

**Calendar No. 84**

105<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 924**

[Report No. 105-29]

---

---

**A BILL**

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.

---

---

JUNE 17, 1997

Read twice and placed on the calendar

**Calendar No. 84**105<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**S. 924****[Report No. 105-29]**

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.

---

**IN THE SENATE OF THE UNITED STATES**

JUNE 17, 1997

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

---

**A BILL**

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.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Defense Au-  
3 thorization Act for Fiscal Year 1998”.

4 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF**  
5 **CONTENTS.**

6 (a) DIVISIONS.—This Act is organized into three divi-  
7 sions as follows:

8 (1) Division A—Department of Defense Au-  
9 thorizations.

10 (2) Division B—Military Construction Author-  
11 izations.

12 (3) Division C—Department of Energy Na-  
13 tional Security Authorizations and Other Authoriza-  
14 tions.

15 (b) TABLE OF CONTENTS.—The table of contents for  
16 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 AH-64D Longbow Apache fire control radar.

### **Subtitle C—Navy Programs**

- Sec. 121. New attack submarine program.
- Sec. 122. Nuclear aircraft carrier program.
- Sec. 123. Exception to cost limitation for Seawolf submarine program.
- Sec. 124. Airborne self-protection jammer program.

### **Subtitle D—Air Force Programs**

- Sec. 131. B-2 bomber aircraft program.

### **Subtitle E—Other Matters**

- Sec. 141. Prohibition on use of funds for acquisition or alteration of private drydocks.
- Sec. 142. Replacement of engines on aircraft derived from Boeing 707 aircraft.
- Sec. 143. Exception to requirement for a particular determination for sales of manufactured articles or services of Army industrial facilities outside the United States.

## **TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**

### **Subtitle A—Authorization of Appropriations**

- Sec. 201. Authorization of appropriations.

### **Subtitle B—Program Requirements, Restrictions, and Limitations**

- Sec. 211. Joint Strike Fighter program.
- Sec. 212. F-22 aircraft program.
- Sec. 213. High Altitude Endurance Unmanned Vehicle program.
- Sec. 214. Advanced Anti-Radiation Guided Missile program.
- Sec. 215. Federally funded research and development centers.
- Sec. 216. Goal for dual-use science and technology projects.
- Sec. 217. Transfers of authorizations for counterproliferation support program.
- Sec. 218. Kinetic Energy Tactical Anti-Satellite Technology program.
- Sec. 219. Clementine 2 Micro-Satellite development program.

### **Subtitle C—Ballistic Missile Defense Programs**

- Sec. 221. National Missile Defense program.
- Sec. 222. Reversal of decision to transfer procurement funds from the Ballistic Missile Defense Organization.

### **Subtitle D—Other Matters**

- Sec. 231. Manufacturing Technology program.
- Sec. 232. Use of major range and test facility installations by commercial entities.
- Sec. 233. Eligibility for the Defense Experimental Program to Stimulate Competitive Research.
- Sec. 234. Restructuring of National Oceanographic Partnership Program organizations.

## **TITLE III—OPERATION AND MAINTENANCE**

### **Subtitle A—Authorization of Appropriations**

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working-capital funds.
- Sec. 303. Armed Forces Retirement Home.
- Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
- Sec. 305. Fisher House Trust Funds.

### **Subtitle B—Depot-Level Activities**

- Sec. 311. Definition of depot-level maintenance and repair.
- Sec. 312. Restrictions on contracts for performance of depot-level maintenance and repair at certain facilities.
- Sec. 313. Core logistics functions of Department of Defense.
- Sec. 314. Percentage limitation on performance of depot-level maintenance of materiel.
- Sec. 315. Centers of Industrial and Technical Excellence.
- Sec. 316. Clarification of prohibition on management of depot employees by constraints on personnel levels.
- Sec. 317. Annual report on depot-level maintenance and repair.
- Sec. 318. Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities.
- Sec. 319. Review of use of temporary duty assignments for ship repair and maintenance.
- Sec. 320. Repeal of a conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement.
- Sec. 321. Extension of authority for naval shipyards and aviation depots to engage in defense-related production and services.

### **Subtitle C—Environmental Provisions**

- Sec. 331. Clarification of authority relating to storage and disposal of non-defense toxic and hazardous materials on Department of Defense property.
- Sec. 332. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.
- Sec. 333. Annual report on environmental activities of the Department of Defense overseas.
- Sec. 334. Membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.
- Sec. 335. Additional information on agreements for agency services in support of environmental technology certification.
- Sec. 336. Risk assessments under the Defense Environmental Restoration Program.
- Sec. 337. Recovery and sharing of costs of environmental restoration at Department of Defense sites.
- Sec. 338. Pilot program for the sale of air pollution emission reduction incentives.
- Sec. 339. Tagging system for identification of hydrocarbon fuels used by the Department of Defense.

### **Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities**

- Sec. 351. Funding sources for construction and improvement of commissary store facilities.
- Sec. 352. Integration of military exchange services.

### **Subtitle E—Other Matters**

- Sec. 361. Advance billings for working-capital funds.
- Sec. 362. Center for Excellence in Disaster Management and Humanitarian Assistance.
- Sec. 363. Administrative actions adversely affecting military training or other readiness activities.
- Sec. 364. Financial assistance to support additional duties assigned to Army National Guard.
- Sec. 365. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.
- Sec. 366. Inventory management.
- Sec. 367. Warranty claims recovery pilot program.
- Sec. 368. Adjustment and diversification assistance to enhance increased performance of military family support services by private sector sources.

## **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.

### **Subtitle C—Authorization of Appropriations**

- Sec. 421. Authorization of appropriations for military personnel.

## **TITLE V—MILITARY PERSONNEL POLICY**

### **Subtitle A—Personnel Management**

- Sec. 501. Officers excluded from consideration by promotion board.
- Sec. 502. Increase in the maximum number of officers allowed to be frocked to the grade of O-6.
- Sec. 503. Availability of Navy chaplains on retired list or of retirement age to serve as Chief or Deputy Chief of Chaplains of the Navy.
- Sec. 504. Period of recall service of certain retirees.

### **Subtitle B—Matters Relating to Reserve Components**

- Sec. 511. Termination of Ready Reserve Mobilization Income Insurance Program.
- Sec. 512. Discharge or retirement of reserve officers in an inactive status.
- Sec. 513. Retention of military technicians in grade of Brigadier General after mandatory separation date.
- Sec. 514. Federal status of service by National Guard members as honor guards at funerals of veterans.

### **Subtitle C—Education and Training Programs**

- Sec. 521. Service academies foreign exchange study program.
- Sec. 522. Programs of higher education of the Community College of the Air Force.
- Sec. 523. Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation.
- Sec. 524. Repeal of certain staffing and safety requirements for the Army Ranger Training Brigade.

### **Subtitle D—Decorations and Awards**

- Sec. 531. Clarification of eligibility of members of Ready Reserve for award of service Medal for Heroism.
- Sec. 532. Waiver of time limitations for award of certain decorations to specified persons.
- Sec. 533. One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel.
- Sec. 534. Eligibility of certain World War II military organizations for award of unit decorations.

### **Subtitle E—Military Personnel Voting Rights**

- Sec. 541. Short title.
- Sec. 542. Guarantee of residency.
- Sec. 543. State responsibility to guarantee military voting rights.

### **Subtitle F—Other Matters**

- Sec. 551. Sense of Congress regarding study of matters relating to gender equity in the Armed Forces.
- Sec. 552. Commission on Gender Integration in the Military.
- Sec. 553. Sexual harassment investigations and reports.
- Sec. 554. Requirement for exemplary conduct by commanding officers and other authorities.
- Sec. 555. Participation of Department of Defense personnel in management of non-federal entities.
- Sec. 556. Technical correction to cross reference in ROPMA provision relating to position vacancy promotion.

## **TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS**

### **Subtitle A—Pay**

- Sec. 601. Military pay raise for fiscal year 1998.

### **Subtitle B—Subsistence, Housing, and Other Allowances**

#### **PART I—REFORM OF BASIC ALLOWANCE FOR SUBSISTENCE**

- Sec. 611. Revised entitlement and rates.
- Sec. 612. Transitional basic allowance for subsistence.
- Sec. 613. Effective date and termination of transitional authority.

#### **PART II—REFORM OF HOUSING AND RELATED ALLOWANCES**

- Sec. 616. Entitlement to basic allowance for housing.

- Sec. 617. Rates of basic allowance for housing.
- Sec. 618. Dislocation allowance.
- Sec. 619. Family separation and station allowances.
- Sec. 620. Other conforming amendments.
- Sec. 621. Clerical amendment.
- Sec. 622. Effective date.

#### PART III—OTHER AMENDMENTS RELATING TO ALLOWANCES

- Sec. 626. Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances.
- Sec. 627. Deadline for payment of Ready Reserve muster duty allowance.

#### **Subtitle C—Bonuses and Special and Incentive Pays**

- Sec. 631. One-year extension of certain bonuses and special pay authorities for reserve forces.
- Sec. 632. One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
- Sec. 633. One-year extension of authorities relating to payment of other bonuses and special pays.
- Sec. 634. Increased amounts for aviation career incentive pay.
- Sec. 635. Aviation continuation pay.
- Sec. 636. Eligibility of dental officers for the multiyear retention bonus provided for medical officers.
- Sec. 637. Increased special pay for dental officers.
- Sec. 638. Modification of Selected Reserve reenlistment bonus authority.
- Sec. 639. Modification of authority to pay bonuses for enlistments by prior service personnel in critical skills in the Selected Reserve.
- Sec. 640. Increased special pay and bonuses for nuclear qualified officers.
- Sec. 641. Authority to pay bonuses in lieu of special pay for enlisted members extending duty at designated locations overseas.

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

- Sec. 651. One-year opportunity to discontinue participation in Survivor Benefit Plan.
- Sec. 652. Time for changing survivor benefit coverage from former spouse to spouse.
- Sec. 653. Paid-up coverage under Survivor Benefit Plan.
- Sec. 654. Annuities for certain military surviving spouses.

#### **Subtitle E—Other Matters**

- Sec. 661. Eligibility of Reserves for benefits for illness, injury, or death incurred or aggravated in line of duty.
- Sec. 662. Travel and transportation allowances for dependents before approval of a member's court-martial sentence.
- Sec. 663. Eligibility of members of the uniformed services for reimbursement of adoption expenses.

#### **TITLE VII—HEALTH CARE PROVISIONS**

- Sec. 701. Waiver of deductibles, copayments, and annual fees for members assigned to certain duty locations far from sources of care.

- Sec. 702. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.
- Sec. 703. Disclosures of cautionary information on prescription medications.
- Sec. 704. Health care services for certain Reserves who served in Southwest Asia during the Persian Gulf War.
- Sec. 705. Collection of dental insurance premiums.
- Sec. 706. Dental insurance plan coverage for retirees of uniformed service in the Public Health Service and NOAA.
- Sec. 707. Prosthetic devices for dependents.

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

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

- Sec. 801. Streamlined approval requirements for contracts under international agreements.
- Sec. 802. Restriction on undefinitized contract actions.
- Sec. 803. Expansion of authority to cross fiscal years to all severable service contracts not exceeding a year.
- Sec. 804. Limitation on allowability of compensation for certain contractor personnel.
- Sec. 805. Increased price limitation on purchases of right-hand drive vehicles.
- Sec. 806. Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority.
- Sec. 807. Elimination of certification requirement for grants.
- Sec. 808. Repeal of limitation on adjustment of shipbuilding contracts.

### **Subtitle B—Contract Provisions**

- Sec. 811. Contractor guarantees of major systems.
- Sec. 812. Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements.

### **Subtitle C—Acquisition Assistance Programs**

- Sec. 821. Procurement technical assistance programs.
- Sec. 822. One-year extension of Pilot Mentor-Protege Program.
- Sec. 823. Test program for negotiation of comprehensive subcontracting plans.
- Sec. 824. Price preference for small and disadvantaged businesses.

### **Subtitle D—Administrative Provisions**

- Sec. 831. Retention of expired funds during the pendency of contract litigation.
- Sec. 832. Protection of certain information from disclosure.
- Sec. 833. Content of limited selected acquisition reports.
- Sec. 834. Unit cost reports.
- Sec. 835. Central Department of Defense point of contact for contracting information.

### **Subtitle E—Other Matters**

- Sec. 841. Defense business combinations.
- Sec. 842. Lease of nonexcess property of Defense Agencies.
- Sec. 843. Promotion rate for officers in an Acquisition Corps.

**TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION  
AND MANAGEMENT**

- Sec. 901. Principal duty of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.
- Sec. 902. Professional military education schools.
- Sec. 903. Use of CINC Initiative Fund for force protection.
- Sec. 904. Transfer of TIARA programs.

**TITLE X—GENERAL PROVISIONS**

**Subtitle A—Financial Matters**

- Sec. 1001. Transfer authority.
- Sec. 1002. Authority for obligation of certain unauthorized fiscal year 1997 defense appropriations.
- Sec. 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1997.
- Sec. 1004. Increased transfer authority for fiscal year 1996 authorizations.
- Sec. 1005. Biennial financial management strategic plan.
- Sec. 1006. Revision of authority for Fisher House Trust Funds.
- Sec. 1007. Availability of certain fiscal year 1991 funds for payment of contract claim.
- Sec. 1008. Estimates and requests for procurement and military construction for the reserve components.

**Subtitle B—Naval Vessels and Shipyards**

- Sec. 1011. Long-term charter of vessel for surveillance towed array sensor program.
- Sec. 1012. Procedures for sale of vessels stricken from the Naval Vessel Register.
- Sec. 1013. Transfers of naval vessels to certain foreign countries.

**Subtitle C—Counter-Drug Activities**

- Sec. 1021. Authority to provide additional support for counter-drug activities of Mexico.
- Sec. 1022. Authority to provide additional support for counter-drug activities of Peru and Colombia.

**Subtitle D—Reports and Studies**

- Sec. 1031. Repeal of reporting requirements.
- Sec. 1032. Common measurement of operations and personnel tempo.
- Sec. 1033. Report on overseas deployment.
- Sec. 1034. Report on military readiness requirements of the Armed Forces.
- Sec. 1035. Assessment of cyclical readiness posture of the Armed Forces.
- Sec. 1036. Overseas infrastructure requirements.
- Sec. 1037. Report on aircraft inventory.
- Sec. 1038. Disposal of excess materials.
- Sec. 1039. Review of former spouse protections.
- Sec. 1040. Completion of GAO reports for Congress.

**Subtitle E—Other Matters**

- Sec. 1051. Psychotherapist-patient privilege in the Military Rules of Evidence.
- Sec. 1052. National Guard Civilian Youth Opportunities Pilot Program.

- Sec. 1053. Protection of Armed Forces personnel during peace operations.
- Sec. 1054. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
- Sec. 1055. Acceptance and use of landing fees for use of overseas military airfields by civil aircraft.
- Sec. 1056. One-year extension of international nonproliferation initiative.
- Sec. 1057. Arms control implementation and assistance for facilities subject to inspection under the Chemical Weapons Convention.
- Sec. 1058. Sense of Senate regarding the relationship between environmental laws and United States' obligations under the Chemical Weapons Convention.
- Sec. 1059. Sense of Congress regarding funding for reserve component modernization not requested in the annual budget request.
- Sec. 1060. Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits
- Sec. 1061. Coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community.
- Sec. 1062. Protection of imagery, imagery intelligence, and geospatial information and data.
- Sec. 1063. Protection of air safety information voluntarily provided by a charter air carrier.
- Sec. 1064. Sustainment and operation of Global Positioning System.
- Sec. 1065. Law enforcement authority for special agents of the Defense Criminal Investigative Service.
- Sec. 1066. Repeal of requirement for continued operation of the Naval Academy dairy farm.
- Sec. 1067. POW/MIA intelligence analysis cell.
- Sec. 1068. Protection of employees from retaliation for certain disclosures of classified information.
- Sec. 1069. Applicability of certain pay authorities to members of the Commission on Servicemembers and Veterans Transition Assistance.
- Sec. 1070. Transfer of B-17 aircraft to museum.
- Sec. 1071. Five-year extension of aviation insurance program.
- Sec. 1072. Treatment of military flight operations.
- Sec. 1073. Naturalization of foreign nationals who served honorably in the Armed Forces of the United States.
- Sec. 1074. Designation of Bob Hope as honorary veteran.

#### **TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL**

- Sec. 1101. Use of prohibited constraints to manage Department of Defense personnel.
- Sec. 1102. Employment of civilian faculty at the Marine Corps University.
- Sec. 1103. Extension and revision of voluntary separation incentive pay authority.
- Sec. 1104. Repeal of deadline for placement consideration of involuntarily separated military reserve technicians.
- Sec. 1105. Rate of pay of Department of Defense overseas teacher upon transfer to General Schedule position.
- Sec. 1106. Naturalization of employees of the George C. Marshall European Center for Security Studies.

#### **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. Authority to use certain prior year funds to construct a heliport at 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 Pascagoula Naval Station, Mississippi, for which funds have been appropriated.

**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. Authority to use prior year funds to carry out certain Defense Agency military construction projects.
- Sec. 2408. Modification of authority to carry out fiscal year 1995 projects.
- Sec. 2409. Availability of funds for fiscal year 1995 project relating to relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico.

**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 Army National Guard construction project, aviation support facility, Hilo, Hawaii, for which funds have been appropriated.

**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 authorization of fiscal year 1993 project.
- Sec. 2705. Extension of authorizations of certain fiscal year 1992 projects.
- Sec. 2706. Effective date.

**TITLE XXVIII—GENERAL PROVISIONS**

**Subtitle A—Military Construction Program and Military  
Family Housing Changes**

- Sec. 2801. Increase in ceiling for minor land acquisition projects.
- Sec. 2802. Sale of utility systems of the military departments.
- Sec. 2803. Administrative expenses for certain real property transactions.
- Sec. 2804. Use of financial incentives for energy savings and water cost savings.

**Subtitle B—Land Conveyances**

- Sec. 2811. Modification of authority for disposal of certain real property, Fort Belvoir, Virginia.
- Sec. 2812. Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina.
- Sec. 2813. Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada.
- Sec. 2814. Long-term lease of property, Naples, Italy.
- Sec. 2815. Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine.
- Sec. 2816. Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.
- Sec. 2817. Land conveyance, Charleston Family Housing Complex, Bangor, Maine.
- Sec. 2818. Land conveyance, Ellsworth Air Force Base, South Dakota.

**Subtitle C—Other Matters**

- Sec. 2831. Disposition of proceeds of sale of Air Force Plant No. 78, Brigham City, Utah.

**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 environmental management privatization.
- Sec. 3105. Defense nuclear waste disposal.

### **Subtitle B—Recurring General Provisions**

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

### **Subtitle C—Program Authorizations, Restrictions, and Limitations**

- Sec. 3131. Defense environmental management privatization projects.
- Sec. 3132. International cooperative stockpile stewardship programs.
- Sec. 3133. Modernization of enduring nuclear weapons complex.
- Sec. 3134. Tritium production.
- Sec. 3135. Processing, treatment, and disposition of spent nuclear fuel rods and other legacy nuclear materials at the Savannah River Site.
- Sec. 3136. Limitations on use of funds for laboratory directed research and development purposes.
- Sec. 3137. Permanent authority for transfers of defense environmental management funds.
- Sec. 3138. Prohibition on recovery of certain additional costs for environmental response actions associated with the Formerly Utilized Site Remedial Action Project program.

### **Subtitle D—Other Matters**

- Sec. 3151. Administration of certain Department of Energy activities.
- Sec. 3152. Modification and extension of authority relating to appointment of certain scientific, engineering, and technical personnel.
- Sec. 3153. Annual report on plan and program for stewardship, management, and certification of warheads in the nuclear weapons stockpile.
- Sec. 3154. Submittal of biennial waste management reports.
- Sec. 3155. Repeal of obsolete reporting requirements.
- Sec. 3156. Commission on safeguarding and security of nuclear weapons and materials at Department of Energy facilities.
- Sec. 3157. Modification of authority on commission on maintaining United States nuclear weapons expertise.
- Sec. 3158. Land transfer, Bandelier National Monument.

## **TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD**

- Sec. 3201. Authorization.

## **TITLE XXXIII—NATIONAL DEFENSE STOCKPILE**

- Sec. 3301. Definitions.
- Sec. 3302. Authorized uses of stockpile funds.
- Sec. 3303. Authority to dispose of certain materials in National Defense Stockpile.
- Sec. 3304. Return of surplus platinum from the Department of the Treasury.

**TITLE XXXIV—NAVAL PETROLEUM RESERVES**

- Sec. 3401. Authorization of appropriations.
- Sec. 3402. Leasing of certain oil shale reserves.
- Sec. 3403. Repeal of requirement to assign Navy officers to Office of Naval Petroleum and Oil Shale Reserves.

**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. 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.

1 **SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

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

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

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

9 **DIVISION A—DEPARTMENT OF**  
10 **DEFENSE AUTHORIZATIONS**  
11 **TITLE I—PROCUREMENT**  
12 **Subtitle A—Authorization of**  
13 **Appropriations**

14 **SEC. 101. ARMY.**

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

17 (1) For aircraft, \$1,394,459,000.

18 (2) For missiles, \$1,223,851,000.

19 (3) For weapons and tracked combat vehicles,  
20 \$1,179,107,000.

21 (4) For ammunition, \$1,043,202,000.

22 (5) For other procurement, \$2,918,730,000.

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

24 (a) NAVY.—Funds are hereby authorized to be appro-  
25 priated for fiscal year 1998 for procurement for the Navy  
26 as follows:

1 (1) For aircraft, \$6,482,265,000.

2 (2) For weapons, including missiles and tor-  
3 pedoes, \$1,200,393,000.

4 (3) For shipbuilding and conversion,  
5 \$8,593,358,000.

6 (4) For ammunition for the Navy and Marine  
7 Corps, \$369,797,000.

8 (5) For other procurement, \$3,177,700,000.

9 (b) MARINE CORPS.—Funds are hereby authorized to  
10 be appropriated for fiscal year 1998 for procurement for  
11 the Marine Corps in the amount of \$554,806,000.

12 **SEC. 103. AIR FORCE.**

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

16 (1) For aircraft, \$6,048,915,000.

17 (2) For missiles, \$2,411,241,000.

18 (3) For ammunition, \$420,784,000.

19 (4) For other procurement, \$6,798,453,000.

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

21 Funds are hereby authorized to be appropriated for  
22 fiscal year 1998 for Defense-wide procurement in the  
23 amount of \$1,749,285,000.

1 **SEC. 105. RESERVE COMPONENTS.**

2 Funds are hereby authorized to be appropriated for  
3 fiscal year 1998 for procurement of aircraft, vehicles, com-  
4 munications equipment, and other equipment for the re-  
5 serve components of the Armed Forces as follows:

6 (1) For the Army National Guard,  
7 \$100,000,000.

8 (2) For the Air National Guard, \$186,300,000.

9 (3) For the Army Reserve, \$40,000,000.

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

11 (5) For the Air Force Reserve, \$246,700,000.

12 (6) For the Marine Corps Reserve,  
13 \$40,000,000.

14 **SEC. 106. DEFENSE INSPECTOR GENERAL.**

15 Funds are hereby authorized to be appropriated for  
16 fiscal year 1998 for procurement for the Inspector General  
17 of the Department of Defense in the amount of  
18 \$1,800,000.

19 **SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.**

20 There is are hereby authorized to be appropriated for  
21 fiscal year 1998 the amount of \$614,700,000 for—

22 (1) the destruction of lethal chemical agents  
23 and munitions in accordance with section 1412 of  
24 the Department of Defense Authorization Act, 1986  
25 (50 U.S.C. 1521); and

1           (2) the destruction of chemical warfare materiel  
2           of the United States that is not covered by section  
3           1412 of such Act.

4 **SEC. 108. DEFENSE HEALTH PROGRAMS.**

5           Funds are hereby authorized to be appropriated for  
6           fiscal year 1998 for the Department of Defense for pro-  
7           curement for carrying out health care programs, projects,  
8           and activities of the Department of Defense in the total  
9           amount of \$274,068,000.

10 **SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.**

11           Funds are hereby authorized to be appropriated for  
12           fiscal year 1998 for the Department of Defense for carry-  
13           ing out the Defense Export Loan Guarantee Program es-  
14           tablished under section 2540 of title 10, United States  
15           Code, in the total amount of \$1,231,000.

16           **Subtitle B—Army Programs**

17 **SEC. 111. ARMY HELICOPTER MODERNIZATION PLAN.**

18           (a) LIMITATION.—Not more than 25 percent of the  
19           amounts authorized to be appropriated pursuant to sec-  
20           tion 101(1), 105(1), or 105(3) for modifications or up-  
21           grades of helicopters may be obligated before the date that  
22           is 30 days after the Secretary of the Army submits to the  
23           congressional defense committees a comprehensive plan  
24           for the modernization of the Army's helicopter fleet.

1 (b) CONTENT OF PLAN.—The plan required by sub-  
2 section (a) shall, at a minimum, contain the following:

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

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

13 (3) An analysis of the requirements for and  
14 funding proposed for extended service plans or serv-  
15 ice life extension plans for fleet aircraft.

16 (4) A plan for retiring aircraft no longer re-  
17 quired or capable of performing assigned functions,  
18 including a discussion of opportunities to eliminate  
19 older aircraft models and to focus future funding on  
20 current or future generation aircraft.

