.

SEC. 1227. SENSE OF CONGRESS ON NEED FOR RUSSIAN OPENNESS ON THE YAMANTAU MOUNTAIN PROJECT.

(a) FINDINGS.—Congress finds as follows:

(1) The United States and Russia have been working since the end of the Cold War to achieve a strategic relationship based on cooperation and openness between the two nations.

(2) This effort to establish a new strategic relationship between the two nations has resulted in the conclusion or

agreement in principle on a number of far-reaching agreements, including START I, II, and III, a revision in the Conventional Forces in Europe Treaty, and a series of other agreements (such as the Comprehensive Test Ban Treaty and the Chemical Weapons Convention), designed to further reduce bilateral threats and limit the proliferation of weapons of mass destruction.

(3) These far-reaching agreements were based on the understanding between the United States and Russia that there would be a good faith effort on both sides to comply with the letter and spirit of the agreements.

(4) Reports indicate that Russia has been pursuing construction of a massive underground facility of unknown purpose at Yamantau Mountain and the city of Mezhgorye (formerly the settlements of Beloretsk–15 and Beloretsk–16) that is designed to survive a nuclear war and appears to exceed reasonable defense requirements.

(5) The Yamantau Mountain project does not appear to be consistent with the lowering of strategic threats, openness, and cooperation that is the basis of the post-Cold War strategic partnership between the United States and Russia.

(6) The United States has allowed senior Russian military and government officials to have access to key strategic facilities of the United States by providing tours of the North American Air Defense (NORAD) command at Cheyenne Mountain and the United States Strategic Command (STRATCOM) headquarters in Omaha, Nebraska, among other sites, and by providing extensive briefings on the operations of those facilities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Russian government—

(1) should provide to the United States Government a written explanation with sufficient detail (including drawings and diagrams) of the purpose and operational concept of the completed and planned facilities at Yamantau Mountain to support a high confidence judgment by the United States that the design of the Yamantau facility is consistent with official Russian government explanations; and

(2) should allow a United States delegation, to include officials of the executive branch and Members of Congress, to have access to the Yamantau Mountain project and buildings and facilities surrounding the project.

SEC. 1228. ASSESSMENT OF THE CUBAN THREAT TO UNITED STATES NATIONAL SECURITY.

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

(1) Cuba has maintained a hostile policy in its relations with the United States for over 35 years.

(2) The United States, as a sovereign nation, must be able to respond to any Cuban provocation and defend the people and territory of the United States against any attack.

(3) In 1994, the Government of Cuba callously encouraged a massive exodus of Cubans, by boat and raft, toward the United States during which countless numbers of those Cubans lost their lives on the high seas.

(4) The humanitarian response of the United States to rescue, shelter, and provide emergency care to those Cubans,

together with the actions taken to absorb some 30,000 of those Cubans into the United States, required significant efforts and the expenditure of hundreds of millions of dollars for the costs incurred by the United States and State and local governments in connection with those efforts.

(5) On February 24, 1996, Cuban MiG aircraft attacked and destroyed, in international airspace, two unarmed civilian aircraft flying from the United States, and the four persons in those unarmed civilian aircraft were killed.

(6) Since that attack, the Cuban government has issued no apology for the attack, nor has it indicated any intention to conform its conduct to international law that is applicable to civilian aircraft operating in international airspace.

(b) REVIEW AND ASSESSMENT.—The Secretary of Defense shall carry out a comprehensive review and assessment of—

(1) Cuban military capabilities; and

(2) the threats to the national security of the United States that may be posed by Cuba, including—

(A) such unconventional threats as (i) encouragement of massive and dangerous migration, and (ii) attacks on citizens and residents of the United States while they are engaged in peaceful protest in international waters or airspace;

(B) the potential for development and delivery of chemical or biological weapons; and

(C) the potential for internal strife in Cuba that could involve citizens or residents of the United States or the Armed Forces of the United States.

(c) REPORT.—Not later than March 31, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the review and assessment. The report shall include the following:

(1) The Secretary's assessment of the capabilities and threats referred to in subsection (b), including each of the threats described in paragraph (2) of that subsection.

(2) A discussion of the results of the review and assessment, including an assessment of the contingency plans developed by the Secretary to counter any threat posed by Cuba to the United States.

(d) CONSULTATION ON REVIEW AND ASSESSMENT.—In performing the review and assessment and in preparing the report, the Secretary of Defense shall consult with the Chairman of the Joint Chiefs of Staff, the commander of the United States Southern Command, and the heads of other appropriate departments and agencies of the United States.

SEC. 1229. REPORT ON HELSINKI JOINT STATEMENT.

(a) REQUIREMENT.—Not later than March 31, 1998, the President shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Helsinki Joint Statement on future reductions in nuclear forces. The report shall address the United States approach (including verification implications) to implementing the Helsinki Joint Statement, in particular, as that Statement relates to the following:

(1) Lower aggregate levels of strategic nuclear warheads.

(2) Measures relating to the transparency of strategic nuclear warhead inventories and the destruction of strategic nuclear warheads.

(3) Deactivation of strategic nuclear delivery vehicles.

(4) Measures relating to nuclear long-range sea-launched cruise missiles and tactical nuclear systems.

(5) Issues related to transparency in nuclear materials.

(b) DEFINITION.—For purposes of this section, the term "Helsinki Joint Statement" means the agreements between the President of the United States and the President of the Russian Federation as contained in the Joint Statement on Parameters on Future Reductions in Nuclear Forces issued at Helsinki in March 1997.

SEC. 1230. COMMENDATION OF MEXICO ON FREE AND FAIR ELECTIONS.

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

(1) On July 6, 1997, elections were conducted in Mexico in order to fill 500 seats in the Chamber of Deputies, 32 seats in the 128 seat Senate, the office of the Mayor of Mexico City, and local elections in a number of Mexican States.

(2) For the first time, the federal elections were organized by the Federal Electoral Institute, an autonomous and independent organization established under the Mexican Constitution.

(3) More than 52,000,000 Mexican citizens registered to vote.

(4) Eight political parties registered to participate in those elections, including the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Democratic Revolutionary Party (PRD).

(5) Since 1993, Mexican citizens have had the exclusive right to participate as observers in activities related to the preparation and the conduct of elections.

(6) Since 1994, Mexican law has permitted international observers to be a part of the election process.

(7) With 84 percent of the ballots counted, PRI candidates received 38 percent of the vote for seats in the Chamber of Deputies, while PRD and PAN candidates received 52 percent of the combined vote.

(8) PRD candidate Cuauhtemoc Cardenas Solorzano has become the first elected Mayor of Mexico City, a post previously appointed by the President.

(9) PAN members will now serve as governors in seven of Mexico's 31 States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the recent elections in Mexico were conducted in a free, fair, and impartial manner;

(2) the will of the Mexican people, as expressed through the ballot box, has been respected by President Ernesto Zedillo and officials throughout his administration; and

(3) President Zedillo, the Mexican Government, the Federal Electoral Institute of Mexico, the political parties and candidates, and most importantly the citizens of Mexico should all be congratulated for their support and participation in these very historic elections.

SEC. 1231. SENSE OF CONGRESS REGARDING CAMBODIA.

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

(1) During the 1970s and 1980s, Cambodia was wracked by political conflict, war, and violence, including genocide perpetrated by the Khmer Rouge from 1975 to 1979.

(2) The 1991 Paris Agreements on a Comprehensive Political Settlement of the Cambodia Conflict set the stage for a process of political accommodation and national reconciliation among Cambodia's warring parties.

(3) The international community engaged in a massive effort involving more than $2,000,000,000 to ensure peace, democracy, and prosperity in Cambodia following the Paris Accords.

(4) The Cambodian people clearly demonstrated their support for democracy when 90 percent of eligible Cambodian voters participated in United Nations-sponsored elections in 1993.

(5) Since the 1993 elections, Cambodia has made economic progress, as shown by the recent decision of the Association of Southeast Asian Nations (ASEAN) to extend membership in the Association to Cambodia.

(6) Tensions within the ruling Cambodian coalition have erupted into violence.

(7) In March 1997, 19 Cambodians were killed and more than 100 were wounded in a grenade attack on political demonstrators supportive of the Funcinpec and the Khmer Nation Party.

(8) During June 1997, fighting erupted in Phnom Penh between forces loyal to First Prime Minister Prince Ranariddh and Second Prime Minister Hun Sen.

(9) On July 5, 1997, Second Prime Minister Hun Sen deposed the First Prime Minister in a violent coup d'état.

(10) Forces loyal to Hun Sen have executed former Interior Minister Ho Sok and approximately 40 other political opponents loyal to Prince Ranariddh.

(11) Democracy and stability in Cambodia are threatened by the continued use of violence and other extralegal means to resolve political tensions.

(12) In response to the July 1997 coup in Cambodia referred to in paragraph (9)—

(A) the President has suspended all direct assistance to the Cambodian Government; and

(B) the Association of Southeast Asian Nations (ASEAN) has decided to delay indefinitely admission of Cambodia to membership in the Association.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the parties in Cambodia should immediately cease the use of violence;

(2) the United States should take all necessary steps to ensure the safety of United States citizens in Cambodia;

(3) the United States should call an emergency meeting of the United Nations Security Council to consider all options to restore peace and democratic governance in Cambodia;

(4) the United States and the Association of Southeast Asian Nations should work together to take immediate steps to restore democracy and the rule of law in Cambodia;

(5) United States assistance to the Government of Cambodia should remain suspended until violence ends, the democratically elected Government is restored to power, and the

necessary steps have been taken to ensure that the elections scheduled for 1998 take place; and

(6) the United States should take all necessary steps to encourage other donor nations to suspend assistance as part of a multilateral effort.

SEC. 1232. CONGRATULATING GOVERNOR CHRISTOPHER PATTEN OF HONG KONG.

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

(1) His Excellency Christopher F. Patten, the former Governor of Hong Kong, was the twenty-eighth and last British Governor of the dependent territory of Hong Kong before that territory reverted back to the People's Republic of China on July 1, 1997.

(2) Christopher Patten was a superb administrator and an inspiration to the people whom he governed.

(3) During Christopher Patten's five years as Governor of Hong Kong, the economy flourished under his stewardship, growing by more than 30 percent in real terms.

(4) Christopher Patten presided over a capable and honest civil service.

(5) During the tenure of Christopher Patten as Governor of Hong Kong, common crime declined and the political climate was positive and stable.

(6) The legacy of Christopher Patten to Hong Kong is the expansion of democracy in Hong Kong's legislative council and a tireless devotion to the rights, freedoms, and welfare of the people of Hong Kong.

(7) Christopher Patten fulfilled the commitment of the British Government to "put in place a solidly based democratic administration" in Hong Kong before July 1, 1997.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that Christopher F. Patten, the last British Governor of the dependent territory of Hong Kong—

(1) served his country with great honor and distinction in that capacity; and

(2) deserves special thanks and recognition from the United States for his tireless efforts to develop and nurture democracy in Hong Kong.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

Sec. 1301. Presidential report concerning detargeting of Russian strategic missiles.
Sec. 1302. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1303. Assistance for facilities subject to inspection under the Chemical Weapons Convention.
Sec. 1304. Transfers of authorizations for high-priority counterproliferation programs.
Sec. 1305. Advice to the President and Congress regarding the safety, security, and reliability of United States nuclear weapons stockpile.
Sec. 1306. Reconstitution of commission to assess the ballistic missile threat to the United States.
Sec. 1307. Sense of Congress regarding the relationship between United States obligations under the Chemical Weapons Convention and environmental laws.
Sec. 1308. Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.

Sec. 1309. Annual report on moratorium on use by Armed Forces of antipersonnel landmines.

SEC. 1301. PRESIDENTIAL REPORT CONCERNING DETARGETING OF RUSSIAN STRATEGIC MISSILES.

(a) REQUIRED REPORT.—Not later than January 1, 1998, the President shall submit to Congress a report concerning detargeting of Russian strategic missiles. The report shall address each of the following:

(1) Whether a Russian ICBM that was formerly, but is no longer, targeted at a site in the United States would be automatically retargeted at a site in the United States in the event of the accidental launch of the missile.

(2) Whether missile detargeting would prevent or significantly reduce the possibility of an unauthorized missile launch carried out by the Russian General Staff and prevent or significantly reduce the consequences to the United States of such a launch.

(3) Whether missile detargeting would pose a significant obstacle to an unauthorized launch carried out by an operational level below the Russian General Staff if missile operators at such an operational level acquired missile launch codes or had the technical expertise to override missile launch codes.

(4) The plausibility of an accidental launch of a Russian ICBM, compared to the possibility of a deliberate missile launch, authorized or unauthorized, resulting from Russian miscalculation, overreaction, or aggression.

(5) The national security benefits derived from detargeting United States and Russian ICBMs.

(6) The relative consequences to the United States of an unauthorized or accidental launch of a Russian ICBM that has been detargeted and one that has not been detargeted.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term "Russian ICBM" means an intercontinental ballistic missile of the Russian Federation.

(2) The term "accidental launch" means a missile launch resulting from mechanical failure.

SEC. 1302. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1998 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems below the specified levels:

(1) 71 B–52H bomber aircraft.

(2) 18 Trident ballistic missile submarines.

(3) 500 Minuteman III intercontinental ballistic missiles.

(4) 50 Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1998, the Secretary of Defense may waive the application of the limitation under subsection (a) to the extent that the Secretary determines necessary in order to implement the treaty.

(c) FUNDING LIMITATION ON EARLY DEACTIVATION.—(1) If the limitation under subsection (a) ceases to apply by reason of a waiver under subsection (b), funds available to the Department of Defense may nevertheless not be obligated or expended during

fiscal year 1998 to implement any agreement or understanding to undertake substantial early deactivation of a strategic nuclear delivery system specified in subsection (a) until 30 days after the date on which the President submits to Congress a report concerning such actions.

(2) For purposes of this subsection and subsection (d), a substantial early deactivation is an action during fiscal year 1998 to deactivate a substantial number of strategic nuclear delivery systems specified in subsection (a) by—

(A) removing nuclear warheads from those systems; or

(B) taking other steps to remove those systems from combat status.

(3) A report under this subsection shall include the following:

(A) The text of any understanding or agreement between the United States and the Russian Federation concerning substantial early deactivation of strategic nuclear delivery systems under the START II Treaty.

(B) The plan of the Department of Defense for implementing the agreement.

(C) An assessment of the Secretary of Defense of the adequacy of the provisions contained in the agreement for monitoring and verifying compliance of Russia with the terms of the agreement and, based upon that assessment, the determination of the President specifically as to whether the procedures for monitoring and verification of compliance by Russia with the terms of the agreement are adequate or inadequate.

(D) A determination by the President as to whether the deactivations to occur under the agreement will be carried out in a symmetrical, reciprocal, or equivalent manner and whether the agreement will require early deactivations of strategic forces by the United States to be carried out substantially more rapidly than deactivations of strategic forces by Russia.

(E) An assessment by the President of the effect of the proposed early deactivation on the stability of the strategic balance and relative strategic nuclear capabilities of the United States and the Russian Federation at various stages during deactivation and upon completion, including a determination by the President specifically as to whether the proposed early deactivations will adversely affect strategic stability.

(d) FURTHER LIMITATION ON STRATEGIC FORCE REDUCTIONS.—(1) Amounts available to the Department of Defense for fiscal year 1998 to implement an agreement that results in a substantial early deactivation during fiscal year 1998 of strategic forces may not be obligated for that purpose if in the report under subsection (c)(3) the President determines any of the following:

(A) That procedures for monitoring and verification of compliance by Russia with the terms of the agreement are inadequate.

(B) That the agreement will require early deactivations of strategic forces by the United States to be carried out substantially more rapidly than deactivations of strategic forces by Russia.

(C) That the proposed early deactivations will adversely affect strategic stability.

(2) The limitation in paragraph (1), if effective by reason of a determination by the President described in paragraph (1)(B),

shall cease to apply 30 days after the date on which the President notifies Congress that the early deactivations under the agreement are in the national interest of the United States.

(e) CONTINGENCY PLAN FOR SUSTAINMENT OF SYSTEMS.—(1) Not later then February 15, 1998, the Secretary of Defense shall submit to Congress a plan for the sustainment beyond October 1, 1999, of United States strategic nuclear delivery systems and alternative Strategic Arms Reduction Treaty force structures in the event that a strategic arms reduction agreement subsequent to the Strategic Arms Reduction Treaty does not enter into force before 2004.

(2) The plan shall include a discussion of the following matters:

(A) The actions that are necessary to sustain the United States strategic nuclear delivery systems, distinguishing between the actions that are planned for and funded in the future-years defense program and the actions that are not planned for and funded in the future-years defense program.

(B) The funding necessary to implement the plan, indicating the extent to which the necessary funding is provided for in the future-years defense program and the extent to which the necessary funding is not provided for in the future-years defense program.

(f) START TREATIES DEFINED.—In this section:

(1) The term "Strategic Arms Reduction Treaty" means the Treaty Between the United States of America and the United Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms (START), signed at Moscow on July 31, 1991, including related annexes on agreed statements and definitions, protocols, and memorandum of understanding.

(2) The term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103–1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

SEC. 1303. ASSISTANCE FOR FACILITIES SUBJECT TO INSPECTION UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) ASSISTANCE AUTHORIZED.—Upon the request of the owner or operator of a facility that is subject to a routine inspection or a challenge inspection under the Chemical Weapons Convention, the Secretary of Defense may provide technical assistance to that owner or operator related to compliance of that facility with the Convention. Any such assistance shall be provided through the On-Site Inspection Agency of the Department of Defense.

(b) REIMBURSEMENT REQUIREMENT.—The Secretary may provide assistance under subsection (a) only to the extent that the Secretary determines that the Department of Defense will be reimbursed for costs incurred in providing the assistance. The United States National Authority may provide such reimbursement from amounts available to it. Any such reimbursement shall be credited to amounts available for the On-Site Inspection Agency.

(c) DEFINITIONS.—In this section:

(1) The terms "Chemical Weapons Convention" and "Convention" mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratified by the United States on April 25, 1997, and entered into force on April 29, 1997.

(2) The term "facility that is subject to a routine inspection" means a declared facility, as defined in paragraph 15 of part X of the Annex on Implementation and Verification of the Convention.

(3) The term "challenge inspection" means an inspection conducted under Article IX of the Convention.

(4) The term "United States National Authority" means the United States National Authority established or designated pursuant to Article VII, paragraph 4, of the Convention.

SEC. 1304. TRANSFERS OF AUTHORIZATIONS FOR HIGH-PRIORITY COUNTERPROLIFERATION PROGRAMS.

(a) AUTHORITY.—(1) Subject to paragraph (2), the Secretary of Defense may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 to any counterproliferation program, project, or activity described in subsection (b).

(2) A transfer of authorizations may be made under this section only upon determination by the Secretary of Defense that such action is necessary in the national interest.

(3) Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(b) PROGRAMS TO WHICH TRANFERS MAY BE MADE.—The authority under subsection (a) applies to any counterproliferation program, project, or activity of the Department of Defense identified as an area for progress in the most recent annual report of the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note).

(c) LIMITATION ON TOTAL AMOUNT.—The total amount of authorizations transferred under the authority of this section may not exceed $50,000,000.

(d) OTHER LIMITATIONS AND REQUIREMENTS.—The provisions of subsection (b), (c), and (d) of section 1001 shall apply to a transfer under this section in the same manner as they apply to a transfer under subsection (a) of that section.

(e) CONSTRUCTION WITH GENERAL TRANSFER AUTHORITY.—The authority provided by this section is in addition to the transfer authority provided in section 1001.

SEC. 1305. ADVICE TO THE PRESIDENT AND CONGRESS REGARDING THE SAFETY, SECURITY, AND RELIABILITY OF UNITED STATES NUCLEAR WEAPONS STOCKPILE.

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

(1) Nuclear weapons are the most destructive weapons on earth. The United States and its allies continue to rely on nuclear weapons to deter potential adversaries from using weapons of mass destruction. The safety and reliability of the nuclear weapons stockpile are essential to ensure its credibility as a deterrent.

(2) On September 24, 1996, President Clinton signed the Comprehensive Test Ban Treaty.

(3) Effective as of September 30, 1996, the United States is prohibited by section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377; 42 U.S.C. 2121 note) from conducting underground nuclear tests "unless a foreign state conducts a nuclear test after this date, at which time the prohibition on United States nuclear testing is lifted".

(4) Section 1436(b) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 42 U.S.C. 2121 note) requires the Secretary of Energy to "establish and support a program to assure that the United States is in a position to maintain the reliability, safety, and continued deterrent effect of its stockpile of existing nuclear weapons designs in the event that a low-threshold or comprehensive test ban on nuclear explosive testing is negotiated and ratified.".

(5) Section 3138(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 42 U.S.C. 2121 note) required the President to submit an annual report to Congress which sets forth "any concerns with respect to the safety, security, effectiveness, or reliability of existing United States nuclear weapons raised by the Stockpile Stewardship Program of the Department of Energy".

(6) President Clinton declared in July 1993 that "to assure that our nuclear deterrent remains unquestioned under a test ban, we will explore other means of maintaining our confidence in the safety, reliability, and the performance of our weapons". This decision was incorporated in a Presidential Directive.

(7) Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 42 U.S.C. 2121 note) also requires that the Secretary of Energy establish a "stewardship program to ensure the preservation of the core intellectual and technical competencies of the United States in nuclear weapons".

(8) The plan of the Department of Energy to maintain the safety and reliability of the United States nuclear weapons stockpile is known as the Stockpile Stewardship and Management Program. The ability of the United States to maintain and certify the safety, security, effectiveness, and reliability

of the nuclear weapons stockpile without testing will require utilization of new and sophisticated computational capabilities and diagnostic technologies, methods, and procedures. Current diagnostic technologies and laboratory testing techniques are insufficient to certify the safety and reliability of the United States nuclear weapons stockpile into the future. Whereas in the past laboratory and diagnostic tools were used in conjunction with nuclear testing, in the future they will provide, under the Department of Energy's stockpile stewardship plan, the sole basis for assessing past test data and for making judgments on phenomena observed in connection with the aging of the stockpile.

(9) Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) requires that the directors of the nuclear weapons laboratories and the nuclear weapons production plants submit a report to the Assistant Secretary of Energy for Defense Programs if they identify a problem that has significant bearing on confidence in the safety or reliability of a nuclear weapon or nuclear weapon type, that the Assistant Secretary must transmit that report, along with any comments, to the congressional defense committees and to the Secretary of Energy and the Secretary of Defense, and that the Joint Nuclear Weapons Council advise Congress regarding its analysis of any such problems.

(10) On August 11, 1995, President Clinton directed "the establishment of a new annual reporting and certification requirement [to] ensure that our nuclear weapons remain safe and reliable under a comprehensive test ban".

(11) On the same day, the President noted that the Secretary of Defense and the Secretary of Energy have the responsibility, after being "advised by the Nuclear Weapons Council, the Directors of DOE's nuclear weapons laboratories, and the Commander of United States Strategic Command", to provide the President with the information regarding the certification referred to in paragraph (10).

(12) The Joint Nuclear Weapons Council established by section 179 of title 10, United States Code, is responsible for providing advice to the Secretary of Energy and the Secretary of Defense regarding nuclear weapons issues, including "considering safety, security, and control issues for existing weapons". The Council plays a critical role in advising Congress in matters relating to nuclear weapons.

(13) It is essential that the President receive well-informed, objective, and honest opinions, including dissenting views, from his advisers and technical experts regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(b) POLICY.—

(1) IN GENERAL.—It is the policy of the United States—

(A) to maintain a safe, secure, effective, and reliable nuclear weapons stockpile; and

(B) as long as other nations control or actively seek to acquire nuclear weapons, to retain a credible nuclear deterrent.

(2) NUCLEAR WEAPONS STOCKPILE.—It is in the security interest of the United States to sustain the United States

nuclear weapons stockpile through a program of stockpile stewardship, carried out at the nuclear weapons laboratories and nuclear weapons production plants.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the United States should retain a triad of strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against the vital interests of the United States;

(B) the United States should continue to maintain nuclear forces of sufficient size and capability to implement an effective and robust deterrent strategy; and

(C) the advice of the persons required to provide the President and Congress with assurances of the safety, security, effectiveness, and reliability of the nuclear weapons force should be scientifically based, without regard for politics, and of the highest quality and integrity.

(c) ADDITION OF PRESIDENT TO RECIPIENTS OF REPORTS BY HEADS OF LABORATORIES AND PLANTS.—Section 3159(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) is amended—

(1) by striking out "committees and" and inserting in lieu thereof "committees,"; and

(2) by inserting before the period at the end the following: ", and to the President".

(d) TEN-DAY TIME LIMIT FOR TRANSMITTAL OF REPORT.—Section 3159(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) is amended by striking out "As soon as practicable" and inserting in lieu thereof "Not later than 10 days".

(e) ADVICE AND OPINIONS REGARDING NUCLEAR WEAPONS STOCKPILE.—In addition to a director of a nuclear weapons laboratory or a nuclear weapons production plant (under section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o)), any member of the Joint Nuclear Weapons Council or the commander of the United States Strategic Command may also submit to the President, the Secretary of Defense, the Secretary of Energy, or the congressional defense committees advice or opinion regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(f) EXPRESSION OF INDIVIDUAL VIEWS.—A representative of the President may not take any action against, or otherwise constrain, a director of a nuclear weapons laboratory or a nuclear weapons production plant, a member of the Joint Nuclear Weapons Council, or the Commander of United States Strategic Command for presenting individual views to the President, the National Security Council, or Congress regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(g) DEFINITIONS.—In this section:

(1) The term "representative of the President" means the following:

(A) Any official of the Department of Defense or the Department of Energy who is appointed by the President and confirmed by the Senate.

(B) Any member of the National Security Council.

(C) Any member of the Joint Chiefs of Staff.

(D) Any official of the Office of Management and Budget.

(2) The term "nuclear weapons laboratory" means any of the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(3) The term "nuclear weapons production plant" means any of the following:

(A) The Pantex Plant, Texas.

(B) The Savannah River Site, South Carolina.

(C) The Kansas City Plant, Missouri.

(D) The Y–12 Plant, Oak Ridge, Tennessee.

SEC. 1306. RECONSTITUTION OF COMMISSION TO ASSESS THE BALLISTIC MISSILE THREAT TO THE UNITED STATES.

(a) INITIAL ORGANIZATION REQUIREMENTS.—Section 1321(g) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2712) is amended—

(1) in paragraph (1), by striking out "not later than 45 days after the date of the enactment of this Act" and inserting in lieu thereof "not later than 30 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998"; and

(2) in paragraph (2)—

(A) by striking out "30 days" and inserting in lieu thereof "60 days"; and

(B) by striking out ", but not earlier than October 15, 1996".

(b) FUNDING.—Section 1328 of such Act (110 Stat. 2714) is amended by inserting "and fiscal year 1998" after "for fiscal year 1997".

SEC. 1307. SENSE OF CONGRESS REGARDING THE RELATIONSHIP BETWEEN UNITED STATES OBLIGATIONS UNDER THE CHEMICAL WEAPONS CONVENTION AND ENVIRONMENTAL LAWS.

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

(1) The Chemical Weapons Convention requires the destruction of the United States stockpile of lethal chemical agents and munitions by April 29, 2007 (not later than 10 years after the Convention's entry into force).

(2) The President has substantial authority under existing law to ensure that—

(A) the technologies necessary to destroy the stockpile are developed;

(B) the facilities necessary to destroy the stockpile are constructed; and

(C) Federal, State, and local environmental laws and regulations do not impair the ability of the United States to comply with its obligations under the Convention.

(3) The Comptroller General has concluded (in GAO Report NSIAD 97018 of February 1997) that—

(A) obtaining the necessary Federal and State permits that are required under Federal environmental laws and regulations for building and operating the chemical agents and munitions destruction facilities is among the most unpredictable factors in the chemical demilitarization program; and

(B) program cost and schedule are largely driven by the degree to which States and local communities are in agreement with proposed disposal methods and whether those methods meet environmental concerns.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President—

(1) should use the authority of the President under existing law to ensure that the United States is able to construct and operate the facilities necessary to destroy the United States stockpile of lethal chemical agents and munitions within the time allowed by the Chemical Weapons Convention; and

(2) while carrying out the obligations of the United States under the Convention, should encourage negotiations between appropriate Federal officials and officials of the State and local governments concerned to attempt to meet their concerns regarding compliance with Federal and State environmental laws and regulations and other concerns about the actions being taken to carry out those obligations.

(c) CHEMICAL WEAPONS CONVENTION DEFINED.—For the purposes of this section, the terms "Chemical Weapons Convention" and "Convention" mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratified by the United States on April 25, 1997, and entered into force on April 29, 1997.