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

23 (c) FUNDING IN FUTURE-YEARS DEFENSE PRO-  
24 GRAM.—The Secretary of the Army shall include in the  
25 plan required by subsection (a) a certification that the

1 plan is to be funded in the future-years defense program  
 2 submitted to Congress in 1998 pursuant to section 221(a)  
 3 of title 10, United States Code.

4 **SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR AH-**  
 5 **64D LONGBOW APACHE FIRE CONTROL**  
 6 **RADAR.**

7 Beginning with the fiscal year 1998 program year,  
 8 the Secretary of the Army may, in accordance with section  
 9 2306b of title 10, United States Code, enter into a  
 10 multiyear procurement contract for the procurement of  
 11 the AH-64D Longbow Apache fire control radar.

12 **Subtitle C—Navy Programs**

13 **SEC. 121. NEW ATTACK SUBMARINE PROGRAM.**

14 (a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—  
 15 Of the amounts authorized to be appropriated by section  
 16 102(a)(3) for fiscal year 1998, \$2,599,800,000 is available  
 17 for the New Attack Submarine Program.

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

22 (2) Any contract entered into under paragraph (1)—  
 23 (A) shall, notwithstanding section 2304(k) of  
 24 title 10, United States Code, be awarded to one of  
 25 the two eligible shipbuilders as the prime contractor

1 on the condition that the prime contractor enter into  
2 one or more subcontracts (under such prime con-  
3 tract) with the other of the two eligible shipbuilders  
4 as contemplated in the New Attack Submarine  
5 Team Agreement; and

6 (B) shall provide for—

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

9 (ii) advance construction and advance pro-  
10 curement of materiel for the second, third, and  
11 fourth submarines in fiscal year 1998.

12 (3) The following shipbuilders are eligible for a con-  
13 tract under this subsection:

14 (A) The Electric Boat Corporation.

15 (B) The Newport News Shipbuilding and Dry-  
16 dock Company.

17 (4) In paragraph (2)(A), the term “New Attack Sub-  
18 marine Team Agreement” means the agreement known as  
19 the Team Agreement between Electric Boat Corporation  
20 and Newport News Shipbuilding and Drydock Company,  
21 dated February 25, 1997, that was submitted to Congress  
22 by the Secretary of the Navy on March 31, 1997.

23 (c) LIMITATION OF LIABILITY.—If a contract entered  
24 into under this section is terminated, the United States  
25 shall not be liable for termination costs in excess of the

1 total amount appropriated for the New Attack Submarine  
2 program.

3 (d) REPEALS OF SUPERSEDED PROVISIONS OF PRE-  
4 VIOUS DEFENSE AUTHORIZATION LAWS.—(1) Section  
5 131 of the National Defense Authorization Act for Fiscal  
6 Year 1996 (Public Law 104–106; 110 Stat. 206) is  
7 amended—

8 (A) in subsection (a)(1)(B)—

9 (i) in clause (i), by striking out “, which  
10 shall be built by Electric Boat Division”; and

11 (ii) in clause (ii), by striking out “, which  
12 shall be built by Newport News Shipbuilding”;

13 and

14 (B) in subsection (b), by striking out paragraph  
15 (1).

16 (2) Section 121 of the National Defense Authoriza-  
17 tion Act for Fiscal Year 1997 (Public Law 104–201; 110  
18 Stat. 2441) is amended—

19 (A) in subsection (a)—

20 (i) in paragraph (1)(B), by striking out “to  
21 be built by Electric Boat Division”; and

22 (ii) in paragraph (1)(C), by striking out  
23 “to be built by Newport News Shipbuilding”;

24 (B) in subsection (d), by striking out paragraph  
25 (2);

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

3 (D) in subsection (g), by striking out “the com-  
4 mittees specified in subsection (e)(1)” in paragraphs  
5 (3) and(4) and inserting in lieu thereof “the Com-  
6 mittee on Armed Services of the Senate and the  
7 Committee on National Security of the House of  
8 Representatives”.

9 (e) INAPPLICABILITY OF SUPERSEDED ASPECTS OF  
10 ATTACK SUBMARINE DEVELOPMENT PLAN.—The Sec-  
11 retary of Defense and the Secretary of the Navy are not  
12 required to carry out the portions of the program plan  
13 submitted under subsection (e) of section 131 of the Na-  
14 tional Defense Authorization Act for Fiscal Year 1996  
15 that are included in the plan pursuant to subparagraphs  
16 (A), (B), and (E) of paragraph (2) of such subsection.

17 **SEC. 122. NUCLEAR AIRCRAFT CARRIER PROGRAM.**

18 (a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—  
19 Of the amounts authorized to be appropriated by section  
20 102(a)(3) for fiscal year 1998, \$345,000,000 is available  
21 for the procurement and construction of nuclear and non-  
22 nuclear components for the CVN-77 nuclear aircraft car-  
23 rier program. The Secretary of the Navy is authorized to  
24 enter into a contract or contracts with the shipbuilder for  
25 the procurement and construction of such components.

1 (b) AMOUNTS AUTHORIZED FROM RDT&E AC-  
2 COUNT.—Of the amounts authorized to be appropriated  
3 by section 201(2) for fiscal year 1998, \$35,000,000 is  
4 available for research, development, test, and evaluation  
5 of technologies that have potential for use in the CVN-  
6 77 nuclear aircraft carrier program.

7 **SEC. 123. EXCEPTION TO COST LIMITATION FOR SEAWOLF**  
8 **SUBMARINE PROGRAM.**

9 In the application of the limitation in section 133(a)  
10 of the National Defense Authorization Act for Fiscal Year  
11 1996 (Public Law 104–106; 110 Stat. 211), there shall  
12 not be taken into account \$745,700,000 of the amounts  
13 that were obligated or expended for procurement of  
14 Seawolf class submarines before the date of the enactment  
15 of this Act (that amount being the total of amounts of  
16 funds appropriated for fiscal years 1990, 1991, and 1992  
17 for the procurement of Seawolf class submarines that have  
18 been obligated or expended for procurement under the  
19 SSN–23, SSN–24, and SSN–25 Seawolf class submarine  
20 programs, which have been canceled since the limitation  
21 took effect).

22 **SEC. 124. AIRBORNE SELF-PROTECTION JAMMER PRO-**  
23 **GRAM.**

24 (a) LIMITATION ON RESUMPTION OF SERIAL PRO-  
25 Duction.—Serial production of the airborne self-protect-

1 tion jammer may not be resumed until the Director of  
2 Operational Test and Evaluation of the Department of  
3 Defense has certified in writing to Congress that—

4 (1) the capabilities of the airborne self-protec-  
5 tion jammer exceed the capabilities of the integrated  
6 defensive electronics countermeasure system that is  
7 under development for use in F/A–18E/F aircraft;

8 (2) the units of the airborne self-protection  
9 jammer to be produced are to be used in F/A–18E/  
10 F aircraft; and

11 (3) the deficiencies in the airborne self-protec-  
12 tion jammer noted by the Director before the date  
13 of the enactment of this Act have been eliminated.

14 (b) LIMITATION ON OBLIGATION OF FUNDS.—No  
15 funds authorized to be appropriated by this or any other  
16 Act may be obligated for serial production of the airborne  
17 self-protection jammer until the Secretary of Defense has  
18 certified in writing to Congress that funding is pro-  
19 grammed for serial production of the airborne self-protec-  
20 tion jammer in the future-years defense program.

## 21 **Subtitle D—Air Force Programs**

### 22 **SEC. 131. B-2 BOMBER AIRCRAFT PROGRAM.**

23 (a) PROHIBITION.—None of the funds authorized to  
24 be appropriated in this or any other Act may be used—

1           (1) to procure any additional B–2 bomber air-  
2           craft; or

3           (2) to maintain any part of the bomber indus-  
4           trial base solely for the purpose of preserving the op-  
5           tion to procure additional B–2 bomber aircraft in  
6           the future.

7           (b) EXCEPTIONS.—The prohibition in subsection (a)  
8           does not apply to—

9           (1) any B–2 bomber aircraft that is covered by  
10          a contract for the production of that aircraft as of  
11          the date of the enactment of this Act; or

12          (2) any part of the bomber industrial base that  
13          is necessary for producing all B–2 bomber aircraft  
14          referred to in paragraph (1), but only for so long as  
15          is necessary to complete the production of such air-  
16          craft.

## 17                   **Subtitle E—Other Matters**

### 18   **SEC. 141. PROHIBITION ON USE OF FUNDS FOR ACQUISSI-** 19                   **TION OR ALTERATION OF PRIVATE DRY-** 20                   **DOCKS.**

21          None of the funds authorized to be appropriated by  
22          this or any other Act may be used, directly or indirectly,  
23          to purchase, lease, upgrade, or modify privately-owned  
24          drydocks.

1 **SEC. 142. REPLACEMENT OF ENGINES ON AIRCRAFT DE-**  
2 **RIVED FROM BOEING 707 AIRCRAFT.**

3 (a) ANALYSIS REQUIRED.—The Under Secretary of  
4 Defense for Acquisition and Technology shall submit to  
5 the Committee on Armed Services of the Senate and the  
6 Committee on National Security of the House of Rep-  
7 resentatives an analysis of the requirements of the Depart-  
8 ment of Defense for replacing engines on the aircraft of  
9 the department that are derived from the Boeing 707 air-  
10 craft and the costs of meeting the requirements.

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

13 (1) The number of aircraft described in sub-  
14 section (a) that are in the inventory of the Depart-  
15 ment of Defense and the number of such aircraft  
16 that are projected to be in the inventory of the de-  
17 partment in 5 years, in 10 years, and in 15 years.

18 (2) For each type of such aircraft, the esti-  
19 mated cost of operating the aircraft for each fiscal  
20 year after fiscal year 1997 and before fiscal year  
21 2015, taking into account historical patterns of  
22 usage and projected support costs.

23 (3) For each type of such aircraft, the esti-  
24 mated costs and the benefits of replacing the engines  
25 on the aircraft, analyzed on the basis of the experi-  
26 ence under the limited program for replacing the en-

1 engines on RC-135 aircraft that was undertaken dur-  
2 ing fiscal years 1995, 1996, and 1997.

3 (4) The estimated total cost of replacing the en-  
4 gines pursuant to a program that provides for re-  
5 placement of the engines on all of the aircraft of one  
6 type before undertaking the replacement of the en-  
7 gines on the aircraft of another type, with a higher  
8 priority being given in turn to each type of aircraft  
9 in which the replacement of the engines is expected  
10 to yield the anticipated benefits of replacement  
11 faster.

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

15 (c) SUBMISSION DEADLINE.—The Under Secretary  
16 shall submit the report under this section not later than  
17 March 1, 1998.

18 **SEC. 143. EXCEPTION TO REQUIREMENT FOR A PARTICU-**  
19 **LAR DETERMINATION FOR SALES OF MANU-**  
20 **FACTURED ARTICLES OR SERVICES OF ARMY**  
21 **INDUSTRIAL FACILITIES OUTSIDE THE UNIT-**  
22 **ED STATES.**

23 Section 4543 of title 10, United States Code, is  
24 amended—

1           (1) in subsection (a)(5), by inserting “, except  
2           in the case of a sale described in subsection (b),”  
3           after “the Secretary of the Army determines”;

4           (2) by redesignating subsections (b), (c), and  
5           (d) as subsections (c), (d), and (e), respectively; and

6           (3) by inserting after subsection (a) the follow-  
7           ing new subsection (b):

8           “(b) EXCEPTION TO REQUIREMENT FOR A PARTICU-  
9           LAR DETERMINATION.—A determination described in sub-  
10          section (a)(5) is not necessary under the regulations in  
11          the case of—

12           “(1) a sale of articles to be incorporated into a  
13          weapon system being procured by the Department of  
14          Defense; or

15           “(2) a sale of services to be used in the manu-  
16          facture of a weapon system being procured by the  
17          Department of Defense.”.

1 **TITLE II—RESEARCH, DEVELOP-**  
2 **MENT, TEST, AND EVALUA-**  
3 **TION**

4 **Subtitle A—Authorization of**  
5 **Appropriations**

6 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

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

10 (1) For the Army, \$4,750,462,000.

11 (2) For the Navy, \$7,812,972,000.

12 (3) For the Air Force, \$14,302,264,000.

13 (4) For Defense-wide activities,  
14 \$10,072,347,000, of which—

15 (A) \$268,183,000 is authorized for the ac-  
16 tivities of the Director, Test and Evaluation;  
17 and

18 (B) \$31,384,000 is authorized for the Di-  
19 rector of Operational Test and Evaluation.

20 **Subtitle B—Program Require-**  
21 **ments, Restrictions, and Limita-**  
22 **tions**

23 **SEC. 211. JOINT STRIKE FIGHTER PROGRAM.**

24 (a) REPORT.—Not later than February 15, 1998, the  
25 Secretary of Defense shall submit to the congressional de-

1 fense committees a report on the options for the sequence  
2 in which the variants of the joint strike fighter are to be  
3 produced and fielded.

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

6 (1) A review of the plan for production under  
7 the Joint Strike Fighter program that was used by  
8 the Department of Defense for developing the fund-  
9 ing estimates for the fiscal year 1999 budget request  
10 for the Department of Defense.

11 (2) An estimate of the costs, and an analysis of  
12 the costs and benefits, of producing the joint strike  
13 fighter variants in a sequence that provides for field-  
14 ing of the naval variant of the aircraft first.

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

1           (c) LIMITATION ON USE OF FUNDS PENDING SUB-  
2 MISSION OF REPORT.—Not more than 90 percent of the  
3 total amount authorized to be appropriated under this Act  
4 for the Joint Strike Fighter Program may be obligated  
5 until the date that is 30 days after the date on which the  
6 congressional defense committees receive the report re-  
7 quired under this section.

8           (d) FISCAL YEAR 1998 BUDGET DEFINED.—In this  
9 section, the term “fiscal year 1999 budget request for the  
10 Department of Defense” means the budget estimates for  
11 the Department of Defense for fiscal year 1999 that were  
12 submitted to Congress by the Secretary of Defense in con-  
13 nection with the submission of the budget for fiscal year  
14 1998 to Congress under section 1105 of title 31, United  
15 States Code.

16 **SEC. 212. F-22 AIRCRAFT PROGRAM.**

17           (a) LIMITATION ON TOTAL COST OF ENGINEERING  
18 AND MANUFACTURING DEVELOPMENT.—The total  
19 amount obligated or expended for engineering and manu-  
20 facturing development under the F-22 aircraft program  
21 may not exceed \$18,688,000,000.

22           (b) LIMITATION ON OBLIGATION OF FUNDS.—Of the  
23 total amount authorized to be appropriated for the F-22  
24 aircraft program for a fiscal year, not more than 90 per-

1 cent of the amount may be obligated until the Comptroller  
2 General submits to Congress—

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

5 (2) a certification that the Comptroller General  
6 has had access to sufficient information to make in-  
7 formed judgments on the matters covered by the re-  
8 port.

9 (c) ANNUAL GAO REVIEW.—(1) Not later than De-  
10 cember 1 of each year, the Comptroller General shall re-  
11 view the F-22 aircraft program and submit to Congress  
12 a report on the results of the review. The Comptroller  
13 General shall also submit to Congress for each report a  
14 certification regarding whether the Comptroller General  
15 has had access to sufficient information to make informed  
16 judgments on the matters covered by the report.

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

19 (A) The extent to which engineering and manu-  
20 facturing development under the program is meeting  
21 the goals established for engineering and manufac-  
22 turing development under the program.

23 (B) The status of costs, testing, and modifica-  
24 tions.

1           (C) The plan for engineering and manufactur-  
2           ing development (leading to production) under the  
3           program for the fiscal year that begins in the follow-  
4           ing year.

5           (D) A conclusion regarding whether the plan  
6           referred to in subparagraph (C) can be successfully  
7           carried out consistent with the limitation in sub-  
8           section (a).

9           (E) A conclusion regarding whether engineering  
10          and manufacturing development (leading to produc-  
11          tion) under the program is likely to be completed at  
12          a total cost not in excess of the amount specified in  
13          subsection (a).

14          (3) The Comptroller General shall submit the first  
15          report under this subsection not later than December 1,  
16          1997. No report is required under this subsection after  
17          engineering and manufacturing development under the  
18          program has been completed.

19          (d) REQUIREMENT TO SUPPORT ANNUAL GAO RE-  
20          VIEW.—The Secretary of the Air Force and the prime con-  
21          tractor under the F-22 aircraft program shall provide the  
22          Comptroller General with such information on the pro-  
23          gram as the Comptroller considers necessary to carry out  
24          the responsibilities under subsection (c).

1 **SEC. 213. HIGH ALTITUDE ENDURANCE UNMANNED VEHI-**  
2 **CLE PROGRAM.**

3 (a) LIMITATION ON TOTAL COST OF ADVANCED  
4 CONCEPT TECHNOLOGY DEMONSTRATION.—(1) The total  
5 amount obligated or expended for advanced concept tech-  
6 nology demonstration under the High Altitude Endurance  
7 Unmanned Vehicle Program through fiscal year 2003 may  
8 not exceed \$476,826,000.

9 (2) The total amount obligated or expended in fiscal  
10 year 1999, 2000, 2001, or 2002 for advanced concept  
11 technology demonstration under the High Altitude Endur-  
12 ance Unmanned Vehicle Program may not exceed the  
13 amount specified for that fiscal year, as follows:

14 (A) In fiscal year 1999, not more than  
15 \$167,864,000.

16 (B) In fiscal year 2000, not more than  
17 \$31,374,000.

18 (C) In fiscal year 2001, not more than  
19 \$19,106,000.

20 (D) In fiscal year 2002, not more than  
21 \$20,866,000.

22 (b) LIMITATION ON ACQUISITION.—No high altitude  
23 endurance unmanned vehicle may be acquired after the  
24 date of the enactment of this Act until 50 percent of the  
25 testing programmed in the test and evaluation master plan

1 (as of such date) for the high altitude endurance un-  
2 manned vehicle has been completed.

3 (c) LIMITATION ON PROCEEDING.—The High Alti-  
4 tude Endurance Unmanned Vehicle Program may not pro-  
5 ceed beyond advanced concept technology demonstration  
6 until the Comptroller General has certified to Congress  
7 that the high altitude endurance unmanned vehicles can  
8 be produced under the program at an average unit cost  
9 that does not exceed \$10,000,000 (the so-called fly away  
10 price) in fiscal year 1994 constant dollars.

11 (d) GAO REVIEW.—(1) The Comptroller General  
12 shall review the High Altitude Endurance Unmanned Ve-  
13 hicle Program for purposes of making the certification  
14 under subsection (c).

15 (2) The Secretary of Defense and the prime contrac-  
16 tors under the High Altitude Endurance Unmanned Vehi-  
17 cle Program shall provide the Comptroller General with  
18 such information on the program as the Comptroller con-  
19 siders necessary to make the determinations required for  
20 the certification under subsection (c).

21 **SEC. 214. ADVANCED ANTI-RADIATION GUIDED MISSILE**  
22 **PROGRAM.**

23 To the extent provided in appropriations Acts, the  
24 Secretary of the Navy may use not more than  
25 \$25,000,000 of the amount appropriated for the Navy for

1 fiscal year 1997 for research, development, test, evaluation  
2 for the Advanced Anti-Radiation Guided Missile Program  
3 in order to fund fiscal year 1998 research, development,  
4 test, and evaluation programs of the Navy that have a  
5 higher priority than such program.

6 **SEC. 215. FEDERALLY FUNDED RESEARCH AND DEVELOP-**  
7 **MENT CENTERS.**

8 (a) LIMITATION ON STAFF YEARS FUNDED.—Not  
9 more than 6,006 staff years of technical effort (staff  
10 years) may be funded for federally funded research and  
11 development centers out of the funds authorized to be ap-  
12 propriated for the Department of Defense for fiscal year  
13 1998.

14 (b) ALLOCATIONS AMONG CENTERS.—(1) Not later  
15 than 60 days after the date of the enactment of this Act,  
16 the Secretary of Defense shall submit to the congressional  
17 defense committees a report that specifies the number of  
18 staff years of technical effort that is to be allocated (for  
19 funding as described in subsection (a)) to each defense  
20 federally funded research and development center for fis-  
21 cal year 1998.

22 (2) After the submission of the report on allocation  
23 of staff years of technical effort under paragraph (1), the  
24 Secretary of Defense may not reallocate more than 5 per-  
25 cent of the staff years of technical effort allocated to a

1 federally funded research and development center for fis-  
2 cal year 1998 from that center to other federally funded  
3 research and development centers until 30 days after the  
4 date on which the Secretary has submitted a justification  
5 for the reallocation to the congressional defense commit-  
6 tees.

7 (c) FISCAL YEAR 1999 ALLOCATION.—(1) The Sec-  
8 retary of Defense shall submit to the congressional defense  
9 committees a report that specifies the number of staff  
10 years of technical effort that is to be allocated to each  
11 federally funded research and development center for fis-  
12 cal year 1999 for funding out of the funds authorized to  
13 be appropriated for the Department of Defense for that  
14 fiscal year.

15 (2) The report shall be submitted at the same time  
16 that the President submits the budget for fiscal year 1999  
17 to Congress under section 1105 of title 31, United States  
18 Code.

19 (c) STAFF YEAR DEFINED.—In this section, the term  
20 “staff year of technical effort” means 1,810 hours of paid  
21 effort by direct and consultant labor performing profes-  
22 sional-level technical work primarily in the fields of studies  
23 and analysis, system engineering and integration, systems  
24 planning, program and policy planning and analyses, and  
25 basic and applied research.

1 **SEC. 216. GOAL FOR DUAL-USE SCIENCE AND TECHNOLOGY**  
2 **PROJECTS.**

3 (a) GOALS.—(1) Subject to paragraph (3), it shall  
4 be the objective of the Secretary of each military depart-  
5 ment to obligate for dual-use projects in each fiscal year  
6 referred to in paragraph (2), out of the total amount au-  
7 thorized to be appropriated for such fiscal year for new  
8 projects initiated under the applied research programs of  
9 the military department, the percent of such amount that  
10 is specified for that fiscal year in paragraph (2).

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

13 (A) For fiscal year 1998, 5 percent.

14 (B) For fiscal year 1999, 7 percent.

15 (C) For fiscal year 2000, 10 percent.

16 (3) The Secretary of Defense may establish for a  
17 military department for a fiscal year an objective different  
18 from the objective set forth in paragraph (2) if the Sec-  
19 retary—

20 (A) determines that compelling national secu-  
21 rity considerations require the establishment of the  
22 different objective; and

23 (2) notifies Congress of the determination and  
24 the reasons for the determination.

25 (b) DESIGNATION OF OFFICIAL FOR DUAL-USE PRO-  
26 GRAMS.—(1) The Secretary of Defense shall designate a

1 senior official in the Office of the Secretary of Defense  
2 to carry out responsibilities for dual-use programs under  
3 this subsection. The designated official shall report di-  
4 rectly to the Under Secretary of Defense for Acquisition  
5 and Technology.

6 (2) The primary responsibilities of the designated of-  
7 ficial shall include developing policy and overseeing the es-  
8 tablishment of, and adherence to, procedures for ensuring  
9 that dual-use programs are initiated and administered ef-  
10 fectively and that applicable commercial technologies are  
11 integrated into current and future military systems.

12 (3) In carrying out the responsibilities, the des-  
13 igned official shall ensure that—

14 (A) dual-use projects are consistent with the  
15 joint warfighting science and technology plan re-  
16 ferred to in section 270 of the National Defense Au-  
17 thorization Act for Fiscal Year 1997 (Public Law  
18 104–201; 10 U.S.C. 2501 note); and

19 (B) the dual-use projects of the military depart-  
20 ments and defense agencies of the Department of  
21 Defense are coordinated and avoid unnecessary du-  
22 plication.

23 (c) FINANCIAL COMMITMENT OF NON-FEDERAL  
24 GOVERNMENT PARTICIPANTS.—The total amount of  
25 funds provided by a military department for a dual-use

1 project entered into by the Secretary of that department  
2 shall not exceed 50 percent of the total cost of the project.  
3 The Secretary may consider in-kind contributions by non-  
4 Federal participants for dual-use projects for the purpose  
5 of calculating the share of project costs that has been or  
6 is being undertaken by such participants only to the extent  
7 provided in regulations issued pursuant to section  
8 2511(c)(2) of title 10, United States Code.

9 (d) USE OF COMPETITIVE PROCEDURES.—Funds ob-  
10 ligated for a dual-use project may be counted toward meet-  
11 ing an objective under subsection (a) only if the funds are  
12 obligated for a contract, grant, cooperative agreement, or  
13 other transaction that was entered into through the use  
14 of competitive procedures.

15 (e) REPORT.—(1) Not later than January 31 of each  
16 of 1998, 1999, and 2000, the Secretary of Defense shall  
17 submit a report to the congressional defense committees  
18 on the progress made by the Department of Defense in  
19 meeting the objectives set forth in subsection (a) during  
20 the preceding fiscal year.

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

23 (A) The aggregate value of all contracts,  
24 grants, cooperative agreements, or other trans-  
25 actions entered into during the fiscal year for which

1 funding is counted toward meeting an objective  
2 under this section, expressed in relationship to the  
3 total amount appropriated for the applied research  
4 programs in the Department of Defense for that fis-  
5 cal year.

6 (B) For each military department, the value of  
7 all contracts, grants, cooperative agreements, or  
8 other transactions entered into during the fiscal year  
9 for which funding is counted toward meeting an ob-  
10 jective under this section, expressed in relationship  
11 to the total amount appropriated for the applied re-  
12 search program of the military department for that  
13 fiscal year.

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

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

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

1 (f) REPEAL OF SUPERSEDED AUTHORITY.—Section  
2 203 of the National Defense Authorization Act for Fiscal  
3 Year 1997 (Public Law 104–201; 110 Stat. 2451) is re-  
4 pealed.

5 (g) DEFINITIONS.—In this section:

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

10 (2) The term “dual-use project” means a  
11 project under a program of a military department or  
12 a defense agency under which research or develop-  
13 ment of a dual-use technology is carried out and the  
14 costs of which are shared by the Department of De-  
15 fense and non-Government entities.

16 **SEC. 217. TRANSFERS OF AUTHORIZATIONS FOR**  
17 **COUNTERPROLIFERATION SUPPORT PRO-**  
18 **GRAM.**

19 (a) IN GENERAL.—In addition to the transfer author-  
20 ity provided in section 1001, upon determination by the  
21 Secretary of Defense that such action is necessary in the  
22 national interest, the Secretary may transfer amounts of  
23 authorizations made available to the Department of De-  
24 fense in this division for fiscal year 1998 to  
25 counterproliferation programs, projects, and activities

1 identified as areas for progress by the  
2 Counterproliferation Program Review Committee estab-  
3 lished by section 1605 of the National Defense Authoriza-  
4 tion Act for Fiscal Year 1994 (22 U.S.C. 2751 note).  
5 Amounts of authorizations so transferred shall be merged  
6 with and be available for the same purposes as the author-  
7 ization to which transferred.

8 (b) LIMITATIONS.—(1) The total amount of author-  
9 izations transferred under the authority of this section  
10 may not exceed \$50,000,000.

11 (2) The authority provided by this section to transfer  
12 authorizations—

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

16 (B) may not be used to provide authority for an  
17 item that has been denied authorization by Con-  
18 gress.

19 (c) EFFECT OF TRANSFERS ON ACCOUNTS.—A  
20 transfer made from one account to another under the au-  
21 thority of this section shall be deemed to increase the  
22 amount authorized for the account to which the amount  
23 is transferred by an amount equal to the amount trans-  
24 ferred.

1 (d) CONGRESSIONAL NOTIFICATION.—The Secretary  
2 of Defense shall promptly notify Congress of transfers  
3 made under the authority of this section.

4 **SEC. 218. KINETIC ENERGY TACTICAL ANTI-SATELLITE**  
5 **TECHNOLOGY PROGRAM.**

6 (a) FUNDING.—Of the funds authorized to be appro-  
7 priated under section 201(4), \$80,000,000 shall be avail-  
8 able for the kinetic energy tactical anti-satellite technology  
9 program.

10 (b) LIMITATION.—None of the funds authorized to  
11 be appropriated to the Department of Defense for fiscal  
12 year 1998 for program element 65104D, relating to tech-  
13 nical studies and analyses, may be obligated or expended  
14 until the funds specified in subsection (a) have been re-  
15 leased to the program manager of the tactical kinetic en-  
16 ergy anti-satellite technology program for implementation  
17 of that program.

18 **SEC. 219. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT**  
19 **PROGRAM.**

20 (a) FUNDING.—Of the amount authorized to be ap-  
21 propriated under section 201(3), \$50,000,000 shall be  
22 available for the Clementine 2 micro-satellite near-earth  
23 asteroid interception mission.

24 (b) LIMITATION.—Of the funds authorized to be ap-  
25 propriated pursuant to this Act in program element

1 64480F for the Global Positioning System Block IIF sat-  
2 ellite system, not more than \$35,000,000 may be obligated  
3 until the Secretary of Defense certifies to Congress that  
4 the Secretary has made available for obligation the funds  
5 appropriated pursuant to subsection (a) for the purpose  
6 specified in that subsection.

7           **Subtitle C—Ballistic Missile**  
8                   **Defense Programs**

9 **SEC. 221. NATIONAL MISSILE DEFENSE PROGRAM.**

10           (a) PROGRAM STRUCTURE.—To preserve the option  
11 of achieving an initial operational capability in fiscal year  
12 2003, the Secretary of Defense shall ensure that the Na-  
13 tional Missile Defense Program is structured and pro-  
14 grammed for funding so as to support a test, in fiscal year  
15 1999, of an integrated national missile defense system  
16 that is representative of the national missile defense sys-  
17 tem architecture that could achieve initial operational ca-  
18 pability in fiscal year 2003.

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

22                   (1) An interceptor system that optimizes defen-  
23 sive coverage of the continental United States, Alas-  
24 ka, and Hawaii against limited ballistic missile at-

1       tack (whether accidental, unauthorized, or delib-  
2       erate).

3               (2) Ground-based radars.

4               (3) Space-based sensors.

5               (4) Battle management, command, control, and  
6       communications (BM/C3).

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

14              (1) A detailed description of the system archi-  
15      tecture selected for development.

16              (2) A discussion of the justification for the se-  
17      lection of that particular architecture.

18              (3) The Secretary's estimate of the amounts of  
19      the appropriations that would be necessary for re-  
20      search, development, test, evaluation, and for pro-  
21      curement for each of fiscal years 1999 through 2003  
22      in order to achieve an initial operational capability  
23      of the system architecture in fiscal year 2003.

24              (4) For each activity necessary for the develop-  
25      ment and deployment of the national missile defense

1 system architecture selected by the Secretary that  
2 would at some point conflict with the terms of the  
3 ABM Treaty, if any—

4 (A) a description of the activity;

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

8 (C) the legal analysis justifying the Sec-  
9 retary's determination regarding the point at  
10 which the activity would conflict with the terms  
11 of the ABM Treaty; and

12 (D) an estimate of the time at which such  
13 point would be reached in order to achieve a  
14 test of an integrated missile defense system in  
15 fiscal year 1999 and initial operational capabil-  
16 ity of such a system in fiscal year 2003.

17 (d) FUNDING FOR FISCAL YEAR 1998.—Of the funds  
18 authorized to be appropriated under section 201(4),  
19 \$978,091,000 shall be available for the national missile  
20 defense program.

21 (e) ABM TREATY DEFINED.—In this section, the  
22 term “ABM Treaty” means the Treaty Between the Unit-  
23 ed States of America and the Union of Soviet Socialist  
24 Republics on the Limitation of Anti-Ballistic Missile Sys-  
25 tems, signed at Moscow on May 26, 1972, and includes

1 the Protocol to that treaty, signed at Moscow on July 3,  
2 1974.

3 **SEC. 222. REVERSAL OF DECISION TO TRANSFER PROCURE-**  
4 **MENT FUNDS FROM THE BALLISTIC MISSILE**  
5 **DEFENSE ORGANIZATION.**

6 (a) TRANSFERS REQUIRED.—The Secretary of De-  
7 fense shall—

8 (1) transfer to appropriations available to the  
9 Ballistic Missile Defense Organization for procure-  
10 ment for fiscal year 1998 the amounts that were  
11 transferred to accounts of the Army, Navy, Air  
12 Force, and Marine Corps pursuant to Program  
13 Budget Decision 224C3, signed by the Under Sec-  
14 retary of Defense (Comptroller) on December 23,  
15 1996; and

16 (2) ensure that, in the future-years defense pro-  
17 gram, the procurement funding covered by that pro-  
18 gram budget decision is programmed for appropria-  
19 tions accounts of the Ballistic Missile Defense Orga-  
20 nization rather than appropriations accounts of the  
21 Armed Forces.

22 (b) RELATIONSHIP TO OTHER TRANSFER AUTHOR-  
23 ITY.—The transfer authority provided in subsection (a) is  
24 in addition to the transfer authority provided in section  
25 1001.

1                   **Subtitle D—Other Matters**

2   **SEC. 231. MANUFACTURING TECHNOLOGY PROGRAM.**

3           Section 2525(c)(2) of title 10, United States Code,  
4 is amended to read as follows:

5           “(2) In order to promote increased dissemination and  
6 use of manufacturing technology throughout the national  
7 defense technology and industrial base, the Secretary shall  
8 seek, to the maximum extent practicable, the participation  
9 of manufacturers of manufacturing equipment in the  
10 projects under the program.”.

11   **SEC. 232. USE OF MAJOR RANGE AND TEST FACILITY IN-**  
12                   **STALLATIONS BY COMMERCIAL ENTITIES.**

13           (a) EXTENSION OF AUTHORITY.—Subsection (g) of  
14 section 2681 of title 10, United States Code, is amended  
15 by striking out “1998” and inserting in lieu thereof  
16 “2001”.

17           (b) ADDITIONAL REPORTING REQUIREMENT.—Sub-  
18 section (h) of such section is amended—

19                   (1) by striking out “REPORT.—” and inserting  
20           in lieu thereof “REPORTS.—(1)”; and

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

22           “(2) Not later than February 15, 1998, the Secretary  
23 of Defense shall submit to the Committee on Armed Serv-  
24 ices of the Senate and the Committee on National Security  
25 of the House of Representatives a report identifying exist-

1 ing and proposed procedures to ensure that the use of  
 2 Major Range and Test Facility Installations by commer-  
 3 cial entities does not compete with private sector test and  
 4 evaluation services.”.

5 (c) REPEAL OF REPORTING REQUIREMENTS WHEN  
 6 EXECUTED.—Effective on October 1, 1998, subsection (h)  
 7 of such section is repealed.

8 **SEC. 233. ELIGIBILITY FOR THE DEFENSE EXPERIMENTAL**  
 9 **PROGRAM TO STIMULATE COMPETITIVE RE-**  
 10 **SEARCH.**

11 Section 257 of the National Defense Authorization  
 12 Act for Fiscal Year 1995 (10 U.S.C. 2358 note) is amend-  
 13 ed by adding at the end the following:

14 “(f) STATE DEFINED.—In this section, the term  
 15 ‘State’ means a State of the United States, the District  
 16 of Columbia, Puerto Rico, Guam, the Virgin Islands of  
 17 the United States, American Samoa, and the Common-  
 18 wealth of the Northern Mariana Islands.”.

19 **SEC. 234. RESTRUCTURING OF NATIONAL OCEANOGRAPHIC**  
 20 **PARTNERSHIP PROGRAM ORGANIZATIONS.**

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

24 (1) in subsection (b)—

1           (A) by striking out paragraphs (11), (14),  
2           (15), (16) and (17); and

3           (B) by redesignating paragraphs (12) and  
4           (13) as paragraphs (11) and (12), respectively;  
5           (2) by striking out subsection (d); and

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

9           (b) OCEAN RESEARCH ADVISORY PANEL.—(1) Sec-  
10          tion 7903(a) of such title is amended by striking out “gov-  
11          ernment, academia, and industry” and inserting in lieu  
12          thereof “State governments, academia, and ocean indus-  
13          tries”.

14          (2) Section 282(c) of the National Defense Author-  
15          ization Act for Fiscal Year 1997 (Public Law 104–201;  
16          110 Stat. 2473) is amended by striking out “January 1,  
17          1997” and inserting in lieu thereof “January 1, 1998”.

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

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

22               (2) by redesignating subsections (c), (d), (e),  
23               and (f) as subsections (b), (c), (d), and (e), respec-  
24               tively.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 subsection (a) and (b) shall be effective as of September  
3 23, 1996, as if included in section 282 of Public  
4 Law 104–201.

5 **TITLE III—OPERATION AND**  
6 **MAINTENANCE**

7 **Subtitle A—Authorization of**  
8 **Appropriations**

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

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

15 (1) For the Army, \$17,194,284,000.

16 (2) For the Navy, \$21,681,330,000.

17 (3) For the Marine Corps, \$2,379,445,000.

18 (4) For the Air Force, \$18,861,685,000.

19 (5) For Defense-wide activities,  
20 \$10,280,838,000.

21 (6) For the Army Reserve, \$1,212,891,000.

22 (7) For the Naval Reserve, \$834,711,000.

23 (8) For the Marine Corps Reserve,  
24 \$110,366,000.

25 (9) For the Air Force Reserve, \$1,624,420,000.

1           (10) For the Army National Guard,  
2           \$2,288,932,000.

3           (11) For the Air National Guard,  
4           \$2,991,219,000.

5           (12) For the Defense Inspector General,  
6           \$136,580,000.

7           (13) For the United States Court of Appeals  
8           for the Armed Forces, \$6,952,000.

9           (14) For Environmental Restoration, Army,  
10          \$350,337,000.

11          (15) For Environmental Restoration, Navy,  
12          \$257,500,000.

13          (16) For Environmental Restoration, Air Force,  
14          \$351,900,000.

15          (17) For Environmental Restoration, Defense-  
16          Wide, \$25,900,000.

17          (18) For Environmental Restoration, Formerly  
18          Used Defense Sites, \$188,300,000.

19          (19) For Overseas Contingency Operations,  
20          \$1,467,500,000.

21          (20) For Drug Interdiction and Counter-drug  
22          Activities, Defense-wide, \$660,882,000.

23          (21) For Medical Programs, Defense,  
24          \$9,954,782,000.

1           (22) For Former Soviet Union Threat Reduc-  
2           tion programs, \$322,000,000.

3           (23) For Overseas Humanitarian Demining and  
4           CINC Initiative activities, \$40,130,000.

5           (24) For the Kaho'olawe Island Conveyance,  
6           Remediation, and Environmental Restoration Trust  
7           Fund, \$10,000,000.

8 **SEC. 302. WORKING-CAPITAL FUNDS.**

9           Funds are hereby authorized to be appropriated for  
10          fiscal year 1998 for the use of the Armed Forces and other  
11          activities and agencies of the Department of Defense for  
12          providing capital for working-capital and revolving funds  
13          in amounts as follows:

14           (1) For the Defense Working-Capital Fund,  
15           \$33,400,000.

16           (2) For the National Defense Sealift Fund,  
17           \$516,126,000.

18           (3) For the Military Commissary Fund,  
19           \$938,552,000.

20 **SEC. 303. ARMED FORCES RETIREMENT HOME.**

21          There is hereby authorized to be appropriated for fis-  
22          cal year 1998 from the Armed Forces Retirement Home  
23          Trust Fund the sum of \$79,977,000 for the operation of  
24          the Armed Forces Retirement Home, including the United  
25          States Soldiers' and Airmen's Home and the Naval Home.

1 **SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCK-**  
2 **PILE TRANSACTION FUND.**

3 (a) **TRANSFER AUTHORITY.**—To the extent provided  
4 in appropriations Acts, not more than \$150,000,000 is au-  
5 thorized to be transferred from the National Defense  
6 Stockpile Transaction Fund to operation and maintenance  
7 accounts for fiscal year 1998 in amounts as follows:

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

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

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

11 (b) **TREATMENT OF TRANSFERS.**—Amounts trans-  
12 ferred under this section—

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

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

19 (c) **RELATIONSHIP TO OTHER TRANSFER AUTHOR-**  
20 **ITY.**—The transfer authority provided in this section is in  
21 addition to the transfer authority provided in section  
22 1001.

23 **SEC. 305. FISHER HOUSE TRUST FUNDS.**

24 Funds are hereby authorized to be appropriated for  
25 fiscal year 1998, out of funds in Fisher House Trust  
26 Funds not otherwise appropriated, for the operation and

1 maintenance of Fisher houses described in section 2221(d)  
2 of title 10, United States Code, as follows:

3 (1) The Fisher House Trust Fund, Department  
4 of the Army, \$150,000 for Fisher houses that are lo-  
5 cated in proximity to medical treatment facilities of  
6 the Army.

7 (2) The Fisher House Trust Fund, Department  
8 of the Navy, \$150,000 for Fisher houses that are lo-  
9 cated in proximity to medical treatment facilities of  
10 the Navy.

## 11 **Subtitle B—Depot-Level Activities**

### 12 **SEC. 311. DEFINITION OF DEPOT-LEVEL MAINTENANCE** 13 **AND REPAIR.**

14 (a) DEPOT-LEVEL MAINTENANCE AND REPAIR DE-  
15 FINED.—Chapter 146 of title 10, United States Code, is  
16 amended by inserting before section 2461 the following  
17 new section:

#### 18 **“§ 2460. Definition of depot-level maintenance and** 19 **repair**

20 “(a) IN GENERAL.—In this chapter, the term ‘depot-  
21 level maintenance and repair’ means materiel maintenance  
22 or repair requiring the overhaul or rebuilding of parts, as-  
23 semblies, or subassemblies, and the testing and reclama-  
24 tion of equipment as necessary, regardless of the source  
25 of funds for the maintenance or repair. The term includes

1 all aspects of software maintenance and such portions of  
2 interim contractor support, contractor logistics support, or  
3 any similar contractor support for the performance of  
4 services that are described in the preceding sentence.

5 “(b) EXCEPTION.—The term does not include the  
6 following:

7 “(1) Ship modernization activities that were not  
8 considered to be depot-level maintenance and repair  
9 activities under regulations of the Department of  
10 Defense in effect on March 30, 1997.

11 “(2) A procurement of a modification or up-  
12 grade of a major weapon system.”.

13 (b) CLERICAL AMENDMENT.—The table of sections  
14 at the beginning of such chapter is amended by inserting  
15 before the item relating to section 2461 the following new  
16 item:

“2460. Definition of depot-level maintenance and repair.”.

17 **SEC. 312. RESTRICTIONS ON CONTRACTS FOR PERFORM-**  
18 **ANCE OF DEPOT-LEVEL MAINTENANCE AND**  
19 **REPAIR AT CERTAIN FACILITIES.**

20 Section 2469 of title 10, United States Code, is  
21 amended—

22 (1) in subsections (a) and (b), by striking out  
23 “or repair” and inserting in lieu thereof “and re-  
24 pair”; and

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

3           “(d) RESTRICTION ON CONTRACTS AT CERTAIN  
4 FACILITIES.—

5           “(1) RESTRICTION.—The Secretary of Defense  
6           may not enter into any contract for the performance  
7           of depot-level maintenance and repair of weapon sys-  
8           tems or other military equipment of the Department  
9           of Defense, or for the performance of management  
10          functions related to depot-level maintenance and re-  
11          pair of such systems or equipment, at any military  
12          installation of the Air Force where a depot-level  
13          maintenance and repair facility was approved in  
14          1995 for closure or realignment under the Defense  
15          Base Closure and Realignment Act of 1990 (part A  
16          of title XXIX of Public Law 101–510; 10 U.S.C.  
17          2687 note). In the preceding sentence, the term  
18          ‘military installation of the Air Force’ includes a  
19          former military installation closed or realigned under  
20          the Act that was a military installation of the Air  
21          Force when it was approved for closure or realign-  
22          ment under the Act.

23          “(2) EXCEPTION.—Paragraph (1) shall not  
24          apply with respect to an installation or former in-  
25          stallation described in such paragraph if the Sec-

1       retary of Defense certifies to Congress, not later  
2       than 45 days before entering into a contract for per-  
3       formance of depot-level maintenance and repair at  
4       the installation or former installation, that—

5               “(A) not less than 75 percent of the capaci-  
6               ty at each of the depot-level maintenance and  
7               repair activities of the Air Force is being uti-  
8               lized on an ongoing basis to perform industrial  
9               operations in support of the depot-level mainte-  
10              nance and repair of weapon systems and other  
11              military equipment of the Department of  
12              Defense;

13             “(B) the Secretary has determined, on the  
14             basis of a detailed analysis (which the Secretary  
15             shall submit to Congress with the certification),  
16             that the total amount of the costs of the pro-  
17             posed contract to the Government, both recur-  
18             ring and nonrecurring and including any costs  
19             associated with planning for and executing the  
20             proposed contract, would be less than the costs  
21             that would otherwise be incurred if the depot-  
22             level maintenance and repair to be performed  
23             under the contract were performed using equip-  
24             ment and facilities of the Department of  
25             Defense;

1           “(C) all of the information upon which the  
2           Secretary determined that the total costs to the  
3           Government would be less under the contract is  
4           available for examination; and

5           “(D) none of the depot-level maintenance  
6           and repair to be performed under the contract  
7           was considered, before July 1, 1995, to be a  
8           core logistics capability of the Air Force pursu-  
9           ant to section 2464 of this title.

10          “(3) CAPACITY OF DEPOT-LEVEL ACTIVITIES.—  
11          For purposes of paragraph (2)(A), the capacity of  
12          depot-level maintenance and repair activities shall be  
13          considered to be the same as the maximum potential  
14          capacity identified by the Defense Base Closure and  
15          Realignment Commission for purposes of the selec-  
16          tion in 1995 of military installations for closure or  
17          realignment under the Defense Base Closure and  
18          Realignment Act of 1990, without regard to any lim-  
19          itation on the maximum number of Federal employ-  
20          ees (expressed as full time equivalent employees or  
21          otherwise) in effect after 1995, Federal employment  
22          levels after 1995, or the actual availability of equip-  
23          ment to support depot-level maintenance and repair  
24          after 1995.

1           “(4) GAO REVIEW.—At the same time that the  
2           Secretary submits the certification and analysis to  
3           Congress under paragraph (2), the Secretary shall  
4           submit a copy of the certification and analysis to the  
5           Comptroller General. The Comptroller General shall  
6           review the analysis and the information referred to  
7           in subparagraph (C) of paragraph (2) and, not later  
8           than 30 days after Congress receives the certifi-  
9           cation, submit to Congress a report containing a  
10          statement regarding whether the Comptroller Gen-  
11          eral concurs with the determination of the Secretary  
12          included in the certification pursuant to subpara-  
13          graph (B) of that paragraph.

14          “(5) APPLICATION.—This subsection shall  
15          apply with respect to any contract described in para-  
16          graph (1) that is entered into, or proposed to be en-  
17          tered into, after January 1, 1997.”.

18 **SEC. 313. CORE LOGISTICS FUNCTIONS OF DEPARTMENT**  
19 **OF DEFENSE.**

20          Section 2464(a) of title 10, United States Code, is  
21 amended—

22           (1) in paragraph (1), by striking out “a logis-  
23           tics capability (including personnel, equipment, and  
24           facilities)” and inserting in lieu thereof “a core lo-  
25           gistics capability that is Government-owned and

1 Government-operated (including Federal Govern-  
2 ment personnel and Government-owned and Govern-  
3 ment-operated equipment and facilities)”;

4 (2) in paragraph (2)—

5 (A) by inserting “core” before “logistics”;

6 and

7 (B) by adding at the end the following:

8 “Each year, the Secretary of Defense shall sub-  
9 mit to Congress a report describing each logis-  
10 tics capability that the Secretary identifies as a  
11 core logistics capability.”; and

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

14 “(3) Those core logistics activities identified under  
15 paragraphs (1) and (2) shall include the capability, facili-  
16 ties, and equipment to maintain and repair the types of  
17 weapon systems and other military equipment (except sys-  
18 tems and equipment under special access programs and  
19 aircraft carriers) that are identified by the Secretary, in  
20 consultation with the Joint Chiefs of Staff, as necessary  
21 to enable the armed forces to fulfill the contingency plans  
22 prepared under the responsibility of the Chairman of the  
23 Joint Chiefs of Staff set forth in section 153(a)(3) of this  
24 title.

1       “(4) The Secretary of Defense shall require the per-  
2 formance of core logistics functions identified under para-  
3 graphs (1), (2), and (3) at Government-owned, Govern-  
4 ment-operated facilities of the Department of Defense (in-  
5 cluding Government-owned, Government-operated facili-  
6 ties of a military department) and shall assign such facili-  
7 ties the minimum workloads necessary to ensure cost effi-  
8 ciency and technical proficiency in peacetime while pre-  
9 serving the surge capacity and reconstitution capabilities  
10 necessary to support fully the contingency plans referred  
11 to in paragraph (3).”.

12 **SEC. 314. PERCENTAGE LIMITATION ON PERFORMANCE OF**  
13 **DEPOT-LEVEL MAINTENANCE OF MATERIEL.**

14       (a) PERFORMANCE IN NON-GOVERNMENT FACILI-  
15 TIES.—Subsection (a) of section 2466 of title 10, United  
16 States Code, is amended to read as follows:

17       “(a) PERCENTAGE LIMITATION.—(1) Except as pro-  
18 vided in paragraph (2), not more than 50 percent of the  
19 funds made available in a fiscal year to a military depart-  
20 ment or a Defense Agency for depot-level maintenance and  
21 repair workload may be used to contract for the perform-  
22 ance of such workload in facilities other than Government-  
23 owned, Government-operated facilities.

1 “(2) In the administration of paragraph (1) for fiscal  
2 years ending before October 1, 1998, the percentage speci-  
3 fied in that paragraph shall be deemed to be 40 percent.”.

4 (b) TREATMENT OF PERFORMANCE BY PUBLIC-PRI-  
5 VATE PARTNERSHIP.—Such section is further amended by  
6 inserting after subsection (a), as amended by subsection  
7 (a), the following:

8 “(b) TREATMENT OF PERFORMANCE BY PUBLIC-PRI-  
9 VATE PARTNERSHIP.—For the purposes of subsection (a),  
10 any performance of a depot-level maintenance and repair  
11 workload by a public-private partnership formed under  
12 section 2474(b) of this title shall be treated as perform-  
13 ance of the workload in a Government-owned, Govern-  
14 ment-operated facility.”.

15 **SEC. 315. CENTERS OF INDUSTRIAL AND TECHNICAL**  
16 **EXCELLENCE.**

17 (a) DESIGNATION AND PURPOSE.—(1) Chapter 146  
18 of title 10, United States Code, is amended by adding at  
19 the end the following new section:

20 **“§ 2474. Centers of Industrial and Technical**  
21 **Excellence: designation; public-private**  
22 **partnerships**

23 “(a) DESIGNATION.—(1) The Secretary of Defense  
24 shall designate each depot-level activity of the military de-  
25 partments and the Defense Agencies (other than facilities

1 recommended for closure or major realignment under the  
2 Defense Base Closure and Realignment Act of 1990 (part  
3 A of title XXIX of Public Law 101–510; 10 U.S.C. 2687  
4 note)) as a Center of Industrial and Technical Excellence  
5 in the recognized core competencies of the activity.