SEC. 1308. EXTENSION OF COUNTERPROLIFERATION AUTHORITIES FOR SUPPORT OF UNITED NATIONS SPECIAL COMMISSION ON IRAQ.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 102–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3), by striking out "or" after "fiscal year 1996," and by inserting ", or $15,000,000 for fiscal year 1998" before the period at the end; and

(2) in subsection (f), by striking out "1997" and inserting in lieu thereof "1998".

SEC. 1309. ANNUAL REPORT ON MORATORIUM ON USE BY ARMED FORCES OF ANTIPERSONNEL LANDMINES.

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

(1) The United States has stated its support for a ban on antipersonnel landmines that is global in scope and verifiable.

(2) On May 16, 1996, the President announced that the United States, as a matter of policy, would eliminate its stockpile of non-self-destructing antipersonnel landmines, except those used for training purposes and in Korea, and that the United States would reserve the right to use self-destructing antipersonnel landmines in the event of conflict.

(3) On May 16, 1996, the President also announced that the United States would lead an effort to negotiate an international treaty permanently banning the use of all antipersonnel landmines.

(4) The United States is currently participating at the United Nations Conference on Disarmament in negotiations aimed at achieving a global ban on the use of antipersonnel landmines.

(5) On August 18, 1997, the administration agreed to participate in international negotiations sponsored by Canada (the so-called "Ottawa process") designed to achieve a treaty that would outlaw the production, use, and sale of antipersonnel landmines.

(6) On September 17, 1997, the President announced that the United States would not sign the antipersonnel landmine treaty concluded in Oslo, Norway, by participants in the Ottawa process because the treaty would not provide a geographic exception to allow the United States to stockpile and use antipersonnel landmines in Korea or an exemption that would preserve the ability of the United States to use mixed antitank mine systems which could be used to deter an armored assault against United States forces.

(7) The President also announced a change in United States policy whereby the United States—

(A) would no longer deploy antipersonnel landmines, including self-destructing antipersonnel landmines, by 2003, except in Korea;

(B) would seek to field alternatives by that date, or by 2006 in the case of Korea;

(C) would undertake a new initiative in the United Nations Conference on Disarmament to establish a global ban on the transfer of antipersonnel landmines; and

(D) would increase its current humanitarian demining activities around the world.

(8) The President's decision would allow the continued use by United States forces of self-destructing antipersonnel landmines that are used as part of a mixed antitank mine system.

(9) Under existing law (as provided in section 580 of Public Law 104–107; 110 Stat. 751), on February 12, 1999, the United States will implement a one-year moratorium on the use of antipersonnel landmines by United States forces except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should not implement a moratorium on the use of antipersonnel landmines by United States Armed Forces in a manner that would endanger United States personnel or undermine the military effectiveness of United States Armed Forces in executing their missions; and

(2) the United States should pursue the development of alternatives to self-destructing antipersonnel landmines.

(c) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense shall submit to the congressional defense committees a report concerning antipersonnel landmines. Each such report shall include the Secretary's description of the following:

(1) The military utility of the continued deployment and use by the United States of antipersonnel landmines.

(2) The effect of a moratorium on the production, stockpiling, and use of antipersonnel landmines on the ability of United States forces to deter and defend against attack on land by hostile forces, including on the Korean peninsula.

(3) Progress in developing and fielding systems that are effective substitutes for antipersonnel landmines, including an

identification and description of the types of systems that are being developed and fielded, the costs associated with those systems, and the estimated timetable for developing and fielding those systems.

(4) The effect of a moratorium on the use of antipersonnel landmines on the military effectiveness of current antitank mine systems.

(5) The number and type of pure antipersonnel landmines that remain in the United States inventory and that are subject to elimination under the President's September 17, 1997, declaration on United States antipersonnel landmine policy.

(6) The number and type of mixed antitank mine systems that are in the United States inventory, the locations where they are deployed, and their effect on the deterrence and warfighting ability of United States Armed Forces.

(7) The effect of the elimination of pure antipersonnel landmines on the warfighting effectiveness of the United States Armed Forces.

(8) The costs already incurred and anticipated of eliminating antipersonnel landmines from the United States inventory in accordance with the policy enunciated by the President on September 17, 1997.

(9) The benefits that would result to United States military and civilian personnel from an international treaty banning the production, use, transfer, and stockpiling of antipersonnel landmines.

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

Sec. 1401. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1402. Funding allocations.
Sec. 1403. Prohibition on use of funds for specified purposes.
Sec. 1404. Limitation on use of funds for projects related to START II Treaty until submission of certification.
Sec. 1405. Limitation on use of funds for chemical weapons destruction facility.
Sec. 1406. Limitation on use of funds for destruction of chemical weapons.
Sec. 1407. Limitation on use of funds for storage facility for Russian fissile material.
Sec. 1408. Limitation on use of funds for weapons storage security.
Sec. 1409. Report on issues regarding payment of taxes, duties, and other assessments on assistance provided to Russia under Cooperative Threat Reduction programs.
Sec. 1410. Availability of funds.

SEC. 1401. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 1998 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 1998 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

SEC. 1402. FUNDING ALLOCATIONS.

(a) IN GENERAL.—Of the fiscal year 1998 Cooperative Threat Reduction funds, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,900,000.

(2) For strategic nuclear arms elimination in Ukraine, $76,700,000.

(3) For fissile material containers in Russia, $7,000,000.

(4) For planning and design of a chemical weapons destruction facility in Russia, $35,400,000.

(5) For dismantlement of biological and chemical weapons facilities in the former Soviet Union, $20,000,000.

(6) For planning, design, and construction of a storage facility for Russian fissile material, $57,700,000.

(7) For weapons storage security in Russia, $36,000,000.

(8) For development of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $41,000,000.

(9) For activities designated as Defense and Military-to-Military Contacts in Russia, Ukraine, and Kazakhstan, $8,000,000.

(10) For military-to-military programs of the United States that focus on countering the threat of proliferation of weapons of mass destruction and that include the security forces of the independent states of the former Soviet Union other than Russia, Ukraine, Belarus, and Kazakstan, $2,000,000.

(11) For activities designated as Other Assessments/Administrative Support $20,500,000.

(b) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) If the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may, subject to paragraphs (2) and (3), obligate amounts for the purposes stated in any of the paragraphs of subsection (a) in excess of the amount specified for those purposes in that paragraph. However, the total amount obligated for the purposes stated in the paragraphs in subsection (a) may not by reason of the use of the authority provided in the preceding sentence exceed the sum of the amounts specified in those paragraphs.

(2) An obligation for the purposes stated in any of the paragraphs in subsection (a) in excess of the amount specified in that paragraph may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts appropriated for the purposes stated in any of paragraphs (3) through (11) of subsection (a) in excess of 115 percent of the amount stated in those paragraphs.

(c) LIMITED WAIVER OF 115 PERCENT CAP ON OBLIGATION IN EXCESS OF AMOUNTS AUTHORIZED FOR FISCAL YEARS 1996 AND 1997.—(1) The limitation in subsection (b)(1) of section 1202 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 469), that provides that the authority

provided in that sentence to obligate amounts specified for Cooperative Threat Reduction purposes in excess of the amount specified for each such purpose in subsection (a) of that section may not exceed 115 percent of the amounts specified, shall not apply with respect to subsection (a)(1) of such section for purposes of strategic offensive weapons elimination in Russia or the Ukraine.

(2) The limitation in subsection (b)(1) of section 1502 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2732), that provides that the authority provided in that sentence to obligate amounts specified for Cooperative Threat Reduction purposes in excess of the amount specified for each such purpose in subsection (a) of that section may not exceed 115 percent of the amounts specified, shall not apply with respect to subsections (a)(2) and (a)(3) of such section.

SEC. 1403. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 1998 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs for any prior fiscal year and remaining available for obligation, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this Act may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion.

SEC. 1404. LIMITATION ON USE OF FUNDS FOR PROJECTS RELATED TO START II TREATY UNTIL SUBMISSION OF CERTIFICATION.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for strategic offensive arms elimination projects in Russia related to the START II Treaty (as defined in section 1302(f)) until 30 days after the date on which the Secretary of Defense submits to Congress a certification in writing that—

(1) implementation of the projects would benefit the national security interest of the United States; and

(2) Russia has agreed in an implementing agreement to share the cost for the projects.

SEC. 1405. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION FACILITY.

(a) LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF NOTIFICATIONS TO CONGRESS.—No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning and design of a chemical weapons destruction facility until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification of an agreement between the United States and Russia with respect to such chemical weapons destruction facility that includes—

(A) an agreement providing for a limitation on the financial contribution by the United States for the facility;

(B) an agreement that the United States will not pay the costs for infrastructure determined by Russia to be necessary to support the facility; and

(C) an agreement on the location of the facility.

(2) The date on which the Secretary of Defense submits to Congress notification that the Government of Russia has formally approved a plan—

(A) that allows for the destruction of chemical weapons in Russia; and

(B) that commits Russia to pay a portion of the cost for the facility.

(b) PROHIBITION ON USE OF FUNDS FOR FACILITY CONSTRUCTION.—No fiscal year 1998 Cooperative Threat Reduction funds authorized to be obligated in section 1402(a)(4) for planning and design of a chemical weapons destruction facility in Russia may be used for construction of such facility.

SEC. 1406. LIMITATION ON USE OF FUNDS FOR DESTRUCTION OF CHEMICAL WEAPONS.

(a) LIMITATION.—No funds authorized to be appropriated under this or any other Act for fiscal year 1998 for Cooperative Threat Reduction programs may be obligated or expended for chemical weapons destruction activities (including activities for the planning, design, or construction of a chemical weapons destruction facility or for the dismantlement of an existing chemical weapons production facility) until the President submits to Congress a written certification under subsection (b).

(b) PRESIDENTIAL CERTIFICATION.—A certification under this subsection is either of the following certifications by the President:

(1) A certification that—

(A) Russia is making reasonable progress toward the implementation of the Bilateral Destruction Agreement;

(B) the United States and Russia have made substantial progress toward the resolution, to the satisfaction of the United States, of outstanding compliance issues under the Wyoming Memorandum of Understanding and the Bilateral Destruction Agreement; and

(C) Russia has fully and accurately declared all information regarding its unitary and binary chemical weapons, chemical weapons facilities, and other facilities associated with chemical weapons.

(2) A certification that the national security interests of the United States could be undermined by a United States policy not to carry out chemical weapons destruction activities under the Cooperative Threat Reduction programs for which funds are authorized to be appropriated under this or any other Act for fiscal year 1998.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term "Bilateral Destruction Agreement" means the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Nonproduction of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons, signed on June 1, 1990.

(2) The term "Wyoming Memorandum of Understanding" means the Memorandum of Understanding Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

SEC. 1407. LIMITATION ON USE OF FUNDS FOR STORAGE FACILITY FOR RUSSIAN FISSILE MATERIAL.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning, design, or construction of a storage facility for Russian fissile material until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification that an implementing agreement between the United States and Russia has been entered into that specifies the total cost to the United States for the facility.

(2) The date on which the Secretary submits to Congress notification that an agreement has been entered into between the United States and Russia incorporating the principle of transparency with respect to the use of the facility.

SEC. 1408. LIMITATION ON USE OF FUNDS FOR WEAPONS STORAGE SECURITY.

No fiscal year 1998 Cooperative Threat Reduction funds intended for weapons storage security activities in Russia may be obligated or expended until—

(1) the Secretary of Defense submits to Congress a report on the status of negotiations between the United States and Russia on audits and examinations with respect to weapons storage security; and

(2) 15 days have elapsed following the date that the report is submitted.

SEC. 1409. REPORT ON ISSUES REGARDING PAYMENT OF TAXES, DUTIES, AND OTHER ASSESSMENTS ON ASSISTANCE PROVIDED TO RUSSIA UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on issues regarding payment of taxes, duties, and other assessments on assistance provided to Russia under Cooperative Threat Reduction programs. The report shall include the following:

(1) A description of any disputes between the United States and Russia with respect to payment by the United States of taxes, duties and other assessments on assistance provided to Russia under a Cooperative Threat Reduction program, including a description of the nature of each dispute, the amount of payment disputed, whether the dispute was resolved, and if the dispute was resolved, the means by which the dispute was resolved.

(2) A description of the actions taken by the Secretary to prevent disputes in the future between the United States and Russia with respect to payment by the United States of taxes, duties, and other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

(3) A description of any agreement between the United States and Russia with respect to payment by the United States of taxes, duties, or other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

(4) Any proposals of the Secretary for actions that should be taken to prevent disputes between the United States and Russia with respect to payment by the United States of taxes, duties, or other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

SEC. 1410. AVAILABILITY OF FUNDS.

Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

TITLE XV—FEDERAL CHARTER FOR THE AIR FORCE SERGEANTS ASSOCIATION

Sec. 1501. Recognition and grant of Federal charter.
Sec. 1502. Powers.
Sec. 1503. Purposes.
Sec. 1504. Service of process.
Sec. 1505. Membership.
Sec. 1506. Board of directors.
Sec. 1507. Officers.
Sec. 1508. Restrictions.
Sec. 1509. Liability.
Sec. 1510. Maintenance and inspection of books and records.
Sec. 1511. Audit of financial transactions.
Sec. 1512. Annual report.
Sec. 1513. Reservation of right to alter, amend, or repeal charter.
Sec. 1514. Tax-exempt status required as condition of charter.
Sec. 1515. Termination.
Sec. 1516. Definition of State.

SEC. 1501. RECOGNITION AND GRANT OF FEDERAL CHARTER.

The Air Force Sergeants Association, a nonprofit corporation organized under the laws of the District of Columbia, is recognized as such and granted a Federal charter.

SEC. 1502. POWERS.

The Air Force Sergeants Association (in this title referred to as the "association") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the District of Columbia and subject to the laws of the District of Columbia.

SEC. 1503. PURPOSES.

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) To help maintain a highly dedicated and professional corps of enlisted personnel within the United States Air Force, including the United States Air Force Reserve, and the Air National Guard.

(2) To support fair and equitable legislation and Department of the Air Force policies and to influence by lawful means departmental plans, programs, policies, and legislative proposals that affect enlisted personnel of the Regular Air Force,

the Air Force Reserve, and the Air National Guard, its retirees, and other veterans of enlisted service in the Air Force.

(3) To actively publicize the roles of enlisted personnel in the United States Air Force.

(4) To participate in civil and military activities, youth programs, and fundraising campaigns that benefit the United States Air Force.

(5) To provide for the mutual welfare of members of the association and their families.

(6) To assist in recruiting for the United States Air Force.

(7) To assemble together for social activities.

(8) To maintain an adequate Air Force for our beloved country.

(9) To foster among the members of the association a devotion to fellow airmen.

(10) To serve the United States and the United States Air Force loyally, and to do all else necessary to uphold and defend the Constitution of the United States.

SEC. 1504. SERVICE OF PROCESS.

With respect to service of process, the association shall comply with the laws of the District of Columbia and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 1505. MEMBERSHIP.

Except as provided in section 1508(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

SEC. 1506. BOARD OF DIRECTORS.

Except as provided in section 1508(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

SEC. 1507. OFFICERS.

Except as provided in section 1508(g), the positions of officers of the association and the election of members to such positions shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

SEC. 1508. RESTRICTIONS.

(a) INCOME AND COMPENSATION.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The association may not issue any shares of stock or declare or pay any dividends.

(d) DISCLAIMER OF CONGRESSIONAL OR FEDERAL APPROVAL.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the District of Columbia.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the District of Columbia.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

SEC. 1509. LIABILITY.

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

SEC. 1510. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

SEC. 1511. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended—

(1) by redesignating the paragraph (77) added by section 1811 of Public Law 104–201 (110 Stat. 2762) as paragraph (78); and

(2) by adding at the end the following:

"(79) Air Force Sergeants Association.".

SEC. 1512. ANNUAL REPORT.

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment

made in section 1511. The annual report shall not be printed as a public document.

SEC. 1513. RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER.

The right to alter, amend, or repeal this title is expressly reserved to Congress.

SEC. 1514. TAX-EXEMPT STATUS REQUIRED AS CONDITION OF CHARTER.

If the association fails to maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986 the charter granted in this title shall terminate.

SEC. 1515. TERMINATION.

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

SEC. 1516. DEFINITION OF STATE.

For purposes of this title, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1998".

TITLE XXI—ARMY

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

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$27,000,000
Arizona	Fort Huachuca	$20,000,000
California	Fort Irwin	$11,150,000
	Naval Weapons Station, Concord	$23,000,000
Colorado	Fort Carson	$47,300,000
Georgia	Fort Gordon	$22,000,000

Army: Inside the United States—Continued

State	Installation or Location	Amount
	Hunter Army Air Field, Fort Stewart	$54,000,000
Hawaii	Schofield Barracks	$44,000,000
Indiana	Crane Army Ammunition Activity	$7,700,000
Kansas	Fort Leavenworth	$63,000,000
	Fort Riley	$25,800,000
Kentucky	Fort Campbell	$53,600,000
	Fort Knox	$7,200,000
Missouri	Fort Leonard Wood	$3,200,000
New Jersey	Fort Monmouth	$2,050,000
New Mexico	White Sands Missile Range	$6,900,000
New York	Fort Drum	$24,400,000
North Carolina	Fort Bragg	$17,700,000
Oklahoma	Fort Sill	$25,000,000
South Carolina	Naval Weapons Station, Charleston.	$7,700,000
Texas	Fort Bliss	$7,700,000
	Fort Hood	$27,200,000
	Fort Sam Houston	$16,000,000
Virginia	Fort A.P. Hill	$5,400,000
	Fort Myer	$8,200,000
	Fort Story	$2,050,000
Washington	Fort Lewis	$33,000,000
CONUS Classified	Classified Location	$6,500,000
	Total	$598,750,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Ansbach	$22,000,000
	Heidelberg	$8,800,000
	Mannheim	$6,200,000
	Military Support Group, Kaiserslautern	$6,000,000
Korea	Camp Casey	$5,100,000
	Camp Castle	$8,400,000
	Camp Humphreys	$32,000,000
	Camp Red Cloud	$23,600,000
	Camp Stanley	$7,000,000
Overseas Classified	Overseas Classified	$37,000,000
	Total	$156,100,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Arizona	Fort Huachuca	55 Units	$8,000,000
Hawaii	Schofield Barracks	132 Units	$26,600,000
Maryland	Fort Meade	56 Units	$7,900,000
New Jersey	Picatinny Arsenal	35 Units	$7,300,000
North Carolina	Fort Bragg	174 Units	$20,150,000
Texas	Fort Bliss	91 Units	$12,900,000
	Fort Hood	130 Units	$18,800,000
		Total	$101,650,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $9,550,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $86,100,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,010,466,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $435,350,000.

(2) For the military construction projects outside the United States authorized by section 2101(b), $156,100,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $7,400,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $65,577,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $197,300,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,145,339,000.

(6) For the construction of the National Range Control Center, White Sands Missile Range, New Mexico, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $18,000,000.

(7) For the construction of the whole barracks complex renewal, Fort Knox, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $22,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $14,400,000 (the balance of the amount authorized under section 2101(a) for the construction of the Force XXI Soldier Development School at Fort Hood, Texas);

(3) $24,000,000 (the balance of the amount authorized under section 2101(a) for rail yard expansion at Fort Carson, Colorado);

(4) $43,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a disciplinary barracks at Fort Leavenworth, Kansas);

(5) $42,500,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Hunter Army Airfield, Fort Stewart, Georgia);

(6) $17,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Fort Sill, Oklahoma);

(7) $14,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a missile software engineering facility at Redstone Arsenal, Alabama); and

(8) $8,500,000 (the balance of the amount authorized under section 2101(a) for the construction of an aerial gunnery range at Fort Drum, New York).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized in such paragraphs, reduced by $36,600,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2105. CORRECTION IN AUTHORIZED USES OF FUNDS, FORT IRWIN, CALIFORNIA.

The Secretary of the Army may carry out a military construction project at Fort Irwin, California, to construct a heliport for the National Training Center at Barstow-Daggett, California, using the following amounts:

(1) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3029) for a military construction project

involving the construction of an air field at Fort Irwin, as authorized by section 2101(a) of such Act (108 Stat. 3027).

(2) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 524) for a military construction project involving the construction of an air field at Fort Irwin, as authorized by section 2101(a) of such Act (110 Stat. 523).

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Authorization of military construction project at Naval Station, Pascagoula, Mississippi, for which funds have been appropriated.
Sec. 2206. Increase in authorization for military construction projects at Naval Station Roosevelt Roads, Puerto Rico.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$12,250,000
	Navy Detachment, Camp Navajo	$11,426,000
California	Marine Corps Air Station, Camp Pendleton	$14,020,000
	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$3,810,000
	Marine Corps Base, Camp Pendleton	$60,069,000
	Naval Air Facility, El Centro	$11,000,000
	Naval Air Station, North Island	$19,600,000
	Naval Amphibious Base, Coronado	$10,100,000
	Naval Construction Battalion Center, Port Hueneme	$3,200,000
Connecticut	Naval Submarine Base, New London	$21,960,000
Florida	Naval Air Station, Jacksonville	$3,480,000
	Naval Air Station, Whiting Field	$1,300,000
	Naval Station, Mayport	$17,940,000
Hawaii	Fort DeRussey	$9,500,000
	Marine Corps Air Station, Kaneohe Bay	$19,000,000
	Naval Communications and Telecommunications Area Master Station Eastern Pacific, Honolulu	$3,900,000
	Naval Station, Pearl Harbor	$25,000,000
Illinois	Naval Training Center, Great Lakes	$41,220,000

Navy: Inside the United States—Continued

State	Installation or Location	Amount
Indiana	Naval Surface Warfare Center, Crane	$4,120,000
Maryland	Naval Electronics System Command, St. Ingoes	$2,610,000
Mississippi	Naval Air Station, Meridian	$7,050,000
North Carolina	Marine Corps Air Station, Cherry Point	$8,800,000
	Marine Corps Air Station, New River	$19,900,000
Rhode Island	Naval Undersea Warfare Center Division, Newport	$8,900,000
South Carolina	Marine Corps Air Station, Beaufort	$17,730,000
	Marine Corps Reserve Detachment Parris Island	$3,200,000
Texas	Naval Air Station, Corpus Christi	$800,000
Virginia	AEGIS Training Center, Dahlgren	$6,600,000
	Fleet Combat Training Center, Dam Neck	$7,000,000
	Naval Air Station, Norfolk	$18,240,000
	Naval Air Station, Oceana	$28,000,000
	Naval Amphibious Base, Little Creek	$8,685,000
	Naval Shipyard, Norfolk, Portsmouth	$29,410,000
	Naval Station, Norfolk	$18,850,000
	Naval Surface Warfare Center, Dahlgren	$13,880,000
	Naval Weapons Station, Yorktown	$14,547,000
Washington	Naval Air Station, Whidbey Island	$1,100,000
	Puget Sound Naval Shipyard, Bremerton	$4,400,000
	Total	$521,297,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Bahrain	Administrative Support Unit, Bahrain	$30,100,000
Guam	Naval Communications and Telecommunications Area Master Station Western Pacific, Guam	$4,050,000
Italy	Naval Air Station, Sigonella	$21,440,000
	Naval Support Activity, Naples	$8,200,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$2,330,000
	Total	$66,120,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Air Station, Miramar	166 Units	$28,881,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	132 Units	$23,891,000
	Marine Corps Base, Camp Pendleton	171 Units	$22,518,000
	Naval Air Station, Lemoore	128 Units	$23,226,000
	Naval Complex, San Diego	94 Units	$13,500,000
Hawaii	Naval Complex, Pearl Harbor	72 Units	$13,000,000
Louisiana	Naval Complex, New Orleans	100 Units	$11,930,000
Texas	Naval Complex, Kingsville and Corpus Christi	212 Units	$22,250,000
Washington	Naval Air Station, Whidbey Island	102 Units	$16,000,000
		Total	$175,196,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $15,100,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $203,536,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,027,339,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $521,297,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $66,120,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,460,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $46,489,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $393,832,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $976,504,000.

(6) For construction of a bachelor enlisted quarters at Naval Hospital, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766), $5,200,000.

(7) For construction of a bachelor enlisted quarters at Naval Station, Roosevelt Roads, Puerto Rico, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767), $14,600,000.

(8) For construction of a large anecohic chamber facility at Patuxent River Naval Air Warfare Center, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $9,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $8,463,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $8,700,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2205. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT NAVAL STATION, PASCAGOULA, MISSISSIPPI, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof "$594,982,000"; and

(2) by inserting after the item relating to Stennis Space Center, Mississippi, the following new item:

	"Naval Station, Pascagoula	$4,990,000".

(b) CONFORMING AMENDMENTS.—Section 2204(a) of such Act (110 Stat. 2769) is amended—

(1) in the matter preceding the paragraphs, by striking out "$2,213,731,000" and inserting in lieu thereof "$2,218,721,000"; and

(2) in paragraph (1), by striking out "$579,312,000" and inserting in lieu thereof "$584,302,000".

SEC. 2206. INCREASE IN AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.

(a) INCREASE.—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof "$66,150,000"; and

(2) in the amount column of the item relating to Naval Station, Roosevelt Roads, Puerto Rico, by striking out "$23,600,000" and inserting in lieu thereof "$24,100,000".

(b) CONFORMING AMENDMENT.—Section 2204(b)(4) of such Act (110 Stat. 2770) is amended by striking out "$14,100,000" and inserting in lieu thereof "$14,600,000".

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Authorization of military construction project at McConnell Air Force Base, Kansas, for which funds have been appropriated.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$14,874,000
Alaska	Clear Air Station	$67,069,000
	Eielson Air Force Base	$13,764,000
	Elmendorf Air Force Base	$6,100,000
	Indian Mountain	$1,991,000
Arizona	Luke Air Force Base	$10,000,000
Arkansas	Little Rock Air Force Base	$3,400,000
California	Edwards Air Force Base	$2,887,000
	Vandenberg Air Force Base	$26,876,000
Colorado	Buckley Air National Guard Base	$6,718,000
	Falcon Air Force Station	$10,551,000
	Peterson Air Force Base	$4,081,000
	United States Air Force Academy	$15,229,000
Florida	Eglin Auxiliary Field 9	$6,470,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
	MacDill Air Force Base	$9,643,000
Georgia	Moody Air Force Base	$6,800,000
	Robins Air Force Base	$27,763,000
Idaho	Mountain Home Air Force Base	$30,669,000
Kansas	McConnell Air Force Base	$14,519,000
Louisiana	Barksdale Air Force Base	$19,410,000
Mississippi	Keesler Air Force Base	$30,855,000
Missouri	Whiteman Air Force Base	$17,419,000
Montana	Malmstrom Air Force Base	$4,500,000
Nevada	Nellis Air Force Base	$1,950,000
New Jersey	McGuire Air Force Base	$18,754,000
New Mexico	Kirtland Air Force Base	$20,300,000
North Carolina	Pope Air Force Base	$10,956,000
North Dakota	Grand Forks Air Force Base	$8,560,000
	Minot Air Force Base	$5,200,000
Ohio	Wright-Patterson Air Force Base	$19,350,000
Oklahoma	Altus Air Force Base	$11,000,000
	Tinker Air Force Base	$9,655,000
	Vance Air Force Base	$7,700,000
South Carolina	Shaw Air Force Base	$6,072,000
South Dakota	Ellsworth Air Force Base	$6,600,000
Tennessee	Arnold Air Force Base	$20,650,000
Texas	Dyess Air Force Base	$10,000,000
	Laughlin Air Force Base	$4,800,000
	Randolph Air Force Base	$2,488,000
Utah	Hill Air Force Base	$6,470,000
Virginia	Langley Air Force Base	$4,031,000
Washington	Fairchild Air Force Base	$20,316,000
	McChord Air Force Base	$6,470,000
CONUS Classified	Classified Location	$6,175,000
	Total	$559,085,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$18,500,000
Italy	Aviano Air Base	$15,220,000
Korea	Kunsan Air Base	$10,325,000
Portugal	Lajes Field, Azores	$4,800,000
United Kingdom	Royal Air Force, Lakenheath	$11,400,000
Overseas Classified	Classified Location	$29,100,000
	Total	$89,345,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the

installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
California	Edwards Air Force Base	51 Units	$8,500,000
	Travis Air Force Base	70 Units	$9,714,000
	Vandenberg Air Force Base	108 Units	$17,100,000
Delaware	Dover Air Force Base	Ancillary Facility	$831,000
District of Columbia	Bolling Air Force Base	46 Units	$5,100,000
Florida	MacDill Air Force Base	58 Units	$10,000,000
	Tyndall Air Force Base	32 Units	$4,200,000
Georgia	Robins Air Force Base	60 Units	$6,800,000
Idaho	Mountain Home Air Force Base	60 Units	$11,032,000
Kansas	McConnell Air Force Base	19 Units	$2,951,000
	McConnell Air Force Base	Ancillary Facility	$581,000
Mississippi	Columbus Air Force Base	50 Units	$6,200,000
	Keesler Air Force Base	40 Units	$5,000,000
Montana	Malmstrom Air Force Base	100 Units	$17,842,000
New Mexico	Kirtland Air Force Base	180 Units	$20,900,000
North Dakota	Grand Forks Air Force Base	42 Units	$7,936,000
Texas	Dyess Air Force Base	70 Units	$10,503,000
	Goodfellow Air Force Base	3 Units	$500,000
	Lackland Air Force Base	50 Units	$7,400,000
Wyoming	F. E. Warren Air Force Base	52 Units	$6,853,000
		Total	$159,943,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,971,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $123,795,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,791,640,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $559,085,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $89,345,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,545,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $44,880,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $295,709,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $830,234,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $23,858,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $12,300,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT MCCONNELL AIR FORCE BASE, KANSAS, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2771) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof "$610,534,000"; and

(2) in the amount column of the item relating to McConnell Air Force Base, Kansas, by striking out "$19,130,000" and inserting in lieu thereof "$25,830,000".