6       “(2) The Secretary shall establish a policy to encour-  
7 age the Secretary of each military department and the  
8 head of each Defense Agency to reengineer industrial  
9 processes and adopt best-business practices at their depot-  
10 level activities in connection with their core competency  
11 requirements, so as to serve as recognized leaders in their  
12 core competencies throughout the Department of Defense  
13 and in the national technology and industrial base (as de-  
14 fined in section 2491(1) of this title).

15       “(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Sec-  
16 retary of Defense shall enable Centers of Industrial and  
17 Technical Excellence to form public-private partnerships  
18 for the performance of depot-level maintenance and repair  
19 at such centers and shall encourage the use of such part-  
20 nerships to maximize the utilization of the capacity at  
21 such Centers.

22       “(c) ADDITIONAL WORK.—The policy required under  
23 subsection (a) shall include measures to enable a private  
24 sector entity that enters into a partnership arrangement  
25 under subsection (b) or leases excess equipment and facili-

1 ties at a Center of Industrial and Technical Excellence  
 2 pursuant to section 2471 of this title to perform additional  
 3 work at the Center, subject to the limitations outlined in  
 4 subsection (b) of such section, outside of the types of work  
 5 normally assigned to the Center.”.

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

“2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships.”.

9 (b) **REPORTING REQUIREMENT.**—Not later than  
 10 March 1, 1998, the Secretary of Defense shall submit to  
 11 Congress a report describing the policies established by  
 12 the Secretary pursuant to section 2474 of title 10, United  
 13 States Code (as added by subsection (a)), to carry out that  
 14 section.

15 **SEC. 316. CLARIFICATION OF PROHIBITION ON MANAGE-**  
 16 **MENT OF DEPOT EMPLOYEES BY CON-**  
 17 **STRAINTS ON PERSONNEL LEVELS.**

18 Section 2472(a) of title 10, United States Code, is  
 19 amended by striking out the first sentence and inserting  
 20 in lieu thereof the following: “The civilian employees of  
 21 the Department of Defense, including the civilian employ-  
 22 ees of the military departments and the Defense Agencies,  
 23 who perform, or are involved in the performance of, depot-  
 24 level maintenance and repair workloads may not be man-

1 aged on the basis of any constraint or limitation in terms  
2 of man years, end strength, full-time equivalent positions,  
3 or maximum number of employees.”.

4 **SEC. 317. ANNUAL REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.**  
5

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

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

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

17 “(B) the percentage of the funds referred to in  
18 subsection (a) that were used during the preceding  
19 fiscal year to contract for the performance of depot-  
20 level maintenance and repair workloads in facilities  
21 that are not owned and operated by the Federal  
22 Government.

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

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

7 **SEC. 318. REPORT ON ALLOCATION OF CORE LOGISTICS**  
8 **ACTIVITIES AMONG DEPARTMENT OF DE-**  
9 **FENSE FACILITIES AND PRIVATE SECTOR FA-**  
10 **CILITIES.**

11 (a) REPORT.—Not later than May 31, 1998, the Sec-  
12 retary of Defense shall submit to Congress a report on  
13 the allocation among facilities of the Department of De-  
14 fense and facilities in the private sector of the logistics  
15 activities that are necessary to maintain and repair the  
16 weapon systems and other military equipment identified  
17 by the Secretary, in consultation with the Joint Chiefs of  
18 Staff, as being necessary to enable the Armed Forces to  
19 conduct a strategic or major theater war.

20 (b) ELEMENTS.—The report under subsection (a)  
21 shall set forth the following:

22 (1) The systems or equipment identified under  
23 subsection (a) that must be maintained and repaired  
24 in Government-owned, Government-operated facili-  
25 ties, using personnel and equipment of the Depart-

1       ment, as a result of the Secretary's determination  
2       that—

3               (A) the work involves unique or valuable  
4       workforce skills that should be maintained in  
5       the public sector in the national interest;

6               (B) the base of private sector sources hav-  
7       ing the capability to perform the workloads in-  
8       cludes industry sectors that are vulnerable to  
9       work stoppages;

10              (C) the private sector sources having the  
11       capability to perform the workloads have insuf-  
12       ficient workforce levels or skills to perform the  
13       depot-level maintenance and repair workloads—

14                      (i) in the quantity necessary, or as  
15       rapidly as the Secretary considers nec-  
16       essary, to enable the armed forces to fulfill  
17       the national military strategy; or

18                      (ii) without a significant disruption or  
19       delay in the maintenance and repair of  
20       equipment;

21              (D) the need for performance of workloads  
22       is too infrequent, cyclical, or variable to sustain  
23       a reliable base of private sector sources having  
24       the workforce levels or skills to perform the  
25       workloads;

1           (E) the market conditions or workloads are  
2 insufficient to ensure that the price of private  
3 sector performance of the workloads can be con-  
4 trolled through competition or other means;

5           (F) private sector sources are not ade-  
6 quately responsive to the requirements of the  
7 Department for rapid, cost-effective, and flexi-  
8 ble response to surge requirements or other  
9 contingency situations, including changes in the  
10 mix or priority of previously scheduled work-  
11 loads and reassignment of employees to dif-  
12 ferent workloads without the requirement for  
13 additional contractual negotiations;

14           (G) private sector sources are less willing  
15 to assume responsibility for performing the  
16 workload as a result of the possibility of direct  
17 military or terrorist attack; or

18           (H) private sector sources cannot maintain  
19 continuity of workforce expertise as a result of  
20 high rates of employee turnover.

21           (2) The systems or equipment identified under  
22 subsection (a) that must be maintained and repaired  
23 in Government-owned facilities, whether Government  
24 operated or contractor-operated, as a result of the  
25 Secretary's determination that—

1 (A) the work involves facilities, tech-  
2 nologies, or equipment that are unique and suf-  
3 ficiently valuable that the facilities, tech-  
4 nologies, or equipment must be maintained in  
5 the public sector in the national interest;

6 (B) the private sector sources having the  
7 capability to perform the workloads have insuf-  
8 ficient facilities, technology, or equipment to  
9 perform the depot-level maintenance and repair  
10 workloads—

11 (i) in the quantity necessary, or as  
12 rapidly as the Secretary considers nec-  
13 essary, to enable the armed forces to fulfill  
14 the national military strategy; or

15 (ii) without a significant disruption or  
16 delay in the maintenance and repair of  
17 equipment; or

18 (C) the need for performance of workloads  
19 is too infrequent, cyclical, or variable to sustain  
20 a reliable base of private sector sources having  
21 the facilities, technology, or equipment to per-  
22 form the workloads.

23 (3) The systems or equipment identified under  
24 subsection (a) that may be maintained and repaired  
25 in private sector facilities.

1           (4) The approximate percentage of the total  
2 maintenance and repair workload of the Department  
3 of Defense necessary for the systems and equipment  
4 identified under subsection (a) that would be per-  
5 formed at Department of Defense facilities, and at  
6 private sector facilities, as a result of the determina-  
7 tions made for purposes of paragraphs (1), (2), and  
8 (3).

9 **SEC. 319. REVIEW OF USE OF TEMPORARY DUTY ASSIGN-**  
10 **MENTS FOR SHIP REPAIR AND**  
11 **MAINTENANCE.**

12 (a) FINDINGS.—Congress makes the following  
13 findings:

14 (1) In order to reduce the time that the crew  
15 of a naval vessel is away from the homeport of the  
16 vessel, the Navy seeks to perform ship repair and  
17 maintenance of the vessel at the homeport of the  
18 vessel whenever it takes six months or less to accom-  
19 plish the work involved.

20 (2) At the same time, the Navy seeks to distrib-  
21 ute ship repair and maintenance work among the  
22 Navy shipyards (known as to “level load”) in order  
23 to more fully utilize personnel resources.

24 (3) During periods when a Navy shipyard is not  
25 utilized to its capacity, the Navy sometimes sends

1 workers at the shipyard, on a temporary duty basis,  
2 to perform ship repairs and maintenance at a home-  
3 port not having a Navy shipyard.

4 (4) This practice is a more efficient use of civil-  
5 ian employees who might otherwise not be fully em-  
6 ployed on work assigned to Navy shipyards.

7 (b) GAO REVIEW AND REPORT.—(1) The Comptrol-  
8 ler General of the United States shall review the Navy’s  
9 practice of using temporary duty assignments of personnel  
10 to perform ship maintenance and repair work at  
11 homeports not having Navy shipyards. The review shall  
12 include the following:

13 (A) An assessment of the rationale, conditions,  
14 and factors supporting the Navy’s practice.

15 (B) A determination of whether the practice is  
16 cost-effective.

17 (C) The factors affecting future requirements  
18 for, and the adherence to, the practice, together with  
19 an assessment of the factors.

20 (2) Not later than May 1, 1998, the Comptroller Gen-  
21 eral shall submit a report on the review to the Committee  
22 on Armed Services of the Senate and the Committee on  
23 National Security of the House of Representatives.

1 **SEC. 320. REPEAL OF A CONDITIONAL REPEAL OF CERTAIN**  
 2 **DEPOT-LEVEL MAINTENANCE AND REPAIR**  
 3 **LAWS AND A RELATED REPORTING**  
 4 **REQUIREMENT.**

5 Section 311 of the National Defense Authorization  
 6 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.  
 7 247; 10 U.S.C. 2464 note) is amended by striking out sub-  
 8 sections (f) and (g).

9 **SEC. 321. EXTENSION OF AUTHORITY FOR NAVAL SHIP-**  
 10 **YARDS AND AVIATION DEPOTS TO ENGAGE IN**  
 11 **DEFENSE-RELATED PRODUCTION AND**  
 12 **SERVICES.**

13 Section 1425(e) of the National Defense Authoriza-  
 14 tion Act for Fiscal Year 1991 (Public Law 101–510; 104  
 15 Stat. 1684) is amended by striking out “September 30,  
 16 1997” and inserting in lieu thereof “September 30,  
 17 1998”.

18 **Subtitle C—Environmental**  
 19 **Provisions**

20 **SEC. 331. CLARIFICATION OF AUTHORITY RELATING TO**  
 21 **STORAGE AND DISPOSAL OF NONDEFENSE**  
 22 **TOXIC AND HAZARDOUS MATERIALS ON DE-**  
 23 **PARTMENT OF DEFENSE PROPERTY.**

24 (a) MATERIALS OF MEMBERS AND DEPENDENTS.—  
 25 Subsection (a)(1) of section 2692 of title 10, United  
 26 States Code, is amended by inserting “or by a member

1 of the armed forces (or a dependent of a member) living  
2 on the installation” before the period at the end.

3 (b) STORAGE OF MATERIALS CONNECTED WITH  
4 COMPATIBLE USE.—Subsection (b)(8) of such section is  
5 amended—

6 (1) by striking out “by a private person”;

7 (2) by striking out “by that private person of  
8 an industrial-type” and inserting in lieu thereof “of  
9 a”; and

10 (3) by striking out “; and” and inserting in lieu  
11 thereof “, including a space launch facility located  
12 on a Department of Defense installation or other  
13 land controlled by the United States and a Depart-  
14 ment of Defense facility for testing materiel or train-  
15 ing personnel;”.

16 (c) TREATMENT AND DISPOSAL OF MATERIALS CON-  
17 NECTED WITH COMPATIBLE USE.—Subsection (b)(9) of  
18 such section is amended—

19 (1) by striking out “by a private person”;

20 (2) by striking out “commercial use by that  
21 person of an industrial-type” and inserting in lieu  
22 thereof “use of a”;

23 (3) by striking out “with that person” and in-  
24 serting in lieu thereof “with the prospective user”;  
25 and

1           (4) in subparagraph (B), by striking out “for  
2           that person’s” and inserting in lieu thereof “for the  
3           prospective user’s”.

4           (d) **ADDITIONAL AUTHORITY.**—Subsection (b) of  
5 such section is further amended—

6           (1) by striking out the period at the end of  
7           paragraph (9) and inserting in lieu thereof “; and”;  
8           and

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

10           “(10) the storage of materials that will be used  
11           in connection with an activity of the Department of  
12           Defense or in connection with a service performed  
13           for the benefit of the Department of Defense or the  
14           disposal of materials that have been used in such  
15           connection.”.

16 **SEC. 332. ANNUAL REPORT ON PAYMENTS AND ACTIVITIES**  
17                           **IN RESPONSE TO FINES AND PENALTIES AS-**  
18                           **SESSED UNDER ENVIRONMENTAL LAWS.**

19           (a) **ANNUAL REPORTS.**—Section 2706(b)(2) of title  
20 10, United States Code, is amended by adding at the end  
21 the following:

22           “(H) A statement of the fines and pen-  
23           alties imposed or assessed against the Depart-  
24           ment of Defense under Federal, State, or local  
25           environmental law during the fiscal year preced-

1           ing the fiscal year in which the report is sub-  
2           mitted, which statement sets forth—

3                   “(i) each Federal environmental stat-  
4                   ute under which a fine or penalty was im-  
5                   posed or assessed during the fiscal year;

6                   “(ii) with respect to each such  
7                   statute—

8                           “(I) the aggregate amount of  
9                           fines and penalties imposed or as-  
10                           sessed during the fiscal year;

11                           “(II) the aggregate amount of  
12                           fines and penalties paid during the  
13                           fiscal year;

14                           “(III) the total amount required  
15                           to meet commitments to environ-  
16                           mental enforcement authorities under  
17                           agreements entered into by the De-  
18                           partment of Defense during the fiscal  
19                           year for supplemental environmental  
20                           projects agreed to in lieu of the pay-  
21                           ment of fines or penalties; and

22                           “(IV) the number of fines and  
23                           penalties imposed or assessed during  
24                           the fiscal year that were—

25                                   “(aa) \$10,000 or less;

1 “(bb) more than \$10,000,  
2 but not more than \$50,000;

3 “(cc) more than \$50,000,  
4 but not more than \$100,000; and

5 “(dd) more than \$100,000;  
6 and

7 “(iii) with respect to each fine or pen-  
8 alty set forth under clause (ii)(IV)(dd)—

9 “(I) the installation or facility to  
10 which the fine or penalty applies; and

11 “(II) the agency that imposed or  
12 assessed the fine or penalty.”.

13 (b) REPORT IN FISCAL YEAR 1998.—The statement  
14 submitted by the Secretary of Defense under subpara-  
15 graph (H) of section 2706(b)(2) of title 10, United States  
16 Code, as added by subsection (a), in 1998 shall, to the  
17 maximum extent practicable, include the information re-  
18 quired by that subparagraph for each of fiscal years 1994  
19 through 1997.

20 **SEC. 333. ANNUAL REPORT ON ENVIRONMENTAL ACTIVI-**  
21 **TIES OF THE DEPARTMENT OF DEFENSE**  
22 **OVERSEAS.**

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

1           (1) by redesignating subsection (d) as sub-  
2           section (e); and

3           (2) by inserting after subsection (c) the follow-  
4           ing new subsection (d):

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

11          “(2) Each such report shall include the following:

12           “(A) A statement of the funding levels and full-  
13           time personnel required for the Department of De-  
14           fense to comply during such fiscal year with each re-  
15           quirement under a treaty, law, contract, or other  
16           agreement for environmental restoration or compli-  
17           ance activities.

18           “(B) A statement of the funds to be expended  
19           by the Department of Defense during such fiscal  
20           year in carrying out other activities relating to the  
21           environment overseas, including conferences, meet-  
22           ings, and studies for pilot programs and travel relat-  
23           ed to such activities.”.

1 **SEC. 334. MEMBERSHIP TERMS FOR STRATEGIC ENVIRON-**  
2 **MENTAL RESEARCH AND DEVELOPMENT**  
3 **PROGRAM SCIENTIFIC ADVISORY BOARD.**

4 (a) **TERMS.**—Section 2904(b)(4) of title 10, United  
5 States Code, is amended by striking out “three” and in-  
6 serting in lieu thereof “not less than two or more than  
7 four”.

8 (b) **APPLICABILITY.**—The amendment made by sub-  
9 section (a) shall apply to appointments to the Strategic  
10 Environmental Research and Development Program Sci-  
11 entific Advisory Board made before, on, or after the date  
12 of enactment of this Act.

13 **SEC. 335. ADDITIONAL INFORMATION ON AGREEMENTS**  
14 **FOR AGENCY SERVICES IN SUPPORT OF**  
15 **ENVIRONMENTAL TECHNOLOGY CERTIFI-**  
16 **CATION.**

17 (a) **ADDITIONAL INFORMATION.**—Subsection (d) of  
18 section 327 of the National Defense Authorization Act for  
19 Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2483;  
20 10 U.S.C. 2702 note) is amended by adding at the end  
21 the following:

22 “(5) A statement of the funding that will be re-  
23 quired to meet commitments made to State and local  
24 governments under agreements entered into during  
25 the fiscal year preceding the fiscal year in which the  
26 report is submitted.

1           “(6) A description of any cost-sharing arrange-  
2           ment under any cooperative agreement entered into  
3           under this section.”.

4           (b) **GUIDELINES FOR REIMBURSEMENT AND COST-**  
5 **SHARING.**—Not later than 90 days after the date of enact-  
6 ment of this Act, the Secretary of Defense shall submit  
7 to Congress a report setting forth the guidelines estab-  
8 lished by the Secretary for reimbursement of State and  
9 local governments, and for cost-sharing between the De-  
10 partment of Defense, such governments, and vendors,  
11 under agreements entered into under such section 327.

12 **SEC. 336. RISK ASSESSMENTS UNDER THE DEFENSE ENVI-**  
13 **RONMENTAL RESTORATION PROGRAM.**

14           (a) **IN GENERAL.**—In carrying out risk assessments  
15 as part of the evaluation of facilities of the Department  
16 of Defense for purposes of allocating funds and establish-  
17 ing priorities for environmental restoration projects at  
18 such facilities under the Defense Environmental Restora-  
19 tion Program, the Secretary of Defense shall—

20           (1) utilize a risk assessment method that meets  
21           the requirements in subsection (b); and

22           (2) ensure the uniform and consistent utiliza-  
23           tion of the risk assessment method in all evaluations  
24           of facilities under the program.

1 (b) RISK ASSESSMENT METHOD.—The risk assess-  
2 ment method utilized under subsection (a) shall—

3 (1) take into account as a separate factor of  
4 risk—

5 (A) the extent to which the contamination  
6 level of a particular contaminant exceeds the  
7 permissible contamination level for the  
8 contaminant;

9 (B) the existence and extent of any popu-  
10 lation (including human populations and natu-  
11 ral populations) potentially affected by the con-  
12 taminant; and

13 (C) the existence and nature of any mecha-  
14 nism that would cause the population to be af-  
15 fected by the contaminant; and

16 (2) provide appropriately for the significance of  
17 any such factor in the final determination of risk.

18 (c) DEFENSE ENVIRONMENTAL RESTORATION PRO-  
19 GRAM DEFINED.—In this section, the term “Defense En-  
20 vironmental Restoration Program” means the program of  
21 environmental restoration carried out under chapter 160  
22 of title 10, United States Code.

1 **SEC. 337. RECOVERY AND SHARING OF COSTS OF ENVIRON-**  
2 **MENTAL RESTORATION AT DEPARTMENT OF**  
3 **DEFENSE SITES.**

4 (a) GUIDELINES.—

5 (1) IN GENERAL.—The Secretary of Defense  
6 shall prescribe in regulations guidelines concerning  
7 the cost-recovery and cost-sharing activities of the  
8 military departments and defense agencies.

9 (2) COVERED MATTERS.—The guidelines pre-  
10 scribed under paragraph (1) shall—

11 (A) establish uniform requirements relat-  
12 ing to cost-recovery and cost-sharing activities  
13 for the military departments and defense  
14 agencies;

15 (B) require the Secretaries of the military  
16 departments and the heads of the defense agen-  
17 cies to obtain all appropriate data regarding ac-  
18 tivities of contractors of the Department or  
19 other private parties responsible for environ-  
20 mental contamination at Department sites that  
21 is relevant for purposes of cost-recovery and  
22 cost-sharing activities;

23 (C) require the Secretaries of the military  
24 departments and the heads of the defense agen-  
25 cies to use consistent methods in estimating the  
26 costs of environmental restoration at sites

1 under the jurisdiction of such departments and  
2 agencies for purposes of reports to Congress on  
3 such costs;

4 (D) require the Secretaries of the military  
5 departments to reduce the amounts requested  
6 for environmental restoration activities of such  
7 departments for a fiscal year by the amounts  
8 anticipated to be recovered in the preceding fis-  
9 cal year as a result of cost-recovery and cost-  
10 sharing activities; and

11 (E) resolve any unresolved issues regarding  
12 the crediting of amounts recovered as a result  
13 of such activities under section 2703(d) of title  
14 10, United States Code.

15 (b) IMPLEMENTATION OF GUIDELINES.—The Sec-  
16 retary shall take appropriate actions to ensure the imple-  
17 mentation of the guidelines prescribed under subsection  
18 (a), including appropriate requirements to—

19 (1) identify contractors of the Department and  
20 other private parties responsible for environmental  
21 contamination at Department sites;

22 (2) review the activities of contractors of the  
23 Department and other private parties in order to  
24 identify negligence or other misconduct in such ac-  
25 tivities that would preclude Department indemnifica-



1           (2) The Secretary may carry out the pilot program  
2 during the period beginning on October 1, 1997, and end-  
3 ing on September 30, 1999.

4           (b) INCENTIVES AVAILABLE FOR SALE.—(1) Under  
5 the pilot program, the Secretary may sell economic incen-  
6 tives for the reduction of emission of air pollutants attrib-  
7 utable to a facility of a military department only if such  
8 incentives are not otherwise required for the activities or  
9 operations of the military department.

10          (2) The Secretary may not, under the pilot program,  
11 sell economic incentives attributable to the closure or re-  
12 alignment of a military installation under a base closure  
13 law.

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

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

1 incurred in identifying, quantifying, or valuing the eco-  
2 nomic incentives sold.

3       (2)(A)(i) If after crediting under paragraph (1) a bal-  
4 ance remains, the amount of such balance shall be avail-  
5 able to the Department of Defense for allocation by the  
6 Secretary to the military departments for programs,  
7 projects, and activities necessary for compliance with Fed-  
8 eral environmental laws, including the purchase of eco-  
9 nomic incentives for the reduction of emission of air  
10 pollutants.

11       (ii) To the extent practicable, amounts allocated to  
12 the military departments under this subparagraph shall  
13 be made available to the facilities that generated the eco-  
14 nomic incentives providing the basis for the amounts.

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

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

23       (4) Funds credited under paragraph (1) or allocated  
24 under paragraph (2) shall be merged with the funds to  
25 which credited or allocated, as the case may be, and shall

1 be available for the same purposes and for the same period  
2 as the funds with which merged.

3 (d) DEFINITIONS.—In this section:

4 (1) The term “base closure law” means the  
5 following:

6 (A) Section 2687 of title 10, United States  
7 Code.

8 (B) Title II of the Defense Authorization  
9 Amendments and Base Closure and Realign-  
10 ment Act (Public Law 100–526; 10 U.S.C.  
11 2687 note).

12 (C) The Defense Base Closure and Re-  
13 alignment Act of 1990 (part A of title XXIX of  
14 Public Law 101–510; 10 U.S.C. 2687 note).

15 (2) The term “economic incentives for the re-  
16 duction of emission of air pollutants” means any  
17 transferable economic incentives (including market-  
18 able permits and emission rights) necessary or ap-  
19 propriate to meet air quality requirements under the  
20 Clean Air Act (42 U.S.C. 7401 et seq.).

1 **SEC. 339. TAGGING SYSTEM FOR IDENTIFICATION OF HY-**  
2 **DROCARBON FUELS USED BY THE DEPART-**  
3 **MENT OF DEFENSE.**

4 (a) **AUTHORITY TO CONDUCT PILOT PROGRAM.—**

5 The Secretary of Defense may conduct a pilot program  
6 using existing technology to determine—

7 (1) the feasibility of tagging hydrocarbon fuels  
8 used by the Department of Defense for the purposes  
9 of analyzing and identifying such fuels;

10 (2) the deterrent effect of such tagging on the  
11 theft and misuse of fuels purchased by the Depart-  
12 ment; and

13 (3) the extent to which such tagging assists in  
14 determining the source of surface and underground  
15 pollution in locations having separate fuel storage  
16 facilities of the Department and of civilian  
17 companies.

18 (b) **SYSTEM ELEMENTS.—**The tagging system under  
19 the pilot program shall have the following characteristics:

20 (1) The tagging system does not harm the  
21 environment.

22 (2) Each chemical used in the tagging system  
23 is—

24 (A) approved for use under the Toxic Sub-  
25 stances Control Act (15 U.S.C. 2601 et seq.);  
26 and

1 (B) substantially similar to the fuel to  
2 which added, as determined in accordance with  
3 criteria established by the Environmental Pro-  
4 tection Agency for the introduction of additives  
5 into hydrocarbon fuels.

6 (3) The tagging system permits a determination  
7 if a tag is present and a determination if the con-  
8 centration of a tag has changed in order to facilitate  
9 identification of tagged fuels and detection of dilu-  
10 tion of tagged fuels.

11 (4) The tagging system does not impair or de-  
12 grade the suitability of tagged fuels for their in-  
13 tended use.

14 (c) REPORT.—Not later than 30 days after the com-  
15 pletion of the pilot program, the Secretary shall submit  
16 to Congress a report setting forth the results of the pilot  
17 program and including any recommendations for legisla-  
18 tion relating to the tagging of hydrocarbon fuels by the  
19 Department that the Secretary considers appropriate.

20 (d) FUNDING.—Of the amounts authorized to be ap-  
21 propriated under section 301(5) for operation and mainte-  
22 nance for defense-wide activities, not more than  
23 \$5,000,000 shall be available for the pilot program.

1 **Subtitle D—Commissaries and Non-**  
2 **appropriated Fund Instrumen-**  
3 **talities**

4 **SEC. 351. FUNDING SOURCES FOR CONSTRUCTION AND IM-**  
5 **PROVEMENT OF COMMISSARY STORE**  
6 **FACILITIES.**

7 (a) ADDITIONAL FUNDING SOURCES.—Section 2685  
8 of title 10, United States Code, is amended—

9 (1) by redesignating subsections (b), (c), and  
10 (d) as subsections (c), (d), and (e), respectively; and

11 (2) by inserting after subsection (a) the follow-  
12 ing new subsection (b):

13 “(b) FUNDS FOR CONSTRUCTION AND IMPROVE-  
14 MENTS.—Revenues received by the Department of De-  
15 fense from the following sources or activities of com-  
16 missary store facilities shall be available for the purposes  
17 set forth in subsections (c), (d), and (e):

18 “(1) Adjustments or surcharges authorized by  
19 subsection (a).

20 “(2) Sale of recyclable materials.

21 “(3) Sale of excess property.

22 “(4) License fees.

23 “(5) Royalties.

1           “(6) Fees paid by sources of products in order  
2           to obtain favorable display of the products for resale,  
3           known as business related management fees.

4           “(7) Products offered for sale in commissaries  
5           under consignment with exchanges, as designated by  
6           the Secretary of Defense.”.

7 **SEC. 352. INTEGRATION OF MILITARY EXCHANGE**  
8           **SERVICES.**

9           (a) INTEGRATION REQUIRED.—The Secretaries of  
10 the military departments shall integrate the military ex-  
11 change services, including the managing organizations of  
12 the military exchange services, not later than September  
13 30, 2000.

14           (b) SUBMISSION OF PLAN TO CONGRESS.—Not later  
15 than 180 days after the date of the enactment of this Act,  
16 the Secretaries of the military departments shall submit  
17 to the Committee on Armed Services of the Senate and  
18 the Committee on National Security of the House of Rep-  
19 resentatives the plan for achieving the integration required  
20 by subsection (a).

21           **Subtitle E—Other Matters**

22 **SEC. 361. ADVANCE BILLINGS FOR WORKING-CAPITAL**  
23           **FUNDS.**

24           (a) RESTRICTION.—Section 2208 of title 10, United  
25 States Code, is amended—

1           (1) by redesignating subsection (k) as sub-  
2           section (l); and

3           (2) by inserting after subsection (j) the follow-  
4           ing new subsection (k):

5           “(k)(1) An advance billing of a customer for a work-  
6           ing-capital fund is prohibited except as provided in para-  
7           graph (2).

8           “(2) An advance billing of a customer for a working-  
9           capital fund is authorized if—

10           “(A) the Secretary of Defense has submitted to  
11           the Committees on Armed Services and on Appro-  
12           priations of the Senate and the Committees on Na-  
13           tional Security and on Appropriations of the House  
14           of Representatives a notification of the advance bill-  
15           ing; and

16           “(B) in the case of an advance billing in an  
17           amount that exceeds \$50,000,000, thirty days have  
18           elapsed since the date of the notification.

19           “(3) A notification of an advance billing of a cus-  
20           tomer for a working-capital fund that is submitted under  
21           paragraph (2) shall include the following:

22           “(A) The reasons for the advance billing.

23           “(B) An analysis of the effects of the advance  
24           billing on military readiness.

1           “(C) An analysis of the effects of the advance  
2           billing on the customer.

3           “(4) The Secretary of Defense may waive the applica-  
4           bility of this subsection—

5           “(A) during a period war or national emer-  
6           gency; or

7           “(B) to the extent that the Secretary deter-  
8           mines necessary to support a contingency operation.

9           “(5) The Secretary of Defense shall submit to the  
10           committees referred to in paragraph (2) a report on ad-  
11           vance billings for all working-capital funds whenever the  
12           aggregate amount of the advance billings for all working-  
13           capital funds not covered by a notification under that  
14           paragraph or a report previously submitted under this  
15           paragraph exceeds \$50,000,000. The report shall be sub-  
16           mitted not later than 30 days after the end of the month  
17           in which the aggregate amount first reaches \$50,000,000.  
18           The report shall include, for each customer covered by the  
19           report, a discussion of the matters described in paragraph  
20           (3).

21           “(6) In this subsection:

22           “(A) The term ‘advance billing’, with respect to  
23           a working-capital fund, means a billing of a cus-  
24           tomer by the fund, or a requirement for a customer  
25           to reimburse or otherwise credit the fund, for the

1 cost of goods or services provided (or for other ex-  
2 penses incurred) on behalf of the customer that is  
3 rendered or imposed before the customer receives the  
4 goods or before the services have been performed.

5 “(B) The term ‘customer’ means a requisition-  
6 ing component or agency.”.

7 (b) REPORTS ON ADVANCE BILLINGS FOR THE  
8 DBOF.—Section 2216a(d)(3) of title 10, United States  
9 Code, is amended—

10 (1) in subparagraph (B)(ii), by striking out  
11 “\$100,000,000” and inserting in lieu thereof  
12 “\$50,000,000”; and

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

14 “(D) A report required under subparagraph (B)(ii)  
15 shall be submitted not later than 30 days after the end  
16 of the month in which the aggregate amount referred to  
17 in that subparagraph reaches the amount specified in that  
18 subparagraph.”.

19 (c) FISCAL YEAR 1998 LIMITATION.—(1) The total  
20 amount of advance billings for Department of Defense  
21 working-capital funds and the Defense Business Oper-  
22 ations Fund for fiscal year 1998 may not exceed  
23 \$1,000,000,000.

24 (2) In paragraph (1), the term “advance billing”,  
25 with respect to the working-capital funds of the Depart-

1 ment of Defense and the Defense Business Operations  
2 Fund, has the same meaning as is provided with respect  
3 to working-capital funds in section 2208(k)(6) of title 10,  
4 United States Code (as amended by subsection (a)).

5 **SEC. 362. CENTER FOR EXCELLENCE IN DISASTER MAN-**  
6 **AGEMENT AND HUMANITARIAN ASSISTANCE.**

7 (a) ESTABLISHMENT.—The Secretary of Defense  
8 may operate a Center for Excellence in Disaster Manage-  
9 ment and Humanitarian Assistance at Tripler Army Medi-  
10 cal Center, Hawaii.

11 (b) MISSIONS.—The Secretary of Defense shall speci-  
12 fy the missions of the Center. The missions shall include  
13 the following:

14 (1) To provide and facilitate education, train-  
15 ing, and research in civil-military operations, par-  
16 ticularly operations that require international disas-  
17 ter management and humanitarian assistance and  
18 operations that require interagency coordination.

19 (2) To make available high-quality disaster  
20 management and humanitarian assistance in re-  
21 sponse to disasters.

22 (3) To provide and facilitate education, train-  
23 ing, interagency coordination, and research on the  
24 following additional matters:

1           (A) Management of the consequences of  
2 nuclear, biological, and chemical events.

3           (B) Management of the consequences of  
4 terrorism.

5           (C) Appropriate roles for the reserve com-  
6 ponents in the management of such con-  
7 sequences and in disaster management and hu-  
8 manitarian assistance in response to natural  
9 disasters.

10          (D) Meeting requirements for information  
11 in connection with regional and global disasters,  
12 including use of advanced communications tech-  
13 nology as a virtual library.

14          (E) Tropical medicine, particularly in rela-  
15 tion to the medical readiness requirements of  
16 the Department of Defense.

17          (4) To develop a repository of disaster risk indi-  
18 cators for the Asia-Pacific region.

19          (c) JOINT OPERATION WITH EDUCATIONAL INSTITU-  
20 TION AUTHORIZED.—The Secretary may enter into an  
21 agreement with appropriate officials of an institution of  
22 higher education to provide for joint operation of the Cen-  
23 ter. Any such agreement shall provide for the institution  
24 to furnish necessary administrative services for the Cen-  
25 ter, including administration and allocation of funds.

1 (d) ACCEPTANCE OF FUNDS.—(1) Except as pro-  
2 vided in paragraph (2), the Secretary of Defense may, on  
3 behalf of the Center, accept funds for use to defray the  
4 costs of the Center or to enhance the operation of the Cen-  
5 ter from any agency of the Federal Government, any State  
6 or local government, any foreign government, any founda-  
7 tion or other charitable organization (including any that  
8 is organized or operates under the laws of a foreign coun-  
9 try), or any other private source in the United States or  
10 a foreign country.

11 (2)(A) The Secretary may not accept a gift or dona-  
12 tion under paragraph (1) if the acceptance of the gift or  
13 donation, as the case may be, would compromise or appear  
14 to compromise—

15 (i) the ability of the Department of Defense, or  
16 any employee of the Department, to carry out any  
17 responsibility or duty of the Department in a fair  
18 and objective manner; or

19 (ii) the integrity of any program of the Depart-  
20 ment of Defense or of any official involved in such  
21 a program.

22 (B) The Secretary shall prescribe written guidance  
23 setting forth the criteria to be used in determining wheth-  
24 er or not the acceptance of a foreign gift or donation  
25 would have a result described in subparagraph (A).

1       (3) Funds accepted by the Secretary under para-  
2 graph (1) shall be credited to appropriations available to  
3 the Department of Defense for the Center. Funds so cred-  
4 ited shall be merged with the appropriations to which cred-  
5 ited and shall be available for the Center for the same  
6 purposes and the same period as the appropriations with  
7 which merged.

8       (e) FUNDING FOR FISCAL YEAR 1998.—Of the funds  
9 authorized to be appropriated under section 301,  
10 \$5,000,000 shall be available for the Center for Excellence  
11 in Disaster Management and Humanitarian Assistance.

12 **SEC. 363. ADMINISTRATIVE ACTIONS ADVERSELY AFFECT-**  
13 **ING MILITARY TRAINING OR OTHER READI-**  
14 **NESS ACTIVITIES.**

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

18 **“§ 2014. Administrative actions adversely affecting**  
19 **military training or other readiness**  
20 **activities**

21       “(a) CONGRESSIONAL NOTIFICATION.—Whenever an  
22 official of an Executive agency takes or proposes to take  
23 an administrative action that, as determined by the Sec-  
24 retary of Defense in consultation with the Chairman of  
25 the Joint Chiefs of Staff, affects training or any other

1 readiness activity in a manner that has or would have a  
2 significant adverse effect on the military readiness of any  
3 of the armed forces or a critical component thereof, the  
4 Secretary shall submit a written notification of the action  
5 and each significant adverse effect to the Committee on  
6 Armed Services of the Senate and the Committee on Na-  
7 tional Security of the House of Representatives and, at  
8 the same time, shall transmit a copy of the notification  
9 to the President and to the head of the Executive agency  
10 taking or proposing to take the administrative action.

11       “(b) NOTIFICATION TO BE PROMPT.—(1) Subject to  
12 paragraph (2), the Secretary shall submit a written notifi-  
13 cation of an administrative action or proposed administra-  
14 tive action required by subsection (a) as soon as the Sec-  
15 retary becomes aware of the action or proposed action.

16       “(2) The Secretary shall prescribe policies and proce-  
17 dures to ensure that the Secretary receives information on  
18 an administrative action or proposed administrative action  
19 described in subsection (a) promptly after Department of  
20 Defense personnel receive notice of such an action or pro-  
21 posed action.

22       “(c) EFFECT OF NOTIFICATION ON ADMINISTRATIVE  
23 ACTION.—Upon the submission of a notification to com-  
24 mittees of Congress under subsection (a), the administra-  
25 tive action covered by the notification shall, notwithstand-

1 ing any other provision of law, cease to be effective or not  
 2 become effective, as the case may be, with respect to the  
 3 Department of Defense until the date that is 30 days after  
 4 the date of the notification, except that the President may  
 5 direct that the administrative action take effect with re-  
 6 spect to the Department of Defense earlier than that date.  
 7 The President may not delegate the authority provided in  
 8 the preceding sentence.

9 “(d) DEFINITIONS.—In this section, the term ‘Execu-  
 10 tive agency’ has the meaning given such term in section  
 11 105 of title 5 other than the General Accounting Office.”.

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

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

15 **SEC. 364. FINANCIAL ASSISTANCE TO SUPPORT ADDI-**  
 16 **TIONAL DUTIES ASSIGNED TO ARMY**  
 17 **NATIONAL GUARD.**

18 (a) AUTHORITY.—Chapter 1 of title 32, United  
 19 States Code, is amended by adding at the end the  
 20 following:

1 **“§ 113. Federal financial assistance for support of ad-**  
2 **ditional duties assigned to the Army**  
3 **National Guard**

4 “(a) **AUTHORITY.**—The Secretary of the Army may  
5 provide financial assistance to a State to support activities  
6 carried out by the Army National Guard of the State in  
7 the performance of duties that the Secretary has assigned,  
8 with the consent of the Chief of the National Guard Bu-  
9 reau, to the Army National Guard of the State. The Sec-  
10 retary shall determine the amount of the assistance that  
11 is appropriate for the purpose.

12 “(b) **COVERED ACTIVITIES.**—Activities supported  
13 under this section may include only those activities that  
14 are carried out by the Army National Guard in the per-  
15 formance of responsibilities of the Secretary under para-  
16 graphs (6), (10), and (11) of section 3013(b) of title 10.

17 “(c) **DISBURSEMENT THROUGH NATIONAL GUARD**  
18 **BUREAU.**—The Secretary shall disburse any contribution  
19 under this section through the Chief of the National  
20 Guard Bureau.

21 “(d) **AVAILABILITY OF FUNDS.**—Funds appropriated  
22 for the Army for a fiscal year are available for providing  
23 financial assistance under this section in support of activi-  
24 ties carried out by the Army National Guard during that  
25 fiscal year.”.

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

“113. Federal financial assistance for support of additional duties assigned to  
 the Army National Guard.”.

4 **SEC. 365. SALE OF EXCESS, OBSOLETE, OR UNSERVICEABLE**  
 5 **AMMUNITION AND AMMUNITION COMPO-**  
 6 **NENTS.**

7 (a) AUTHORITY.—Chapter 443 of title 10, United  
 8 States Code, is amended by adding at the end the follow-  
 9 ing new section:

10 **“§ 4687. Sale of excess, obsolete, or unserviceable am-**  
 11 **munition and ammunition components**

12 “(a) AUTHORITY TO SELL OUTSIDE DoD.—The  
 13 Secretary of the Army may sell ammunition or ammuni-  
 14 tion components that are excess, obsolete, or unserviceable  
 15 and have not been demilitarized to a person eligible under  
 16 subsection (c) if—

17 “(1) the purchaser enters into an agreement, in  
 18 advance, with the Secretary—

19 “(A) to demilitarize the ammunition or  
 20 components; and

21 “(B) to reclaim, recycle, or reuse the com-  
 22 ponent parts or materials; or

23 “(2) the Secretary, or an official of the Depart-  
 24 ment of the Army designated by the Secretary, ap-

1       proves the use of the ammunition or components  
2       proposed by the purchaser as being consistent with  
3       the public interest.

4       “(b) METHOD OF SALE.—The Secretary shall use  
5 competitive procedures to sell ammunition and ammuni-  
6 tion components under this section, except that the Sec-  
7 retary may negotiate a sale in any case in which the Sec-  
8 retary determines that there is only one potential buyer  
9 of the items being offered for sale.

10       “(c) ELIGIBLE PURCHASERS.—A purchaser of ex-  
11 cess, obsolete, or unserviceable ammunition or ammunition  
12 components under this section shall be a licensed manu-  
13 facturer (as defined in section 921(10) of title 18) that,  
14 as determined by the Secretary, has a capability to modify,  
15 reclaim, transport, and either store or sell the ammunition  
16 or ammunition components purchased.

17       “(d) HOLD HARMLESS AGREEMENT.—The Secretary  
18 shall require a purchaser of ammunition or ammunition  
19 components under this section to agree to hold harmless  
20 and indemnify the United States from any claim for dam-  
21 ages for death, injury, or other loss resulting from a use  
22 of the ammunition or ammunition components, except in  
23 a case of willful misconduct or gross negligence of a rep-  
24 resentative of the United States.

1       “(e) VERIFICATION OF DEMILITARIZATION.—The  
2 Secretary shall establish procedures for ensuring that a  
3 purchaser of ammunition or ammunition components  
4 under this section demilitarizes the ammunition or ammu-  
5 nition components in accordance with any agreement to  
6 do so under subsection (a)(1). The procedures shall in-  
7 clude on-site verification of demilitarization activities.

8       “(f) CONSIDERATION.—The Secretary may accept  
9 ammunition, ammunition components, or ammunition de-  
10 militarization services as consideration for ammunition or  
11 ammunition components sold under this section. The fair  
12 market value of any such consideration shall be equal to  
13 or exceed the fair market value or, if higher, the sale price  
14 of the ammunition or ammunition components sold.

15       “(g) DISPOSITION OF FUNDS.—Amounts received as  
16 proceeds of sale of ammunition or ammunition compo-  
17 nents under this section in any fiscal year shall—

18               “(1) be credited to an appropriation available  
19 for such fiscal year for the acquisition of ammuni-  
20 tion or ammunition components or to an appropria-  
21 tion available for such fiscal year for the demili-  
22 tarization of excess, obsolete, or unserviceable am-  
23 munition or ammunition components; and

1           “(2) shall be available for the same period and  
2           for the same purposes as the appropriation to which  
3           credited.

4           “(h) RELATIONSHIP TO ARMS EXPORT CONTROL  
5 ACT.—Nothing in this section shall be construed to affect  
6 the applicability of section 38 of the Arms Export Control  
7 Act (22 U.S.C. 2778) to sales of ammunition or ammuni-  
8 tion components on the United States Munitions List.

9           “(i) DEFINITIONS.—In this section:

10           “(1) The term ‘excess, obsolete, or unservice-  
11           able’, with respect to ammunition or ammunition  
12           components, means that the ammunition or ammu-  
13           nition components are no longer necessary for war  
14           reserves or for support of training of the Army or  
15           production of ammunition or ammunition  
16           components.

17           “(2) The term ‘demilitarize’, with respect to  
18           ammunition or ammunition components—

19           “(A) means to destroy the military offen-  
20           sive or defensive advantages inherent in the am-  
21           munition or ammunition components; and

22           “(B) includes any mutilation, scrapping,  
23           melting, burning, or alteration that prevents the  
24           use of the ammunition or ammunition compo-  
25           nents for the military purposes for which the

1           ammunition or ammunition components was de-  
2           signed or for a lethal purpose.”.

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

“4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition  
components.”.

6 **SEC. 366. INVENTORY MANAGEMENT.**

7           (a) SCHEDULE FOR IMPLEMENTATION OF BEST IN-  
8 VENTORY PRACTICES AT DEFENSE LOGISTICS AGENCY.—  
9 (1) The Director of the Defense Logistics Agency shall  
10 develop and submit to Congress a schedule for implement-  
11 ing within the agency, for the supplies and equipment de-  
12 scribed in paragraph (2), inventory practices identified by  
13 the Director as being the best commercial inventory prac-  
14 tices for such supplies and equipment consistent with mili-  
15 tary requirements. The schedule shall provide for the im-  
16 plementation of such practices to be completed not later  
17 than three years after date of the enactment of this Act.

18           (2) The inventory practices shall apply to the acquisi-  
19 tion and distribution of medical supplies, subsistence sup-  
20 plies, clothing and textiles, commercially available elec-  
21 tronics, construction supplies, and industrial supplies.

22           (b) TIME FOR SUBMISSION OF SCHEDULE TO CON-  
23 GRESS.—The schedule required by this section shall be

1 submitted not later than 180 days after the date of the  
2 enactment of this Act.

3 **SEC. 367. WARRANTY CLAIMS RECOVERY PILOT PROGRAM.**

4 (a) PILOT PROGRAM REQUIRED.—The Secretary of  
5 Defense may carry out a pilot program to use commercial  
6 sources of services to improve the collection of Department  
7 of Defense claims under aircraft engine warranties.

8 (b) CONTRACTS.—Exercising authority provided in  
9 section 3718 of title 31, United States Code, the Secretary  
10 of Defense may enter into contracts under the pilot pro-  
11 gram to provide for the following services:

12 (1) Collection services.

13 (2) Determination of amounts owed the Depart-  
14 ment of Defense for repair of aircraft engines for  
15 conditions covered by warranties.

16 (3) Identification and location of the sources of  
17 information that are relevant to collection of Depart-  
18 ment of Defense claims under aircraft engine war-  
19 ranties, including electronic data bases and docu-  
20 ment filing systems maintained by the Department  
21 of Defense or by the manufacturers and suppliers of  
22 the aircraft engines.

23 (4) Services to define the elements necessary  
24 for an effective training program to enhance and im-  
25 prove the performance of Department of Defense

1 personnel in collecting and organizing documents  
2 and other information that are necessary for effi-  
3 cient filing, processing, and collection of Department  
4 of Defense claims under aircraft engine warranties.

5 (c) CONTRACTOR FEE.—Under authority provided in  
6 section 3718(d) of title 31, United States Code, a contract  
7 entered into under the pilot program shall provide for the  
8 contractor to be paid, out of the amount recovered by the  
9 contractor under program, such percentages of the  
10 amount recovered as the Secretary of Defense determines  
11 appropriate.

12 (d) RETENTION OF RECOVERED FUNDS.—Subject to  
13 any obligation to pay a fee under subsection (c), any  
14 amount collected for the Department of Defense under the  
15 pilot program for a repair of an aircraft engine for a con-  
16 dition covered by a warranty shall be credited to an appro-  
17 priation available for repair of aircraft engines for the fis-  
18 cal year in which collected and shall be available for the  
19 same purposes and same period as the appropriation to  
20 which credited.

21 (e) REGULATIONS.—The Secretary of Defense shall  
22 prescribe regulations to carry out this section.

23 (f) TERMINATION OF AUTHORITY.—The pilot pro-  
24 gram shall terminate at the end of September 30, 1999,

1 and contracts entered into under this section shall termi-  
2 nate not later than that date.

3 (g) REPORT.—Not later than January 1, 2000, the  
4 Secretary of Defense shall submit to Congress a report  
5 on the pilot program. The report shall include the  
6 following:

7 (1) The number of contracts entered into under  
8 the program.

9 (2) The extent to which the services provided  
10 under the contracts resulted in financial benefits for  
11 the Federal Government.

12 (3) Any additional comments and recommenda-  
13 tions that the Secretary considers appropriate re-  
14 garding use of commercial sources of services for  
15 collection of Department of Defense claims under  
16 aircraft engine warranties.

17 **SEC. 368. ADJUSTMENT AND DIVERSIFICATION ASSIST-**  
18 **ANCE TO ENHANCE INCREASED PERFORM-**  
19 **ANCE OF MILITARY FAMILY SUPPORT SERV-**  
20 **ICES BY PRIVATE SECTOR SOURCES.**

21 Section 2391(b)(5) of title 10, United States Code,  
22 is amended by adding at the end the following:

23 “(C) The Secretary of Defense may also make grants,  
24 conclude cooperative agreements, and supplement other  
25 Federal funds in order to assist a State or local govern-

1 ment to enhance that government’s capabilities to support  
 2 efforts of the Department of Defense to privatize, contract  
 3 for, or diversify the performance of military family support  
 4 services in cases in which the capability of the department  
 5 to provide such services is adversely affected by an action  
 6 described in paragraph (1).”.

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

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

11 The Armed Forces are authorized strengths for active  
 12 duty personnel as of September 30, 1998, as follows:

13 (1) The Army, 485,000, of whom not more  
 14 than 80,300 shall be officers.

15 (2) The Navy, 390,802, of whom not more than  
 16 55,695 shall be officers.

17 (3) The Marine Corps, 174,000, of whom not  
 18 more than 17,978 shall be officers.

19 (4) The Air Force, 371,577, of whom not more  
 20 than 72,732 shall be officers.

21 **SEC. 402. PERMANENT END STRENGTH LEVELS TO**  
 22 **SUPPORT TWO MAJOR REGIONAL**  
 23 **CONTINGENCIES.**

24 (a) REPEAL.—Section 691 of title 10, United States  
 25 Code, is repealed.

1 (b) CLERICAL AMENDMENT.—The table of sections  
2 at the beginning of chapter 39 of such title is amended  
3 by striking out the item relating to section 691.

## 4 **Subtitle B—Reserve Forces**

### 5 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

6 (a) FISCAL YEAR 1998.—The Armed Forces are au-  
7 thorized strengths for Selected Reserve personnel of the  
8 reserve components as of September 30, 1998, as follows:

9 (1) The Army National Guard of the United  
10 States, 361,516.

11 (2) The Army Reserve, 208,000.

12 (3) The Naval Reserve, 94,294.

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

14 (5) The Air National Guard of the United  
15 States, 107,377.

16 (6) The Air Force Reserve, 73,431.

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

18 (b) ADJUSTMENTS.—The end strengths prescribed by  
19 subsection (a) for the Selected Reserve of any reserve com-  
20 ponent for a fiscal year shall be proportionately reduced  
21 by—

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

1           (2) the total number of individual members not  
2           in units organized to serve as units of the Selected  
3           Reserve of such component who are on active duty  
4           (other than for training or for unsatisfactory partici-  
5           pation in training) without their consent at the end  
6           of the fiscal year.