(b) CONFORMING AMENDMENTS.—Section 2304(a) of such Act (110 Stat. 2774) is amended—

(1) in the matter preceding paragraph (1), by striking out "$1,894,594,000" and inserting in lieu thereof "$1,901,294,000" and

(2) in paragraph (1), by striking out "$603,834,000" and inserting in lieu thereof "$610,534,000".

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing planning and design.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Clarification of authority relating to fiscal year 1997 project at Naval Station, Pearl Harbor, Hawaii.
Sec. 2407. Correction in authorized uses of funds, McClellan Air Force Base, California.
Sec. 2408. Modification of authority to carry out certain fiscal year 1995 projects.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or Location	Amount
Defense Commissary Agency	Fort Lee, Virginia	$9,300,000
Defense Finance and Accounting Service	Columbus Center, Ohio	$9,722,000
	Naval Air Station, Millington, Tennessee	$6,906,000
	Naval Station, Norfolk, Virginia	$12,800,000
	Naval Station, Pearl Harbor, Hawaii	$10,000,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$7,000,000
	Redstone Arsenal, Alabama	$32,700,000
Defense Logistics Agency	Defense Distribution Depot—DDNV, Virginia	$16,656,000
	Defense Distribution New Cumberland—DDSP, Pennsylvania	$15,500,000
	Defense Fuel Support Point, Craney Island, Virginia	$22,100,000
	Defense General Supply Center, Richmond (DLA), Virginia	$5,200,000
	Elmendorf Air Force Base, Alaska	$21,700,000
	Naval Air Station, Jacksonville, Florida	$9,800,000
	Truax Field, Wisconsin	$4,500,000
	Westover Air Reserve Base, Massachusetts	$4,700,000
	CONUS Various, CONUS Various	$11,275,000
Defense Medical Facilities Office	Fort Campbell, Kentucky	$13,600,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or Location	Amount
	Fort Detrick, Maryland	$4,650,000
	Fort Lewis, Washington	$5,000,000
	Hill Air Force Base, Utah	$3,100,000
	Holloman Air Force Base, New Mexico	$3,000,000
	Lackland Air Force Base, Texas	$3,000,000
	Marine Corps Combat Development Command, Quantico, Virginia	$19,000,000
	McGuire Air Force Base, New Jersey	$35,217,000
	Naval Air Station, Pensacola, Florida	$2,750,000
	Naval Station, Everett, Washington	$7,500,000
	Naval Station, San Diego, California	$2,100,000
	Naval Submarine Base, New London, Connecticut	$2,300,000
	Robins Air Force Base, Georgia	$19,000,000
	Wright-Patterson Air Force Base, Ohio	$2,750,000
National Security Agency	Fort Meade, Maryland	$29,700,000
Special Operations Command	Eglin Auxiliary Field 9, Florida	$8,550,000
	Fort Benning, Georgia	$12,314,000
	Fort Bragg, North Carolina	$9,800,000
	Mississippi Army Ammunition Plant, Mississippi	$9,900,000
	Naval Station, Pearl Harbor, Hawaii	$7,400,000
	Naval Amphibious Base, Coronado, California	$7,400,000
	Total	$407,890,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installation and location outside the United States, and in the amount, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Defense Logistics Agency	Defense Fuel Support Point, Guam	$16,000,000
	Total	$16,000,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $50,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(13)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $4,900,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $2,743,670,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $407,890,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $16,000,000.

(3) For military construction projects at Anniston Army Depot, Alabama, ammunition demilitarization facility, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of the Public Law 102–484; 106 Stat. 2587), which was originally authorized as an Army construction project, but which became a Defense Agencies construction project by reason of the amendments made by section 142 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2689), $9,900,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $20,000,000.

(5) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539) and section 2408(2) of this Act, $57,427,000.

(6) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 535), $14,200,000.

(7) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $17,000,000.

(8) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $4,000,000.

(9) For unspecified minor construction projects under section 2805 of title 10, United States Code, $26,075,000.

(10) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $48,850,000.

(11) For energy conservation projects authorized by section 2404, $25,000,000.

(12) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,060,854,000.

(13) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,950,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $32,724,000 of which not more than $27,673,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (13) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $1,200,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2406. CLARIFICATION OF AUTHORITY RELATING TO FISCAL YEAR 1997 PROJECT AT NAVAL STATION, PEARL HARBOR, HAWAII.

The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775) is amended in the item relating to Special Operations Command, Naval Station, Ford Island, Pearl Harbor, Hawaii, in the installation or location column by striking out "Naval Station, Ford Island, Pearl Harbor, Hawaii" and inserting in lieu thereof "Naval Station, Pearl Harbor, Hawaii".

SEC. 2407. CORRECTION IN AUTHORIZED USES OF FUNDS, MCCLELLAN AIR FORCE BASE, CALIFORNIA.

(a) AUTHORITY TO USE PRIOR YEAR FUNDS.—The Secretary of Defense may carry out the military construction projects referred to in subsection (b), in the amounts specified in that subsection, using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3042) for a military construction project involving the upgrade of the hospital facility at McClellan Air Force

Base, California, as authorized by section 2401 of such Act (108 Stat. 3040).

(b) COVERED PROJECTS.—Funds available under subsection (a) may be used for military construction projects as follows:

(1) Construction of an addition to the Aeromedical Clinic at Anderson Air Base, Guam, $3,700,000.

(2) Construction of an occupational health clinic facility at Tinker Air Force Base, Oklahoma, $6,500,000.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out "$115,000,000" in the amount column and inserting in lieu thereof "$134,000,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$186,000,000" in the amount column and inserting in lieu thereof "$187,000,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $152,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Authorization of military construction projects for which funds have been appropriated.
Sec. 2603. Army Reserve construction project, Camp Williams, Utah.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) IN GENERAL.—There are authorized to be appropriated for fiscal years beginning after September 30, 1997, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $113,750,000; and

(B) for the Army Reserve, $66,267,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $47,329,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $190,444,000; and

(B) for the Air Force Reserve, $30,243,000.

(b) ADJUSTMENT.—The amount authorized to be appropriated pursuant to subsection (a)(1)(B) is reduced by $7,900,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) ARMY NATIONAL GUARD, HILO, HAWAII.—Paragraph (1)(A) of section 2601 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2780) is amended by striking out "$59,194,000" and inserting in lieu thereof "$65,094,000" to account for a project involving additions and alterations to an Army aviation support facility in Hilo, Hawaii.

(b) NAVAL AND MARINE CORPS RESERVE, NEW ORLEANS.—Paragraph (2) of such section is amended by striking out "$32,779,000" and inserting in lieu thereof "$37,579,000" to account for a project for the construction of a bachelor enlisted quarters at Naval Air Station, New Orleans, Louisiana.

SEC. 2603. ARMY RESERVE CONSTRUCTION PROJECT, CAMP WILLIAMS, UTAH.

With regard to the military construction project for the Army Reserve concerning construction of a reserve center and organizational maintenance shop at Camp Williams, Utah, to be carried out using funds appropriated pursuant to the authorization of appropriations in section 2601(a)(1)(B), the Secretary of the Army shall enter into an agreement with the State of Utah under which the State agrees to provide financial or in-kind contributions toward

land acquisition, site preparation, and relocation costs in connection with the project.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1995 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1994 projects.
Sec. 2704. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2705. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2706. Extension of availability of funds for construction of relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico.
Sec. 2707. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2001 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1995 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3046), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2201, 2202, 2301, 2302, 2401, or 2601 of such Act, shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
California	Fort Irwin	National Training Center Airfield Phase I	$10,000,000

Navy: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
Maryland	Indian Head Naval Surface Warfare Center	Upgrade Power Plant	$4,000,000
	Indian Head Naval Surface Warfare Center	Denitrification/ Acid Mixing Facility	$6,400,000
Virginia	Norfolk Marine Corps Security Force Battalion Atlantic	Bachelor Enlisted Quarters	$6,480,000
Washington	Naval Station, Everett	New Construction (Housing Office)	$780,000
CONUS Classified	Classified Location	Aircraft Fire and Rescue and Vehicle Maintenance Facilities	$2,200,000

Air Force: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
California	Beale Air Force Base	Consolidated Support Center	$10,400,000
	Los Angeles Air Force Station	Family Housing (50 units)	$8,962,000
North Carolina	Pope Air Force Base	Combat Control Team Facility	$2,450,000
	Pope Air Force Base	Fire Training Facility	$1,100,000

Defense Agencies: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
Alabama	Anniston Army Depot	Carbon Filtration System	$5,000,000
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Facility	$115,000,000
California	Defense Contract Management Area Office, El Segundo	Administrative Building	$5,100,000

Defense Agencies: Extension of 1995 Project Authorizations—Continued

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Facility	$186,000,000

Army National Guard: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
California	Camp Roberts	Modify Record Fire/Maintenance Shop	$3,910,000
	Camp Roberts	Combat Pistol Range	$952,000
Pennsylvania	Fort Indiantown Gap	Barracks	$6,200,000

Naval Reserve: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
Georgia	Naval Air Station Marietta	Training Center	$2,650,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160, 107 Stat. 1880), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2201 or 2601 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2783), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Transfer Facility	$1,450,000

Army National Guard: Extension of 1994 Project Authorization

State	Installation or Location	Project	Amount
New Mexico	White Sands Missile Range	MATES	$3,570,000

SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), the authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541) and section 2703 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2784), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility	$15,000,000

Army National Guard: Extension of 1993 Project Authorization

State	Installation or Location	Project	Amount
Alabama	Union Springs	Armory	$813,000

SEC. 2705. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), section 2703 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), and section 2704 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2785), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility	$3,600,000
	Umatilla Army Depot	Ammunition Demilitarization Utilities	$7,500,000

SEC. 2706. EXTENSION OF AVAILABILITY OF FUNDS FOR CONSTRUCTION OF RELOCATABLE OVER-THE-HORIZON RADAR, NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.

Amounts appropriated under the heading "DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE" in title VI of the Department of Defense Appropriations Act, 1995 (Public Law 103–335; 108 Stat. 2615), and transferred to the "Military Construction, Navy" appropriation for construction of a relocatable over-the-horizon radar at Naval Station Roosevelt Roads, Puerto Rico, shall remain available for that purpose until the later of—

(1) October 1, 1998; or

(2) the date of enactment of an Act authorizing funds for military construction for fiscal year 1999.

SEC. 2707. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1997; or

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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Use of mobility enhancement funds for unspecified minor construction.
Sec. 2802. Limitation on use of operation and maintenance funds for facility repair projects.
Sec. 2803. Leasing of military family housing, United States Southern Command, Miami, Florida.
Sec. 2804. Use of financial incentives provided as part of energy savings and water conservation activities.
Sec. 2805. Congressional notification requirements regarding use of Department of Defense housing funds for investments in nongovernmental entities.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Increase in ceiling for minor land acquisition projects.
Sec. 2812. Permanent authority regarding conveyance of utility systems.
Sec. 2813. Administrative expenses for certain real property transactions.
Sec. 2814. Screening of real property to be conveyed by Department of Defense.
Sec. 2815. Disposition of proceeds from sale of Air Force Plant 78, Brigham City, Utah.
Sec. 2816. Fire protection and hazardous materials protection at Fort Meade, Maryland.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Consideration of military installations as sites for new Federal facilities.
Sec. 2822. Adjustment and diversification assistance to enhance performance of military family support services by private sector sources.
Sec. 2823. Security, fire protection, and other services at property formerly associated with Red River Army Depot, Texas.
Sec. 2824. Report on closure and realignment of military installations.
Sec. 2825. Sense of Senate regarding utilization of savings derived from base closure process.
Sec. 2826. Prohibition against certain conveyances of property at Naval Station, Long Beach, California.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Land conveyance, Army Reserve Center, Greensboro, Alabama.
Sec. 2832. Land conveyance, James T. Coker Army Reserve Center, Durant, Oklahoma.
Sec. 2833. Land conveyance, Gibson Army Reserve Center, Chicago, Illinois.
Sec. 2834. Land conveyance, Fort A. P. Hill, Virginia.

Sec. 2835. Land conveyances, Fort Dix, New Jersey.
Sec. 2836. Land conveyances, Fort Bragg, North Carolina.
Sec. 2837. Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada.
Sec. 2838. Expansion of land conveyance authority, Indiana Army Ammunition Plant, Charlestown, Indiana.
Sec. 2839. Modification of land conveyance, Lompoc, California.
Sec. 2840. Modification of land conveyance, Rocky Mountain Arsenal, Colorado.
Sec. 2841. Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina.

PART II—NAVY CONVEYANCES

Sec. 2851. Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine.
Sec. 2852. Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.
Sec. 2853. Correction of lease authority, Naval Air Station, Meridian, Mississippi.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. Land transfer, Eglin Air Force Base, Florida.
Sec. 2862. Land conveyance, March Air Force Base, California.
Sec. 2863. Land conveyance, Ellsworth Air Force Base, South Dakota.
Sec. 2864. Land conveyance, Hancock Field, Syracuse, New York.
Sec. 2865. Land conveyance, Havre Air Force Station, Montana, and Havre Training Site, Montana.
Sec. 2866. Land conveyance, Charleston Family Housing Complex, Bangor, Maine.
Sec. 2867. Study of land exchange options, Shaw Air Force Base, South Carolina.

Subtitle E—Other Matters

Sec. 2871. Repeal of requirement to operate Naval Academy dairy farm.
Sec. 2872. Long-term lease of property, Naples, Italy.
Sec. 2873. Designation of military family housing at Lackland Air Force Base, Texas, in honor of Frank Tejeda, a former Member of the House of Representatives.
Sec. 2874. Fiber-optics based telecommunications linkage of military installations.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. USE OF MOBILITY ENHANCEMENT FUNDS FOR UNSPECIFIED MINOR CONSTRUCTION.

(a) CONGRESSIONAL NOTIFICATION.—Subsection (b)(1) of section 2805 of title 10, United States Code, is amended by adding at the end the following new sentence: "This paragraph shall apply even though the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.".

(b) RESTRICTION ON USE OF OPERATION AND MAINTENANCE FUNDS.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)"; and

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

"(3) The limitations specified in paragraph (1) shall not apply to an unspecified minor military construction project if the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.".

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

(1) in subsection (a)(1)—

(A) by striking out "minor military construction projects" in the first sentence and inserting in lieu thereof "unspecified minor military construction projects";

(B) by striking out "A minor" in the second sentence and inserting in lieu thereof "An unspecified minor"; and

(C) by striking out "a minor" in the last sentence and inserting in lieu thereof "an unspecified minor";

(2) in subsection (b)(1), by striking out "A minor" and inserting in lieu thereof "An unspecified minor";

(3) in subsection (b)(2), by striking out "a minor" and inserting in lieu thereof "an unspecified minor"; and

(4) in subsection (c), by striking out "unspecified military" each place it appears and inserting in lieu thereof "unspecified minor military".

SEC. 2802. LIMITATION ON USE OF OPERATION AND MAINTENANCE FUNDS FOR FACILITY REPAIR PROJECTS.

Section 2811 of title 10, United States Code, is amended by adding at the end the following new subsections:

"(d) CONGRESSIONAL NOTIFICATION.—When a decision is made to carry out a repair project under this section with an estimated cost in excess of $10,000,000, the Secretary concerned shall submit to the appropriate committees of Congress a report containing—

"(1) the justification for the repair project and the current estimate of the cost of the project; and

"(2) the justification for carrying out the project under this section.

"(e) REPAIR PROJECT DEFINED.—In this section, the term 'repair project' means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose.".

SEC. 2803. LEASING OF MILITARY FAMILY HOUSING, UNITED STATES SOUTHERN COMMAND, MIAMI, FLORIDA.

(a) LEASES TO EXCEED MAXIMUM RENTAL.—Section 2828(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out "paragraph (3)" and inserting in lieu thereof "paragraphs (3) and (4)";

(2) by redesignating paragraph (4) as paragraph (5); and

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

"(4) The Secretary of the Army may lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel, as designated by the Secretary, for the United States Southern Command for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation, including security enhancements) exceeds the expenditure limitations in paragraphs (2) and (3). The total amount for all leases under this paragraph may not exceed $280,000 per year, and no lease on any individual housing unit may exceed $60,000 per year.".

(b) CONFORMING AMENDMENT.—Paragraph (5) of such section, as redesignated by subsection (a)(2), is amended by striking out "paragraphs (2) and (3)" and inserting in lieu thereof "paragraphs (2), (3), and (4)".

SEC. 2804. USE OF FINANCIAL INCENTIVES PROVIDED AS PART OF ENERGY SAVINGS AND WATER CONSERVATION ACTIVITIES.

(a) ENERGY SAVINGS.—Section 2865 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking out "and financial incentives described in subsection (d)(2)";

(B) in paragraph (2), by striking out "section 2866(b)" both places it appears and inserting in lieu thereof "section 2866(a)(3)"; and

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

"(3) Financial incentives received from gas or electric utilities under subsection (d)(2), and from utilities for management of water demand or water conservation under section 2866(a)(2) of this title, shall be credited to an appropriation designated by the Secretary of Defense. Amounts so credited shall be merged with the appropriation to which credited and shall be available for the same purposes and the same period as the appropriation with which merged."; and

(2) in subsection (f), by adding at the end the following new sentence: "The Secretary shall also include in each report the types and amount of financial incentives received under subsection (d)(2) and section 2866(a)(2) of this title during the period covered by the report and the appropriation account or accounts to which the incentives were credited.".

(b) WATER CONSERVATION.—Section 2866(b) of such title is amended to read as follows:

"(b) USE OF FINANCIAL INCENTIVES AND WATER COST SAVINGS.—(1) Financial incentives received under subsection (a)(2) shall be used as provided in section 2865(b)(3) of this title.

"(2) Water cost savings realized under subsection (a)(3) shall be used as provided in section 2865(b)(2) of this title.".

SEC. 2805. CONGRESSIONAL NOTIFICATION REQUIREMENTS REGARDING USE OF DEPARTMENT OF DEFENSE HOUSING FUNDS FOR INVESTMENTS IN NONGOVERNMENTAL ENTITIES.

Section 2875 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) CONGRESSIONAL NOTIFICATION REQUIRED.—Amounts in the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund may be used to make a cash investment under this section in a nongovernmental entity only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the investment to the appropriate committees of Congress.".

Subtitle B—Real Property And Facilities Administration

SEC. 2811. INCREASE IN CEILING FOR MINOR LAND ACQUISITION PROJECTS.

(a) INCREASE.—Section 2672 of title 10, United States Code, is amended by striking out "$200,000" both places it appears in subsection (a) and inserting in lieu thereof "$500,000".

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

"§ 2672. Acquisition: interests in land when cost is not more than $500,000".

(2) The table of sections at the beginning of chapter 159 of such title is amended by striking out the item relating to section 2672 and inserting in lieu thereof the following new item:

"2672. Acquisition: interests in land when cost is not more than $500,000.".

SEC. 2812. PERMANENT AUTHORITY REGARDING CONVEYANCE OF UTILITY SYSTEMS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2687 the following new section:

"§ 2688. Utility systems: conveyance authority

"(a) CONVEYANCE AUTHORITY.—The Secretary of a military department may convey a utility system, or part of a utility system, under the jurisdiction of the Secretary to a municipal, private, regional, district, or cooperative utility company or other entity. The conveyance may consist of all right, title, and interest of the United States in the utility system or such lesser estate as the Secretary considers appropriate to serve the interests of the United States.

"(b) SELECTION OF CONVEYEE.—If more than one utility or entity referred to in subsection (a) notifies the Secretary concerned of an interest in a conveyance under such subsection, the Secretary shall carry out the conveyance through the use of competitive procedures.

"(c) CONSIDERATION.—(1) The Secretary concerned shall require as consideration for a conveyance under subsection (a) an amount equal to the fair market value (as determined by the Secretary) of the right, title, or interest of the United States conveyed. The consideration may take the form of—

"(A) a lump sum payment; or

"(B) a reduction in charges for utility services provided by the utility or entity concerned to the military installation at which the utility system is located.

"(2) If the utility services proposed to be provided as consideration under paragraph (1) are subject to regulation by a Federal or State agency, any reduction in the rate charged for the utility services shall be subject to establishment or approval by that agency.

"(d) TREATMENT OF PAYMENTS.—(1) A lump sum payment received under subsection (c) shall be credited, at the election of the Secretary concerned—

"(A) to an appropriation of the military department concerned available for the procurement of the same utility services as are provided by the utility system conveyed under this section;

"(B) to an appropriation of the military department available for carrying out energy savings projects or water conservation projects; or

"(C) to an appropriation of the military department available for improvements to other utility systems.

"(2) Amounts so credited shall be merged with funds in the appropriation to which credited and shall be available for the same purposes, and subject to the same conditions and limitations, as the appropriation with which merged.

"(e) NOTICE-AND-WAIT REQUIREMENT.—The Secretary concerned may not make a conveyance under subsection (a) until—

"(1) the Secretary submits to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

"(A) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States; and

"(B) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned; and

"(2) a period of 21 days has elapsed after the date on which the economic analysis is received by the committees.

"(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

"(g) UTILITY SYSTEM DEFINED.—(1) In this section, the term 'utility system' means any of the following:

"(A) A system for the generation and supply of electric power.

"(B) A system for the treatment or supply of water.

"(C) A system for the collection or treatment of wastewater.

"(D) A system for the generation or supply of steam, hot water, and chilled water.

"(E) A system for the supply of natural gas.

"(F) A system for the transmission of telecommunications.

"(2) The term 'utility system' includes the following:

"(A) Equipment, fixtures, structures, and other improvements utilized in connection with a system referred to in paragraph (1).

"(B) Easements and rights-of-way associated with a system referred to in that paragraph.

"(h) LIMITATION.—This section shall not apply to projects constructed or operated by the Army Corps of Engineers under its civil works authorities.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2687 the following new item:

"2688. Utility systems: conveyance authority.".

SEC. 2813. ADMINISTRATIVE EXPENSES FOR CERTAIN REAL PROPERTY TRANSACTIONS.

(a) ACCEPTANCE AUTHORIZED.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions

"(a) AUTHORITY TO ACCEPT.—In connection with a real property transaction referred to in subsection (b) with a non-Federal person or entity, the Secretary of a military department may accept

amounts provided by the person or entity to cover administrative expenses incurred by the Secretary in entering into the transaction.

"(b) COVERED TRANSACTIONS.—Subsection (a) applies to the following transactions:

"(1) The exchange of real property.

"(2) The grant of an easement over, in, or upon real property of the United States.

"(3) The lease or license of real property of the United States.

"(c) USE OF AMOUNTS COLLECTED.—Amounts collected under subsection (a) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by adding at the end the following new item:

"2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions.".

SEC. 2814. SCREENING OF REAL PROPERTY TO BE CONVEYED BY DEPARTMENT OF DEFENSE.

(a) REQUIREMENT.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2695, as added by section 2813, the following new section:

"§ 2696. Screening of real property for further Federal use before conveyance

"(a) SCREENING REQUIREMENT.—The Secretary concerned may not convey real property that is authorized or required to be conveyed, whether for or without consideration, by any provision of law unless the Administrator of General Services has screened the property for further Federal use in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(b) TIME FOR SCREENING.—(1) Before the end of the 30-day period beginning on the date of the enactment of a provision of law authorizing or requiring the conveyance of a parcel of real property by the Secretary concerned, the Administrator of General Services shall complete the screening required by paragraph (1) with regard to the real property and notify the Secretary concerned of the results of the screening. The notice shall include—

"(A) the name of the Federal agency requesting transfer of the property;

"(B) the proposed use to be made of the property by the Federal agency; and

"(C) the fair market value of the property, including any improvements thereon, as estimated by the Administrator.

"(2) If the Administrator fails to complete the screening and notify the Secretary concerned within such period, the Secretary concerned shall proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance.

"(c) NOTICE OF FURTHER FEDERAL USE.—If the Administrator of General Services notifies the Secretary concerned under subsection (b) that further Federal use of a parcel of real property authorized or required to be conveyed by any provision of law is requested by a Federal agency, the Secretary concerned shall submit a copy of the notice to Congress.

"(d) CONGRESSIONAL DISAPPROVAL.—If the Secretary concerned submits a notice under subsection (c) with regard to a parcel of real property, the Secretary concerned may not proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance if Congress enacts a law rescinding the conveyance authority or requirement before the end of the 180-day period beginning on the date on which the Secretary concerned submits the notice.

"(e) EXCEPTED CONVEYANCE AUTHORITIES.—The screening requirements of this section shall not apply to real property authorized or required to be conveyed under any of the following provisions of law:

"(1) Section 2687 of this title.

"(2) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

"(3) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(4) Any provision of law authorizing the closure or realignment of a military installation that is enacted after the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

"(5) Title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

"(6) Any specific provision of law authorizing or requiring the transfer of administrative jurisdiction over a parcel of real property between Federal agencies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2695, as added by section 2813, the following new item:

"2696. Screening of real property for further Federal use before conveyance.".

(b) APPLICABILITY.—Section 2696 of title 10, United States Code, as added by subsection (a) of this section, shall apply with respect to any real property authorized or required to be conveyed under a provision of law covered by such section that is enacted after December 31, 1997.

SEC. 2815. DISPOSITION OF PROCEEDS OF SALE OF AIR FORCE PLANT NO. 78, BRIGHAM CITY, UTAH.

Notwithstanding section 204(h)(2)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)(A)), the entire amount deposited by the Administrator of General Services in the special account in the Treasury (established under section 204(h)(2) of such Act) as a result of the sale of Air Force Plant No. 78, Brigham City, Utah, shall be available, to the extent provided in appropriations Acts, to the Secretary of the Air Force for facility maintenance, facility repair, and environmental restoration at other industrial plants of the Air Force.

SEC. 2816. FIRE PROTECTION AND HAZARDOUS MATERIALS PROTECTION AT FORT MEADE, MARYLAND.

(a) PLAN.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a plan to address the requirements for fire protection services and hazardous materials protection services at Fort Meade, Maryland, including the National Security Agency at Fort Meade, as identified in the preparedness evaluation report of the Army Corps of Engineers regarding Fort Meade.

(b) ELEMENTS.—The plan shall include the following:

(1) A schedule for the implementation of the plan.

(2) A detailed list of funding options available to provide centrally located modern facilities and equipment to meet current requirements for fire protection services and hazardous materials protection services at Fort Meade.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. CONSIDERATION OF MILITARY INSTALLATIONS AS SITES FOR NEW FEDERAL FACILITIES.

(a) 1988 LAW.—Section 204(b)(5) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)"; and

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

"(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation closed or realigned or to be closed or realigned under this title as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall obtain the concurrence of the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

"(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

"(iii) This subparagraph shall apply during the period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 and ending on July 31, 2001.".

(b) 1990 LAW.—Section 2905(b)(5) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)"; and

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

"(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation closed or realigned or to be closed or realigned under this part as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall obtain the concurrence of the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

"(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

"(iii) This subparagraph shall apply during the period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 and ending on July 31, 2001.".

SEC. 2822. ADJUSTMENT AND DIVERSIFICATION ASSISTANCE TO ENHANCE PERFORMANCE OF MILITARY FAMILY SUPPORT SERVICES BY PRIVATE SECTOR SOURCES.

Section 2391(b)(5) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(C) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government in enhancing the capabilities of the government to support efforts of the Department of Defense to privatize, contract for, or diversify the performance of military family support services in cases in which the capability of the Department to provide such services is adversely affected by an action described in paragraph (1).".

SEC. 2823. SECURITY, FIRE PROTECTION, AND OTHER SERVICES AT PROPERTY FORMERLY ASSOCIATED WITH RED RIVER ARMY DEPOT, TEXAS.

(a) AUTHORITY TO ENTER INTO AGREEMENT.—(1) The Secretary of the Army may enter into an agreement with the local redevelopment authority for Red River Army Depot, Texas, under which agreement the Secretary provides security services, fire protection services, or hazardous material response services for the authority with respect to the property at the depot that is under the jurisdiction of the authority as a result of the realignment of the depot under the base closure laws.

(2) The Secretary may not enter into the agreement unless the Secretary determines that the provision of services under the agreement is in the best interests of the United States.

(b) REIMBURSEMENT.—The agreement under subsection (a) shall provide for reimbursing the Secretary for the services provided by the Secretary under the agreement.

(c) TREATMENT OF REIMBURSEMENT.—Any amounts received by the Secretary under subsection (b) as reimbursement for services provided under the agreement entered into under subsection (a) shall be credited to the appropriations providing funds for the services. Amounts so credited shall be merged with the appropriations to which credited and shall be available for the purposes, and subject to the conditions and limitations, for which such appropriations are available.

SEC. 2824. REPORT ON CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS.

(a) REPORT.—(1) The Secretary of Defense shall prepare and submit to the congressional defense committees a report on the costs and savings attributable to the rounds of base closures and realignments conducted under the base closure laws and on the need, if any, for additional rounds of base closures and realignments.

(2) For purposes of this section, the term "base closure laws" means—

(A) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note); and

(B) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) A statement, using data consistent with budget data, of the actual costs and savings (to the extent available for prior fiscal years) and the estimated costs and savings (in the case of future fiscal years) attributable to the closure and realignment of military installations as a result of the base closure laws.

(2) A comparison, set forth by base closure round, of the actual costs and savings stated under paragraph (1) to the estimates of costs and savings submitted to the Defense Base Closure and Realignment Commission as part of the base closure process.

(3) A comparison, set forth by base closure round, of the actual costs and savings stated under paragraph (1) to the annual estimates of costs and savings previously submitted to Congress.

(4) A list of each military installation at which there is authorized to be employed 300 or more civilian personnel, set forth by Armed Force.

(5) An estimate of current excess capacity at military installations, set forth—

(A) as a percentage of the total capacity of the military installations of the Armed Forces with respect to all military installations of the Armed Forces;

(B) as a percentage of the total capacity of the military installations of each Armed Force with respect to the military installations of such Armed Force; and

(C) as a percentage of the total capacity of a type of military installations with respect to military installations of such type.

(6) An assessment of the effect of the previous base closure rounds on military capabilities and the ability of the Armed Forces to fulfill the National Military Strategy.

(7) A description of the types of military installations that would be recommended for closure or realignment in the event of one or more additional base closure rounds, set forth by Armed Force.

(8) The criteria to be used by the Secretary in evaluating military installations for closure or realignment in such event.

(9) The methodologies to be used by the Secretary in identifying military installations for closure or realignment in such event.

(10) An estimate of the costs and savings that the Secretary believes will be achieved as a result of the closure or realignment of military installations in such event, set forth by Armed Force and by year.

(11) An assessment of whether the costs and estimated savings from one or more future rounds of base closures and realignments, currently unauthorized, are already contained in the current Future Years Defense Plan, and, if not, whether the Secretary will recommend modifications in future defense spending in order to accommodate such costs and savings.

(c) METHOD OF PRESENTING INFORMATION.—The statement and comparison required by paragraphs (1) and (2) of subsection (b) shall be set forth by Armed Force, type of facility, and fiscal year, and include the following:

(1) Operation and maintenance costs, including costs associated with expanded operations and support, maintenance of property, administrative support, and allowances for housing at military installations to which functions are transferred as a result of the closure or realignment of other installations.

(2) Military construction costs, including costs associated with rehabilitating, expanding, and constructing facilities to receive personnel and equipment that are transferred to military installations as a result of the closure or realignment of other installations.

(3) Environmental cleanup costs, including costs associated with assessments and restoration.

(4) Economic assistance costs, including—

(A) expenditures on Department of Defense demonstration projects relating to economic assistance;

(B) expenditures by the Office of Economic Adjustment; and

(C) to the extent available, expenditures by the Economic Development Administration, the Federal Aviation Administration, and the Department of Labor relating to economic assistance.

(5) To the extent information is available, unemployment compensation costs, early retirement benefits (including benefits paid under section 5597 of title 5, United States Code), and worker retraining expenses under the Priority Placement

Program, the Job Training Partnership Act, and any other federally funded job training program.

(6) Costs associated with military health care.

(7) Savings attributable to changes in military force structure.

(8) Savings due to lower support costs with respect to military installations that are closed or realigned.

(d) DEADLINE.—The Secretary shall submit the report under subsection (a) not later than the date on which the President submits to Congress the budget for fiscal year 2000 under section 1105(a) of title 31, United States Code.

(e) REVIEW.—The Congressional Budget Office and the Comptroller General shall conduct a review of the report prepared under subsection (a).

(f) PROHIBITION ON USE OF FUNDS.—Except as necessary to prepare the report required under subsection (a), no funds authorized to be appropriated or otherwise made available to the Department of Defense by this Act or any other Act may be used for the purposes of planning for, or collecting data in anticipation of, an authorization providing for procedures under which the closure and realignment of military installations may be accomplished, until the later of—

(1) the date on which the Secretary submits the report required by subsection (a); and

(2) the date on which the Congressional Budget Office and the Comptroller General complete a review of the report under subsection (e).

(g) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Secretary should develop a system having the capacity to quantify the actual costs and savings attributable to the closure and realignment of military installations pursuant to the base closure process; and

(2) the Secretary should develop the system in expedient fashion, so that the system may be used to quantify costs and savings attributable to the 1995 base closure round.

SEC. 2825. SENSE OF SENATE REGARDING UTILIZATION OF SAVINGS DERIVED FROM BASE CLOSURE PROCESS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Since 1988, the Department of Defense has conducted four rounds of closures and realignments of military installations in the United States, resulting in the closure of 97 installations.

(2) The cost of carrying out the closure or realignment of installations covered by such rounds is estimated by the Secretary of Defense to be $23,000,000,000.

(3) The savings expected as a result of the closure or realignment of such installations are estimated by the Secretary to be $10,300,000,000 through fiscal year 1996 and $36,600,000,000 through 2001.

(4) In addition to such savings, the Secretary has estimated recurring savings as a result of the closure or realignment of such installations of approximately $5,600,000,000 annually.

(5) The fiscal year 1997 budget request for the Department assumed a savings of between $2,000,000,000 and $3,000,000,000 as a result of the closure or realignment of such installations, which savings were to be dedicated to the

modernization of the Armed Forces. The savings assumed in the budget request were not realized.

(6) The fiscal year 1998 budget request for the Department assumes a savings of $5,000,000,000 as a result of the closure or realignment of such installations, which savings are to be dedicated to the modernization of the Armed Forces.

(b) SENSE OF SENATE ON USE OF SAVINGS RESULTING FROM BASE CLOSURE PROCESS.—It is the sense of the Senate that the savings identified in the report under section 2824 should be made available to the Department of Defense solely for purposes of the modernization of new weapon systems (including research, development, test, and evaluation relating to such modernization) and should be used by the Department solely for such purposes.

SEC. 2826. PROHIBITION AGAINST CERTAIN CONVEYANCES OF PROPERTY AT NAVAL STATION, LONG BEACH, CALIFORNIA.

(a) PROHIBITION AGAINST DIRECT CONVEYANCE.—In disposing of real property in connection with the closure of Naval Station, Long Beach, California, under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary of the Navy may not convey any portion of the property (by sale, lease, or other method) to the China Ocean Shipping Company or any legal successor or subsidiary of that Company (in this section referred to as "COSCO").

(b) PROHIBITION AGAINST INDIRECT CONVEYANCE.—The Secretary of the Navy shall impose as a condition on each conveyance of real property located at Naval Station, Long Beach, California, the requirement that the property may not be subsequently conveyed (by sale, lease, or other method) to COSCO.

(c) REVERSIONARY INTEREST.—If the Secretary of the Navy determines at any time that real property located at Naval Station, Long Beach, California, and conveyed under the Defense Base Closure and Realignment Act of 1990 has been conveyed to COSCO in violation of subsection (b) or is otherwise being used by COSCO in violation of such subsection, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have immediate right of entry thereon.

(d) NATIONAL SECURITY REPORT AND DETERMINATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense and the Director of the Federal Bureau of Investigation shall separately submit to the President and the congressional defense committees a report regarding the potential national security implications of conveying property described in subsection (a) to COSCO. Each report shall specifically identify any increased risk of espionage, arms smuggling, or other illegal activities that could result from a conveyance to COSCO and recommend appropriate action to address any such risk.

(e) WAIVER AUTHORITY.—(1) The President may waive the prohibitions contained in this section with respect to a conveyance of property described in subsection (a) to COSCO if the President determines that—

(A) appropriate action has been taken to address any increased national security risk identified in the reports required by subsection (d); and

(B) the conveyance would not adversely affect national security or significantly increase the counter-intelligence burden on the intelligence community.

(2) Any waiver under paragraph (1) shall take effect 30 days after the date on which the President notifies the Speaker of the House of Representatives and the President of the Senate of the President's determination to use the waiver authority provided under this subsection.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. LAND CONVEYANCE, ARMY RESERVE CENTER, GREENSBORO, ALABAMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Hale County, Alabama, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 5.17 acres and located at the Army Reserve Center, Greensboro, Alabama, that was conveyed by Hale County, Alabama, to the United States by warranty deed dated September 12, 1988.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be as described in the deed referred to in that subsection.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, JAMES T. COKER ARMY RESERVE CENTER, DURANT, OKLAHOMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Big Five Community Services, Incorporated, a nonprofit organization operating in Durant, Oklahoma, all right, title, and interest of the United States in and to a parcel of real property located at 1500 North First Street in Durant, Oklahoma, and containing the James T. Coker Army Reserve Center, if the Secretary determines that the Reserve Center is excess to the needs of the Armed Forces.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that Big Five Community Services, Incorporated, retain the conveyed property for educational purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for the purpose specified in subsection (b), all right, title, and interest in and to the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by Big Five Community Services, Incorporated.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with

the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, GIBSON ARMY RESERVE CENTER, CHICAGO, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Lawndale Business and Local Development Corporation (in this section referred to as the "Corporation"), a nonprofit organization organized in the State of Illinois, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 4454 West Cermak Road in Chicago, Illinois, and contains the Gibson Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Corporation—

(1) use the conveyed property, directly or through an agreement with a public or private entity, for economic redevelopment purposes; or

(2) convey the property to an appropriate public or private entity for use for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for economic redevelopment purposes, as required by subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. LAND CONVEYANCE, FORT A. P. HILL, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Caroline County, Virginia (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 10 acres located at Fort A. P. Hill, Virginia. The purpose of the conveyance is to permit the County to establish a solid waste transfer and recycling facility on the property.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the County shall permit the Army, at no cost to the Army, to dispose of not less than 1,800 tons of solid waste annually at the facility established on the conveyed property. The obligation of the County to accept solid waste under this subsection shall not commence until after the solid waste transfer and recycling facility on the conveyed property becomes operational, and the establishment of a solid waste collection and transfer site on the .36-acre parcel described in subsection (d)(2) shall not be construed to impose the obligation.

(c) DISCLAIMER.—The United States shall not be responsible for the provision or cost of utilities or any other improvements necessary to carry out the conveyance under subsection (a) or to

establish or operate the solid waste transfer and recycling facility intended for the property.

(d) REVERSION.—(1) Except as provided in paragraph (2), if the Secretary determines that a solid waste transfer and recycling facility is not operational, before December 31, 1999, on the real property conveyed under subsection (a), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) Paragraph (1) shall not apply with respect to a parcel of approximately .36 acres of the approximately 10-acre parcel to be conveyed under subsection (a), which is included in the larger conveyance to permit the County to establish a solid waste collection and transfer site for residential waste.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. LAND CONVEYANCES, FORT DIX, NEW JERSEY.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Borough of Wrightstown, New Jersey (in this section referred to as the "Borough"), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 39.69 acres located at Fort Dix, New Jersey, for the purpose of permitting the Borough to develop the parcel for economic purposes.

(2) The Secretary may convey, without consideration, to the New Hanover Board of Education (in this section referred to as the "Board"), all right, title, and interest of the United States in and to an additional parcel of real property (including improvements thereon) at Fort Dix consisting of approximately five acres for the purpose of permitting the Board to develop the parcel for educational purposes.

(b) CONDITIONS OF CONVEYANCE.—(1) The conveyance under subsection (a)(1) shall be subject to the condition that the Borough—

(A) use the conveyed property, directly or through an agreement with a public or private entity, for economic development purposes; or

(B) convey the property to an appropriate public or private entity for use for such purposes.

(2) The conveyance under subsection (a)(2) shall be subject to the condition that the Board develop and use the conveyed property for educational purposes.

(c) REVERSION.—(1) If the Secretary determines at any time that the real property conveyed under subsection (a)(1) is not being used for economic development purposes, as required by subsection (b)(1), all right, title, and interest in and to the property conveyed under subsection (a)(1), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) If the Secretary determines at any time that the real property conveyed under subsection (a)(2) is not being used for educational purposes, as required by subsection (b)(2), all right, title, and interest in and to the property conveyed under subsection (a)(2), including any improvements thereon, shall revert to the

United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Borough, and the cost of the survey in connection with the conveyance under subsection (a)(2) shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. LAND CONVEYANCES, FORT BRAGG, NORTH CAROLINA.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Town of Spring Lake, North Carolina (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 50 acres located at Fort Bragg, North Carolina.

(2) The Secretary may convey, without consideration, to Harnett County, North Carolina (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon), known as Tract No. 404–2, consisting of approximately 157 acres located at Fort Bragg.

(3) The Secretary may convey, at fair market value, to the County all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon), known as Tract No. 404–1, consisting of approximately 137 acres located at Fort Bragg.

(b) CONDITIONS OF CONVEYANCE.—(1) The conveyance under subsection (a)(1) shall be subject to the condition that the Town use the conveyed property for access to a waste treatment facility and for economic development purposes.

(2) The conveyance under subsection (a)(2) shall be subject to the condition that the County develop and use the conveyed property for educational purposes.

(c) REVERSION.—(1) If the Secretary determines at any time that the real property conveyed under subsection (a)(1) is not being used in accordance with subsection (b)(1), all right, title, and interest in and to the property conveyed under subsection (a)(1), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) If the Secretary determines at any time that the real property conveyed under subsection (a)(2) is not being used in accordance with subsection (b)(2), all right, title, and interest in and to the property conveyed under subsection (a)(2), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Town, and the cost of the

survey in connection with the conveyances under paragraphs (2) and (3) of subsection (a) shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND CONVEYANCE, HAWTHORNE ARMY AMMUNITION DEPOT, MINERAL COUNTY, NEVADA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Mineral County, Nevada (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, consisting of approximately 33.1 acres located at Hawthorne Army Ammunition Depot, Mineral County, Nevada, and commonly referred to as the Schweer Drive Housing Area, for the purpose of permitting the County to develop the parcel for economic purposes.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the County accept the conveyed property subject to such easements and rights of way in favor of the United States as the Secretary considers appropriate.

(2) That the County, if the County sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this Act, pay to the United States an amount equal to the lesser of—

(A) the amount of sale of the property sold; or

(B) the fair market value of the property sold as determined without taking into account any improvements to such property by the County.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easement or right of way granted under subsection (b)(1), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and any easement or right of way granted under subsection (b)(1), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2838. EXPANSION OF LAND CONVEYANCE AUTHORITY, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) ADDITIONAL CONVEYANCE.—Subsection (a) of section 2858 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 571) is amended—

(1) by inserting "(1)" before "The Secretary of the Army"; and

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

"(2) The Secretary may also convey to the State, without consideration, an additional parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 500 acres located along the Ohio River.".

(b) CONFORMING AMENDMENTS.—Such section is further amended by striking out "conveyance" both places it appears in subsections (b) and (d) and inserting in lieu thereof "conveyances".

SEC. 2839. MODIFICATION OF LAND CONVEYANCE, LOMPOC, CALIFORNIA.

(a) CHANGE IN AUTHORIZED USES OF LAND.—Section 834(b)(1) of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1526), is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following new subparagraphs:

"(A) for educational and recreational purposes;

"(B) for open space; or".

(b) CONFORMING DEED CHANGES.—With respect to the land conveyance made pursuant to section 834 of the Military Construction Authorization Act, 1985, the Secretary of the Army shall execute and file in the appropriate office or offices an amended deed or other appropriate instrument effectuating the changes to the authorized uses of the conveyed property resulting from the amendment made by subsection (a).

SEC. 2840. MODIFICATION OF LAND CONVEYANCE, ROCKY MOUNTAIN ARSENAL, COLORADO.

Section 5(c)(1) of Public Law 102–402 (106 Stat. 1966; 16 U.S.C. 668dd note) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: "The Administrator shall convey the transferred property to Commerce City, Colorado, for consideration in an amount equal to the fair market value of the property (as determined jointly by the Administrator and the City).".

SEC. 2841. CORRECTION OF LAND CONVEYANCE AUTHORITY, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) CORRECTION OF CONVEYEE.—Subsection (a) of section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2793) is amended by striking out "County of Anderson, South Carolina (in this section referred to as the 'County')" and inserting in lieu thereof "Board of Education, Anderson County, South Carolina (in this section referred to as the 'Board')".

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are each amended by striking out "the County" and inserting in lieu thereof "the Board".

PART II—NAVY CONVEYANCES

SEC. 2851. LAND CONVEYANCE, TOPSHAM ANNEX, NAVAL AIR STATION, BRUNSWICK, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Maine School Administrative District No. 75, Topsham, Maine (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 40 acres located at the Topsham Annex, Naval Air Station, Brunswick, Maine.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the District use the conveyed property for educational purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for the purpose specified in subsection (b), all right, title, and

interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with the improvements thereon, to the District.

(2) As consideration for the lease under this subsection, the District shall provide such security services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2852. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT NO. 464, OYSTER BAY, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the County of Nassau, New York (in this section referred to as the "County"), all right, title, and interest of the United States in and to parcels of real property consisting of approximately 110 acres and comprising the Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.

(2)(A) As part of the conveyance authorized in paragraph (1), the Secretary may convey to the County such improvements, equipment, fixtures, and other personal property (including special tooling equipment and special test equipment) located on the parcels as the Secretary determines to be not required by the Navy for other purposes.

(B) The Secretary may permit the County to review and inspect the improvements, equipment, fixtures, and other personal property located on the parcels for purposes of the conveyance authorized by this paragraph.

(b) CONDITION OF CONVEYANCE.—The conveyance of the parcels authorized in subsection (a) shall be subject to the condition that the County—

(1) use the parcels, directly or through an agreement with a public or private entity, for economic redevelopment purposes or such other public purposes as the County determines appropriate; or

(2) convey the parcels to an appropriate public or private entity for use for such purposes.

(c) REVERSION.—If, during the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), the Secretary determines that the conveyed real property is not being used for a purpose specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with improvements thereon, to the County.

(2) As consideration for the lease under this subsection, the County shall provide such security services and fire protection services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. CORRECTION OF LEASE AUTHORITY, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

(a) CORRECTION OF LESSEE.—Subsection (a) of section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2798) is amended—

(1) by striking out "State of Mississippi (in this section referred to as the 'State')" and inserting in lieu thereof "County of Lauderdale, Mississippi (in this section referred to as the 'County')"; and

(2) by striking out "The State" and inserting in lieu thereof "The County".

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are amended by striking out "State" each place it appears and inserting in lieu thereof "County".

PART III—AIR FORCE CONVEYANCES

SEC. 2861. LAND TRANSFER, EGLIN AIR FORCE BASE, FLORIDA.

(a) TRANSFER.—The real property withdrawn by Executive Order 4525, dated October 1, 1826, which consists of approximately 440 acres of land at Cape San Blas, Gulf County, Florida, and any improvements thereon, is transferred from the administrative jurisdiction of the Secretary of Transportation to the administrative jurisdiction of the Secretary of the Air Force, without reimbursement. Executive Order 4525 is revoked, and the transferred real property shall be administered by the Secretary of the Air Force pursuant to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and such other laws as may be applicable to Federal real property.

(b) USE OF PROPERTY.—The real property transferred under subsection (a) may be used in conjunction with operations at Eglin Air Force Base, Florida.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Air Force. The cost of the survey shall be borne by the Secretary of the Air Force.

SEC. 2862. LAND CONVEYANCE, MARCH AIR FORCE BASE, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey to Air Force Village West, Incorporated (in this section referred to as the "Corporation"), of Riverside, California, all right, title, and interest of the United States in and to a parcel of real property located at March Air Force Base, California, and consisting of approximately 75 acres, as more fully described in subsection (c).

(2) If the Secretary does not make the conveyance authorized by paragraph (1) to the Corporation on or before January 1, 2006, the Secretary shall convey the real property instead to the March Joint Powers Authority, the redevelopment authority established for March Air Force Base.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a)(1), the Corporation shall pay to the United States an amount equal to the fair market value of the real property, as determined by the Secretary.

(c) LAND DESCRIPTION.—The real property to be conveyed under subsection (a) is contiguous to land conveyed to the Corporation pursuant to section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), and lies within sections 27, 28, 33, and 34 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, County of Riverside, California. The exact acreage and legal description of the real property shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the party receiving the property.

(d) TECHNICAL CORRECTIONS REGARDING PREVIOUS CONVEYANCE.—Section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), is amended—

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

(2) in subsection (c), by striking out "Clark Street," and all that follows through the period and inserting in lieu thereof "Village West Drive, on the west by Allen Avenue, on the south by 8th Street, and the north is an extension of 11th Street between Allen Avenue and Clark Street.".

SEC. 2863. LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the "Corporation"), all right, title, and interest of the United States in and to the parcels of real property located at Ellsworth Air Force Base, South Dakota, referred to in subsection (b).

(b) COVERED PROPERTY.—(1) Subject to paragraph (2), the real property referred to in subsection (a) is the following:

(A) A parcel of real property, together with any improvements thereon, consisting of approximately 53.32 acres and comprising the Skyway Military Family Housing Area.

(B) A parcel of real property, together with any improvements thereon, consisting of approximately 137.56 acres and comprising the Renal Heights Military Family Housing Area.

(C) A parcel of real property, together with any improvements thereon, consisting of approximately 14.92 acres and comprising the East Nike Military Family Housing Area.

(D) A parcel of real property, together with any improvements thereon, consisting of approximately 14.69 acres and comprising the South Nike Military Family Housing Area.

(E) A parcel of real property, together with any improvements thereon, consisting of approximately 14.85 acres and comprising the West Nike Military Family Housing Area.

(2) The real property referred to in subsection (a) does not include the portion of real property referred to in paragraph (1)(B) that the Secretary determines to be required for the construction of an access road between the main gate of Ellsworth Air Force Base and an interchange on Interstate Route 90 located in the vicinity of mile marker 67 in South Dakota.

(c) CONDITIONS OF CONVEYANCE.—The conveyance of the real property referred to in subsection (b) shall be subject to the following conditions:

(1) That the Corporation, and any person or entity to which the Corporation transfers the property, comply in the use of the property with the applicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study.

(2) That the Corporation convey a portion of the real property referred to in subsection (b)(1)(A), together with any improvements thereon, consisting of approximately 20 acres to the Douglas School District, South Dakota, for use for education purposes.

(d) REVERSION.—If the Secretary determines that any portion of the real property conveyed under subsection (a) is not being used in accordance with the applicable provision of subsection (c), all right, title, and interest in and to that portion of the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2864. LAND CONVEYANCE, HANCOCK FIELD, SYRACUSE, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey, without consideration, to Onondaga County, New York (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 14.9 acres and located at Hancock Field, Syracuse, New York, the site of facilities no longer required for use by the 152nd Air Control Group of the New York Air National Guard.

(2) If, at the time of the conveyance authorized by paragraph (1), the property to be conveyed is under the jurisdiction of the Administrator of General Services rather than the Secretary, the Administrator shall make the conveyance.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the condition that the County use the property conveyed for economic development purposes.

(c) REVERSION.—If the Secretary (or the Administrator in the event the conveyance is made by the Administrator) determines at any time that the property conveyed pursuant to this section is not being used for the purposes specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary (or the Administrator in the event the conveyance is made by the Administrator). The cost of the survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary (or the Administrator in the event the conveyance is made by the Administrator) may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary or the Administrator, as the case may be, considers appropriate to protect the interests of the United States.

SEC. 2865. LAND CONVEYANCE, HAVRE AIR FORCE STATION, MONTANA, AND HAVRE TRAINING SITE, MONTANA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey, without consideration, to the Bear Paw Development Corporation, Havre, Montana (in this section referred to as the "Corporation"), all, right, title, and interest of the United States in and to the real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following real property:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 85 acres and comprising the Havre Air Force Station, Montana.

(B) A parcel of real property, including any improvements thereon, consisting of approximately 9 acres and comprising the Havre Training Site, Montana.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the Corporation—

(A) convey to the Box Elder School District 13G, Montana, 10 single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the school district; and

(B) grant the school district access to the property for purposes of removing the homes from the property.

(2) That the Corporation—

(A) convey to the Hays/Lodgepole School District 50, Montana—

(i) 27 single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the school district;

(ii) one barracks housing unit located on the property;

(iii) two steel buildings (nos. 7 and 8) located on the property;

(iv) two tin buildings (nos. 37 and 44) located on the property; and

(v) miscellaneous personal property located on the property that is associated with the buildings conveyed under this subparagraph; and

(B) grant the school district access to the property for purposes of removing such homes and buildings, the housing unit, and such personal property from the property.

(3) That the Corporation—

(A) convey to the District 4 Human Resources Development Council, Montana, eight single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the council; and

(B) grant the council access to the property for purposes of removing such homes from the property.

(4) That any property conveyed under subsection (a) that is not conveyed under this subsection be used for economic development purposes or housing purposes.

(c) REVERSION.—If the Secretary determines at any time that the portion of the property conveyed under subsection (a) which is covered by the condition specified in subsection (b)(4) is not being used for the purposes specified in that subsection, all right, title, and interest in and to such property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreages and legal description of the parcels of property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Corporation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2866. LAND CONVEYANCE, CHARLESTON FAMILY HOUSING COMPLEX, BANGOR, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the City of Bangor, Maine (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 19.8 acres, including improvements thereon, located in Bangor, Maine, and known as the Charleston Family Housing Complex.

(b) PURPOSE OF CONVEYANCE.—The purpose of the conveyance under subsection (a) is to facilitate the reuse of the real property, currently unoccupied, which the City proposes to use to provide housing opportunities for first-time home buyers.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the condition that the City, if the City sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this Act, pay to the United States an amount equal to the lesser of—

(1) the amount of sale of the property sold; or

(2) the fair market value of the property sold as determined without taking into account any improvements to such property by the City.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2867. STUDY OF LAND EXCHANGE OPTIONS, SHAW AIR FORCE BASE, SOUTH CAROLINA.

Section 2874 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 583) is amended by adding at the end the following new subsection:

"(g) STUDY OF EXCHANGE OPTIONS.—To facilitate the use of a land exchange to acquire the real property described in subsection (a), the Secretary shall conduct a study to identify real property in the possession of the Air Force (located in the State of South Carolina or elsewhere) that satisfies the requirements of subsection (b)(2), is acceptable to the party holding the property to be acquired, and is otherwise suitable for exchange under this section. Not later than three months after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the Secretary shall submit to Congress a report containing the results of the study.".

Subtitle E—Other Matters

SEC. 2871. REPEAL OF REQUIREMENT TO OPERATE NAVAL ACADEMY DAIRY FARM.

(a) OPERATION.—(1) Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6976. Operation of Naval Academy dairy farm

"(a) DISCRETION REGARDING CONTINUED OPERATION.—(1) Subject to paragraph (2), the Secretary of the Navy may terminate or reduce the dairy or other operations conducted at the Naval Academy dairy farm located in Gambrills, Maryland.

"(2) Notwithstanding the termination or reduction of operations at the Naval Academy dairy farm under paragraph (1), the real property containing the dairy farm (consisting of approximately 875 acres)—

"(A) may not be declared to be excess real property to the needs of the Navy or transferred or otherwise disposed of by the Navy or any Federal agency; and

"(B) shall be maintained in its rural and agricultural nature.

"(b) LEASE AUTHORITY.—(1) Subject to paragraph (2), to the extent that the termination or reduction of operations at the Naval Academy dairy farm permit, the Secretary of the Navy may lease the real property containing the dairy farm, and any improvements and personal property thereon, to such persons and under such terms as the Secretary considers appropriate. In leasing any of

the property, the Secretary may give a preference to persons who will continue dairy operations on the property.

"(2) Any lease of property at the Naval Academy dairy farm shall be subject to a condition that the lessee maintain the rural and agricultural nature of the leased property.

"(c) EFFECT OF OTHER LAWS.—Nothing in section 6971 of this title shall be construed to require the Secretary of the Navy or the Superintendent of the Naval Academy to operate a dairy farm for the Naval Academy in Gambrills, Maryland, or any other location.".

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

"6976. Operation of Naval Academy dairy farm.".

(b) CONFORMING REPEAL OF EXISTING REQUIREMENTS.—Section 810 of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 309), is repealed.