7 Whenever such units or such individual members are re-  
8 leased from active duty during any fiscal year, the end  
9 strength prescribed for such fiscal year for the Selected  
10 Reserve of such reserve component shall be proportion-  
11 ately increased by the total authorized strengths of such  
12 units and by the total number of such individual members.

13 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**  
14 **DUTY IN SUPPORT OF THE RESERVES.**

15           Within the end strengths prescribed in section  
16 411(a), the reserve components of the Armed Forces are  
17 authorized, as of September 30, 1998, the following num-  
18 ber of Reserves to be serving on full-time active duty or  
19 full-time duty, in the case of members of the National  
20 Guard, for the purpose of organizing, administering, re-  
21 cruiting, instructing, or training the reserve components:

22           (1) The Army National Guard of the United  
23           States, 22,310.

24           (2) The Army Reserve, 11,500.

25           (3) The Naval Reserve, 16,136.

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

2 (5) The Air National Guard of the United  
3 States, 10,616.

4 (6) The Air Force Reserve, 963.

5 **Subtitle C—Authorization of**  
6 **Appropriations**

7 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**  
8 **TARY PERSONNEL.**

9 There is hereby authorized to be appropriated to the  
10 Department of Defense for military personnel for fiscal  
11 year 1998 a total of \$69,264,962,000. The authorization  
12 in the preceding sentence supersedes any other authoriza-  
13 tion of appropriations (definite or indefinite) for such pur-  
14 pose for fiscal year 1998.

15 **TITLE V—MILITARY PERSONNEL**  
16 **POLICY**

17 **Subtitle A—Personnel Management**

18 **SEC. 501. OFFICERS EXCLUDED FROM CONSIDERATION BY**  
19 **PROMOTION BOARD.**

20 (a) ACTIVE COMPONENT OFFICERS.—Section 619(d)  
21 of title 10, United States Code, is amended by striking  
22 out paragraph (1) and inserting in lieu thereof the follow-  
23 ing:

24 “(1) an officer whose name is on—

1           “(A) a promotion list for that grade as a  
2 result of his selection for promotion to that  
3 grade by an earlier selection board convened  
4 under that section; or

5           “(B) a list of names of officers rec-  
6 ommended for promotion to that grade that is  
7 set forth in a report of such a board, while the  
8 report is pending action under section 618 of  
9 this title”.

10       (b) RESERVE COMPONENT OFFICERS.—Section  
11 14301(c) of such title is amended by striking out para-  
12 graph (1) and inserting in lieu thereof the following:

13           “(1) an officer whose name is on—

14           “(A) a promotion list for that grade as a  
15 result of recommendation for promotion to that  
16 grade by an earlier selection board convened  
17 under that section or section 14502 of this title  
18 or under chapter 36 of this title; or

19           “(B) a list of names of officers rec-  
20 ommended for promotion to that grade that is  
21 set forth in a report of such a board, while the  
22 report is pending action under section 618,  
23 14110, or 14111 of this title;”.

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

1 of this Act and shall apply with respect to each selection  
2 board that is convened under section 611(a), 14101(a),  
3 or 14502 of title 10, United States Code, on or after such  
4 date.

5 **SEC. 502. INCREASE IN THE MAXIMUM NUMBER OF OFFI-**  
6 **CERS ALLOWED TO BE FROCKED TO THE**  
7 **GRADE OF O-6.**

8 Paragraph (2) of section 777(d) of title 10, United  
9 States Code, is amended to read as follows:

10 “(2) The number of officers of an armed force on  
11 the active-duty list who are authorized as described in sub-  
12 section (a) to wear the insignia for a grade to which a  
13 limitation on total number applies under section 523(a)  
14 of this title for a fiscal year may not exceed—

15 “(A) in the case of the grade of major, lieuten-  
16 ant colonel, lieutenant commander, or commander, 1  
17 percent of the total number provided for the officers  
18 in that grade in that armed force in the administra-  
19 tion of the limitation under that section for that fis-  
20 cal year; and

21 “(B) in the case of the grade of colonel or cap-  
22 tain, 2 percent of the total number provided for the  
23 officers in that grade in that armed force in the ad-  
24 ministration of the limitation under that section for  
25 that fiscal year.”.

1 **SEC. 503. AVAILABILITY OF NAVY CHAPLAINS ON RETIRED**  
2 **LIST OR OF RETIREMENT AGE TO SERVE AS**  
3 **CHIEF OR DEPUTY CHIEF OF CHAPLAINS OF**  
4 **THE NAVY.**

5 (a) **ELIGIBILITY OF OFFICERS ON RETIRED LIST.—**

6 (1) Section 5142(b) of title 10, United States Code, is  
7 amended by striking out “, who are not on the retired  
8 list,” in the second sentence.

9 (2) Section 5142a of such title is amended by striking  
10 out “, who is not on the retired list,”.

11 (b) **AUTHORITY TO DEFER RETIREMENT.—(1)**  
12 Chapter 573 of title 10, United States Code, is amended  
13 by adding at the end the following new section:

14 **“§ 6411. Chief and Deputy Chief of Chaplains:**  
15 **deferment of retirement for age**

16 “The Secretary of the Navy may defer the retirement  
17 under section 1251(a) of this title of an officer of the  
18 Chaplain Corps if during the period of the deferment the  
19 officer will be serving as the Chief of Chaplains or the  
20 Deputy Chief of Chaplains. A deferment under this sub-  
21 section may not extend beyond the first day of the month  
22 following the month in which the officer becomes 68 years  
23 of age.”.

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

“6411. Chief and Deputy Chief of Chaplains: deferment of retirement for age.”.

1 **SEC. 504. PERIOD OF RECALL SERVICE OF CERTAIN RETIR-**  
2 **EES.**

3 (a) INAPPLICABILITY OF LIMITATION TO CERTAIN  
4 OFFICERS.—Section 688(e) of title 10, United States  
5 Code, is amended—

6 (1) by inserting “(1)” after “(e)”; and

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

8 “(2) In the administration of paragraph (1), the fol-  
9 lowing officers shall not be counted:

10 “(A) A chaplain who is assigned to duty as a  
11 chaplain for the period of active duty to which or-  
12 dered.

13 “(B) A health care professional (as character-  
14 ized by the Secretary concerned) who is assigned to  
15 duty as a health care professional for the period of  
16 the active duty to which ordered.

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

20 (b) EFFECTIVE DATE.—The amendments made by  
21 subsection (a) shall take effect on September 30, 1997,  
22 immediately after the amendment made by section 521(a)  
23 of Public Law 104–201 (110 Stat. 2515) takes effect.

1       **Subtitle B—Matters Relating to**  
2                   **Reserve Components**

3       **SEC. 511. TERMINATION OF READY RESERVE MOBILIZA-**  
4                   **TION INCOME INSURANCE PROGRAM.**

5           (a) **TERMINATION.**—(1) Chapter 1214 of title 10,  
6 United States Code, is amended by adding at the end the  
7 following;

8       **“§ 12533. Termination of program authority**

9           “(a) **BENEFITS NOT TO ACCRUE.**—No benefits ac-  
10 crue under the insurance program for active duty per-  
11 formed on or after the program termination date.

12          “(b) **SERVICE NOT INSURED.**—The insurance pro-  
13 gram does not apply with respect to any order of a mem-  
14 ber of the Ready Reserve into covered service that becomes  
15 effective on or after the program termination date.

16          “(c) **CESSATION OF ACTIVITIES.**—No person may be  
17 enrolled, and no premium may be collected, under the in-  
18 surance program on or after the program termination  
19 date.

20          “(d) **PROGRAM TERMINATION DATE.**—For the pur-  
21 poses of this section, the term ‘program termination date’  
22 is the date of the enactment of the National Defense Au-  
23 thorization Act for Fiscal Year 1998.”.

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

“12533. Termination of program authority.”.

3           (b) PAYMENT OF BENEFITS.—The Secretary of De-  
4 fense shall pay in full all benefits that have accrued to  
5 members of the Armed Forces under the Ready Reserve  
6 Mobilization Income Insurance Program before the date  
7 of the enactment of this Act. A refund of premiums to  
8 a beneficiary under subsection (c) may not reduce the ben-  
9 efits payable to the beneficiary under this subsection.

10          (c) REFUND OF PREMIUMS.—Not later than 180  
11 days after the date of the enactment of this Act, the Sec-  
12 retary of Defense shall refund premiums paid under the  
13 Ready Reserve Mobilization Income Insurance Program to  
14 the persons who paid the premiums, as follows:

15           (1) In the case of a person for whom no pay-  
16 ment of benefits has accrued under the program, all  
17 premiums.

18           (2) In the case of a person who has accrued  
19 benefits under the program, the premiums (including  
20 any portion of a premium) that the person has paid  
21 for periods (including any portion of a period) for  
22 which no benefits accrued to the person under the  
23 program.

24          (d) STUDY AND REPORT.—Not later than June 1,  
25 1998, the Secretary of Defense shall—

1 (1) carry out a study to determine—

2 (A) the reasons for the fiscal deficiencies  
3 in the Ready Reserve Mobilization Income In-  
4 surance Program that make it necessary to ap-  
5 propriate \$72,000,000 or more to pay benefits  
6 (including benefits in arrears) and other pro-  
7 gram costs; and

8 (B) whether there is a need for such a pro-  
9 gram; and

10 (2) submit to Congress a report containing—

11 (A) the Secretary's determinations; and

12 (B) if the Secretary determines that there  
13 is a need for a Ready Reserve mobilization in-  
14 come insurance program, the Secretary's rec-  
15 ommendations for improving the program under  
16 chapter 1214 of title 10, United States Code.

17 **SEC. 512. DISCHARGE OR RETIREMENT OF RESERVE OFFI-**  
18 **CERS IN AN INACTIVE STATUS.**

19 Section 12683(b)(1) of title 10, United States Code,  
20 is amended to read as follows:

21 “(1) to—

22 “(A) a separation under section 12684,  
23 14901, or 14907 of this title; or

24 “(B) a separation of a reserve officer in an  
25 inactive status in the Standby Reserve who is

1 not qualified for transfer to the Retired Reserve  
2 or, if qualified, does not apply for transfer to  
3 the Retired Reserve;”.

4 **SEC. 513. RETENTION OF MILITARY TECHNICIANS IN**  
5 **GRADE OF BRIGADIER GENERAL AFTER MAN-**  
6 **DATORY SEPARATION DATE.**

7 (a) RETENTION TO AGE 60.—Section 14702(a) of  
8 title 10, United States Code, is amended—

9 (1) by striking out “section 14506 or 14507”  
10 and inserting in lie thereof “section 14506, 14507,  
11 or 14508(a)”;

12 (2) by striking out “or colonel” and inserting in  
13 lieu thereof “colonel, or brigadier general”.

14 (b) RELATIONSHIP TO OTHER RETENTION AUTHOR-  
15 ITY.—Section 14508(c) of such title is amended by adding  
16 at the end the following: “For the purposes of the preced-  
17 ing sentence, a retention of a reserve officer under section  
18 14702 of this title shall not be construed as being a reten-  
19 tion of that officer under this subsection.”.

20 **SEC. 514. FEDERAL STATUS OF SERVICE BY NATIONAL**  
21 **GUARD MEMBERS AS HONOR GUARDS AT FU-**  
22 **NERALS OF VETERANS.**

23 (a) IN GENERAL.—(1) Chapter 1 of title 32, United  
24 States Code, as amended by section 364, is further amend-  
25 ed by adding at the end the following new section:

1 **“§ 114. Honor guard functions at funerals for veter-**  
2 **ans**

3 “Subject to such restrictions as may be prescribed by  
4 the Secretary concerned, the performance of honor guard  
5 functions by members of the National Guard at funerals  
6 for veterans of the armed forces may be treated by the  
7 Secretary concerned as a Federal function for which ap-  
8 propriated funds may be used. Any such performance of  
9 honor guard functions at funerals may not be considered  
10 to be a period of drill or training otherwise required.”.

11 (2) The table of sections at the beginning of such  
12 chapter, as amended by section 364, is further amended  
13 by adding at the end the following new item:

“114. Honor guard functions at funerals for veterans.”.

14 (b) FUNDING FOR FISCAL YEAR 1997.—Section 114  
15 of title 32, United States Code, as added by subsection  
16 (a), does not authorize additional appropriations for fiscal  
17 year 1997. Any expenses of the National Guard that are  
18 incurred by reason of such section during fiscal year 1997  
19 may be paid from existing appropriations available for the  
20 National Guard.

1                   **Subtitle C—Education and**  
2                   **Training Programs**

3   **SEC. 521. SERVICE ACADEMIES FOREIGN EXCHANGE STUDY**  
4                   **PROGRAM.**

5           (a) UNITED STATES MILITARY ACADEMY.—(1)  
6 Chapter 403 of title 10, United States Code, is amended  
7 by inserting after section 4344 the following new section:  
8   **“§4345. Exchange program with foreign military**  
9                   **academies**

10           “(a) AGREEMENT AUTHORIZED.—The Secretary of  
11 the Army may enter into an agreement with an official  
12 of a foreign government authorized to act for that foreign  
13 government to carry out a military academy foreign ex-  
14 change study program.

15           “(b) TERMS OF AGREEMENT.—(1) An agreement  
16 with a foreign government under this section shall provide  
17 for the following:

18                   “(A) That, on an exchange basis, the Secretary  
19                   provide students of military academies of the foreign  
20                   government with instruction at the Academy and the  
21                   foreign government provide cadets of the Academy  
22                   with instruction at military academies of the foreign  
23                   government.

24                   “(B) That the number of cadets of the Acad-  
25                   emy provided instruction under the exchange pro-

1       gram and the number of students of military acad-  
2       emies of the foreign government provided instruction  
3       at the Academy under the exchange program during  
4       an academic year be equal.

5           “(C) That the duration of the period of ex-  
6       change study for each student not exceed one aca-  
7       demic semester (or an equivalent academic period of  
8       a host foreign military academy).

9           “(2) An agreement with a foreign government under  
10      this section may provide for the Secretary to provide a  
11      student of a military academy of the foreign government  
12      with quarters, subsistence, transportation, clothing, health  
13      care, and other services during the period of the student’s  
14      exchange study at the Academy to the same extent that  
15      the foreign government provides comparable support and  
16      services to cadets of the Academy during the period of  
17      the cadets’ exchange study at a military academy of the  
18      foreign government.

19           “(c) MAXIMUM NUMBER.—Under the exchange pro-  
20      gram not more than a total of 24 cadets of the Academy  
21      may be receiving instruction at military academies of for-  
22      eign governments under the program at any time, and not  
23      more than a total of 24 students of military academies  
24      of foreign governments may be receiving instruction at the  
25      Academy at any time.

1       “(d) FOREIGN STUDENTS NOT TO RECEIVE PAY  
2 AND ALLOWANCES.—A student of a foreign military acad-  
3 emy provided instruction at the Academy under the ex-  
4 change program is not, by virtue of participation in the  
5 exchange program, entitled to the pay, allowances, and  
6 emoluments of a cadet appointed from the United States.

7       “(e) SPECIAL RULES FOR FOREIGN MILITARY ACAD-  
8 EMY STUDENTS.—(1) Foreign military academy students  
9 receiving instruction at the Academy under the exchange  
10 program are in addition to—

11               “(A) the number of persons from foreign coun-  
12 tries who are receiving instruction at the Academy  
13 under section 4344 of this title; and

14               “(B) the authorized strength of the cadets of  
15 the Academy under section 4342 of this title.

16       “(2) Subsections (c) and (d) of section 9344 of this  
17 title apply to students of military academies of foreign  
18 governments while the students are participating in the  
19 exchange program under this section.

20       “(f) REGULATIONS.—The Secretary shall prescribe  
21 regulations to carry out the military academy foreign ex-  
22 change study program under this section. The regulations  
23 may, subject to subsection (e)(2), include eligibility cri-  
24 teria and methods for selection of students to participate  
25 in the exchange program.”.

1           (2) The table of sections at the beginning of such  
2 chapter is amended by inserting after the item relating  
3 to section 4344 the following new item:

“4345. Exchange program with foreign military academies.”.

4           (b) UNITED STATES NAVAL ACADEMY.—(1) Chapter  
5 603 of title 10, United States Code, is amended by insert-  
6 ing after section 6957 the following new section:

7 **“§ 6957a. Exchange program with foreign military**  
8 **academies**

9           “(a) AGREEMENT AUTHORIZED.—The Secretary of  
10 the Navy may enter into an agreement with an official  
11 of a foreign government authorized to act for that foreign  
12 government to carry out a military academy foreign ex-  
13 change study program.

14           “(b) TERMS OF AGREEMENT.—(1) An agreement  
15 with a foreign government under this section shall provide  
16 for the following:

17                   “(A) That, on an exchange basis, the Secretary  
18 provide students of military academies of the foreign  
19 government with instruction at the Naval Academy  
20 and the foreign government provide midshipmen of  
21 the Academy with instruction at military academies  
22 of the foreign government.

23                   “(B) That the number of midshipmen of the  
24 Naval Academy provided instruction under the ex-  
25 change program and the number of students of mili-

1 tary academies of the foreign government provided  
2 instruction at the Naval Academy under the ex-  
3 change program during an academic year be equal.

4 “(C) That the duration of the period of ex-  
5 change study for each student not exceed one aca-  
6 demic semester (or an equivalent academic period of  
7 a host foreign military academy).

8 “(2) An agreement with a foreign government under  
9 this section may provide for the Secretary to provide a  
10 student of a military academy of the foreign government  
11 with quarters, subsistence, transportation, clothing, health  
12 care, and other services during the period of the student’s  
13 exchange study at the Naval Academy to the same extent  
14 that the foreign government provides comparable support  
15 and services to midshipmen of the Naval Academy during  
16 the period of the cadets’ exchange study at a military  
17 academy of the foreign government.

18 “(c) MAXIMUM NUMBER.—Under the exchange pro-  
19 gram not more than a total of 24 midshipmen of the Naval  
20 Academy may be receiving instruction at military acad-  
21 emies of foreign governments under the program at any  
22 time, and not more than a total of 24 students of military  
23 academies of foreign governments may be receiving in-  
24 struction at the Naval Academy at any time.

1       “(d) FOREIGN STUDENTS NOT TO RECEIVE PAY  
2 AND ALLOWANCES.—A student of a foreign military acad-  
3 emy provided instruction at the Naval Academy under the  
4 exchange program is not, by virtue of participation in the  
5 exchange program, entitled to the pay, allowances, and  
6 emoluments of a midshipman appointed from the United  
7 States.

8       “(e) SPECIAL RULES FOR FOREIGN MILITARY ACAD-  
9 EMY STUDENTS.—(1) Foreign military academy students  
10 receiving instruction at the Naval Academy under the ex-  
11 change program are in addition to—

12               “(A) the number of persons from foreign coun-  
13 tries who are receiving instruction at the Naval  
14 Academy under section 6957 of this title; and

15               “(B) the authorized strength of the midshipmen  
16 under section 6954 of this title.

17       “(2) Section 6957(c) of this title applies to students  
18 of military academies of foreign governments while the  
19 students are participating in the exchange program under  
20 this section.

21       “(f) REGULATIONS.—The Secretary shall prescribe  
22 regulations to carry out the military academy foreign ex-  
23 change study program under this section. The regulations  
24 may, subject to subsection (e)(2), include eligibility cri-

1 teria and methods for selection of students to participate  
2 in the exchange program.”.

3 (2) The table of sections at the beginning of such  
4 chapter is amended by inserting after the item relating  
5 to section 6957 the following new item:

“6957a. Exchange program with foreign military academies.”.

6 (c) UNITED STATES AIR FORCE ACADEMY.—(1)  
7 Chapter 903 of title 10, United States Code, is amended  
8 by inserting after section 9344 the following new section:

9 **“§ 9345. Exchange program with foreign military  
10 academies**

11 “(a) AGREEMENT AUTHORIZED.—The Secretary of  
12 the Air Force may enter into an agreement with an official  
13 of a foreign government authorized to act for that foreign  
14 government to carry out a military academy foreign ex-  
15 change study program.

16 “(b) TERMS OF AGREEMENT.—(1) An agreement  
17 with a foreign government under this section shall provide  
18 for the following:

19 “(A) That, on an exchange basis, the Secretary  
20 provide students of military academies of the foreign  
21 government with instruction at the Air Force Acad-  
22 emy and the foreign government provide Air Force  
23 Cadets of the Academy with instruction at military  
24 academies of the foreign government.

1           “(B) That the number of Air Force Cadets of  
2           the Academy provided instruction under the ex-  
3           change program and the number of students of mili-  
4           tary academies of the foreign government provided  
5           instruction at the Academy under the exchange pro-  
6           gram during an academic year be equal.

7           “(C) That the duration of the period of ex-  
8           change study for each student not exceed one aca-  
9           demic semester (or an equivalent academic period of  
10          a host foreign military academy).

11          “(2) An agreement with a foreign government under  
12          this section may provide for the Secretary to provide a  
13          student of a military academy of the foreign government  
14          with quarters, subsistence, transportation, clothing, health  
15          care, and other services during the period of the student’s  
16          exchange study at the Academy to the same extent that  
17          the foreign government provides comparable support and  
18          services to Air Force Cadets of the Academy during the  
19          period of the cadets’ exchange study at a military academy  
20          of the foreign government.

21          “(c) MAXIMUM NUMBER.—Under the exchange pro-  
22          gram not more than a total of 24 Air Force Cadets of  
23          the Academy may be receiving instruction at military  
24          academies of foreign governments under the program at  
25          any time, and not more than a total of 24 students of

1 military academies of foreign governments may be receiv-  
2 ing instruction at the Academy at any time.

3 “(d) FOREIGN STUDENTS NOT TO RECEIVE PAY  
4 AND ALLOWANCES.—A student of a foreign military acad-  
5 emy provided instruction at the Academy under the ex-  
6 change program is not, by virtue of participation in the  
7 exchange program, entitled to the pay, allowances, and  
8 emoluments of a cadet appointed from the United States.

9 “(e) SPECIAL RULES FOR FOREIGN MILITARY ACAD-  
10 EMY STUDENTS.—(1) Foreign military academy students  
11 receiving instruction at the Academy under the exchange  
12 program are in addition to—

13 “(A) the number of persons from foreign coun-  
14 tries who are receiving instruction at the Academy  
15 under section 9344 of this title; and

16 “(B) the authorized strength of the Air Force  
17 Cadets of the Academy under section 9342 of this  
18 title.

19 “(2) Subsections (c) and (d) of section 9344 of this  
20 title apply to students of military academies of foreign  
21 governments while the students are participating in the  
22 exchange program under this section.

23 “(f) REGULATIONS.—The Secretary shall prescribe  
24 regulations to carry out the military academy foreign ex-  
25 change study program under this section. The regulations

1 may, subject to subsection (e)(2), include eligibility cri-  
 2 teria and methods for selection of students to participate  
 3 in the exchange program.”.

4 (2) The table of sections at the beginning of such  
 5 chapter is amended by inserting after the item relating  
 6 to section 9344 the following new item:

“9345. Exchange program with foreign military academies.”.

7 **SEC. 522. PROGRAMS OF HIGHER EDUCATION OF THE COM-**  
 8 **MUNITY COLLEGE OF THE AIR FORCE.**

9 (a) PROGRAMS FOR INSTRUCTORS AT AIR FORCE  
 10 TRAINING SCHOOLS.—Section 9315 of title 10, United  
 11 States Code, is amended—

12 (1) in subsection (b), by striking out “(b) Sub-  
 13 ject to subsection (c)” and inserting in lieu thereof  
 14 “(b) CONFERMENT OF DEGREE.—(1) Subject to  
 15 paragraph (2)”;

16 (2) by redesignating subsection (c) as para-  
 17 graph (2) and in such paragraph, as so redesign-  
 18 ated—

19 (A) by striking out “(1) the” and inserting  
 20 in lieu thereof “(A) the”; and

21 (B) by striking out “(2) the” and inserting  
 22 in lieu thereof “(B) the”;

23 (3) in subsection (a)—

24 (A) by inserting after “(a)” the following:  
 25 “ESTABLISHMENT AND MISSION.—”; and

1 (B) in paragraph (1), by striking out “Air  
2 Force” and inserting in lieu thereof “armed  
3 forces described in subsection (b)”;

4 (4) by inserting after subsection (a) the follow-  
5 ing new subsection (b):

6 “(b) MEMBERS ELIGIBLE FOR PROGRAMS.—Subject  
7 to such other eligibility requirements as the Secretary con-  
8 cerned may prescribe, the following members of the armed  
9 forces are eligible to participate in programs of higher  
10 education referred to in subsection (a)(1):

11 “(1) An enlisted member of the Army, Navy, or  
12 Air Force who is serving as an instructor at an Air  
13 Force training school.

14 “(2) Any other enlisted member of the Air  
15 Force.”.

16 (b) RETROACTIVE APPLICABILITY.—Subsection (b)  
17 of section 9315 of such title, as added by subsection  
18 (a)(4), shall apply with respect to programs of higher edu-  
19 cation of the Community College of the Air Force as of  
20 March 31, 1996.

1 **SEC. 523. PRESERVATION OF ENTITLEMENT TO EDU-**  
2 **CATIONAL ASSISTANCE OF MEMBERS OF THE**  
3 **SELECTED RESERVE SERVING ON ACTIVE**  
4 **DUTY IN SUPPORT OF A CONTINGENCY OPER-**  
5 **ATION.**

6 (a) PRESERVATION OF EDUCATIONAL ASSIST-  
7 ANCE.—Section 16131(c)(3)(B)(i) of title 10, United  
8 States Code, is amended by striking out “, in connection  
9 with the Persian Gulf War,”.

10 (b) EXTENSION OF 10-YEAR PERIOD OF AVAILABIL-  
11 ITY.—Section 16133(b)(4) of such title is amended—

12 (1) by striking out “(A)”;

13 (2) by striking out “, during the Persian Gulf  
14 War,”;

15 (3) by redesignating clauses (i) and (ii) as sub-  
16 paragraphs (A) and (B), respectively; and

17 (4) by striking out “(B) For the purposes” and  
18 all that follows through “title 38.”.

19 **SEC. 524. REPEAL OF CERTAIN STAFFING AND SAFETY RE-**  
20 **QUIREMENTS FOR THE ARMY RANGER**  
21 **TRAINING BRIGADE.**

22 (a) IN GENERAL.—(1) Section 4303 of title 10, Unit-  
23 ed States Code, is repealed.

24 (2) The table of sections at the beginning of chapter  
25 401 of such title is amended by striking out the item relat-  
26 ing to section 4303.

1 (b) REPEAL OF RELATED PROVISION.—Section 562  
2 of Public Law 104–106 (110 Stat. 323) is repealed.

3 **Subtitle D—Decorations and**  
4 **Awards**

5 **SEC. 531. CLARIFICATION OF ELIGIBILITY OF MEMBERS OF**  
6 **READY RESERVE FOR AWARD OF SERVICE**  
7 **MEDAL FOR HEROISM.**

8 (a) SOLDIER’S MEDAL.—Section 3750(a) of title 10,  
9 United States Code, is amended—

10 (1) by inserting “(1)” after “(a)”; and

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

13 “(2) The authority in paragraph (1) includes author-  
14 ity to award the medal to a member of the Ready Reserve  
15 who was not in a duty status defined in section 101(d)  
16 of this title when the member distinguished himself by her-  
17 oism.”.

18 (b) NAVY AND MARINE CORPS MEDAL.—Section  
19 6246 of such title is amended—

20 (1) by designating the text of the section as  
21 subsection (a); and

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

24 “(b) The authority in subsection (a) includes author-  
25 ity to award the medal to a member of the Ready Reserve

1 who was not in a duty status defined in section 101(d)  
2 of this title when the member distinguished himself by her-  
3 oism.”.

4 (c) AIRMAN’S MEDAL.—Section 8750(a) of such title  
5 is amended—

6 (1) by inserting “(1)” after “(a)”; and

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

9 “(2) The authority in paragraph (1) includes author-  
10 ity to award the medal to a member of the Ready Reserve  
11 who was not in a duty status defined in section 101(d)  
12 of this title when the member distinguished himself by her-  
13 oism.”.

14 **SEC. 532. WAIVER OF TIME LIMITATIONS FOR AWARD OF**  
15 **CERTAIN DECORATIONS TO SPECIFIED PER-**  
16 **SONS.**

17 (a) WAIVER OF TIME LIMITATION.—Any limitation  
18 established by law or policy for the time within which a  
19 recommendation for the award of a military decoration or  
20 award must be submitted shall not apply in the case of  
21 awards of decorations described in subsections (b), (c),  
22 and (d), the award of each such decoration having been  
23 determined by the Secretary of the military department  
24 concerned to be warranted in accordance with section  
25 1130 of title 10, United States Code.

1           (b) SILVER STAR MEDAL.—Subsection (a) applies to  
2 the award of the Silver Star Medal as follows:

3           (1) To Joseph M. Moll, Jr. of Milford, New  
4 Jersey, for service during World War II.

5           (2) To Philip Yolinsky of Hollywood, Florida,  
6 for service during the Korean Conflict.

7           (c) NAVY AND MARINE CORPS MEDAL.—Subsection  
8 (a) applies to the award of the Navy and Marine Corps  
9 Medal to Gary A. Gruenwald of Damascus, Maryland, for  
10 service in Tunisia in October 1977.

11          (d) DISTINGUISHED FLYING CROSS.—Subsection (a)  
12 applies to awards of the Distinguished Flying Cross for  
13 service during World War II or Korea (including multiple  
14 awards to the same individual) in the case of each individ-  
15 ual concerning whom the Secretary of the Navy (or an  
16 officer of the Navy acting on behalf of the Secretary) sub-  
17 mitted to the Committee on National Security of the  
18 House of Representatives and the Committee on Armed  
19 Services of the Senate, before the date of the enactment  
20 of this Act, a notice as provided in section 1130(b) of title  
21 10, United States Code, that the award of the Distin-  
22 guished Flying Cross to that individual is warranted and  
23 that a waiver of time restrictions prescribed by law for  
24 recommendation for such award is recommended.

1 **SEC. 533. ONE-YEAR EXTENSION OF PERIOD FOR RECEIPT**  
2 **OF RECOMMENDATIONS FOR DECORATIONS**  
3 **AND AWARDS FOR CERTAIN MILITARY INTEL-**  
4 **LIGENCE PERSONNEL.**

5 Section 523(b)(1) of the National Defense Authoriza-  
6 tion Act for Fiscal Year 1996 (Public Law 104–106; 110  
7 Stat. 311; 10 U.S.C. 1130 note) is amended by striking  
8 out “during the one-year period beginning on the date of  
9 the enactment of this Act” and inserting in lieu thereof  
10 “after February 9, 1996, and before February 10, 1998”.

11 **SEC. 534. ELIGIBILITY OF CERTAIN WORLD WAR II MILI-**  
12 **TARY ORGANIZATIONS FOR AWARD OF UNIT**  
13 **DECORATIONS.**

14 (a) **AUTHORITY.**—A unit decoration may be awarded  
15 for any unit or other organization of the Armed Forces  
16 of the United States, such as the Military Intelligence  
17 Service of the Army, that (1) supported the planning or  
18 execution of combat operations during World War II pri-  
19 marily through unit personnel who were attached to other  
20 units of the Armed Forces or of other allied armed forces,  
21 and (2) is not otherwise eligible for award of the decora-  
22 tion by reason of not usually having been deployed as a  
23 unit in support of such operations.

24 (b) **TIME FOR SUBMISSION OF RECOMMENDATION.**—  
25 Any recommendation for award of a unit decoration under  
26 subsection (a) shall be submitted to the Secretary con-

1 cerned (as defined in section 101(a)(9) of title 10, United  
2 States Code), or to such other official as the Secretary  
3 concerned may designate, not later than 2 years after the  
4 date of the enactment of this Act.

## 5 **Subtitle E—Military Personnel** 6 **Voting Rights**

### 7 **SEC. 541. SHORT TITLE.**

8 This subtitle may be cited as the “Military Voting  
9 Rights Act of 1997”.

### 10 **SEC. 542. GUARANTEE OF RESIDENCY.**

11 Article VII of the Soldiers’ and Sailors’ Civil Relief  
12 Act of 1940 (50 U.S.C. App. 590 et seq.) is amended by  
13 adding at the end the following:

14 “SEC. 704. (a) For purposes of voting for an office  
15 of the United States or of a State, a person who is absent  
16 from a State in compliance with military or naval orders  
17 shall not, solely by reason of that absence—

18 “(1) be deemed to have lost a residence or  
19 domicile in that State;

20 “(2) be deemed to have acquired a residence or  
21 domicile in any other State; or

22 “(3) be deemed to have become resident in or  
23 a resident of any other State.

24 “(b) In this section, the term ‘State’ includes a terri-  
25 tory or possession of the United States, a political subdivi-

1 sion of a State, territory, or possession, and the District  
2 of Columbia.”.

3 **SEC. 543. STATE RESPONSIBILITY TO GUARANTEE MILI-**  
4 **TARY VOTING RIGHTS.**

5 (a) REGISTRATION AND BALLOTING.—Section 102 of  
6 the Uniformed and Overseas Absentee Voting Act (42  
7 U.S.C. 1973ff-1) is amended—

8 (1) by inserting “(a) ELECTIONS FOR FEDERAL  
9 OFFICES.—” before “Each State shall—”; and

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

11 “(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—  
12 Each State shall—

13 “(1) permit absent uniformed services voters to  
14 use absentee registration procedures and to vote by  
15 absentee ballot in general, special, primary, and run-  
16 off elections for State and local offices; and

17 “(2) accept and process, with respect to any  
18 election described in paragraph (1), any otherwise  
19 valid voter registration application from an absent  
20 uniformed services voter if the application is received  
21 by the appropriate State election official not less  
22 than 30 days before the election.”.

23 (b) CONFORMING AMENDMENT.—The heading for  
24 title I of such Act is amended by striking out **“FOR**  
25 **FEDERAL OFFICE”**.

1                   **Subtitle F—Other Matters**

2   **SEC. 551. SENSE OF CONGRESS REGARDING STUDY OF MAT-**  
3                   **TERS RELATING TO GENDER EQUITY IN THE**  
4                   **ARMED FORCES.**

5           (a) FINDINGS.—Congress makes the following find-  
6   ings:

7                   (1) In the all-volunteer force, women play an in-  
8   tegral role in the Armed Forces.

9                   (2) With increasing numbers of women in the  
10   Armed Forces, questions arise concerning inequal-  
11   ities, and perceived inequalities, between the treat-  
12   ment of men and women in the Armed Forces.

13           (b) SENSE OF CONGRESS.—It is the sense of Con-  
14   gress that the Comptroller General should—

15                   (1) conduct a study on any inequality, or per-  
16   ception of inequality, in the treatment of men and  
17   women in the Armed Forces that arises out of the  
18   statutes and regulations governing the Armed  
19   Forces; and

20                   (2) submit to Congress a report on the study  
21   not later than one year after the date of enactment  
22   of this Act.

1 **SEC. 552. COMMISSION ON GENDER INTEGRATION IN THE**  
2 **MILITARY.**

3 (a) **ESTABLISHMENT.**—There is established a com-  
4 mission to be known as the Commission on Gender Inte-  
5 gration in the Military.

6 (b) **MEMBERSHIP.**—

7 (1) **IN GENERAL.**—The commission shall be  
8 composed of 11 members appointed from among pri-  
9 vate citizens of the United States who have appro-  
10 priate and diverse experiences, expertise, and histori-  
11 cal perspectives on training, organizational, legal,  
12 management, military, and gender integration mat-  
13 ters.

14 (2) **SPECIFIC QUALIFICATIONS.**—Of the 11  
15 members, at least two shall be appointed from  
16 among persons who have superior academic creden-  
17 tials, at least four shall be appointed from among  
18 former members and retired members of the Armed  
19 Forces, and at least two shall be appointed from  
20 among members of the reserve components of the  
21 Armed Forces.

22 (c) **APPOINTMENTS.**—

23 (1) **AUTHORITY.**—The President pro tempore of  
24 the Senate shall appoint the members in consulta-  
25 tion with the chairman of the Committee on Armed  
26 Services, who shall recommend six persons for ap-

1 pointment, and the ranking member of the Commit-  
2 tee on Armed Services, who shall recommend five  
3 persons for appointment. The appointments shall be  
4 made not later than 45 days after the date of the  
5 enactment of this Act.

6 (2) PERIOD OF APPOINTMENT.—Members shall  
7 be appointed for the life of the commission.

8 (3) VACANCIES.—A vacancy in the membership  
9 shall not affect the commission's powers, but shall  
10 be filled in the same manner as the original appoint-  
11 ment.

12 (d) MEETINGS.—

13 (1) INITIAL MEETING.—The Commission shall  
14 hold its first meeting not later than 30 days after  
15 the date on which all members have been appointed.

16 (2) WHEN CALLED.—The Commission shall  
17 meet upon the call of the chairman.

18 (3) QUORUM.—A majority of the members of  
19 the Commission shall constitute a quorum, but a  
20 lesser number may hold meetings.

21 (e) CHAIRMAN AND VICE CHAIRMAN.—The Commis-  
22 sion shall select a chairman and a vice chairman from  
23 among its members.

24 (f) AUTHORITY OF INDIVIDUALS TO ACT FOR COM-  
25 MISSION.—Any member or agent of the Commission may,

1 if authorized, by the Commission, take any action which  
2 the Commission is authorized to take under this title.

3 (g) DUTIES.—The Commission shall—

4 (1) review the current practices of the Armed  
5 Forces, relevant studies, and private sector training  
6 concepts pertaining to gender-integrated training;

7 (2) review the laws, regulations, policies, direc-  
8 tives, and practices that govern personal relation-  
9 ships between men and women in the armed forces  
10 and personal relationships between members of the  
11 armed forces and non-military personnel of the op-  
12 posite sex;

13 (3) assess the extent to which the laws, regula-  
14 tions, policies, and directives have been applied con-  
15 sistent throughout the Armed Forces without re-  
16 gard to the armed force, grade, or rank of the indi-  
17 viduals involved;

18 (4) provide an independent assessment of the  
19 reports of the independent panel, the Department of  
20 Defense task force, and the review of existing guid-  
21 ance on adultery announced by the Secretary of De-  
22 fense; and

23 (5) examine the experiences, policies, and prac-  
24 tices of the armed forces of other industrialized na-  
25 tions regarding gender-integrated training.

1 (h) REPORTS.—

2 (1) INITIAL REPORT.—Not later than April 15,  
3 1998, the Commission shall submit to the Commit-  
4 tee on Armed Services of the Senate an initial report  
5 setting forth the activities, findings, and rec-  
6 ommendations of the Commission. The report shall  
7 include any recommendations for congressional ac-  
8 tion and administrative action that the Commission  
9 considers appropriate.

10 (2) FINAL REPORT.—Not later than September  
11 16, 1998, the Commission shall submit to the Com-  
12 mittee on Armed Services a final report setting forth  
13 the activities, findings, and recommendations of the  
14 Commission, including any recommendations for  
15 congressional action and administrative action that  
16 the Commission considers appropriate.

17 (i) POWERS.—

18 (1) HEARINGS, ET CETERA.—The Commission  
19 may hold such hearings, sit and act at such times  
20 and places, take such testimony, and receive such  
21 evidence as the Commission considers advisable to  
22 carry out its duties.

23 (2) INFORMATION FROM FEDERAL AGENCIES.—  
24 The Commission may secure directly from the De-  
25 partment of Defense and any other department or

1 agency of the Federal Government such information  
2 as the Commission considers necessary to carry out  
3 its duties. Upon the request of the chairman of the  
4 Commission, the head of a department or agency  
5 shall furnish the requested information expeditiously  
6 to the Commission.

7 (3) POSTAL SERVICES.— The Commission may  
8 use the United States mails in the same manner and  
9 under the same conditions as other departments and  
10 agencies of the Federal Government.

11 (j) ADMINISTRATIVE SUPPORT.—The Secretary of  
12 Defense shall, upon the request of the chairman of the  
13 Commission, furnish the Commission any administrative  
14 and support services that the Commission may require.

15 (k) COMMISSION PERSONNEL MATTERS.—

16 (1) COMPENSATION OF MEMBERS.—Each mem-  
17 ber of the Commission may be compensated at a  
18 rate equal to the daily equivalent of the annual rate  
19 of basic pay prescribed for level IV of the Executive  
20 Schedule under section 5315 of title 5, United  
21 States Code, for each day (including travel time)  
22 during which such member is engaged in performing  
23 the duties of the Commission.

24 (2) TRAVEL ON MILITARY CONVEYANCES.—  
25 Members and personnel of the Commission may

1 travel on aircraft, vehicles, or other conveyances of  
2 the Armed Forces when travel is necessary in the  
3 performance of a duty of the Commission except  
4 when the cost of commercial transportation is less  
5 expensive.

6 (3) TRAVEL EXPENSES.—The members of the  
7 Commission may be allowed travel expenses, includ-  
8 ing per diem in lieu of subsistence, at rates author-  
9 ized for employees of agencies under subchapter I of  
10 chapter 57 of title 5, United States Code, while  
11 away from their homes or regular places of business  
12 in the performance of services for the Commission.

13 (4) STAFF.—The chairman of the Commission  
14 may, without regard to civil service laws and regula-  
15 tions, appoint and terminate an executive director  
16 and up to three additional staff members as nec-  
17 essary to enable the Commission to perform its du-  
18 ties. The chairman of the Commission may fix the  
19 compensation of the executive director and other  
20 personnel without regard to the provisions of chapter  
21 51, and subchapter III of chapter 53, of title 5,  
22 United States Code, relating to classification of posi-  
23 tions and General Schedule pay rates, except that  
24 the rate of pay may not exceed the rate payable for

1 level V of the executive schedule under section 5316  
2 of such title.

3 (5) DETAIL OF GOVERNMENT EMPLOYEES.—

4 Upon the request of the chairman of the Commis-  
5 sion, the head of any department or agency of the  
6 Federal Government may detail, without reimburse-  
7 ment, any personnel of the department or agency to  
8 the Commission to assist in carrying out its duties.  
9 A detail of an employee shall be without interruption  
10 or loss of civil service status or privilege.

11 (6) TEMPORARY AND INTERMITTENT SERV-

12 ICES.—The chairman of the Commission may pro-  
13 cure temporary and intermittent services under sec-  
14 tion 3109(b) of title 5, United States Code, at rates  
15 for individuals that do not exceed the daily equiva-  
16 lent of the annual rate of basic pay prescribed for  
17 level IV of the Executive Schedule under section  
18 5315 of such title.

19 (l) TERMINATION.—The Commission shall terminate  
20 90 days after the date on which it submits the final report  
21 under subsection (h)(2).

22 (m) FUNDING.—

23 (1) FROM DEPARTMENT OF DEFENSE APPRO-  
24 PRIATIONS.—Upon the request of the chairman of  
25 the Commission, the Secretary of Defense shall

1 make available to the Commission, out of funds ap-  
2 propriated for the Department of Defense, such  
3 amounts as the Commission may require to carry  
4 out its duties.

5 (2) PERIOD OF AVAILABILITY.—Funds made  
6 available to the Commission shall remain available,  
7 without fiscal year limitation, until the date on  
8 which the Commission terminates.

9 **SEC. 553. SEXUAL HARASSMENT INVESTIGATIONS AND RE-**  
10 **PORTS.**

11 (a) INVESTIGATIONS.—Any commanding officer or  
12 officer in charge of a unit, vessel, facility, or area who  
13 receives from a member of the command or a civilian em-  
14 ployee under the supervision of the officer a complaint al-  
15 leging sexual harassment by a member of the Armed  
16 Forces or a civilian employee of the Department of De-  
17 fense shall, to the extent practicable—

18 (1) within 72 hours after receipt of the com-  
19 plaint—

20 (A) forward the complaint or a detailed de-  
21 scription of the allegation to the next superior  
22 officer in the chain of command who is author-  
23 ized to convene a general court-martial;

24 (B) commence, or cause the commence-  
25 ment of, an investigation of the complaint; and

1 (C) advise the complainant of the com-  
2 mencement of the investigation;

3 (2) ensure that the investigation of the com-  
4 plaint is completed not later than 14 days after the  
5 investigation is commenced; and

6 (3) either—

7 (A) submit a final report on the results of  
8 the investigation, including any action taken as  
9 a result of the investigation, to the next supe-  
10 rior officer referred to in paragraph (1) within  
11 20 days after the investigation is commenced;  
12 or

13 (B) submit a report on the progress made  
14 in completing the investigation to the next su-  
15 perior officer referred to in paragraph (1) with-  
16 in 20 days after the investigation is commenced  
17 and every 14 days thereafter until the investiga-  
18 tion is completed and, upon completion of the  
19 investigation, then submit a final report on the  
20 results of the investigation, including any action  
21 taken as a result of the investigation, to that  
22 next superior officer.

23 (b) REPORTS.—(1) Not later than January 1 of each  
24 of 1998 and 1999, each officer receiving any complaint  
25 forwarded in accordance with subsection (a) during the

1 preceding year shall submit to the Secretary of the mili-  
2 tary department concerned a report on all such complaints  
3 and the investigations of such complaints (including the  
4 results of the investigations, in cases of investigations  
5 completed during such preceding year).

6 (2)(A) Not later than March 1 of each of 1998 and  
7 1999, each Secretary receiving a report under paragraph  
8 (1) for a year shall submit to the Secretary of Defense  
9 a report on all such reports so received.

10 (B) Not later than the April 1 following receipt of  
11 a report for a year under subparagraph (A), the Secretary  
12 of Defense shall transmit to Congress all such reports re-  
13 ceived for the year under subparagraph (A) together with  
14 the Secretary's assessment of each such report.

15 (c) SEXUAL HARASSMENT DEFINED.—In this sec-  
16 tion, the term “sexual harassment” means—

17 (1) a form of sex discrimination that—

18 (A) involves unwelcome sexual advances,  
19 requests for sexual favors, and other verbal or  
20 physical conduct of a sexual nature when—

21 (i) submission to such conduct is  
22 made either explicitly or implicitly a term  
23 or condition of a person's job, pay, or ca-  
24 reer;

1 (ii) submission to or rejection of such  
2 conduct by a person is used as a basis for  
3 career or employment decisions affecting  
4 that person; or

5 (iii) such conduct has the purpose or  
6 effect of unreasonably interfering with an  
7 individual's work performance or creates  
8 an intimidating, hostile, or offensive work-  
9 ing environment; and

10 (B) is so severe or pervasive that a reason-  
11 able person would perceive, and the victim does  
12 perceive, the work environment as hostile or of-  
13 fensive;

14 (2) any use or condonation, by any person in a  
15 supervisory or command position, of any form of  
16 sexual behavior to control, influence, or affect the  
17 career, pay, or job of a member of the Armed Forces  
18 or a civilian employee of the Department of Defense;  
19 and

20 (3) any deliberate or repeated unwelcome verbal  
21 comment, gesture, or physical contact of a sexual  
22 nature in the workplace by any member of the  
23 Armed Forces or civilian employee of the Depart-  
24 ment of Defense.

1 **SEC. 554. REQUIREMENT FOR EXEMPLARY CONDUCT BY**  
2 **COMMANDING OFFICERS AND OTHER AU-**  
3 **THORITIES.**

4 (a) ARMY.—(1) Chapter 345 of title 10, United  
5 States Code, is amended by adding at the end:

6 **“§ 3583. Requirement of exemplary conduct**

7 “All commanding officers and others in authority in  
8 the Army are required to show in themselves a good exam-  
9 ple of virtue, honor, patriotism, and subordination; to be  
10 vigilant in inspecting the conduct of all persons who are  
11 placed under their command; to guard against and sup-  
12 press all dissolute and immoral practices, and to correct,  
13 according to the laws and regulations of the Army, all per-  
14 sons who are guilty of them; and to take all necessary and  
15 proper measures, under the laws, regulations, and customs  
16 of the Army, to promote and safeguard the morale, the  
17 physical well-being, and the general welfare of the officers  
18 and enlisted persons under their command or charge.”.

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

“3583. Requirement of exemplary conduct.”.

21 (b) AIR FORCE.—(1) Chapter 845 of title 10, United  
22 States Code, is amended by adding at the end the follow-  
23 ing:

1 **“§ 8583. Requirement of exemplary conduct**

2 “All commanding officers and others in authority in  
3 the Air Force are required to show in themselves a good  
4 example of virtue, honor, patriotism, and subordination;  
5 to be vigilant in inspecting the conduct of all persons who  
6 are placed under their command; to guard against and  
7 suppress all dissolute and immoral practices, and to cor-  
8 rect, according to the laws and regulations of the Air  
9 Force, all persons who are guilty of them; and to take  
10 all necessary and proper measures, under the laws, regula-  
11 tions, and customs of the Air Force, to promote and safe-  
12 guard the morale, the physical well-being, and the general  
13 welfare of the officers and enlisted persons under their  
14 command or charge.”.

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

“8583. Requirement of exemplary conduct.”.

17 **SEC. 555. PARTICIPATION OF DEPARTMENT OF DEFENSE**

18 **PERSONNEL IN MANAGEMENT OF NON-FED-**  
19 **ERAL ENTITIES.**

20 (a) **AUTHORITY.**—Chapter 53 of title 10, United  
21 States Code, is amended by inserting after section 1060a  
22 the following new section:

1 **“§ 1060b. Participation in management of non-Fed-**  
2 **eral entities: members of the armed**  
3 **forces; civilian employees**

4 “(a) **AUTHORITY TO PERMIT PARTICIPATION.**—The  
5 Secretary concerned may authorize a member of the  
6 armed forces, a civilian officer or employee of the Depart-  
7 ment of Defense, or a civilian officer or civilian employee  
8 of the Coast Guard—

9 “(1) to serve as a director, officer, or trustee of  
10 a military welfare society or other entity described in  
11 subsection (c); or

12 “(2) to participate in any other capacity in the  
13 management of such a society or entity.

14 “(b) **COMPENSATION PROHIBITED.**—Compensation  
15 may not be accepted for service or participation authorized  
16 under subsection (a).

17 “(c) **COVERED ENTITIES.**—This section applies with  
18 respect to the following entities:

19 “(1) **MILITARY WELFARE SOCIETIES.**—The fol-  
20 lowing military welfare societies:

21 “(A) The Army Emergency Relief.

22 “(B) The Air Force Aid Society.

23 “(C) The Navy-Marine Corps Relief Soci-  
24 ety.

25 “(D) The Coast Guard Mutual Assistance.

1           “(2) OTHER ENTITIES.—Each of the following  
2 additional entities that is not operated for profit:

3           “(A) Any athletic conference, or other en-  
4 tity, that regulates and supports the athletics  
5 programs of the United States Military Acad-  
6 emy, the United States Naval Academy, the  
7 United States Air Force Academy, or the Unit-  
8 ed States Coast Guard Academy.