(c) OTHER CONFORMING AMENDMENTS.—(1) Section 6971(b)(5) of title 10, United States Code, is amended by inserting "(if any)" before the period at the end.

(2) Section 2105(b) of title 5, United States Code, is amended by inserting "(if any)" after "Academy dairy".

SEC. 2872. LONG-TERM LEASE OF PROPERTY, NAPLES, ITALY.

(a) AUTHORITY.—Subject to subsection (d), the Secretary of the Navy may acquire by long-term lease structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvement Initiative.

(b) LEASE TERM.—Notwithstanding section 2675 of title 10, United States Code, the lease authorized by subsection (a) shall be for a term of not more than 20 years.

(c) EXPIRATION OF AUTHORITY.—The authority of the Secretary to enter into a lease under subsection (a) shall expire on September 30, 2002.

(d) AUTHORITY CONTINGENT ON APPROPRIATIONS ACTS.—The authority of the Secretary to enter into a lease under subsection (a) is available only to the extent or in the amount provided in advance in appropriations Acts.

SEC. 2873. DESIGNATION OF MILITARY FAMILY HOUSING AT LACKLAND AIR FORCE BASE, TEXAS, IN HONOR OF FRANK TEJEDA, A FORMER MEMBER OF THE HOUSE OF REPRESENTATIVES.

The military family housing developments to be constructed at two locations on Government property at Lackland Air Force Base, Texas, under the authority of subchapter IV of chapter 169 of title 10, United States Code, shall be designated by the Secretary of the Air Force, at an appropriate time, as follows:

(1) The eastern development shall be designated as "Frank Tejeda Estates East".

(2) The western development shall be designated as "Frank Tejeda Estates West".

SEC. 2874. FIBER-OPTICS BASED TELECOMMUNICATIONS LINKAGE OF MILITARY INSTALLATIONS.

(a) INSTALLATION REQUIRED.—In at least one metropolitan area of the United States containing multiple military installations of

one or more military departments or Defense Agencies, the Secretary of Defense shall provide for the installation of fiber-optics based telecommunications technology to link as many of the installations in the area as practicable in a telecommunications network. The Secretary shall use a full and open competitive process, consistent with section 2304 of title 10, United States Code, to provide for the installation of the telecommunications network through one or more new contracts.

(b) FEATURES OF NETWORK.—The telecommunications network shall provide direct access to local and long distance telephone carriers, allow for transmission of both classified and unclassified information, and take advantage of the various capabilities of fiber-optics based telecommunications technology.

(c) TIME FOR REQUEST FOR BIDS OR PROPOSALS.—Not later than March 30, 1998, the Secretary of Defense shall release a final request for bids or proposals to provide the telecommunications network or networks described in subsection (a).

(d) REPORT ON IMPLEMENTATION.—Not later than December 31, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the implementation of subsection (c), including the metropolitan area or areas selected for the installation of a fiber-optics based telecommunications network, the current telecommunication costs for the Department of Defense in the selected area or areas, the estimated cost of the fiber-optics based network, and potential areas for the future use of fiber-optics based networks.

TITLE XXIX—SIKES ACT IMPROVEMENT

Sec. 2901. Short title.
Sec. 2902. Definition of Sikes Act for purposes of amendments.
Sec. 2903. Codification of short title of Act.
Sec. 2904. Preparation of integrated natural resources management plans.
Sec. 2905. Review for preparation of integrated natural resources management plans.
Sec. 2906. Transfer of wildlife conservation fees from closed military installations.
Sec. 2907. Annual reviews and reports.
Sec. 2908. Cooperative agreements.
Sec. 2909. Federal enforcement.
Sec. 2910. Natural resources management services.
Sec. 2911. Definitions.
Sec. 2912. Repeal of superseded provision.
Sec. 2913. Technical amendments.
Sec. 2914. Authorizations of appropriations.

SEC. 2901. SHORT TITLE.

This title may be cited as the "Sikes Act Improvement Act of 1997".

SEC. 2902. DEFINITION OF SIKES ACT FOR PURPOSES OF AMENDMENTS.

In this title, the term "Sikes Act" means the Act entitled "An Act to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations", approved September 15, 1960 (16 U.S.C. 670a et seq.), commonly referred to as the "Sikes Act".

SEC. 2903. CODIFICATION OF SHORT TITLE OF ACT.

The Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting before title I the following new section:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Sikes Act'.".

SEC. 2904. PREPARATION OF INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.

(a) IN GENERAL.—Section 101 of the Sikes Act (16 U.S.C. 670a(a)) is amended by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) AUTHORITY OF SECRETARY OF DEFENSE.—

"(1) PROGRAM.—

"(A) IN GENERAL.—The Secretary of Defense shall carry out a program to provide for the conservation and rehabilitation of natural resources on military installations.

"(B) INTEGRATED NATURAL RESOURCES MANAGEMENT PLAN.—To facilitate the program, the Secretary of each military department shall prepare and implement an integrated natural resources management plan for each military installation in the United States under the jurisdiction of the Secretary, unless the Secretary determines that the absence of significant natural resources on a particular installation makes preparation of such a plan inappropriate.

"(2) COOPERATIVE PREPARATION.—The Secretary of a military department shall prepare each integrated natural resources management plan for which the Secretary is responsible in cooperation with the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, and the head of each appropriate State fish and wildlife agency for the State in which the military installation concerned is located. Consistent with paragraph (4), the resulting plan for the military installation shall reflect the mutual agreement of the parties concerning conservation, protection, and management of fish and wildlife resources.

"(3) PURPOSES OF PROGRAM.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, the Secretaries of the military departments shall carry out the program required by this subsection to provide for—

"(A) the conservation and rehabilitation of natural resources on military installations;

"(B) the sustainable multipurpose use of the resources, which shall include hunting, fishing, trapping, and nonconsumptive uses; and

"(C) subject to safety requirements and military security, public access to military installations to facilitate the use.

"(4) EFFECT ON OTHER LAW.—Nothing in this title—

"(A)(i) affects any provision of a Federal law governing the conservation or protection of fish and wildlife resources; or

"(ii) enlarges or diminishes the responsibility and authority of any State for the protection and management of fish and resident wildlife; or

"(B) except as specifically provided in the other provisions of this section and in section 102, authorizes the Secretary of a military department to require a Federal license or permit to hunt, fish, or trap on a military installation.".

(b) CONFORMING AMENDMENTS.—Title I of the Sikes Act is amended—

(1) in section 101(b)(4) (16 U.S.C. 670a(b)(4)), by striking out "cooperative plan" each place it appears and inserting in lieu thereof "integrated natural resources management plan";

(2) in section 101(c) (16 U.S.C. 670a(c)), in the matter preceding paragraph (1), by striking out "a cooperative plan" and inserting in lieu thereof "an integrated natural resources management plan";

(3) in section 101(d) (16 U.S.C. 670a(d)), in the matter preceding paragraph (1), by striking out "cooperative plans" and inserting in lieu thereof "integrated natural resources management plans";

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking out "Cooperative plans" and inserting in lieu thereof "Integrated natural resources management plans";

(5) in section 102 (16 U.S.C. 670b), by striking out "a cooperative plan" and inserting in lieu thereof "an integrated natural resources management plan";

(6) in section 103 (16 U.S.C. 670c), by striking out "a cooperative plan" and inserting in lieu thereof "an integrated natural resources management plan";

(7) in section 106(a) (16 U.S.C. 670f(a)), by striking out "cooperative plans" and inserting in lieu thereof "integrated natural resources management plans"; and

(8) in section 106(c) (16 U.S.C. 670f(c)), by striking out "cooperative plans" and inserting in lieu thereof "integrated natural resources management plans".

(c) REQUIRED ELEMENTS OF PLANS.—Section 101(b) of the Sikes Act (16 U.S.C. 670a(b)) is amended—

(1) by striking out "(b) Each cooperative" and all that follows through the end of paragraph (1) and inserting in lieu thereof the following:

"(b) REQUIRED ELEMENTS OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, each integrated natural resources management plan prepared under subsection (a)—

"(1) shall, to the extent appropriate and applicable, provide for—

"(A) fish and wildlife management, land management, forest management, and fish- and wildlife-oriented recreation;

"(B) fish and wildlife habitat enhancement or modifications;

"(C) wetland protection, enhancement, and restoration, where necessary for support of fish, wildlife, or plants;

"(D) integration of, and consistency among, the various activities conducted under the plan;

"(E) establishment of specific natural resource management goals and objectives and time frames for proposed action;

"(F) sustainable use by the public of natural resources to the extent that the use is not inconsistent with the needs of fish and wildlife resources;

"(G) public access to the military installation that is necessary or appropriate for the use described in subparagraph (F), subject to requirements necessary to ensure safety and military security;

"(H) enforcement of applicable natural resource laws (including regulations);

"(I) no net loss in the capability of military installation lands to support the military mission of the installation; and

"(J) such other activities as the Secretary of the military department determines appropriate;";

(2) in paragraph (2), by adding "and" at the end;

(3) by striking out paragraph (3);

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

(5) in paragraph (3)(A) (as so redesignated), by striking out "collect the fees therefor," and inserting in lieu thereof "collect, spend, administer, and account for fees for the permits,".

SEC. 2905. REVIEW FOR PREPARATION OF INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.

(a) DEFINITIONS.—In this section, the terms "military installation" and "United States" have the meanings provided in section 100 of the Sikes Act (as added by section 2911).

(b) REVIEW OF MILITARY INSTALLATIONS.—

(1) REVIEW.—Not later than 270 days after the date of enactment of this Act, the Secretary of each military department shall—

(A) review each military installation in the United States that is under the jurisdiction of that Secretary to determine the military installations for which the preparation of an integrated natural resources management plan under section 101 of the Sikes Act (as amended by this title) is appropriate; and

(B) submit to the Secretary of Defense a report on the determinations.

(2) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report on the reviews conducted under paragraph (1). The report shall include—

(A) a list of the military installations reviewed under paragraph (1) for which the Secretary of the appropriate military department determines that the preparation of an integrated natural resources management plan is not appropriate; and

(B) for each of the military installations listed under subparagraph (A), an explanation of each reason such a plan is not appropriate.

(c) DEADLINE FOR INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.—Not later than three years after the date of the submission of the report required under subsection (b)(2), the Secretary of each military department shall, for each military installation with respect to which the Secretary has not determined under subsection (b)(2)(A) that preparation of an integrated natural resources management plan is not appropriate—

(1) prepare and begin implementing such a plan in accordance with section 101(a) of the Sikes Act (as amended by this title); or

(2) in the case of a military installation for which there is in effect a cooperative plan under section 101(a) of the Sikes Act on the day before the date of enactment of this Act, complete negotiations with the Secretary of the Interior and the heads of the appropriate State agencies regarding changes to the plan that are necessary for the plan to constitute an integrated natural resources management plan that complies with that section, as amended by this title.

(d) PUBLIC COMMENT.—The Secretary of each military department shall provide an opportunity for the submission of public comments on—

(1) integrated natural resources management plans proposed under subsection (c)(1); and

(2) changes to cooperative plans proposed under subsection (c)(2).

SEC. 2906. TRANSFER OF WILDLIFE CONSERVATION FEES FROM CLOSED MILITARY INSTALLATIONS.

Section 101(b)(3)(B) of the Sikes Act (16 U.S.C. 670a(b)) (as redesignated by section 2904(c)(4)) is amended by inserting before the period at the end the following: ", unless the military installation is subsequently closed, in which case the fees may be transferred to another military installation to be used for the same purposes".

SEC. 2907. ANNUAL REVIEWS AND REPORTS.

Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

"(f) REVIEWS AND REPORTS.—

"(1) SECRETARY OF DEFENSE.—Not later than March 1 of each year, the Secretary of Defense shall review the extent to which integrated natural resources management plans were prepared or were in effect and implemented in accordance with this title in the preceding year, and submit a report on the findings of the review to the committees. Each report shall include—

"(A) the number of integrated natural resources management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;

"(B) the amounts expended on conservation activities conducted pursuant to the plans in the year covered by the report; and

"(C) an assessment of the extent to which the plans comply with this title.

"(2) SECRETARY OF THE INTERIOR.—Not later than March 1 of each year and in consultation with the heads of State fish and wildlife agencies, the Secretary of the Interior shall submit a report to the committees on the amounts expended by the Department of the Interior and the State fish and wildlife agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resources management plans.

"(3) DEFINITION OF COMMITTEES.—In this subsection, the term 'committees' means—

"(A) the Committee on Resources and the Committee on National Security of the House of Representatives; and

"(B) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.".

SEC. 2908 COOPERATIVE AGREEMENTS.

Section 103a of the Sikes Act (16 U.S.C. 670c–1) is amended—

(1) in subsection (a), by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary of a military department";

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

"(b) MULTIYEAR AGREEMENTS.—Funds appropriated to the Department of Defense for a fiscal year may be obligated to cover the cost of goods and services provided under a cooperative agreement entered into under subsection (a) or through an agency agreement under section 1535 of title 31, United States Code, during any 18-month period beginning in that fiscal year, without regard to whether the agreement crosses fiscal years.".

SEC. 2909. FEDERAL ENFORCEMENT.

Title I of the Sikes Act is amended—

(1) by redesignating section 106 (16 U.S.C. 670f) as section 108; and

(2) by inserting after section 105 (16 U.S.C. 670e) the following new section:

"SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

"All Federal laws relating to the management of natural resources on Federal land may be enforced by the Secretary of Defense with respect to violations of the laws that occur on military installations within the United States.".

SEC. 2910. NATURAL RESOURCES MANAGEMENT SERVICES.

Title I of the Sikes Act is amended by inserting after section 106 (as added by section 2909) the following new section:

"SEC. 107. NATURAL RESOURCES MANAGEMENT SERVICES.

"To the extent practicable using available resources, the Secretary of each military department shall ensure that sufficient numbers of professionally trained natural resources management personnel and natural resources law enforcement personnel are available and assigned responsibility to perform tasks necessary to carry out this title, including the preparation and implementation of integrated natural resources management plans.".

SEC. 2911. DEFINITIONS.

Title I of the Sikes Act is amended by inserting before section 101 (16 U.S.C. 670a) the following new section:

"SEC. 100. DEFINITIONS.

"In this title:

"(1) MILITARY INSTALLATION.—The term 'military installation'—

"(A) means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department, except

land under the jurisdiction of the Assistant Secretary of the Army having responsibility for civil works;

"(B) includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department; and

"(C) does not include any land described in subparagraph (A) or (B) that is subject to an approved recommendation for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(2) STATE FISH AND WILDLIFE AGENCY.—The term 'State fish and wildlife agency' means the one or more agencies of State government that are responsible under State law for managing fish or wildlife resources.

"(3) UNITED STATES.—The term 'United States' means the States, the District of Columbia, and the territories and possessions of the United States.".

SEC. 2912. REPEAL OF SUPERSEDED PROVISION.

Section 2 of the Act of October 27, 1986 (Public Law 99–561; 16 U.S.C. 670a–1), is repealed.

SEC. 2913. TECHNICAL AMENDMENTS.

Title I of the Sikes Act, as amended by this title, is amended—

(1) in the heading for the title, by striking out "MILITARY RESERVATIONS" and inserting in lieu thereof "MILITARY INSTALLATIONS";

(2) in section 101(b)(3) (16 U.S.C. 670a(b)(3)), as redesignated by section 2904(c)(4)—

(A) in subparagraph (A), by striking out "the reservation" and inserting in lieu thereof "the installation"; and

(B) in subparagraph (B), by striking out "the military reservation" and inserting in lieu thereof "the military installation";

(3) in section 101(c) (16 U.S.C. 670a(c))—

(A) in paragraph (1), by striking out "a military reservation" and inserting in lieu thereof "a military installation"; and

(B) in paragraph (2), by striking out "the reservation" and inserting in lieu thereof "the installation";

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking "the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.)" and inserting "chapter 63 of title 31, United States Code";

(5) in section 102 (16 U.S.C. 670b), by striking out "military reservations" and inserting in lieu thereof "military installations"; and

(6) in section 103 (16 U.S.C. 670c)—

(A) by striking out "military reservations" and inserting in lieu thereof "military installations"; and

(B) by striking out "such reservations" and inserting in lieu thereof "the installations".

SEC. 2914. AUTHORIZATIONS OF APPROPRIATIONS.

(a) CONSERVATION PROGRAMS ON MILITARY INSTALLATIONS.—Subsections (b) and (c) of section 108 of the Sikes Act (as redesignated by section 2909(1)) are each amended by striking out "1983"

and all that follows through "1993," and inserting in lieu thereof "1998 through 2003,".

(b) CONSERVATION PROGRAMS ON PUBLIC LANDS.—Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) in subsection (a), by striking out "the sum of $10,000,000" and all that follows through "to enable the Secretary of the Interior" and inserting in lieu thereof "$4,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of the Interior"; and

(2) in subsection (b), by striking out "the sum of $12,000,000" and all that follows through "to enable the Secretary of Agriculture" and inserting in lieu thereof "$5,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of Agriculture".

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. Weapons activities.
Sec. 3102. Environmental restoration and waste management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on general plant projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfers of defense environmental management funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Memorandum of understanding for use of national laboratories for ballistic missile defense programs.
Sec. 3132. Defense environmental management privatization projects.
Sec. 3133. International cooperative stockpile stewardship.
Sec. 3134. Modernization of enduring nuclear weapons complex.
Sec. 3135. Tritium production.
Sec. 3136. Processing, treatment, and disposition of spent nuclear fuel rods and other legacy nuclear materials at the Savannah River Site.
Sec. 3137. Limitations on use of funds for laboratory directed research and development purposes.
Sec. 3138. Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets.
Sec. 3139. Modification and extension of authority relating to appointment of certain scientific, engineering, and technical personnel.
Sec. 3140. Limitation on use of funds for subcritical nuclear weapons tests.
Sec. 3141. Limitation on use of certain funds until future use plans are submitted.

Subtitle D—Other Matters

Sec. 3151. Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile.

Sec. 3152. Repeal of obsolete reporting requirements.
Sec. 3153. Study and funding relating to implementation of workforce restructuring plans.
Sec. 3154. Report and plan for external oversight of national laboratories.
Sec. 3155. University-based research collaboration program.
Sec. 3156. Stockpile stewardship program.
Sec. 3157. Reports on advanced supercomputer sales to certain foreign nations.
Sec. 3158. Transfers of real property at certain Department of Energy facilities.
Sec. 3159. Requirement to delegate certain authorities to site manager of Hanford Reservation.
Sec. 3160. Submittal of biennial waste management reports.
Sec. 3161. Department of Energy Security Management Board.
Sec. 3162. Submittal of annual report on status of security functions at nuclear weapons facilities.
Sec. 3163. Modification of authority on Commission on Maintaining United States Nuclear Weapons Expertise.
Sec. 3164. Land transfer, Bandelier National Monument.
Sec. 3165. Final settlement of Department of Energy community assistance obligations with respect to Los Alamos National Laboratory, New Mexico.
Sec. 3166. Sense of Congress regarding the Y–12 Plant in Oak Ridge, Tennessee.
Sec. 3167. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
Sec. 3168. Improvements to Greenville Road, Livermore, California.
Sec. 3169. Report on alternative system for availability of funds.
Sec. 3170. Report on remediation under the Formerly Utilized Sites Remedial Action Program.

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,867,150,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,387,100,000, to be allocated as follows:

(A) For operation and maintenance, $1,288,290,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $98,810,000, to be allocated as follows:

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $46,300,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,810,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $13,400,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $19,300,000.

(2) For inertial fusion, $414,800,000, to be allocated as follows:

(A) For operation and maintenance, $217,000,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $197,800,000, to be allocated as follows:

Project 96–D–111, national ignition facility, location to be determined, $197,800,000.

(3) For technology transfer and education, $65,250,000, to be allocated as follows:

(A) For technology transfer, $56,250,000.

(B) For education, $9,000,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,052,150,000, to be allocated as follows:

(1) For operation and maintenance, $1,891,265,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $160,885,000, to be allocated as follows:

Project 98–D–123, stockpile management restructuring initiative, tritium factory modernization and consolidation, Savannah River Site, Aiken, South Carolina, $11,000,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $6,450,000.

Project 98–D–125, tritium extraction facility, Savannah River Site, Aiken, South Carolina, $9,650,000.

Project 98–D–126, accelerator production of tritium, various locations, $67,865,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,200,000.

Project 97–D–124, steam plant wastewater treatment facility upgrade, Y–12 Plant, Oak Ridge, Tennessee, $1,900,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $6,900,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $2,700,000.

Project 95–D–102, chemistry and metallurgy research (CMR) upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $5,000,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $12,600,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $1,400,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $2,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $2,100,000.

Project 92–D–126, replace emergency notification system, various locations, $3,200,000.

Project 88–D–122, facilities capability assurance program, various locations, $18,920,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out weapons activities necessary for national security programs in the amount of $250,000,000.

(d) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by $22,608,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,010,973,000, of which $388,000,000 shall be allocated to the uranium enrichment decontamination and decommissioning fund.

(b) DEFENSE ENVIRONMENTAL MANAGEMENT CLOSURE PROJECTS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for closure projects in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $875,000,000, to be allocated as follows:

Project 98–CLR–1, Rocky Flats Closure Site, Denver, Colorado, $648,400,000.

Project 98–CLR–2, Fernald Environmental Management Project, Fernald, Ohio, $226,600,000.

(c) WASTE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,571,644,000, to be allocated as follows:

(1) For operation and maintenance, $1,490,876,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,768,000, to be allocated as follows:

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $1,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $13,961,000.

Project 96–D–408, waste management upgrades, various locations, $8,200,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $176,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $3,800,000.

Project 95–D–407, 219–S secondary containment upgrade, Richland, Washington, $2,500,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,219,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $15,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $17,520,000.

Project 92–D–172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas, $5,000,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $1,042,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $11,250,000.

(d) TECHNOLOGY DEVELOPMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $220,000,000.

(e) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,256,821,000, to be allocated as follows:

(1) For operation and maintenance, $1,176,114,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,707,000, to be allocated as follows:

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $8,136,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 97–D–450, actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $18,000,000.

Project 97–D–451, B-Plant safety class ventilation upgrades, Richland, Washington, $2,000,000.

Project 97–D–470, environmental monitoring laboratory/health physics site support facility, Savannah River Site, Aiken, South Carolina, $5,600,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $16,744,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $2,927,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $14,985,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,500,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River Site, South Carolina, $2,713,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $602,000.

(f) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $345,751,000.

(g) POLICY AND MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for policy and management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $20,000,000.

(h) ENVIRONMENTAL SCIENCE PROGRAM.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for the environmental science program in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $55,000,000.

(i) DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental management privatization projects in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $224,700,000, to be allocated as follows:

Project 98–PVT–1, contact handled transuranic waste transportation, Carlsbad, New Mexico, $21,000,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $27,000,000.

Project 98–PVT–3, waste pits remedial action, Fernald, Ohio, $25,000,000.

Project 98–PVT–4, spent nuclear fuel transfer and storage, Savannah River, South Carolina, $25,000,000.

Project 98–PVT–5, waste disposal, Oak Ridge, Tennessee, $5,000,000.

Project 98–PVT–6, Ohio silo 3 waste treatment, Fernald, Ohio, $6,700,000.

Project 97–PVT–1, tank waste remediation system phase 1, Hanford, Washington, $115,000,000.

(j) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section for subsections (a) through (h) is the sum of the amounts authorized to be appropriated in those subsections reduced by $50,000,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for other defense activities in carrying out programs necessary for national security in the amount of $1,642,310,000, to be allocated as follows:

(1) For verification and control technology, $478,200,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $210,000,000.

(B) For arms control, $234,600,000.

(C) For intelligence, $33,600,000.

(2) For nuclear safeguards and security, $47,200,000.

(3) For security investigations, $25,000,000.

(4) For emergency management, $20,000,000.

(5) For program direction, $78,900,000.

(6) For worker and community transition assistance, $61,159,000, to be allocated as follows:

(A) For worker and community transition, $57,659,000.

(B) For program direction, $3,500,000.

(7) For fissile materials control and disposition, $103,451,000, to be allocated as follows:

(A) For operation and maintenance, $99,451,000.

(B) For program direction, $4,000,000.

(8) For environment, safety, and health, defense, $94,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $74,000,000.

(B) For program direction, $20,000,000.

(9) For the Office of Hearings and Appeals, $1,900,000.

(10) For nuclear energy, $47,000,000, to be allocated as follows:

(A) For nuclear technology research and development (electrometallurgical), $12,000,000.

(B) For international nuclear safety (Soviet-designed reactors), $35,000,000.

(11) For naval reactors development, $670,500,000, to be allocated as follows:

(A) For operation and maintenance, $635,920,000.

(B) For program direction, $20,080,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,500,000, to be allocated as follows:

Project 98–D–200, site laboratory/facility upgrade, various locations, $5,700,000.

Project 97–D–201, advanced test reactor secondary coolant refurbishment, Idaho National Engineering Laboratory, Idaho, $4,600,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $1,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,100,000.

(12) For independent assessment of Department of Energy projects, $15,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in paragraphs (1) through (12) of subsection (a) reduced by $6,047,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $190,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $5,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(c) LIMITATION.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2000.

SEC. 3129. TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the

manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, any of the following:

(A) A project listed in subsection (c) or (e) of section 3102 being carried out by the office.

(B) A program referred to in subsection (a), (c), (d), or (e) of section 3102 being carried out by the office.

(C) A project or program not described in subparagraph (A) or (B) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of enactment of this Act.

(2) The term "defense environmental management funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 1997, and ending on September 30, 1998.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. MEMORANDUM OF UNDERSTANDING FOR USE OF NATIONAL LABORATORIES FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) MEMORANDUM OF UNDERSTANDING.—The Secretary of Energy and the Secretary of Defense shall enter into a memorandum of understanding for the purpose of improving and facilitating the use by the Secretary of Defense of the expertise of the national laboratories for the ballistic missile defense programs of the Department of Defense.

(b) ASSISTANCE.—The memorandum of understanding shall provide that the Secretary of Defense shall request such assistance with respect to the ballistic missile defense programs of the Department of Defense as the Secretary of Defense and the Secretary of Energy determine can be provided through the technical skills and experience of the national laboratories, using such financial arrangements as the Secretaries determine are appropriate.

(c) ACTIVITIES.—The memorandum of understanding shall provide that the national laboratories shall carry out those activities necessary to respond to requests for assistance from the Secretary of Defense referred to in subsection (b). Such activities may include the identification of technical modifications and test techniques, the analysis of physics problems, the consolidation of range and test activities, and the analysis and simulation of theater missile defense deployment problems.

(d) NATIONAL LABORATORIES.—For purposes of this section, the national laboratories are—

(1) the Lawrence Livermore National Laboratory, Livermore, California;

(2) the Los Alamos National Laboratory, Los Alamos, New Mexico; and

(3) the Sandia National Laboratories, Albuquerque, New Mexico.

SEC. 3132. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.

(a) AUTHORITY TO ENTER INTO CONTRACTS.—The Secretary of Energy may, using funds authorized to be appropriated by section 3102(i) for a project referred to in that section, enter into a contract that—

(1) is awarded on a competitive basis;

(2) requires the contractor to construct or acquire any equipment or facilities required to carry out the contract;

(3) requires the contractor to bear any of the costs of the construction, acquisition, and operation of such equipment or facilities that arise before the commencement of the provision of goods or services under the contract; and

(4) provides for payment to the contractor under the contract only upon the meeting of performance specifications in the contract.

(b) NOTICE AND WAIT.—(1) The Secretary may not enter into a contract under subsection (a), exercise an authorization to proceed with such a contract or extend any contract period for such a contract by more than one year until 30 days after the date on

which the Secretary submits to the congressional defense committees a report with respect to the contract.

(2) Except as provided in paragraph (3), a report under paragraph (1) with respect to a contract shall set forth—

(A) the anticipated costs and fees of the Department under the contract, including the anticipated maximum amount of such costs and fees;

(B) any performance specifications in the contract;

(C) the anticipated dates of commencement and completion of the provision of goods or services under the contract;

(D) the allocation between the Department and the contractor of any financial, regulatory, or environmental obligations under the contract;

(E) any activities planned or anticipated to be required with respect to the project after completion of the contract;

(F) the site services or other support to be provided the contractor by the Department under the contract;

(G) the goods or services to be provided by the Department or contractor under the contract, including any additional obligations to be borne by the Department or contractor with respect to such goods or services;

(H) if the contract provides for financing of the project by an entity or entities other than the United States, a detailed comparison of the costs of financing the project through such entity or entities with the costs of financing the project by the United States;

(I) the schedule for the contract;

(J) the costs the Department would otherwise have incurred in obtaining the goods or services covered by the contract if the Department had not proposed to obtain the goods or services under this section;

(K) an estimate and justification of the cost savings, if any, to be realized through the contract, including the assumptions underlying the estimate;

(L) the effect of the contract on any ancillary schedules applicable to the facility concerned, including milestones in site compliance agreements; and

(M) the plans for maintaining financial and programmatic accountability for activities under the contract.

(3) In the case of a contract under subsection (a) at the Hanford Reservation, the report under paragraph (1) shall set forth—

(A) the matters specified in paragraph (2); and

(B) if the contract contemplates two pilot vitrification plants—

(i) an analysis of the basis for the selection of each of the plants in lieu of a single pilot vitrification plant; and

(ii) a detailed comparison of the costs to the United States of two pilot plants with the costs to the United States of a single pilot plant.

(c) COST VARIATIONS.—(1)(A) The Secretary may not enter into a contract for a project referred to in subparagraph (B), or obligate funds attributable to the capital portion of the cost of such a contract, whenever the current estimated cost of the project exceeds the amount of the estimated cost of the project as shown in the most recent budget justification data submitted to Congress.

(B) Subparagraph (A) applies to the following:

(i) A project authorized by section 3102(i).

(ii) A project authorized by section 3103 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2824) for which a contract has not been entered into as of the date of enactment of this Act.

(2) The Secretary may not obligate funds attributable to the capital portion of the cost of a contract entered into before such date for a project authorized by such section 3103 whenever the current estimated cost of the project equals or exceeds 110 percent of the amount of the estimated cost of the project as shown in the most recent budget justification data submitted to Congress.

(d) USE OF FUNDS FOR TERMINATION OF CONTRACT.—Not later than 15 days before the Secretary obligates funds available for a project authorized by section 3102(i) to terminate the contract for the project under subsection (a), the Secretary shall notify the congressional defense committees of the Secretary's intent to obligate the funds for that purpose.

(e) ANNUAL REPORT ON CONTRACTS.—(1) Not later than February 28 of each year, the Secretary shall submit to the congressional defense committees a report on the activities, if any, carried out under each contract referred to in paragraph (2) during the preceding year. The report shall include an update with respect to each such contract of the matters specified under subsection (b)(1) as of the date of the report.

(2) A contract referred to in paragraph (1) is the following:

(A) A contract under subsection (a) for a project referred to in that subsection.

(B) A contract under section 3103 of the National Defense Authorization Act for Fiscal Year 1997.

(f) ASSESSMENT OF CONTRACTING WITHOUT SUFFICIENT APPROPRIATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the congressional defense committees a report assessing whether, and under what circumstances, the Secretary could enter into contracts for defense environmental management privatization projects in the absence of sufficient appropriations to meet obligations under such contracts without thereby violating the provisions of section 1341 of title 31, United States Code.

SEC. 3133. INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.

(a) FUNDING PROHIBITION.—No funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1998 may be obligated or expended to conduct any activities associated with international cooperative stockpile stewardship.

(b) EXCEPTIONS.—Subsection (a) does not apply to the following:

(1) Activities conducted between the United States and the United Kingdom.

(2) Activities conducted between the United States and France.

(3) Activities carried out under title III of this Act relating to cooperative threat reduction with states of the former Soviet Union.

SEC. 3134. MODERNIZATION OF ENDURING NUCLEAR WEAPONS COMPLEX.

(a) FUNDING.—Subject to subsection (b), of the funds authorized to be appropriated to the Department of Energy pursuant to section

3101, $85,000,000 shall be available for carrying out the program described in section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note).

(b) LIMITATION ON AVAILABILITY.—None of the funds available under subsection (a) for carrying out the program referred to in that subsection may be obligated or expended until 30 days after the date of the receipt by Congress of the report required under subsection (c).

(c) REPORT ON ALLOCATION OF FUNDS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report setting forth the proposed allocation among specific Department of Energy sites of the funds available under subsection (a) for the program referred to in that subsection.

SEC. 3135. TRITIUM PRODUCTION.

(a) TRITIUM PRODUCTION DECISION.—(1) Not later than December 31, 1998, the Secretary of Energy shall make a final decision on the technologies to be utilized, and the schedule to be adopted, for tritium production in order to meet the requirements in the Nuclear Weapons Stockpile Memorandum relating to tritium production, including the tritium production date of 2005 specified in the Nuclear Weapons Stockpile Memorandum.

(2) In making the final decision, the Secretary shall take into account the following:

(A) The requirements for tritium production specified in the Nuclear Weapons Stockpile Memorandum, including, in particular, the requirements for the so-called "upload hedge" component of the nuclear weapons stockpile.

(B) The activities of the Department of Energy relating to the evaluation and demonstration of technologies under the accelerator program and the commercial light water reactor program.

(C) The potential liabilities and benefits of each potential technology for tritium production, including—

(i) regulatory and other barriers that might prevent the production of tritium using the technology by the production date referred to in paragraph (1);

(ii) potential difficulties, if any, in licensing the technology;

(iii) the variability, if any, in tritium production rates using the technology; and

(iv) any other benefits (including scientific or research benefits or the generation of revenue) associated with the technology.

(b) REPORTS ON DECISION.—(1) Upon making a final decision under paragraph (1) of subsection (a), the Secretary shall submit to the congressional defense committees a report on the final decision. The report shall include an assessment of how the selected technology addresses the items taken into account under paragraph (2) of that subsection.

(2) If the Secretary determines that it is not possible to make the final decision by the date specified in paragraph (1) of subsection (a), the Secretary shall submit to the congressional defense committees on that date a report that explains in detail why the final decision cannot be made by that date.

(c) LIMITATION ON AVAILABILITY OF FUNDS.—The Secretary may not obligate or expend any funds authorized to be appropriated or otherwise made available for the Department of Energy by this Act for the purpose of evaluating or utilizing any technology for the production of tritium other than a commercial light water reactor or an accelerator until the later of—

(1) January 31, 1999; or

(2) the date that is 30 days after the date on which the Secretary makes a final decision under subsection (a).

SEC. 3136. PROCESSING, TREATMENT, AND DISPOSITION OF SPENT NUCLEAR FUEL RODS AND OTHER LEGACY NUCLEAR MATERIALS AT THE SAVANNAH RIVER SITE.

(a) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3102(e), not more than $47,000,000 shall be available for the implementation of a program to accelerate the receipt, processing (including the H-canyon restart operations), reprocessing, separation, reduction, deactivation, stabilization, isolation, and interim storage of high level nuclear waste associated with Department of Energy spent fuel rods, foreign spent fuel rods, and other nuclear materials that are located at the Savannah River Site.

(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Secretary of Energy shall continue operations and maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site and shall provide technical staff necessary to operate and maintain such facilities at that state of readiness.

SEC. 3137. LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PURPOSES.

(a) GENERAL LIMITATIONS.—(1) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for weapons activities may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the national security mission of the Department of Energy.

(2) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for environmental restoration, waste management, or nuclear materials and facilities stabilization may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the environmental restoration mission, waste management mission, or materials stabilization mission, as the case may be, of the Department of Energy.

(b) LIMITATION IN FISCAL YEAR 1998 PENDING SUBMITTAL OF ANNUAL REPORT.—Not more than 30 percent of the funds authorized to be appropriated or otherwise made available to the Department of Energy in fiscal year 1998 for laboratory directed research and development may be obligated or expended for such research and development until the Secretary of Energy submits to the congressional defense committees the report required by section 3136(b)

of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b) in 1998.

(c) SUBMITTAL DATE FOR ANNUAL REPORT ON LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PROGRAM.—Paragraph (1) of section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b) is amended by striking out "The Secretary of Energy shall annually submit" and inserting in lieu thereof "Not later than February 1 each year, the Secretary of Energy shall submit".

(d) ASSESSMENT OF FUNDING LEVEL FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—The Secretary shall include in the report submitted under such section 3136(b)(1) in 1998 an assessment of the funding required to carry out laboratory directed research and development, including a recommendation for the percentage of the funds provided to Government-owned, contractor-operated laboratories for national security activities that should be made available for such research and development under section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(c)).

(e) DEFINITION.—In this section, the term "laboratory directed research and development" has the meaning given that term in section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d)).

SEC. 3138. PILOT PROGRAM RELATING TO USE OF PROCEEDS OF DISPOSAL OR UTILIZATION OF CERTAIN DEPARTMENT OF ENERGY ASSETS.

(a) PURPOSE.—The purpose of this section is to encourage the Secretary of Energy to dispose of or otherwise utilize certain assets of the Department of Energy by making available to the Secretary the proceeds of such disposal or utilization for purposes of defraying the costs of such disposal or utilization.

(b) USE OF PROCEEDS TO DEFRAY COSTS.—(1) Notwithstanding section 3302 of title 31, United States Code, the Secretary may retain from the proceeds of the sale, lease, or disposal of an asset under subsection (c) an amount equal to the cost of the sale, lease, or disposal of the asset. The Secretary shall utilize amounts retained under this paragraph to defray the cost of the sale, lease, or disposal.

(2) For purposes of paragraph (1), the cost of a sale, lease, or disposal shall include—

(A) the cost of administering the sale, lease, or disposal;

(B) the cost of recovering or preparing the asset concerned for the sale, lease, or disposal; and

(C) any other cost associated with the sale, lease, or disposal.

(c) COVERED TRANSACTIONS.—Subsection (b) applies to the following transactions:

(1) The sale of heavy water at the Savannah River Site, South Carolina, that is under the jurisdiction of the Defense Environmental Management Program.

(2) The sale of precious metals that are under the jurisdiction of the Defense Environmental Management Program.

(3) The lease of buildings and other facilities located at the Hanford Reservation, Washington, that are under the jurisdiction of the Defense Environmental Management Program.

(4) The lease of buildings and other facilities located at the Savannah River Site that are under the jurisdiction of the Defense Environmental Management Program.

(5) The disposal of equipment and other personal property located at the Rocky Flats Defense Environmental Technology Site, Colorado, that is under the jurisdiction of the Defense Environmental Management Program.

(6) The disposal of materials at the National Electronics Recycling Center, Oak Ridge, Tennessee that are under the jurisdiction of the Defense Environmental Management Program.

(d) APPLICABILITY OF DISPOSAL AUTHORITY.—Nothing in this section shall be construed to limit the application of sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483 and 484(j)) to the disposal of equipment and other personal property covered by this section.

(e) REPORT.—Not later than January 31, 1999, the Secretary shall submit to the congressional defense committees a report on amounts retained by the Secretary under subsection (b) during fiscal year 1998.

SEC. 3139. MODIFICATION AND EXTENSION OF AUTHORITY RELATING TO APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

(a) REPEAL OF REQUIREMENT FOR EPA STUDY.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095; 42 U.S.C. 7231 note) is amended—

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

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

(b) EXTENSION OF AUTHORITY.—Paragraph (1) of subsection (c) of such section, as so redesignated, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

SEC. 3140. LIMITATION ON USE OF FUNDS FOR SUBCRITICAL NUCLEAR WEAPONS TESTS.

(a) LIMITATION.—The Secretary of Energy may not conduct any subcritical nuclear weapons tests using funds appropriated or otherwise available to the Secretary for fiscal year 1998 until the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a detailed report on the use of the funds available to the Secretary for fiscal years 1996 and 1997 to conduct such tests.

(b) EXCEPTION.—Subsection (a) shall not apply to the use of funds covered by that subsection for subcritical nuclear weapons tests if the Secretary—

(1) determines that the use of such funds for such tests is urgently required to meet national security interests; and

(2) notifies Congress of that determination before using such funds for such tests.

SEC. 3141. LIMITATION ON USE OF CERTAIN FUNDS UNTIL FUTURE USE PLANS ARE SUBMITTED.

(a) LIMITATION.—(1) Subject to paragraph (2), the Secretary of Energy may not use more than 80 percent of the funds available to the Secretary pursuant to the authorization of appropriations

in section 3102(g) until the Secretary submits the plans described in subsection (b).

(2) The limitation in paragraph (1) shall cease to be in effect if the Secretary submits, by March 15, 1998, the report described in subsection (c).

(b) PLANS.—The plans referred to in subsection (a)(1) are the draft future use plan and the final future use plan required under section 3153(f) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2840; 42 U.S.C. 7274k note).

(c) REPORT.—If the Secretary is unable to submit all of the plans described in subsection (b) by the deadlines set forth in such section 3153(f), the Secretary shall submit to Congress a report containing, for each plan that will not be submitted by the applicable deadline—

(1) the status of the plan;

(2) the reasons why the plan cannot be submitted by the applicable deadline; and

(3) the date by which the plan will be submitted.

Subtitle D—Other Matters

SEC. 3151. PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

(a) PLAN REQUIREMENT.—The Secretary of Energy shall develop and annually update a plan for maintaining the nuclear weapons stockpile. The plan shall cover, at a minimum, stockpile stewardship, stockpile management, and program direction and shall be consistent with the programmatic and technical requirements of the most recent annual Nuclear Weapons Stockpile Memorandum.

(b) PLAN ELEMENTS.—The plan and each update of the plan shall set forth the following:

(1) The number of warheads (including active and inactive warheads) for each warhead type in the nuclear weapons stockpile.

(2) The current age of each warhead type, and any plans for stockpile lifetime extensions and modifications or replacement of each warhead type.

(3) The process by which the Secretary of Energy is assessing the lifetime, and requirements for lifetime extension or replacement, of the nuclear and nonnuclear components of the warheads (including active and inactive warheads) in the nuclear weapons stockpile.

(4) The process used in recertifying the safety, security, and reliability of each warhead type in the nuclear weapons stockpile.

(5) Any concerns which would affect the ability of the Secretary of Energy to recertify the safety, security, or reliability of warheads in the nuclear weapons stockpile (including active and inactive warheads).

(c) ANNUAL SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Energy shall submit to Congress the plan developed under subsection (a) not later than March 15, 1998, and shall submit an updated version of the plan not later than March 15 of each year

thereafter. The plan shall be submitted in both classified and unclassified form.

SEC. 3152. REPEAL OF OBSOLETE REPORTING REQUIREMENTS.

(a) ANNUAL REPORT ON ACTIVITIES OF THE ATOMIC ENERGY COMMISSION.—(1) Section 251 of the Atomic Energy Act of 1954 (42 U.S.C. 2016) is repealed.

(2) The table of sections at the beginning of that Act is amended by striking out the item relating to section 251.

(b) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3156 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2841; 42 U.S.C. 7271c) is repealed.

(c) ANNUAL UPDATE OF MASTER PLAN FOR NUCLEAR WEAPONS STOCKPILE.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624; 42 U.S.C. 2121 note) is repealed.

(d) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626; 42 U.S.C. 7271b note) is repealed.

(e) ANNUAL REPORT ON STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is amended—

(1) by striking out subsections (d) and (e);

(2) by redesignating subsections (f), (g), and (h) as subsections (d), (e), and (f), respectively; and

(3) in subsection (e), as so redesignated, by striking out "and the 60-day period referred to in subsection (e)(2)(A)(ii)".

(f) ANNUAL REPORT ON DEVELOPMENT OF TRITIUM PRODUCTION CAPACITY.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2639) is repealed.

(g) ANNUAL REPORT ON RESEARCH RELATING TO DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679; 42 U.S.C. 7274a) is amended—

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

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

(h) QUARTERLY REPORT ON MAJOR DOE NATIONAL SECURITY PROGRAMS.—Section 3143 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271a) is repealed.

(i) ANNUAL REPORT ON NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075; 42 U.S.C. 2121 note) is amended by striking out subsection (e).

SEC. 3153. STUDY AND FUNDING RELATING TO IMPLEMENTATION OF WORKFORCE RESTRUCTURING PLANS.

(a) STUDY REQUIREMENT.—The Secretary of Energy shall conduct a study on the effects of workforce restructuring plans for defense nuclear facilities developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(b) MATTERS COVERED BY STUDY.—The study shall cover the four-year period preceding the date of the enactment of this Act and shall include the following:

(1) An analysis of the number of jobs created by any employee retraining, education, and reemployment assistance and any community impact assistance provided in each workforce restructuring plan developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993.

(2) An analysis of other benefits provided pursuant to such plans, including any assistance provided to community reuse organizations.

(3) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(4) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(5) A comparison of any similar benefits provided—

(A) pursuant to such a plan to employees whose employment at the defense nuclear facility covered by the plan is terminated; and

(B) to employees whose employment at a facility where more than 50 percent of the revenues are derived from contracts with the Department of Defense has been terminated as a result of cancellation, termination, or completion of contracts with the Department of Defense and the employees whose employment is terminated constitute more than 15 percent of the employees at that facility.

(c) CONDUCT OF STUDY.—(1) The study shall be conducted through a contract with an independent private auditing firm.

(2) The Secretary of Energy may not enter into any contract for the conduct of the study until the Secretary submits a notification of the proposed contract award to the congressional defense committees.

(3) The Secretary of Energy and the Secretary of Defense shall each ensure that any firm conducting the study is provided access to all documents in the possession of the Department of Energy or the Department of Defense, as the case may be, that are relevant to the study, including documents in the possession of the Inspector General of the Department of Energy or the Inspector General of the Department of Defense.

(d) REPORT ON STUDY.—The Secretary of Energy shall submit a report to Congress on the results of the study not later than March 31, 1998.

(e) LIMITATION ON USE OF FUNDS FOR LOCAL IMPACT ASSISTANCE.—(1) None of the funds authorized to be appropriated to the Department of Energy pursuant to section 3103(6) may be used for local impact assistance pursuant to a plan under section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) until—

(A) with respect to assistance referred to in section 3161(c)(6)(A) of such Act, the Secretary of Energy coordinates with, provides a copy of the plan to, and obtains the approval of the Secretary of Labor; and

(B) with respect to assistance referred to in section 3161(c)(6)(C) of such Act, the Secretary of Energy coordinates

with, provides a copy of the plan to, and obtains the approval of the Secretary of Commerce.

(2) For purposes of paragraph (1), if the Secretary of Labor or the Secretary of Commerce does not disapprove a plan within 60 days after receiving a copy of the plan, the plan is deemed to be approved.

(f) SEMIANNUAL REPORT TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—The Secretary of Energy shall submit to Congress every six months a report setting forth a description of, and the amount or value of, all local impact assistance provided during the preceding six months under section 3161(c)(6) of the National Defense Authorization Act of 1993 (42 U.S.C. 7274h(c)(6)).

(g) EFFECT ON USEC PRIVATIZATION ACT.—Nothing in this section shall be construed as diminishing or affecting the obligations of the Secretary of Energy under section 3110(a)(5) of the USEC Privatization Act (Public Law 104–134; 110 Stat. 1321–341; 42 U.S.C. 2297h–8(a)(5)).

(h) DEFINITION.—In this section, the term "defense nuclear facility" has the meaning provided the term "Department of Energy defense nuclear facility" in section 3163 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274j).

SEC. 3154. REPORT AND PLAN FOR EXTERNAL OVERSIGHT OF NATIONAL LABORATORIES.

(a) REPORT.—Not later than July 1, 1999, the Secretary of Energy shall submit to Congress a report on the external oversight of the national laboratories.

(b) MATTERS COVERED.—The report shall contain the following:

(1) A description of the external oversight practices at the national laboratories and an analysis of the effectiveness of such practices, including the effect of such practices on the productivity of the laboratories and the research conducted by the laboratories.

(2) Recommendations regarding the continuation, consolidation, or discontinuation of the external oversight practices described in paragraph (1), and the rationale for the recommendations.

(3) Recommendations for any new external oversight practices that should be implemented, and the rationale for the recommendations.

(4) A plan for carrying out the recommendations.

(c) NATIONAL LABORATORIES COVERED.—For purposes of this section, the national laboratories are—

(1) the Lawrence Livermore National Laboratory, Livermore, California;

(2) the Los Alamos National Laboratory, Los Alamos, New Mexico; and

(3) the Sandia National Laboratories, Albuquerque, New Mexico.

SEC. 3155. UNIVERSITY-BASED RESEARCH COLLABORATION PROGRAM.

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

(1) The maintenance of scientific and engineering competence in the United States is vital to long-term national security and the defense and national security missions of the Department of Energy.

(2) Engaging the universities and colleges of the Nation in research on long-range problems of vital national security interest will be critical to solving the technology challenges faced within the defense and national security programs of the Department of Energy in the next century.

(3) Enhancing collaboration among the national laboratories, universities and colleges, and industry will contribute significantly to the performance of these Department of Energy missions.

(b) PROGRAM.—The Secretary of Energy shall establish a university program at a location that can develop the most effective collaboration among national laboratories, universities and colleges, and industry in support of scientific and engineering advancement in key Department of Energy defense and national security program areas.

(c) FUNDING.—Of the funds authorized to be appropriated in this title to the Department of Energy for fiscal year 1998, the Secretary shall make $5,000,000 available for the establishment and operation of the program under subsection (b).

SEC. 3156. STOCKPILE STEWARDSHIP PROGRAM.

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

(1) Eliminating the threat posed by nuclear weapons to the United States is an important national security goal.

(2) As long as nuclear threats remain, the nuclear deterrent of the United States must be effective and reliable.

(3) A safe, secure, effective, and reliable United States nuclear stockpile is central to the current nuclear deterrence strategy of the United States.

(4) The Secretary of Energy has undertaken a stockpile stewardship and management program to ensure the safety, security, effectiveness, and reliability of the nuclear weapons stockpile of the United States, consistent with all United States treaty requirements and the requirements of the nuclear deterrence strategy of the United States.

(5) It is the policy of the current administration that new nuclear warhead designs are not required to effectively implement the nuclear deterrence strategy of the United States.

(b) POLICY.—It is the policy of the United States that—

(1) activities of the stockpile stewardship program shall be directed toward ensuring that the United States possesses a safe, secure, effective, and reliable nuclear stockpile, consistent with the national security requirements of the United States; and

(2) stockpile stewardship activities of the United States shall be conducted in conformity with the terms of the Treaty on the Non-Proliferation of Nuclear Weapons and the Comprehensive Test Ban Treaty signed by the President on September 24, 1996, when and if that treaty enters into force.

SEC. 3157. REPORTS ON ADVANCED SUPERCOMPUTER SALES TO CERTAIN FOREIGN NATIONS.

(a) REPORTS.—The Secretary of Energy shall require that any company that is a participant in the Accelerated Strategic Computing Initiative (ASCI) program of the Department of Energy report to the Secretary and to the Secretary of Defense each sale by that company to a country designated as a Tier III country of a computer capable of operating at a speed in excess of 2,000

millions theoretical operations per second (MTOPS). The report shall include a description of the following with respect to each such sale:

(1) The anticipated end-use of the computer sold.

(2) The software included with the computer.

(3) Any arrangement under the terms of the sale regarding—

(A) upgrading the computer;

(B) servicing the computer; or

(C) furnishing spare parts for the computer.

(b) COVERED COUNTRIES.—For purposes of this section, the countries designated as Tier III countries are the countries listed as "computer tier 3" eligible countries in part 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997 (or any successor list).

(c) QUARTERLY SUBMISSION OF REPORTS.—The Secretary of Energy shall require that reports under subsection (a) be submitted quarterly.

(d) ANNUAL REPORT.—The Secretary of Energy shall submit to Congress an annual report containing all information received under subsection (a) during the preceding year. The first annual report shall be submitted not later than July 1, 1998.

SEC. 3158. TRANSFERS OF REAL PROPERTY AT CERTAIN DEPARTMENT OF ENERGY FACILITIES.

(a) TRANSFER REGULATIONS.—(1) The Secretary of Energy shall prescribe regulations for the transfer by sale or lease of real property at Department of Energy defense nuclear facilities for the purpose of permitting the economic development of the property.

(2) The Secretary of Energy may not transfer real property under the regulations prescribed under paragraph (1) until—

(A) the Secretary submits a notification of the proposed transfer to the congressional defense committees; and

(B) a period of 30 days has elapsed following the date on which the notification is submitted.

(b) INDEMNIFICATION.—(1) Except as provided in paragraph (3) and subject to subsection (c), in the sale or lease of real property pursuant to the regulations prescribed under subsection (a), the Secretary of Energy may hold harmless and indemnify a person or entity described in paragraph (2) against any claim for injury to person or property that results from the release or threatened release of a hazardous substance or pollutant or contaminant as a result of Department of Energy activities at the defense nuclear facility on which the real property is located. Before entering into any agreement for such a sale or lease, the Secretary shall notify the person or entity that the Secretary has authority to provide indemnification to the person or entity under this subsection. The Secretary shall include in any agreement for such a sale or lease a provision stating whether indemnification is or is not provided.

(2) Paragraph (1) applies to the following persons and entities:

(A) Any State that acquires ownership or control of real property of a defense nuclear facility.

(B) Any political subdivision of a State that acquires such ownership or control.

(C) Any other person or entity that acquires such ownership or control.

(3) To the extent the persons and entities described in paragraph (2) contributed to any such release or threatened release, paragraph (1) shall not apply.

(c) CONDITIONS.—(1) No indemnification on a claim for injury may be provided under this section unless the person or entity making a request for the indemnification—

(A) notifies the Secretary of Energy in writing within two years after such claim accrues;

(B) furnishes to the Secretary copies of pertinent papers received by the person or entity;

(C) furnishes evidence or proof of the claim;

(D) provides, upon request by the Secretary, access to the records and personnel of the person or entity for purposes of defending or settling the claim; and

(E) begins action within six months after the date of mailing, by certified or registered mail, of notice of final denial of the claim by the Secretary.

(2) For purposes of paragraph (1)(A), the date on which a claim accrues is the date on which the person asserting the claim knew (or reasonably should have known) that the injury to person or property referred to in subsection (b)(1) was caused or contributed to by the release or threatened release of a hazardous substance, pollutant, or contaminant as a result of Department of Energy activities at the defense nuclear facility on which the real property is located.

(d) AUTHORITY OF SECRETARY OF ENERGY.—(1) In any case in which the Secretary of Energy determines that the Secretary may be required to indemnify a person or entity under this section for any claim for injury to person or property referred to in subsection (b)(1), the Secretary may settle or defend the claim on behalf of that person or entity.

(2) In any case described in paragraph (1), if the person or entity that the Secretary may be required to indemnify does not allow the Secretary to settle or defend the claim, the person or entity may not be indemnified with respect to that claim under this section.

(e) RELATIONSHIP TO OTHER LAW.—Nothing in this section shall be construed as affecting or modifying in any way section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

(f) DEFINITIONS.—In this section:

(1) The term "defense nuclear facility" has the meaning provided by the term "Department of Energy defense nuclear facility" in section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(2) The terms "hazardous substance", "release", and "pollutant or contaminant" have the meanings provided by section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

SEC. 3159. REQUIREMENT TO DELEGATE CERTAIN AUTHORITIES TO SITE MANAGER OF HANFORD RESERVATION.

Section 3173(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2848; 42 U.S.C. 7274k) is amended—

(1) in paragraph (1)—

(A) by striking out "In addition" and inserting in lieu thereof "Except as provided in paragraph (5), in addition"; and

(B) by striking out "Act," and inserting in lieu thereof "subtitle,"; and

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

"(5) In the case of the Hanford Reservation, Richland, Washington, the Secretary shall delegate to the Site Manager the authority described in paragraph (1) for fiscal year 1998. The Secretary may withdraw the delegated authority if the Secretary—

"(A) determines that the Site Manager of the Hanford Reservation has misused or misapplied that authority; and

"(B) the Secretary submits to Congress a notification of the Secretary's intent to withdraw the authority.".

SEC. 3160. SUBMITTAL OF BIENNIAL WASTE MANAGEMENT REPORTS.

Section 3153(b)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 7274k(b)(2)(B)) is amended by striking out "odd-numbered year after 1995" and inserting in lieu thereof "odd-numbered year after 1997".

SEC. 3161. DEPARTMENT OF ENERGY SECURITY MANAGEMENT BOARD.

(a) ESTABLISHMENT.—(1) The Secretary of Energy shall establish a board to be known as the "Department of Energy Security Management Board" (in this section referred to as the "Board").

(2) The Board shall advise the Secretary on policy matters, operational concerns, strategic planning, personnel, budget, procurement, and development of priorities relating to the security functions of the Department of Energy.

(b) MEMBERS.—The Board shall be comprised of—

(1) the Secretary of Energy, who shall serve as chairman;

(2) the Director of the Office of Nonproliferation and National Security of the Department of Energy;

(3) the Assistant Secretary of Energy for Environmental Management;

(4) the Assistant Secretary of Energy for Defense Programs;

(5) the Assistant Secretary of Energy for Environment, Safety, and Health;

(6) the Associate Deputy Secretary of Energy for Field Management;

(7) three individuals selected by the Secretary of Defense and appointed by the Secretary of Energy;

(8) an individual selected by the Director of the Federal Bureau of Investigation and appointed by the Secretary of Energy; and

(9) an individual selected by the Director of Central Intelligence and appointed by the Secretary of Energy.

(c) APPOINTMENTS.—(1) The Secretary of Defense, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence shall consult with the Secretary of Energy in selecting individuals for appointment under paragraphs (7), (8), and (9), respectively, of subsection (b).

(2) The Secretary of Energy may not appoint as a member of the Board under paragraph (7), (8), or (9) of subsection (b) an officer or employee of the Department of Energy, an employee of a contractor or subcontractor of the Department, or an individual under contract with the Department.

(3) The Secretary of Energy shall appoint members of the Board under paragraphs (7), (8), and (9) of subsection (b) not later than January 15, 1998.

(d) VACANCIES.—Any vacancy in the Board shall be filled in the same manner as the original appointment.

(e) PERSONNEL MATTERS.—(1)(A) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board.

(B) All members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(f) APPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Board under this section.

(g) TERMINATION.—The Board shall terminate on October 31, 2000.

(h) SECURITY FUNCTIONS DEFINED.—In this section, the term "security functions" means all Department of Energy activities related to the safeguarding and security of nuclear weapons and materials, protection of classified and unclassified controlled nuclear information, and physical and personnel security.

SEC. 3162. SUBMITTAL OF ANNUAL REPORT ON STATUS OF SECURITY FUNCTIONS AT NUCLEAR WEAPONS FACILITIES.

(a) IN GENERAL.—Not later than September 1 each year, the Secretary of Energy shall submit to the congressional defense committees the report entitled "Annual Report to the President on the Status of Safeguards and Security of Domestic Nuclear Weapons Facilities", or any successor report to such report.

(b) REQUIREMENT RELATING TO REPORTS THROUGH FISCAL YEAR 2000.—The Secretary shall include with each report submitted under subsection (a) in fiscal years 1998 through 2000 any comments on such report by the members of the Department of Energy Security Management Board established under section 3161 that such members consider appropriate.

SEC. 3163. MODIFICATION OF AUTHORITY ON COMMISSION ON MAINTAINING UNITED STATES NUCLEAR WEAPONS EXPERTISE.

(a) COMMENCEMENT OF ACTIVITIES.—Subsection (b)(1) of section 3162 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2844; 42 U.S.C. 2121 note) is amended, effective January 1, 1998—

(1) in subparagraph (C), by adding at the end the following new sentence: "The chairman may be designated once five members of the Commission have been appointed under subparagraph (A).”; and

(2) by adding at the end the following:

"(E) The Commission may commence its activities under this section upon the designation of the chairman of the Commission under subparagraph (C).".

(b) DEADLINE FOR REPORT.—Subsection (d) of that section is amended by striking out "March 15, 1998," and inserting in lieu thereof "March 15, 1999,".

SEC. 3164. LAND TRANSFER, BANDELIER NATIONAL MONUMENT.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—The Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over a parcel of real property consisting of approximately 4.47 acres as depicted on the map entitled "Boundary Map, Bandelier National Monument", No. 315/80,051, dated March 1995.

(b) BOUNDARY MODIFICATION.—The boundary of the Bandelier National Monument established by Proclamation No. 1322 (16 U.S.C. 431 note) is modified to include the real property transferred under subsection (a).

(c) PUBLIC AVAILABILITY OF MAP.—The map described in subsection (a) shall be on file and available for public inspection in the Lands Office at the Southwest System Support Office of the National Park Service, Santa Fe, New Mexico, and in the office of the Superintendent of Bandelier National Monument.

(d) ADMINISTRATION.—The real property and interests in real property transferred under subsection (a) shall be—

(1) administered as part of Bandelier National Monument; and

(2) subject to all laws applicable to the Bandelier National Monument and all laws generally applicable to units of the National Park System.

SEC. 3165. FINAL SETTLEMENT OF DEPARTMENT OF ENERGY COMMUNITY ASSISTANCE OBLIGATIONS WITH RESPECT TO LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) IN GENERAL.—The Secretary of Energy shall—

(1) convey, without consideration, to the Incorporated County of Los Alamos, New Mexico (in this section referred to as the "County"), or to the designee of the County, fee title to the parcels of land that are allocated for conveyance to the County in the agreement under subsection (e); and

(2) transfer to the Secretary of the Interior, in trust for the Pueblo of San Ildefonso (in this section referred to as the "Pueblo"), administrative jurisdiction over the parcels that are allocated for transfer to the Secretary of the Interior in such agreement.

(b) PRELIMINARY IDENTIFICATION OF PARCELS OF LAND FOR CONVEYANCE OR TRANSFER.—(1) Not later than 90 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report identifying the parcels of land under the jurisdiction of the Secretary at the Los Alamos National Laboratory that are suitable for conveyance or transfer under this section.

(2) A parcel is suitable for conveyance or transfer for purposes of paragraph (1) if the parcel—

(A) is not required to meet the national security mission of the Department of Energy or will not be required for that purpose before the end of the 10-year period beginning on the date of enactment of this Act;

(B) is likely to be conveyable or transferable, as the case may be, under this section not later than the end of such period; and

(C) is suitable for use for a purpose specified in subsection (h).

(c) REVIEW OF TITLE.—(1) Not later than one year after the date of enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the results of a title search on each parcel of land identified as suitable for conveyance or transfer under subsection (b), including an analysis of any claims against or other impairments to the fee title to each such parcel.

(2) In the period beginning on the date of the completion of the title search with respect to a parcel under paragraph (1) and ending on the date of the submittal of the report under that paragraph, the Secretary shall take appropriate actions to resolve the claims against or other impairments, if any, to fee title that are identified with respect to the parcel in the title search.

(d) ENVIRONMENTAL RESTORATION.—(1) Not later than 21 months after the date of enactment of this Act, the Secretary shall—

(A) identify the environmental restoration or remediation, if any, that is required with respect to each parcel of land identified under subsection (b) to which the United States has fee title;

(B) carry out any review of the environmental impact of the conveyance or transfer of each such parcel that is required under the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(C) submit to Congress a report setting forth the results of the activities under subparagraphs (A) and (B).

(2) If the Secretary determines under paragraph (1) that a parcel described in paragraph (1)(A) requires environmental restoration or remediation, the Secretary shall, to the maximum extent practicable, complete the environmental restoration or remediation of the parcel not later than 10 years after the date of enactment of this Act.

(e) AGREEMENT FOR ALLOCATION OF PARCELS.—As soon as practicable after completing the review of titles to parcels of land under subsection (c), the Secretary of the Interior, on behalf of the Pueblo and for the County, shall submit to the Secretary of Energy an agreement between the Secretary of the Interior and the County that allocates between the Secretary of the Interior and the County the parcels to which the United States has fee title.

(f) PLAN FOR CONVEYANCE AND TRANSFER.—(1) Not later than 90 days after the date of the submittal to the Secretary of Energy of the agreement under subsection (e), the Secretary shall submit to the congressional defense committees a plan for conveying or transferring parcels of land under this section in accordance with the allocation specified in the agreement.

(2) The plan under paragraph (1) shall provide for the completion of the conveyance or transfer of parcels under this section not later than 9 months after the date of the submittal of the plan under that paragraph.

(g) CONVEYANCE OR TRANSFER.—(1) Subject to paragraphs (2) and (3), the Secretary shall convey or transfer parcels of land

in accordance with the allocation specified in the agreement submitted to the Secretary under subsection (e).

(2) In the case of a parcel allocated under the agreement that is not available for conveyance or transfer in accordance with the requirement in subsection (f)(2) by reason of its requirement to meet the national security mission of the Department, the Secretary shall convey or transfer the parcel, as the case may be, when the parcel is no longer required for that purpose.

(3)(A) In the case of a parcel allocated under the agreement that is not available for conveyance or transfer in accordance with such requirement by reason of requirements for environmental restoration or remediation, the Secretary shall convey or transfer the parcel, as the case may be, upon the completion of the environmental restoration or remediation that is required with respect to the parcel.

(B) If the Secretary determines that environmental restoration or remediation cannot reasonably be expected to be completed with respect to a parcel by the end of the 10-year period beginning on the date of enactment of this Act, the Secretary shall not convey or transfer the parcel under this section.

(h) USE OF CONVEYED OR TRANSFERRED LAND.—The parcels of land conveyed or transferred under this section shall be used for historic, cultural, or environmental preservation purposes, economic diversification purposes, or community self-sufficiency purposes.

(i) TREATMENT OF CONVEYANCES AND TRANSFERS.—(1) The purpose of the conveyances and transfers under this section is to fulfill the obligations of the United States with respect to Los Alamos National Laboratory, New Mexico, under sections 91 and 94 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391, 2394).

(2) Upon the completion of the conveyance or transfer of the parcels of land available for conveyance or transfer under this section, the Secretary shall make no further payments with respect to Los Alamos National Laboratory under section 91 or section 94 of the Atomic Energy Community Act of 1955.

SEC. 3166. SENSE OF CONGRESS REGARDING THE Y–12 PLANT IN OAK RIDGE, TENNESSEE.

It is the sense of Congress that the Y–12 Plant in Oak Ridge, Tennessee, should be used as a national prototype center and that other executive agencies should utilize this center, where appropriate, to maximize their efficiency and cost effectiveness.

SEC. 3167. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated or otherwise made available to the Department of Energy by this title, $5,000,000 shall be available for payment by the Secretary of Energy to a nonprofit or not-for-profit educational foundation chartered to enhance educational activities in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico (in this section referred to as the "Foundation").

(b) USE OF FUNDS.—(1) The Foundation shall utilize funds provided under subsection (a) as the basis of, or as a contribution to, an endowment fund for the Foundation.

(2) The Foundation shall use the income generated from investments in the endowment fund that are attributable to the payment

made under subsection (a) to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

(c) REPORT.—Not later than March 1, 1998, the Secretary shall submit to the congressional defense committees a report setting forth the following:

(1) The amount of, and a schedule for, payments to the Foundation by the Secretary that are in addition to the payment provided under subsection (a).

(2) A plan to ensure that the Secretary makes no other payments to support the educational activities referred to in subsection (b)(2) after September 30, 2002.

SEC. 3168. IMPROVEMENTS TO GREENVILLE ROAD, LIVERMORE, CALIFORNIA.

From amounts authorized to be appropriated or otherwise made available to the Department of Energy by this title, funds shall be available for improvements to Greenville Road, Livermore, California, as follows:

(1) $3,500,000 in fiscal year 1998.

(2) $3,300,000 in fiscal year 1999.

SEC. 3169. REPORT ON ALTERNATIVE SYSTEM FOR AVAILABILITY OF FUNDS.

(a) REPORT.—Not later than October 1, 1998, the Secretary of Energy shall submit to Congress a report assessing how the Department of Energy could carry out a transition from a no-year funding system to a limited-period funding system.

(b) MATTERS COVERED.—The report shall cover the following matters:

(1) A conceptual proposal on how the no-year funding system could be phased out.

(2) An estimate of the cost of making the transition to a limited-period funding system.

(3) A description of the programmatic effects that could occur if the no-year funding system is eliminated.

(4) A delineation of activities for which the no-year funding system should be retained.

(c) DEFINITIONS.—In this section:

(1) The term "no-year funding system" means a funding system in which funds are available to the Department of Energy until expended.

(2) The term "limited-period funding system" means a funding system in which funds are available to the Department of Energy for a limited period of time.

SEC. 3170. REPORT ON REMEDIATION UNDER THE FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM.

Not later than March 1, 1998, the Secretary of Energy shall submit to Congress a report containing information responding to the following questions regarding the Formerly Utilized Sites Remedial Action Program:

(1) How many Formerly Utilized Sites remain to be remediated, what portions of these remaining sites have completed remediation (including any offsite contamination), what portions of the sites remain to be remediated (including any offsite contamination), what types of contaminants are present at

each site, and what are the projected timeframes for completing remediation at each site?

(2) What is the cost of the remaining response actions necessary to address actual or threatened releases of hazardous substances at each Formerly Utilized Site, including any contamination that is present beyond the perimeter of the facilities?

(3) For each site, how much will it cost to remediate the radioactive contamination, and how much will it cost to remediate the non-radioactive contamination?

(4) How many sites potentially involve private parties that could be held responsible for remediation costs, including remediation costs related to offsite contamination?

(5) What type of agreements under the Formerly Utilized Sites Remedial Action Program have been entered into with private parties to resolve the level of liability for remediation costs at these facilities, and to what extent have these agreements been tied to a distinction between radioactive and non-radioactive contamination present at these sites?

(6) What efforts have been undertaken by the Department to ensure that the settlement agreements entered into with private parties to resolve liability for remediation costs at these facilities have been consistent on a program-wide basis?

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.
Sec. 3202. Report on external regulation of defense nuclear facilities.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1998, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. REPORT ON EXTERNAL REGULATION OF DEFENSE NUCLEAR FACILITIES.

(a) REPORTING REQUIREMENT.—The Defense Nuclear Facilities Safety Board (in this section referred to as the "Board") shall prepare a report and make recommendations on its role in the Department of Energy's decision to establish external regulation of defense nuclear facilities. The report shall include the following:

(1) An assessment of the value of and the need for the Board to continue to perform the functions specified under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

(2) An assessment of the relationship between the functions of the Board and a proposal by the Department of Energy to place Department of Energy defense nuclear facilities under the jurisdiction of external regulatory agencies.

(3) An assessment of the functions of the Board and whether there is a need to modify or amend such functions.

(4) An assessment of the relative advantages and disadvantages to the Department and the public of continuing the functions of the Board with respect to Department of Energy defense

nuclear facilities and replacing the activities of the Board with external regulation of such facilities.

(5) A list of all existing or planned Department of Energy defense nuclear facilities that are similar to facilities under the regulatory jurisdiction of the Nuclear Regulatory Commission.

(6) A list of all Department of Energy defense nuclear facilities that are in compliance with all applicable Department of Energy orders, regulations, and requirements relating to the design, construction, operation, and decommissioning of defense nuclear facilities.

(7) A list of all Department of Energy defense nuclear facilities that have implemented, pursuant to an implementation plan, recommendations made by the Board and accepted by the Secretary of Energy.

(8) A list of Department of Energy defense nuclear facilities that have a function related to Department weapons activities.

(9)(A) A list of each existing defense nuclear facility that the Board determines—

(i) should continue to stay within the jurisdiction of the Board for a period of time or indefinitely; and

(ii) should come under the jurisdiction of an outside regulatory authority.

(B) An explanation of the determinations made under subparagraph (A).

(10) For any existing facilities that should, in the opinion of the Board, come under the jurisdiction of an outside regulatory authority, the date when this move would occur and the period of time necessary for the transition.

(11) A list of any proposed Department of Energy defense nuclear facilities that should come under the Board's jurisdiction.

(12) An assessment of regulatory and other issues associated with the design, construction, operation, and decommissioning of facilities that are not owned by the Department of Energy but which would provide services to the Department of Energy.

(13) An assessment of the role of the Board, if any, in privatization projects undertaken by the Department.

(14) An assessment of the role of the Board, if any, in any tritium production facilities.

(15) An assessment of the comparative advantages and disadvantages to the Department of Energy in the event some or all Department of Energy defense nuclear facilities were no longer included in the functions of the Board and were regulated by the Nuclear Regulatory Commission.

(16) A comparison of the cost, as identified by the Nuclear Regulatory Commission, that would be incurred at a gaseous diffusion plant to comply with regulations issued by the Nuclear Regulatory Commission, with the cost that would be incurred by a gaseous diffusion plant if such a plant was considered to be a Department of Energy defense nuclear facility as defined by chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

(b) COMMENTS ON REPORT.—Before submission of the report to Congress under subsection (c), the Board shall transmit the report to the Secretary of Energy and the Nuclear Regulatory

Commission. The Secretary and the Commission shall provide their comments on the report to both the Board and to Congress.

(c) SUBMISSION TO CONGRESS.—Not later than six months after the date of the enactment of this Act, the Board shall provide to Congress an interim report on the status of the implementation of this section. Not later than one year after the date of the enactment of this Act, and not earlier than 30 days after receipt of comments from the Secretary of Energy and the Nuclear Regulatory Commission under subsection (b), the Board shall submit to Congress the report required under subsection (a).

(d) DEFINITION.—In this section, the term "Department of Energy defense nuclear facility" has the meaning provided by section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Definitions.
Sec. 3302. Authorized uses of stockpile funds.
Sec. 3303. Disposal of beryllium copper master alloy in National Defense Stockpile.
Sec. 3304. Disposal of titanium sponge in National Defense Stockpile.
Sec. 3305. Disposal of cobalt in National Defense Stockpile.
Sec. 3306. Required procedures for disposal of strategic and critical materials.
Sec. 3307. Return of surplus platinum from the Department of the Treasury.

SEC. 3301. DEFINITIONS.

In this title:

(1) The term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term "National Defense Stockpile Transaction Fund" means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

(3) The term "Market Impact Committee" means the Market Impact Committee established under section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1(c)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1998, the National Defense Stockpile Manager may obligate up to $73,000,000 of the funds in the National Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3303. DISPOSAL OF BERYLLIUM COPPER MASTER ALLOY IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZATION.—Pursuant to section 5(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98d(b)), the National Defense Stockpile Manager may dispose of all beryllium copper master alloy from the National Defense Stockpile as part of continued efforts to modernize the stockpile.

(b) PRECONDITION FOR DISPOSAL.—Before beginning the disposal of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall certify to Congress that the disposal of beryllium copper master alloy will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical material needs of the United States.

(c) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee to ensure that the disposal of beryllium copper master alloy does not disrupt the domestic beryllium industry.

(d) EXTENDED SALES CONTRACTS.—The National Defense Stockpile Manager shall provide for the use of long-term sales contracts for the disposal of beryllium copper master alloy under subsection (a) so that the domestic beryllium industry can re-absorb this material into the market in a gradual and nondisruptive manner. However, no such contract shall provide for the disposal of beryllium copper master alloy over a period longer than eight years, beginning on the date of the commencement of the first contract under this section.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

(f) BERYLLIUM COPPER MASTER ALLOY DEFINED.—For purposes of this section, the term "beryllium copper master alloy" means an alloy of nominally four percent beryllium in copper.

SEC. 3304. DISPOSAL OF TITANIUM SPONGE IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (b), the National Defense Stockpile Manager shall dispose of 34,800 short tons of titanium sponge contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) and excess to stockpile requirements.

(b) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of titanium sponge under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee to ensure that the disposal of titanium sponge does not disrupt the domestic titanium industry.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

SEC. 3305. DISPOSAL OF COBALT IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsections (b) and (c), the President shall dispose of cobalt contained in the National

Defense Stockpile so as to result in receipts to the United States in amounts equal to—

(1) $20,000,000 during fiscal year 2003;
(2) $30,000,000 during fiscal year 2004;
(3) $34,000,000 during fiscal year 2005;
(4) $34,000,000 during fiscal year 2006; and
(5) $34,000,000 during fiscal year 2007.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantity of cobalt authorized for disposal by the President under subsection (a) may not exceed 14,058,014 pounds.

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of cobalt under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of cobalt; or
(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of cobalt under subsection (a) shall be deposited into the general fund of the Treasury.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

SEC. 3306. REQUIRED PROCEDURES FOR DISPOSAL OF STRATEGIC AND CRITICAL MATERIALS.

Section 6(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(b)) is amended in the first sentence by striking out "materials from the stockpile shall be made by formal advertising or competitive negotiation procedures." and inserting in lieu thereof "strategic and critical materials from the stockpile shall be made in accordance with the next sentence.".

SEC. 3307. RETURN OF SURPLUS PLATINUM FROM THE DEPARTMENT OF THE TREASURY.

(a) RETURN OF PLATINUM TO STOCKPILE.—Subject to subsection (b), the Secretary of the Treasury, upon the request of the Secretary of Defense, shall return to the Secretary of Defense for sale or other disposition platinum of the National Defense Stockpile that has been loaned to the Department of the Treasury by the Secretary of Defense, acting as the stockpile manager. The quantity requested and required to be returned shall be any quantity that the Secretary of Defense determines appropriate for sale or other disposition.

(b) ALTERNATIVE TRANSFER OF FUNDS.—The Secretary of the Treasury, with the concurrence of the Secretary of Defense, may transfer to the Secretary of Defense funds in a total amount that is equal to the fair market value of any platinum requested under subsection (a) and not returned. A transfer of funds under this subsection shall be a substitute for a return of platinum under subsection (a). Upon a transfer of funds as a substitute for a return of platinum, the platinum shall cease to be part of the National Defense Stockpile. A transfer of funds under this subsection shall be charged to any appropriation for the Department of the Treasury and shall be credited to the National Defense Stockpile Transaction Fund.

(c) RESPONSIBILITY FOR COSTS.—The return of platinum under subsection (a) by the Secretary of the Treasury shall be made without the expenditure of any funds available to the Department of Defense. The Secretary of the Treasury shall be responsible for all costs incurred in connection with the return, such as transportation, storage, testing, refining, or casting costs.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1998.
Sec. 3403. Repeal of requirement to assign Navy officers to Office of Naval Petroleum and Oil Shale Reserves.
Sec. 3404. Transfer of jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $117,000,000 for fiscal year 1998 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1998.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1998, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. REPEAL OF REQUIREMENT TO ASSIGN NAVY OFFICERS TO OFFICE OF NAVAL PETROLEUM AND OIL SHALE RESERVES.

Section 2 of Public Law 96–137 (42 U.S.C. 7156a) is repealed.

SEC. 3404. TRANSFER OF JURISDICTION, NAVAL OIL SHALE RESERVES NUMBERED 1 AND 3.

(a) TRANSFER REQUIRED.—Chapter 641 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production

"(a) TRANSFER REQUIRED.—(1) Upon the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over all public domain lands included within Oil Shale Reserve Numbered 1 and those public domain lands included within the undeveloped tracts of Oil Shale Reserve Numbered 3.

"(2) Not later than one year after the date of the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over those public domain lands included within the developed tract of Oil Shale Reserve Numbered 3, which consists of approximately 6,000 acres

and 24 natural gas wells, together with pipelines and associated facilities.

"(3) Notwithstanding the transfer of jurisdiction, the Secretary of Energy shall continue to be responsible for all environmental restoration, waste management, and environmental compliance activities that are required under Federal and State laws with respect to conditions existing on the lands at the time of the transfer.

"(4) Upon the transfer to the Secretary of the Interior of jurisdiction over public domain lands under this subsection, the other provisions of this chapter shall cease to apply with respect to the transferred lands.

"(b) AUTHORITY TO LEASE.—(1) Beginning on the date of the enactment of this section, or as soon thereafter as practicable, the Secretary of the Interior shall enter into leases with one or more private entities for the purpose of exploration for, and development and production of, petroleum (other than in the form of oil shale) located on or in public domain lands in Oil Shale Reserves Numbered 1 and 3 (including the developed tract of Oil Shale Reserve Numbered 3). Any such lease shall be made in accordance with the requirements of the Mineral Leasing Act (30 U.S.C. 181 et seq.) regarding the lease of oil and gas lands and shall be subject to valid existing rights.

"(2) Notwithstanding the delayed transfer of the developed tract of Oil Shale Reserve Numbered 3 under subsection (a)(2), the Secretary of the Interior shall enter into a lease under paragraph (1) with respect to the developed tract before the end of the one-year period beginning on the date of the enactment of this section.

"(c) MANAGEMENT.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall manage the lands transferred under subsection (a) in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other laws applicable to the public lands.

"(d) TRANSFER OF EXISTING EQUIPMENT.—The lease of lands by the Secretary of the Interior under this section may include the transfer, at fair market value, of any well, gathering line, or related equipment owned by the United States on the lands transferred under subsection (a) and suitable for use in the exploration, development, or production of petroleum on the lands.

"(e) COST MINIMIZATION.—The cost of any environmental assessment required pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in connection with a proposed lease under this section shall be paid out of unobligated amounts available for administrative expenses of the Bureau of Land Management.

"(f) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 35 of the Mineral Leasing Act (30 U.S.C. 191), all moneys received during the period specified in paragraph (2) from a lease under this section (including moneys in the form of sales, bonuses, royalties (including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.)), and rentals) shall be covered into the Treasury of the United States and shall not be subject to distribution to the States pursuant to subsection (a) of such section 35. Subject to a specific authorization and appropriation for this purpose, such moneys may be used

for reimbursement of environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the lands transferred under subsection (a).

"(2) The period referred to in this subsection is the period beginning on the date of the enactment of this section and ending on the date on which the Secretary of Energy and the Secretary of the Interior jointly certify to Congress that the sum of the moneys deposited in the Treasury under paragraph (1) is equal to the total of the following:

"(A) The cost of all environmental restoration, waste management, and environmental compliance activities incurred by the United States with respect to the lands transferred under subsection (a).

"(B) The cost to the United States to originally install wells, gathering lines, and related equipment on the transferred lands and any other cost incurred by the United States with respect to the lands.".

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

"7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production.".

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Expenditures From Revolving Fund

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

Subtitle B—Facilitation of Panama Canal Transition

Sec. 3511. Short title; references.
Sec. 3512. Definitions relating to canal transition.

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

Sec. 3521. Authority for the Administrator of the Commission to accept appointment as the Administrator of the Panama Canal Authority.
Sec. 3522. Post-Canal transfer personnel authorities.
Sec. 3523. Enhanced authority of Commission to establish compensation of Commission officers and employees.
Sec. 3524. Travel, transportation, and subsistence expenses for Commission personnel no longer subject to Federal travel regulation.
Sec. 3525. Enhanced recruitment and retention authorities.
Sec. 3526. Transition separation incentive payments.
Sec. 3527. Labor-management relations.
Sec. 3528. Availability of Panama Canal Revolving Fund for severance pay for certain employees separated by Panama Canal Authority after Canal Transfer Date.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

Sec. 3541. Establishment of procurement system and Board of Contract Appeals.
Sec. 3542. Transactions with the Panama Canal Authority.
Sec. 3543. Time limitations on filing of claims for damages.
Sec. 3544. Tolls for small vessels.
Sec. 3545. Date of actuarial evaluation of FECA liability.
Sec. 3546. Appointment of notaries public.
Sec. 3547. Commercial services.
Sec. 3548. Transfer from President to Commission of certain regulatory functions relating to employment classification appeals.

Sec. 3549. Enhanced printing authority.
Sec. 3550. Technical and conforming amendments.

Subtitle A—Authorization of Expenditures From Revolving Fund

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1998".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1998.

(b) LIMITATIONS.—For fiscal year 1998, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $85,000 for official reception and representation expenses, of which—

(1) not more than $23,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $12,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $50,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Commission shall be available for the purchase and transportation to the Republic of Panama of passenger motor vehicles, the purchase price of which shall not exceed $22,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Facilitation of Panama Canal Transition

SEC. 3511. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Panama Canal Transition Facilitation Act of 1997".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section

or other provision of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3512. DEFINITIONS RELATING TO CANAL TRANSITION.

Section 3 (22 U.S.C. 3602) is amended by adding at the end the following new subsection:

"(d) For purposes of this Act:

"(1) The term 'Canal Transfer Date' means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

"(2) The term 'Panama Canal Authority' means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.".

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

SEC. 3521. AUTHORITY FOR THE ADMINISTRATOR OF THE COMMISSION TO ACCEPT APPOINTMENT AS THE ADMINISTRATOR OF THE PANAMA CANAL AUTHORITY.

(a) AUTHORITY FOR DUAL ROLE.—Section 1103 (22 U.S.C. 3613) is amended by adding at the end the following new subsection:

"(c) The Congress consents, for purposes of the 8th clause of article I, section 9 of the Constitution of the United States, to the acceptance by the individual serving as Administrator of the Commission of appointment by the Republic of Panama to the position of Administrator of the Panama Canal Authority. Such consent is effective only if that individual, while serving in both such positions, serves as Administrator of the Panama Canal Authority without compensation, except for payments by the Republic of Panama of travel and entertainment expenses, including per diem payments.".

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

"(d) If before the Canal Transfer Date the Republic of Panama appoints as the Administrator of the Panama Canal Authority the individual serving as the Administrator of the Commission and if that individual accepts the appointment—

"(1) during any period during which that individual serves as both Administrator of the Commission and the Administrator of the Panama Canal Authority—

"(A) the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), shall not apply to that individual with respect to service as the Administrator of the Panama Canal Authority;

"(B) that individual, with respect to participation in any particular matter as the Administrator of the Panama Canal Commission, is not subject to section 208(a) of title 18, United States Code, insofar as that section would otherwise apply to that matter only because the matter will have a direct and predictable effect on the financial interest of the Panama Canal Authority;

"(C) that individual is not subject to sections 203 and 205 of title 18, United States Code, with respect to official

acts performed as an agent or attorney for or otherwise representing the Panama Canal Authority; and

"(D) that individual is not subject to sections 501(a) and 502(a)(4) of the Ethics in Government Act of 1978 (5 U.S.C. App.), with respect to compensation received for, and service in, the position of Administrator of the Panama Canal Authority; and

"(2) effective upon termination of the individual's appointment as Administrator of the Panama Canal Commission at noon on the Canal Transfer Date, that individual is not subject to section 207 of title 18, United States Code, with respect to acts done in carrying out official duties as Administrator of the Panama Canal Authority.".

SEC. 3522. POST-CANAL TRANSFER PERSONNEL AUTHORITIES.

(a) WAIVER OF CERTAIN POST-EMPLOYMENT RESTRICTIONS FOR COMMISSION PERSONNEL BECOMING EMPLOYEES OF THE PANAMA CANAL AUTHORITY.—Section 1112 (22 U.S.C. 3622) is amended by adding at the end the following new subsection:

"(e)(1) Section 207 of title 18, United States Code, does not apply to a covered individual with respect to acts done in carrying out official duties as an officer or employee of the Panama Canal Authority.

"(2) For purposes of paragraph (1), a covered individual is an officer or employee of the Panama Canal Authority who was an officer or employee of the Commission (other than the Administrator) and whose employment with the Commission terminated at noon on the Canal Transfer Date.

"(3) This subsection is effective as of the Canal Transfer Date.".

(b) CONSENT OF CONGRESS FOR ACCEPTANCE BY RESERVE AND RETIRED MEMBERS OF THE UNIFORMED SERVICES OF EMPLOYMENT BY PANAMA CANAL AUTHORITY.—Such section is further amended by adding after subsection (e), as added by subsection (a), the following new subsection:

"(f)(1) The Congress consents to the following persons accepting civil employment (and compensation for that employment) with the Panama Canal Authority for which the consent of the Congress is required by the last paragraph of section 9 of article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government:

"(A) Retired members of the uniformed services.

"(B) Members of a reserve component of the armed forces.

"(C) Members of the Commissioned Reserve Corps of the Public Health Service.

"(2) The consent of the Congress under paragraph (1) is effective without regard to subsection (b) of section 908 of title 37, United States Code (relating to approval required for employment of Reserve and retired members by foreign governments).".

SEC. 3523. ENHANCED AUTHORITY OF COMMISSION TO ESTABLISH COMPENSATION OF COMMISSION OFFICERS AND EMPLOYEES.

(a) REPEAL OF LIMITATIONS ON COMMISSION AUTHORITY.—The following provisions are repealed:

(1) Section 1215 (22 U.S.C. 3655), relating to basic pay.

(2) Section 1219 (22 U.S.C. 3659), relating to salary protection upon conversion of pay rate.

(3) Section 1225 (22 U.S.C. 3665), relating to minimum level of pay and minimum annual increases.

(b) SAVINGS PROVISION.—Section 1202 (22 U.S.C. 3642) is amended by adding at the end the following new subsection:

"(c) In the case of an individual who is an officer or employee of the Commission on the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997 and who has not had a break in service with the Commission since that date, the rate of basic pay for that officer or employee on or after that date may not be less than the rate in effect for that officer or employee on the day before that date of enactment except—

"(1) as provided in a collective bargaining agreement;

"(2) as a result of an adverse action against the officer or employee; or

"(3) pursuant to a voluntary demotion.".

(c) CROSS-REFERENCE AMENDMENTS.—(1) Section 1216 (22 U.S.C. 3656) is amended by striking out "1215" and inserting in lieu thereof "1202".

(2) Section 1218 (22 U.S.C. 3658) is amended by striking out "1215" and "1217" and inserting in lieu thereof "1202" and "1217(a)", respectively.

(d) NONAPPLICABILITY TO AGENCIES IN PANAMA OTHER THAN PANAMA CANAL COMMISSION.—Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out "or the Panama Canal Act Amendments of 1996" and inserting in lieu thereof ", the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104–201; 110 Stat. 2860), or the Panama Canal Transition Facilitation Act of 1997".

SEC. 3524. TRAVEL, TRANSPORTATION, AND SUBSISTENCE EXPENSES FOR COMMISSION PERSONNEL NO LONGER SUBJECT TO FEDERAL TRAVEL REGULATION.

(a) REPEAL OF APPLICABILITY OF TITLE 5 PROVISIONS.—(1) Section 1210 (22 U.S.C. 3650) is amended by striking out subsections (a), (b), and (c).

(2) Section 1224 (22 U.S.C. 3664) is amended—

(A) by striking out paragraph (10); and

(B) by redesignating paragraphs (11) through (20) as paragraphs (10) through (19), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1210 is further amended—

(A) by redesignating subsection (d)(1) as subsection (a) and in that subsection striking out "paragraph (2)" and inserting in lieu thereof "subsection (b)"; and

(B) by redesignating subsection (d)(2) as subsection (b) and in that subsection—

(i) striking out "Notwithstanding paragraph (1), an" and inserting in lieu thereof "An"; and

(ii) striking out "referred to in paragraph (1)" and inserting in lieu thereof "who is a citizen of the Republic of Panama".

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

"AIR TRANSPORTATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 3525. ENHANCED RECRUITMENT AND RETENTION AUTHORITIES.

(a) RECRUITMENT, RELOCATION, AND RETENTION BONUSES.—Section 1217 (22 U.S.C. 3657) is amended—

(1) by redesignating subsection (c) as subsection (e);

(2) in subsection (e) (as so redesignated), by striking out "for the same or similar work performed in the United States by individuals employed by the Government of the United States" and inserting in lieu thereof "of the individual to whom the compensation is paid"; and

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

"(c)(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the Commission determines that the Commission would be likely, in the absence of such a bonus, to have difficulty in filling the position.

"(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment established in the agreement. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

"(3) A recruitment or relocation bonus under this subsection may be paid as a lump sum. A bonus under this subsection may not be considered to be part of the basic pay of an employee.

"(d)(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

"(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

"(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

"(2) A retention bonus under this subsection—

"(A) shall be in a fixed amount;

"(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

"(C) may not be considered to be part of the basic pay of an employee.

"(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.".

(b) EDUCATIONAL SERVICES.—Section 1321(e)(2) (22 U.S.C. 3731(e)(2)) is amended by striking out "and persons" and inserting in lieu thereof ", to other Commission employees when determined

by the Commission to be necessary for their recruitment or retention, and to other persons".

SEC. 3526. TRANSITION SEPARATION INCENTIVE PAYMENTS.

Chapter 2 of title I (22 U.S.C. 3641 et seq.) is amended by adding at the end of subchapter III the following new section:

"TRANSITION SEPARATION INCENTIVE PAYMENTS

"SEC. 1233. (a) In applying to the Commission and employees of the Commission the provisions of section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208; 110 Stat. 3009–383), relating to voluntary separation incentives for employees of certain Federal agencies (in this section referred to as 'section 663')—

"(1) the term 'employee' shall mean an employee of the Commission who has served in the Republic of Panama in a position with the Commission for a continuous period of at least three years immediately before the employee's separation under an appointment without time limitation and who is covered under the Civil Service Retirement System or the Federal Employees' Retirement System under subchapter III of chapter 83 or chapter 84, respectively, of title 5, United States Code, other than—

"(A) an employee described in any of subparagraphs (A) through (F) of subsection (a)(2) of section 663; or

"(B) an employee of the Commission who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 1217(c) of this Act or who, within the 12-month period preceding the date of separation, received a retention bonus under section 1217(d) of this Act;

"(2) the strategic plan under subsection (b) of section 663 shall include (in lieu of the matter specified in subsection (b)(2) of that section)—

"(A) the positions to be affected, identified by occupational category and grade level;

"(B) the number and amounts of separation incentive payments to be offered; and

"(C) a description of how such incentive payments will facilitate the successful transfer of the Panama Canal to the Republic of Panama;

"(3) a separation incentive payment under section 663 may be paid to a Commission employee only to the extent necessary to facilitate the successful transfer of the Panama Canal by the United States of America to the Republic of Panama as required by the Panama Canal Treaty of 1977;

"(4) such a payment—

"(A) may be in an amount determined by the Commission not to exceed $25,000; and

"(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of an eligible employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section or during the period beginning on October 1, 1998, and ending on December 31, 1998;

"(5) in the case of not more than 15 employees who (as determined by the Commission) are unwilling to work for the Panama Canal Authority after the Canal Transfer Date and who occupy critical positions for which (as determined by the Commission) at least two years of experience is necessary to ensure that seasoned managers are in place on and after the Canal Transfer Date, such a payment (notwithstanding paragraph (4))—

"(A) may be in an amount determined by the Commission not to exceed 50 percent of the basic pay of the employee; and

"(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of such an employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section; and

"(6) the provisions of subsection (f) of section 663 shall not apply.

"(b) A decision by the Commission to exercise or to not exercise the authority to pay a transition separation incentive under this section shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.".

SEC. 3527. LABOR-MANAGEMENT RELATIONS.

Section 1271 (22 U.S.C. 3701) is amended by adding at the end the following new subsection:

"(c)(1) This subsection applies to any matter that becomes the subject of collective bargaining between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this subsection and ending on the Canal Transfer Date.

"(2)(A) The resolution of impasses resulting from collective bargaining between the Commission and any such exclusive representative during that period shall be conducted in accordance with such procedures as may be mutually agreed upon between the Commission and the exclusive representative (without regard to any otherwise applicable provisions of chapter 71 of title 5, United States Code). Such mutually agreed upon procedures shall become effective upon transmittal by the Chairman of the Supervisory Board of the Commission to the Congress of notice of the agreement to use those procedures and a description of those procedures.

"(B) The Federal Services Impasses Panel shall not have jurisdiction to resolve any impasse between the Commission and any such exclusive representative in negotiations over a procedure for resolving impasses.

"(3) If the Commission and such an exclusive representative do not reach an agreement concerning a procedure for resolving impasses with respect to a bargaining unit and transmit notice of the agreement under paragraph (2) on or before July 1, 1998, the following shall be the procedure by which collective bargaining impasses between the Commission and the exclusive representative for that bargaining unit shall be resolved:

"(A) If bargaining efforts do not result in an agreement, either party may timely request the Federal Mediation and Conciliation Service to assist in achieving an agreement.

"(B) If an agreement is not reached within 45 days after the date on which either party requests the assistance of the Federal Mediation and Conciliation Service in writing (or within such shorter period as may be mutually agreed upon by the parties), the parties shall be considered to be at an impasse and the Federal Mediation and Conciliation Service shall immediately notify the Federal Services Impasses Panel of the Federal Labor Relations Authority, which shall decide the impasse.

"(C) If the Federal Services Impasses Panel fails to issue a decision within 90 days after the date on which notice under subparagraph (B) is received by the Panel (or within such shorter period as may be mutually agreed upon by the parties), the efforts of the Panel shall be terminated.

"(D) In such a case, the Chairman of the Panel (or another member in the absence of the Chairman) shall immediately determine the matter by a drawing (conducted in such manner as the Chairman (or, in the absence of the Chairman, such other member) determines appropriate) between the last offer of the Commission and the last offer of the exclusive representative, with the offer chosen through such drawing becoming the binding resolution of the matter.

"(4) In the case of a notice of agreement described in paragraph (2)(A) that is transmitted to the Congress as described in the second sentence of that paragraph after July 1, 1998, the impasse resolution procedures covered by that notice shall apply to any impasse between the Commission and the other party to the agreement that is unresolved on the date on which that notice is transmitted to the Congress.".

SEC. 3528. AVAILABILITY OF PANAMA CANAL REVOLVING FUND FOR SEVERANCE PAY FOR CERTAIN EMPLOYEES SEPARATED BY PANAMA CANAL AUTHORITY AFTER CANAL TRANSFER DATE.

(a) AVAILABILITY OF REVOLVING FUND.—Section 1302(a) (22 U.S.C. 3712(a)) is amended by adding at the end the following new paragraph:

"(10) Payment to the Panama Canal Authority, not later than the Canal Transfer Date, of such amount as is computed by the Commission to be the future amount of severance pay to be paid by the Panama Canal Authority to employees whose employment with the Authority is terminated, to the extent that such severance pay is attributable to periods of service performed with the Commission before the Canal Transfer Date (and assuming for purposes of such computation that the Panama Canal Authority, in paying severance pay to terminated employees, will provide for crediting of periods of service with the Commission).".

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

(1) by striking out "for—" in the matter preceding paragraph (1) and inserting in lieu thereof "for the following purposes:";

(2) by capitalizing the initial letter of the first word in each of paragraphs (1) through (9);

(3) by striking out the semicolon at the end of each of paragraphs (1) through (7) and inserting in lieu thereof a period; and

(4) by striking out "; and" at the end of paragraph (8) and inserting in lieu thereof a period.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

SEC. 3541. ESTABLISHMENT OF PROCUREMENT SYSTEM AND BOARD OF CONTRACT APPEALS.

Title III of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after the title heading the following new chapter:

"CHAPTER 1—PROCUREMENT

"PROCUREMENT SYSTEM

"SEC. 3101. (a) PANAMA CANAL ACQUISITION REGULATION.—(1) The Commission shall establish by regulation a comprehensive procurement system. The regulation shall be known as the 'Panama Canal Acquisition Regulation' (in this section referred to as the 'Regulation') and shall provide for the procurement of goods and services by the Commission in a manner that—

"(A) applies the fundamental operating principles and procedures in the Federal Acquisition Regulation;

"(B) uses efficient commercial standards of practice; and

"(C) is suitable for adoption and uninterrupted use by the Republic of Panama after the Canal Transfer Date.

"(2) The Regulation shall contain provisions regarding the establishment of the Panama Canal Board of Contract Appeals described in section 3102.

"(b) SUPPLEMENT TO REGULATION.—The Commission shall develop a Supplement to the Regulation (in this section referred to as the 'Supplement') that identifies both the provisions of Federal law applicable to procurement of goods and services by the Commission and the provisions of Federal law waived by the Commission under subsection (c).

"(c) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the Commission shall determine which provisions of Federal law should not apply to procurement by the Commission and may waive those laws for purposes of the Regulation and Supplement.

"(2) For purposes of paragraph (1), the Commission may not waive—

"(A) section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423);

"(B) the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), other than section 10(a) of such Act (41 U.S.C. 609(a)); or

"(C) civil rights, environmental, or labor laws.

"(d) CONSULTATION WITH ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.—In establishing the Regulation and developing the Supplement, the Commission shall consult with the Administrator for Federal Procurement Policy.

"(e) EFFECTIVE DATE.—The Regulation and the Supplement shall take effect on the date of publication in the Federal Register, or January 1, 1999, whichever is earlier.

"PANAMA CANAL BOARD OF CONTRACT APPEALS

"SEC. 3102. (a) ESTABLISHMENT.—(1) The Secretary of Defense, in consultation with the Commission, shall establish a board of contract appeals, to be known as the Panama Canal Board of Contract Appeals, in accordance with section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607). Except as otherwise provided by this section, the Panama Canal Board of Contract Appeals (in this section referred to as the 'Board') shall be subject to the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) in the same manner as any other agency board of contract appeals established under that Act.

"(2) The Board shall consist of three members. At least one member of the Board shall be licensed to practice law in the Republic of Panama. Individuals appointed to the Board shall take an oath of office, the form of which shall be prescribed by the Secretary of Defense.

"(b) EXCLUSIVE JURISDICTION TO DECIDE APPEALS.—Notwithstanding section 10(a)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other provision of law, the Board shall have exclusive jurisdiction to decide an appeal from a decision of a contracting officer under section 8(d) of such Act (41 U.S.C. 607(d)).

"(c) EXCLUSIVE JURISDICTION TO DECIDE PROTESTS.—The Board shall decide protests submitted to it under this subsection by interested parties in accordance with subchapter V of title 31, United States Code. Notwithstanding section 3556 of that title, section 1491(b) of title 28, United States Code, and any other provision of law, the Board shall have exclusive jurisdiction to decide such protests. For purposes of this subsection—

"(1) except as provided in paragraph (2), each reference to the Comptroller General in sections 3551 through 3555 of title 31, United States Code, is deemed to be a reference to the Board;

"(2) the reference to the Comptroller General in section 3553(d)(3)(C)(ii) of such title is deemed to be a reference to both the Board and the Comptroller General;

"(3) the report required by paragraph (1) of section 3554(e) of such title shall be submitted to the Comptroller General as well as the committees listed in such paragraph;

"(4) the report required by paragraph (2) of such section shall be submitted to the Comptroller General as well as Congress; and

"(5) section 3556 of such title shall not apply to the Board, but nothing in this subsection shall affect the right of an interested party to file a protest with the appropriate contracting officer.

"(d) PROCEDURES.—The Board shall prescribe such procedures as may be necessary for the expeditious decision of appeals and protests under subsections (b) and (c).

"(e) COMMENCEMENT.—The Board shall begin to function as soon as it has been established and has prescribed procedures under subsection (d), but not later than January 1, 1999.

"(f) TRANSITION.—The Board shall have jurisdiction under subsections (b) and (c) over any appeals and protests filed on or after the date on which the Board begins to function. Any appeals and protests filed before such date shall remain before the forum in which they were filed.

"(g) OTHER FUNCTIONS.—The Board may perform functions similar to those described in this section for such other matters or activities of the Commission as the Commission may determine and in accordance with regulations prescribed by the Commission.".

SEC. 3542. TRANSACTIONS WITH THE PANAMA CANAL AUTHORITY.

Section 1342 (22 U.S.C. 3752) is amended—

(1) by designating the text of the section as subsection (a); and

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

"(b) The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.

"(c) Any executive department or agency of the United States may, on a reimbursable basis, provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Authority, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.".

SEC. 3543. TIME LIMITATIONS ON FILING OF CLAIMS FOR DAMAGES.

(a) FILING OF ADMINISTRATIVE CLAIMS WITH COMMISSION.—Sections 1411(a) (22 U.S.C. 3771(a)) and 1412 (22 U.S.C. 3772) are each amended in the last sentence by striking out "within 2 years after" and all that follows through "of 1985," and inserting in lieu thereof "within one year after the date of the injury or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,".

(b) FILING OF JUDICIAL ACTIONS.—The penultimate sentence of section 1416 (22 U.S.C. 3776) is amended—

(1) by striking out "one year" the first place it appears and inserting in lieu thereof "180 days"; and

(2) by striking out "claim, or" and all that follows through "of 1985," and inserting in lieu thereof "claim or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,".

SEC. 3544. TOLLS FOR SMALL VESSELS.

Section 1602(a) (22 U.S.C. 3792(a)) is amended—

(1) in the first sentence, by striking out "supply ships, and yachts" and inserting in lieu thereof "and supply ships"; and

(2) by adding at the end the following new sentence: "Tolls for small vessels (including yachts), as defined by the Commission, may be set at rates determined by the Commission without regard to the preceding provisions of this subsection.".

SEC. 3545. DATE OF ACTUARIAL EVALUATION OF FECA LIABILITY.

Section 5(a) of the Panama Canal Commission Compensation Fund Act of 1988 (22 U.S.C. 3715c(a)) is amended by striking out "Upon the termination of the Panama Canal Commission" and inserting in lieu thereof "By March 31, 1998".

SEC. 3546. APPOINTMENT OF NOTARIES PUBLIC.

Section 1102a (22 U.S.C. 3612a) is amended—

(1) by redesignating subsection (g) as subsection (h); and

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

"(g)(1) The Commission may appoint any United States citizen to have the general powers of a notary public to perform, on behalf of Commission employees and their dependents outside the United States, any notarial act that a notary public is required or authorized to perform within the United States. Unless an earlier expiration is provided by the terms of the appointment, any such appointment shall expire three months after the Canal Transfer Date.

"(2) Every notarial act performed by a person acting as a notary under paragraph (1) shall be as valid, and of like force and effect within the United States, as if executed by or before a duly authorized and competent notary public in the United States.

"(3) The signature of any person acting as a notary under paragraph (1), when it appears with the title of that person's office, is prima facie evidence that the signature is genuine, that the person holds the designated title, and that the person is authorized to perform a notarial act.".

SEC. 3547. COMMERCIAL SERVICES.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

"(e) The Commission may conduct and promote commercial activities related to the management, operation, or maintenance of the Panama Canal. Any such commercial activity shall be carried out consistent with the Panama Canal Treaty of 1977 and related agreements.".

SEC. 3548. TRANSFER FROM PRESIDENT TO COMMISSION OF CERTAIN REGULATORY FUNCTIONS RELATING TO EMPLOYMENT CLASSIFICATION APPEALS.

Sections 1221(a) and 1222(a) (22 U.S.C. 3661(a), 3662(a)) are amended by striking out "President" and inserting in lieu thereof "Commission".

SEC. 3549. ENHANCED PRINTING AUTHORITY.

Section 1306(a) (22 U.S.C. 3714b(a)) is amended by striking out "Section 501" and inserting in lieu thereof "Sections 501 through 517 and 1101 through 1123".

SEC. 3550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CLERICAL AMENDMENTS.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 1210 and inserting in lieu thereof the following:

"Sec. 1210. Air transportation.";

(2) by striking out the items relating to sections 1215, 1219, and 1225;

(3) by inserting after the item relating to section 1232 the following new item:

"Sec. 1233. Transition separation incentive payments.";

and

(4) by inserting after the item relating to the heading of title III the following:

"CHAPTER 1—PROCUREMENT

"Sec. 3101. Procurement system.
"Sec. 3102. Panama Canal Board of Contract Appeals.".

(b) AMENDMENT TO REFLECT PRIOR CHANGE IN COMPENSATION OF ADMINISTRATOR.—Section 5315 of title 5, United States Code, is amended by striking out the following:

"Administrator of the Panama Canal Commission.".

(c) AMENDMENTS TO REFLECT CHANGE IN TRAVEL AND TRANSPORTATION EXPENSES AUTHORITY.—(1) Section 5724(a)(3) of title 5, United States Code, is amended by striking out ", the Commonwealth of Puerto Rico," and all that follows through "Panama Canal Act of 1979" and inserting in lieu thereof "or the Commonwealth of Puerto Rico".

(2) Section 5724a(j) of such title is amended—

(A) by inserting "and" after "Northern Mariana Islands,"; and

(B) by striking out "United States, and" and all that follows through the period at the end and inserting in lieu thereof "United States.".

(3) The amendments made by this subsection shall take effect on January 1, 1999.

(d) MISCELLANEOUS TECHNICAL AMENDMENTS.—

(1) Section 3(b) (22 U.S.C. 3602(b)) is amended by striking out "the Canal Zone Code" and all that follows through "other laws" the second place it appears and inserting in lieu thereof "laws of the United States and regulations issued pursuant to such laws".

(2)(A) The following provisions are each amended by striking out "the effective date of this Act" and inserting in lieu thereof "October 1, 1979": sections 3(b), 3(c), 1112(b), and 1321(c)(1).

(B) Section 1321(c)(2) is amended by striking out "such effective date" and inserting in lieu thereof "October 1, 1979".

(C) Section 1231(c)(3)(A) (22 U.S.C. 3671(c)(3)(A)) is amended by striking out "the day before the effective date of this Act" and inserting in lieu thereof "September 30, 1979".

(3) Section 1102a(h), as redesignated by section 3546(1), is amended by striking out "section 1102B" and inserting in lieu thereof "section 1102b".

(4) Section 1110(b)(2) (22 U.S.C. 3620(b)(2)) is amended by striking out "section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a)," and inserting in lieu thereof "section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)".

(5) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out "as last in effect before the effective date of section 3530 of the Panama Canal Act Amendments of 1996" and inserting in lieu thereof "as in effect on September 22, 1996".

(6) Section 1243(c)(2) (22 U.S.C. 3681(c)(2)) is amended by striking out "retroactivity" and inserting in lieu thereof "retroactively".

(7) Section 1341(f) (22 U.S.C. 3751(f)) is amended by striking out "sections 1302(c)" and inserting in lieu thereof "sections 1302(b)".

TITLE XXXVI—MARITIME ADMINISTRATION

Sec. 3601. Authorization of appropriations for fiscal year 1998.
Sec. 3602. Repeal of obsolete annual report requirement concerning relative cost of shipbuilding in the various coastal districts of the United States.
Sec. 3603. Provisions relating to maritime security fleet program.
Sec. 3604. Authority to utilize replacement vessels and capacity.
Sec. 3605. Authority to convey National Defense Reserve Fleet vessel.
Sec. 3606. Determination of gross tonnage for purposes of tank vessel double hull requirements.

SEC. 3601. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.

Funds are hereby authorized to be appropriated for fiscal year 1998, to be available without fiscal year limitation if so provided in appropriation Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $70,000,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), $39,000,000 of which—

(A) $35,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,000,000 is for administrative expenses related to loan guarantee commitments under the program.

SEC. 3602. REPEAL OF OBSOLETE ANNUAL REPORT REQUIREMENT CONCERNING RELATIVE COST OF SHIPBUILDING IN THE VARIOUS COASTAL DISTRICTS OF THE UNITED STATES.

(a) REPEAL.—Section 213 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1123), is amended by striking out paragraph (c).

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

(1) by striking out "on—" in the matter preceding paragraph (a) and inserting in lieu thereof "on the following:";

(2) by redesignating paragraphs (a) and (b) as paragraphs (1) and (2), respectively;

(3) by striking out the semicolon at the end of each of those paragraphs and inserting in lieu thereof a period; and

(4) by realigning those paragraphs so as to be indented 2 ems from the left margin.

SEC. 3603. PROVISIONS RELATING TO MARITIME SECURITY FLEET PROGRAM.

(a) AUTHORITY OF CONTRACTORS TO OPERATE SELF-PROPELLED TANK VESSELS IN NONCONTIGUOUS DOMESTIC TRADES.—Section 656(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187e(b)) is amended by inserting "(1)" after "(b)", and by adding at the end the following new paragraph:

"(2) Subsection (a) shall not apply to operation by a contractor of a self-propelled tank vessel in a noncontiguous domestic trade, or to ownership by a contractor of an interest in a self-propelled tank vessel that operates in a noncontiguous domestic trade.".

(b) RELIEF FROM DELAY IN CERTAIN OPERATIONS FOLLOWING DOCUMENTATION.—Section 652(c) of the Merchant Marine Act, 1936

(46 U.S.C. 1187a(c)) is amended by adding at the end the following: "The restrictions of section 901(b)(1) of this Act concerning the building, rebuilding, or documentation of a vessel in a foreign country shall not apply to a vessel for any day the operator of that vessel is receiving payments under an operating agreement under this subtitle.".

SEC. 3604. AUTHORITY TO UTILIZE REPLACEMENT VESSELS AND CAPACITY.

Section 653(d)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187b(d)(1)) is amended to read as follows:

"(1) a contractor or other person that commits to make available a vessel or vessel capacity under the Emergency Preparedness Program or another primary sealift readiness program approved by the Secretary of Defense may, during the activation of that vessel or capacity under that program, operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for the activated vessel or capacity; and".

SEC. 3605. AUTHORITY TO CONVEY NATIONAL DEFENSE RESERVE FLEET VESSEL.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the Federal Government in and to the vessel GOLDEN BEAR (United States official number 239932) to the Artship Foundation, located in Oakland, California (in this section referred to as the "recipient"), for use as a multicultural center for the arts.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of conveyance;

(B) in its condition on that date; and

(C) at no cost to the Federal Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date; and

(B) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may convey to the recipient of the vessel conveyed under this section any unneeded equipment from other vessels in the National Defense Reserve Fleet, for use to restore the vessel conveyed under this section to museum quality.

SEC. 3606. DETERMINATION OF GROSS TONNAGE FOR PURPOSES OF TANK VESSEL DOUBLE HULL REQUIREMENTS.

Section 3703a of title 46, United States Code, is amended by adding at the end the following:

"(e)(1) For the purposes of this section and except as otherwise provided in paragraphs (2) and (3) of this subsection, the gross tonnage of a vessel shall be the gross tonnage that would have been recognized by the Secretary on July 1, 1997, as the tonnage measured under section 14502 of this title, or as an alternate tonnage measured under section 14302 of this title as prescribed by the Secretary under section 14104 of this title.

"(2)(A) The Secretary may waive the application of paragraph (1) to a tank vessel if—

"(i) the owner of the tank vessel applies to the Secretary for the waiver before January 1, 1998;

"(ii) the Secretary determines that—

"(I) the owner of the tank vessel has entered into a binding agreement to alter the tank vessel in a shipyard in the United States to reduce the gross tonnage of the tank vessel by converting a portion of the cargo tanks of the tank vessel into protectively located segregated ballast tanks; and

"(II) that conversion will result in a significant reduction in the risk of a discharge of oil;

"(iii) at least 60 days before the date of the issuance of the waiver, the Secretary—

"(I) publishes notice that the Secretary has received the application and made the determinations required by clause (ii), including a description of the agreement entered into pursuant to clause (ii)(I); and

"(II) provides an opportunity for submission of comments regarding the application; and

"(iv) the alterations referred to in clause (ii)(I) are completed before the later of—

"(I) the date by which the first special survey of the tank vessel is required to be completed after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998; or

"(II) July 1, 1999.

"(B) A waiver under subparagraph (A) shall not be effective after the expiration of the 3-year period beginning on the first date on which the tank vessel would have been prohibited by subsection (c) from operating if the alterations referred to in subparagraph (A)(ii)(I) were not made.

"(3) This subsection does not apply to a tank vessel that, before July 1, 1997, had undergone, or was the subject of a contract for, alterations that reduce the gross tonnage of the tank vessel, as shown by reliable evidence acceptable to the Secretary.".

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.