9           “(B) Any entity that regulates inter-  
10 national athletic competitions.

11           “(C) Any regional educational accrediting  
12 agency, or other entity, that accredits the acad-  
13 emies referred to in subparagraph (A) or ac-  
14 credits any other school of the armed forces.

15           “(D) Any health care association, profes-  
16 sional society, or other entity that regulates and  
17 supports standards and policies applicable to  
18 the provision of health care by or for the De-  
19 partment of Defense.

20           “(d) SECRETARY OF DEFENSE AS SECRETARY CON-  
21 CERNED.—In this section, the term ‘Secretary concerned’  
22 includes the Secretary of Defense with respect to civilian  
23 officers and employees of the Department of Defense who  
24 are not officers or employees of a military department.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
 2 at the beginning of such chapter is amended by inserting  
 3 after the item relating to section 1060a the following new  
 4 item:

“1060b. Participation in management of non-Federal entities: members of the  
 armed forces; civilian employees.”.

5 **SEC. 556. TECHNICAL CORRECTION TO CROSS REFERENCE**  
 6 **IN ROPMA PROVISION RELATING TO POSI-**  
 7 **TION VACANCY PROMOTION.**

8 Section 14317(d) of title 10, United States Code, is  
 9 amended by striking out “section 14314” in the first sen-  
 10 tence and inserting in lieu thereof “section 14315”.

11 **TITLE VI—COMPENSATION AND**  
 12 **OTHER PERSONNEL BENEFITS**  
 13 **Subtitle A—Pay**

14 **SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1998.**

15 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any  
 16 adjustment required by section 1009 of title 37, United  
 17 States Code, in elements of compensation of members of  
 18 the uniformed services to become effective during fiscal  
 19 year 1998 shall not be made.

20 (b) INCREASE IN BASIC PAY.—Effective on January  
 21 1, 1998, the rates of basic pay of members of the uni-  
 22 formed services are increased by 2.8 percent.

1     **Subtitle B—Subsistence, Housing,**  
2                   **and Other Allowances**

3     **PART I—REFORM OF BASIC ALLOWANCE FOR**  
4                   **SUBSISTENCE**

5     **SEC. 611. REVISED ENTITLEMENT AND RATES.**

6         (a) UNIVERSAL ENTITLEMENT TO BAS EXCEPT  
7 DURING BASIC TRAINING.—

8             (1) IN GENERAL.—Section 402 of title 37,  
9 United States Code, is amended by striking out sub-  
10 sections (b) and (c).

11            (2) EXCEPTION.—Subsection (a) of such sec-  
12 tion is amended by adding at the end the following:  
13 “However, an enlisted member is not entitled to the  
14 basic allowance for subsistence during basic  
15 training.”.

16         (b) RATES BASED ON FOOD COSTS.—Such section,  
17 as amended by subsection (a), is further amended by in-  
18 serting after subsection (a) the following new subsection  
19 (b):

20            “(b) RATES OF BAS.—(1) The monthly rate of basic  
21 allowance for subsistence in effect for an enlisted member  
22 for a year (beginning on January 1 of the year) shall be  
23 the amount that is halfway between the following amounts  
24 that are determined by the Secretary of Agriculture as of  
25 October 1 of the preceding year:

1           “(A) The amount equal to the monthly cost of  
2           a moderate-cost food plan for a male in the United  
3           States who is between 20 and 50 years of age.

4           “(B) The amount equal to the monthly cost of  
5           a liberal food plan for a male in the United States  
6           who is between 20 and 50 years of age.

7           “(2) The monthly rate of basic allowance for subsist-  
8           ence in effect for an officer for a year (beginning on Janu-  
9           ary 1 of the year) shall be the amount equal to the month-  
10          ly rate of basic allowance for subsistence in effect for offi-  
11          cers for the preceding year, increased by the same percent-  
12          age by which the rate of basic allowance for subsistence  
13          for enlisted members for the preceding year is increased  
14          effective on such January 1.”.

15          (c) CONTINUATION OF ADVANCE PAYMENT AUTHOR-  
16          ITY.—Such section is further amended by inserting after  
17          subsection (b), as added by subsection (b) of this section,  
18          the following new subsection (c):

19          “(c) ADVANCE PAYMENT.—The allowance to an en-  
20          listed member may be paid in advance for a period of not  
21          more than three months.”.

22          (d) FLEXIBILITY TO MANAGE DEMAND FOR DINING  
23          AND MESSING SERVICES.—Such section is further amend-  
24          ed by striking out subsection (e) and inserting in lieu  
25          thereof the following new subsection (e):

1       “(e) POLICIES ON USE OF DINING AND MESSING FA-  
2 CILITIES.—The Secretary of Defense, in consultation with  
3 the Secretaries concerned, shall prescribe policies regard-  
4 ing use of dining and field messing facilities of the uni-  
5 formed services.”.

6       (e) REGULATIONS.—Such section is further amended  
7 by adding after subsection (e), as added by subsection (d)  
8 of this section, the following:

9       “(f) REGULATIONS.—(1) The Secretary of Defense  
10 shall prescribe regulations for the administration of this  
11 section. Before prescribing the regulations, the Secretary  
12 shall consult with each Secretary concerned.

13       “(2) The regulations shall include the rates of basic  
14 allowance for subsistence.”.

15       (f) STYLISTIC AND CONFORMING AMENDMENTS.—

16           (1) SUBSECTION HEADINGS.—Such section is  
17 amended—

18               (A) in subsection (a), by inserting “ENTI-  
19 TLEMENT.—” after “(a)”; and

20               (B) in subsection (d), by inserting “COAST  
21 GUARD.—” after “(d)”.

22           (2) TRAVEL STATUS EXCEPTION TO ENTITLE-  
23 MENT.—Section 404 of title 37, United States Code,  
24 is amended—

25               (A) by striking out subsection (g); and

1 (B) by redesignating subsections (h), (i),  
2 (j), and (k) as subsections (g), (h), (i), and (j),  
3 respectively.

4 **SEC. 612. TRANSITIONAL BASIC ALLOWANCE FOR**  
5 **SUBSISTENCE.**

6 (a) **BAS TRANSITION PERIOD.**—For the purposes of  
7 this section, the BAS transition period is the period begin-  
8 ning on the effective date of this part and ending on the  
9 date that this section ceases to be effective under section  
10 613(b).

11 (b) **TRANSITIONAL AUTHORITY.**—Notwithstanding  
12 section 402 of title 37, United States Code (as amended  
13 by section 611), during the BAS transition period—

14 (1) the basic allowance for subsistence shall not  
15 be paid under that section for that period;

16 (2) a member of the uniformed services is enti-  
17 tled to the basic allowance for subsistence only as  
18 provided in subsection (c);

19 (3) an enlisted member of the uniformed serv-  
20 ices may be paid a partial basic allowance for sub-  
21 sistence as provided in subsection (d); and

22 (4) the rates of the basic allowance for subsist-  
23 ence are those determined under subsection (e).

24 (c) **TRANSITIONAL ENTITLEMENT TO BAS.**—

25 (1) **ENLISTED MEMBERS.**—

1           (A) TYPES OF ENTITLEMENT.—An en-  
2 listed member is entitled to the basic allowance  
3 for subsistence, on a daily basis, of one of the  
4 following types—

5           (i) when rations in kind are not avail-  
6 able;

7           (ii) when permission to mess sepa-  
8 rately is granted; and

9           (iii) when assigned to duty under  
10 emergency conditions where no messing fa-  
11 cilities of the United States are available.

12       (B) OTHER ENTITLEMENT CIRCUM-  
13 STANCES.—An enlisted member is entitled to  
14 the allowance while on an authorized leave of  
15 absence, while confined in a hospital, or while  
16 performing travel under orders away from the  
17 member's designated post of duty other than  
18 field duty or sea duty (as defined in regulations  
19 prescribed by the Secretary of Defense). For  
20 purposes of the preceding sentence, a member  
21 shall not be considered to be performing travel  
22 under orders away from his designated post of  
23 duty if such member—

24           (i) is an enlisted member serving his  
25 first tour of active duty;

1 (ii) has not actually reported to a per-  
2 manent duty station pursuant to orders di-  
3 recting such assignment; and

4 (iii) is not actually traveling between  
5 stations pursuant to orders directing a  
6 change of station.

7 (C) ADVANCE PAYMENT.—The allowance  
8 to an enlisted member, when authorized, may  
9 be paid in advance for a period of not more  
10 than three months.

11 (2) OFFICERS.—An officer of a uniformed serv-  
12 ice who is entitled to basic pay is, at all times, enti-  
13 tled to the basic allowances for subsistence. An avia-  
14 tion cadet of the Navy, Air Force, Marine Corps, or  
15 Coast Guard is entitled to the same basic allowance  
16 for subsistence as is provided for an officer of the  
17 Navy, Air Force, Marine Corps, or Coast Guard,  
18 respectively.

19 (d) TRANSITIONAL AUTHORITY FOR PARTIAL  
20 BAS.—

21 (1) ENLISTED MEMBERS FURNISHED SUBSIST-  
22 ENCE IN KIND.—The Secretary of Defense may pro-  
23 vide in regulations for an enlisted member of a uni-  
24 formed service to be paid a partial basic allowance  
25 for subsistence when—

1 (A) rations in kind are available to the  
2 member;

3 (B) the member is not granted permission  
4 to mess separately; or

5 (C) the member is assigned to duty under  
6 emergency conditions where messing facilities of  
7 the United States are available.

8 (2) MONTHLY PAYMENT.—Any partial basic al-  
9 lowance for subsistence authorized under paragraph  
10 (1) shall be paid on a monthly basis.

11 (e) TRANSITIONAL RATES.—

12 (1) FULL BAS FOR OFFICERS.—The rate of  
13 basic allowance for subsistence that is payable to of-  
14 ficers of the uniformed services for a year shall be  
15 the amount that is equal to 101 percent of the rate  
16 of basic allowance for subsistence that was payable  
17 to officers of the uniformed services for the preced-  
18 ing year.

19 (2) FULL BAS FOR ENLISTED MEMBERS.—The  
20 rate of basic allowance for subsistence that is pay-  
21 able to an enlisted member of the uniformed services  
22 for a year shall be the higher of—

23 (A) the amount that is equal to 101 per-  
24 cent of the rate of basic allowance for subsist-  
25 ence that was in effect for similarly situated en-

1 listed members of the uniformed services for the  
2 preceding year; or

3 (B) the daily equivalent of what, except for  
4 subsection (b), would otherwise be the monthly  
5 rate of basic allowance for subsistence for en-  
6 listed members under section 402(b)(1) of title  
7 37, United States Code (as added by section  
8 611(b)).

9 (3) PARTIAL BAS FOR ENLISTED MEMBERS.—  
10 The rate of any partial basic allowance for subsist-  
11 ence paid under subsection (d) for a member for a  
12 year shall be equal to the lower of—

13 (A) the amount equal to the excess, if any,  
14 of—

15 (i) the amount equal to the monthly  
16 equivalent of the rate of basic allowance  
17 for subsistence that was in effect for the  
18 preceding year for enlisted members of the  
19 uniformed services above grade E-1 (when  
20 permission to mess separately is granted),  
21 increased by the same percent by which  
22 the rates of basic pay for members of the  
23 uniformed services were increased for the  
24 year over those in effect for such preceding  
25 year, over

1 (ii) the amount equal to 101 percent  
2 of the monthly equivalent of the rate of  
3 basic allowance for subsistence that was in  
4 effect for the previous year for enlisted  
5 members of the uniformed services above  
6 grade E-1 (when permission to mess sepa-  
7 rately is granted); or

8 (B) the amount equal to the excess of—

9 (i) the amount that, except for sub-  
10 section (b), would otherwise be the month-  
11 ly rate of basic allowance for subsistence  
12 for enlisted members under section  
13 402(b)(1) of title 37, United States Code,  
14 over

15 (ii) the amount equal to the monthly  
16 equivalent of the value of a daily ration, as  
17 determined by the Under Secretary of De-  
18 fense (Comptroller) as of October 1 of the  
19 preceding year.

20 **SEC. 613. EFFECTIVE DATE AND TERMINATION OF TRANSI-**  
21 **TIONAL AUTHORITY.**

22 (a) **EFFECTIVE DATE.**—This part and the amend-  
23 ments made by section 611 shall take effect on January  
24 1, 1998.

1 (b) TERMINATION OF TRANSITIONAL PROVISIONS.—  
2 Section 612 shall cease to be effective on the first day  
3 of the month immediately following the first month for  
4 which the monthly equivalent of the rate of basic allowance  
5 for subsistence payable to enlisted members of the uni-  
6 formed services (when permission to mess separately is  
7 granted), as determined under subsection (e)(2) of such  
8 section, equals or exceeds the amount that, except for sub-  
9 section (b) of such section, would otherwise be the monthly  
10 rate of basic allowance for subsistence for enlisted mem-  
11 bers under section 402(b)(1) of title 37, United States  
12 Code.

13 **PART II—REFORM OF HOUSING AND RELATED**

14 **ALLOWANCES**

15 **SEC. 616. ENTITLEMENT TO BASIC ALLOWANCE FOR**  
16 **HOUSING.**

17 (a) REDESIGNATION OF BAQ.—Section 403 of title  
18 37, United States Code, is amended by striking out “basic  
19 allowance for quarters” each place it appears, except in  
20 subsections (f) and (m), and inserting in lieu thereof  
21 “basic allowance for housing”.

22 (b) RATES.—Subsection (a) of such section is amend-  
23 ed by striking out “section 1009” and inserting in lieu  
24 thereof “section 403a”.

1 (c) TEMPORARY HOUSING ALLOWANCE WHILE IN  
2 TRAVEL OR LEAVE STATUS.—Subsection (f) of such sec-  
3 tion is amended to read as follows:

4 “(f) TEMPORARY HOUSING ALLOWANCE WHILE IN  
5 TRAVEL OR LEAVE STATUS.—A member of a uniformed  
6 service who is in pay grade above E-4 (four or more years  
7 of service) or above is entitled to a temporary housing al-  
8 lowance (at a rate determined under section 403a of this  
9 title) while the member is in a travel or leave status be-  
10 tween permanent duty stations, including time granted as  
11 delay en route or proceed time, when the member is not  
12 assigned to quarters of the United States.”.

13 (d) DETERMINATIONS NECESSARY FOR ADMINISTER-  
14 ING AUTHORITY FOR ALL MEMBERS.—Subsection (h) of  
15 such section is amended by striking out “enlisted” each  
16 place it appears.

17 (e) ENTITLEMENT OF MEMBERS NOT ENTITLED TO  
18 PAY.—Subsection (i) of such section is amended by strik-  
19 ing out “enlisted”.

20 (f) TEMPORARY HOUSING AND ALLOWANCE FOR  
21 SURVIVORS OF ACTIVE DUTY MEMBERS.—

22 (1) CONTINUATION OF OCCUPANCY.—Para-  
23 graph (1) of subsection (l) of such section is amend-  
24 ed by striking out “in line of duty” and inserting in  
25 lieu thereof “on active duty”.

1           (2) ALLOWANCE.—Paragraph (2) of such sub-  
2           section is amended to read as follows:

3           “(2)(A) The Secretary concerned may pay a basic al-  
4           lowance for housing (at the rate determined under section  
5           403a of this title) to the dependents of a member of the  
6           uniformed services who dies while on active duty and  
7           whose dependents—

8                 “(i) are not occupying a housing facility under  
9           the jurisdiction of a uniformed service on the date  
10           of the member’s death;

11                 “(ii) are occupying such housing on a rental  
12           basis on such date; or

13                 “(iii) vacate such housing sooner than 180 days  
14           after the date of the member’s death.

15           “(B) The payment of the allowance under this sub-  
16           section shall terminate 180 days after the date of the  
17           member’s death.”.

18           (g) ENTITLEMENT OF MEMBER PAYING CHILD SUP-  
19           PORT.—Subsection (m) of such section is amended to read  
20           as follows:

21           “(m) MEMBERS PAYING CHILD SUPPORT.—(1) A  
22           member of a uniformed service with dependents may not  
23           be paid a basic allowance for housing at the with depend-  
24           ents rate solely by reason of the payment of child support  
25           by the member if—

1           “(A) the member is assigned to a housing facil-  
2           ity under the jurisdiction of a uniformed service; or

3           “(B) the member is in a pay grade above E-  
4           4, is assigned to sea duty, and elects not to occupy  
5           assigned quarters for unaccompanied personnel.

6           “(2) A member of a uniformed service assigned to  
7           quarters of the United States or a housing facility under  
8           the jurisdiction of a uniformed service who is not other-  
9           wise authorized a basic allowance for housing and who  
10          pays child support is entitled to the basic allowance for  
11          housing differential (at the rate applicable under section  
12          403a of this title) to the members’ pay grade except for  
13          months for which the amount payable for the child support  
14          is less than the rate of the differential. Payment of a basic  
15          allowance for housing differential does not affect any enti-  
16          tlement of the member to a partial allowance for quarters  
17          under subsection (o).”.

18          (h) REPLACEMENT OF VHA BY BASIC ALLOWANCE  
19          FOR HOUSING.—

20                  (1) MEMBERS NOT ACCOMPANIED BY DEPEND-  
21          ENTS OUTSIDE CONUS.—Such section is further  
22          amended by adding at the end the following:

23          “(n) MEMBERS NOT ACCOMPANIED BY DEPENDENTS  
24          OUTSIDE CONUS.—(1) A member of a uniformed service  
25          with dependents who is assigned to an unaccompanied

1 tour of duty outside the continental United States is eligi-  
2 ble for a basic allowance for housing as provided in  
3 paragraph (2).

4 “(2)(A) For any period during which the dependents  
5 of a member referred to in paragraph (1) reside in the  
6 United States where, if the member were residing with  
7 them, the member would be entitled to receive a basic al-  
8 lowance for housing, the member is entitled to a basic al-  
9 lowance for housing at the rate applicable under section  
10 403a of this title to the member’s pay grade and the loca-  
11 tion of the residence of the member’s dependents.

12 “(B) A member referred to in paragraph (1) may be  
13 paid a basic allowance for housing at the rate applicable  
14 under section 403a of this title to the members’s pay  
15 grade and location.

16 “(3) Payment of a basic allowance for housing to a  
17 member under paragraph (2)(B) shall be in addition to  
18 any allowance or per diem to which the member otherwise  
19 may be entitled under this title.”.

20 (2) MEMBERS NOT ACCOMPANIED BY DEPEND-  
21 ENTS INSIDE CONUS.—Paragraph (2) of section  
22 403a(a) of title 37, United States Code, is trans-  
23 ferred to the end of section 403 of such title and,  
24 as transferred, is amended—

1 (A) by striking out “(2)” and inserting in  
2 lieu thereof “(o) MEMBERS NOT ACCOMPANIED  
3 BY DEPENDENTS INSIDE CONUS.—”;

4 (B) by striking out “variable housing al-  
5 lowance” each place it appears and inserting in  
6 lieu thereof “basic allowance for housing”;

7 (C) by striking out “(under regulations  
8 prescribed under subsection (e))” in the matter  
9 following subparagraph (B) and inserting in  
10 lieu thereof “(under regulations prescribed by  
11 the Secretary of Defense)”; and

12 (D) by redesignating subparagraphs (A)  
13 and (B) as paragraphs (1) and (2), respectively.

14 (3) REPEAL OF VHA ALLOWANCE.—Section  
15 403a of title 37, United States Code, is repealed.

16 (i) MEMBERS WITHOUT DEPENDENTS.—Section 403  
17 of such title, as amended by subsection (f), is further  
18 amended by adding at the end the following:

19 “(p) PARTIAL ALLOWANCE FOR MEMBERS WITHOUT  
20 DEPENDENTS.—A member of a uniformed service without  
21 dependents who is not entitled to receive a basic allowance  
22 for housing under subsection (b) or (c) is entitled to a  
23 partial allowance for quarters determined under section  
24 403a of this title.”.

1 (j) STYLISTIC AMENDMENTS.—Section 403 of title  
2 37, United States Code, as amended by this section, is  
3 further amended—

4 (1) in subsection (a), by striking out “(a)(1)”  
5 and inserting in lieu thereof “(a) GENERAL  
6 ENTITLEMENT.—(1)”;

7 (2) in subsection (b), by striking out “(b)(1)”  
8 and inserting in lieu thereof “(b) MEMBERS AS-  
9 SIGNED TO QUARTERS.—(1)”;

10 (3) in subsection (c), by striking out “(c)(1)”  
11 and inserting in lieu thereof “(c) INELIGIBILITY  
12 DURING INITIAL FIELD DUTY OR SEA DUTY.—  
13 (1)”;

14 (4) in subsection (d), by striking out “(d)(1)”  
15 and inserting in lieu thereof “(d) PROHIBITED  
16 GROUNDS FOR DENIAL.—(1)”;

17 (5) in subsection (e), by inserting “RENTAL OF  
18 PUBLIC QUARTERS.—” after “(e)”;

19 (6) in subsection (g), by inserting “AVIATION  
20 CADETS.—” after “(g)”;

21 (7) in subsection (h), by inserting “NECESSARY  
22 DETERMINATIONS.—” after “(h)”;

23 (8) in subsection (i), by inserting “ENTITLE-  
24 MENT OF MEMBER NOT ENTITLED TO PAY.—”  
25 after “(i)”;

1 (9) in subsection (j), by striking out “(j)(1)”  
2 and inserting in lieu thereof “(j) ADMINISTRATIVE  
3 AUTHORITY.—(1)”;

4 (10) in subsection (k), by inserting “PARKING  
5 FACILITIES NOT CONSIDERED QUARTERS.—” after  
6 “(k)”;

7 (11) in subsection (l), by striking out “(l)(1)”  
8 and inserting in lieu thereof “(l) DEPENDENTS OF  
9 MEMBERS DYING ON ACTIVE DUTY.—(1)”.

10 (k) SECTION HEADING.—The heading of section 403  
11 of title 37, United States Code, is amended to read as  
12 follows:

13 **“§ 403. Basic allowance for housing: eligibility”.**

14 **SEC. 617. RATES OF BASIC ALLOWANCE FOR HOUSING.**

15 Chapter 7 of title 37, United States Code, is amended  
16 by inserting after section 403 the following new section  
17 403a:

18 **“§ 403a. Basic allowance for housing: rates**

19 “(a) RATES PRESCRIBED BY SECRETARY OF DE-  
20 FENSE.—The Secretary of Defense shall prescribe month-  
21 ly rates of basic allowance for housing payable under sec-  
22 tion 403 of this title. The Secretary shall specify the rates,  
23 by pay grade and dependency status, for each geographic  
24 area defined in accordance with subsection (b).

1       “(b) GEOGRAPHIC BASIS FOR RATES.—(1) The Sec-  
2 retary shall define the areas within the United States and  
3 the areas outside the United States for which rates of  
4 basic allowance for housing are separately specified.

5       “(2) For each area within the United States that is  
6 defined under paragraph (1), the Secretary shall deter-  
7 mine the costs of housing in that area that the Secretary  
8 considers adequate for civilians residents of that area  
9 whose relevant circumstances the Secretary considers as  
10 being comparable to those of members of the uniformed  
11 services.

12       “(3) For each area outside the United States defined  
13 under paragraph (1), the Secretary shall determine the  
14 costs of housing in that area that the Secretary considers  
15 adequate for members of the uniformed services.

16       “(c) RATES WITHIN THE UNITED STATES.—(1) Sub-  
17 ject to paragraph (2), the monthly rate of basic allowance  
18 for housing for members of the uniformed services of a  
19 particular grade and dependency status for an area within  
20 the United States shall be the amount equal to the excess  
21 of—

22               “(A) the monthly cost of housing determined  
23       applicable for members of that grade and depend-  
24       ency status for that area under subsection (b), over

1           “(B) the amount equal to 15 percent of the av-  
2           erage of the monthly costs of housing determined  
3           applicable for members of the uniformed services of  
4           that grade and dependency status for all areas of  
5           the United States under subsection (b).

6           “(2) The rates of basic allowance for housing deter-  
7           mined under paragraph (1) shall be reduced as necessary  
8           to comply with subsection (g).

9           “(d) RATES OUTSIDE THE UNITED STATES.—The  
10          monthly rate of basic allowance for housing for members  
11          of the uniformed services of a particular grade and de-  
12          pendency status for an area outside the United States  
13          shall be an amount appropriate for members of the uni-  
14          formed services of that grade and dependency status for  
15          that area, as determined by the Secretary on the basis  
16          of the costs of housing in that area.

17          “(e) ADJUSTMENTS WHEN RATES OF BASIC PAY IN-  
18          CREASED.—The Secretary of Defense shall periodically re-  
19          determine the housing costs for areas under subsection (b)  
20          and adjust the rates of basic allowance for housing as ap-  
21          propriate on the basis of the redetermination of costs. The  
22          effective date of any adjustment in rates of basic allowance  
23          for housing for an area as a result of such a redetermina-  
24          tion shall be the same date as the effective date of the

1 next increase in rates of basic pay for members of the uni-  
2 formed services after the redetermination.

3 “(f) SAVINGS OF RATE.—The rate of basic allowance  
4 for housing payable to a particular member for an area  
5 within the United States may not be reduced during a con-  
6 tinuous period of eligibility of the member to receive a  
7 basic allowance for housing for that area by reason of—

8 “(1) a general reduction of rates of basic allow-  
9 ance for housing for members of the same grade and  
10 dependency status for the area taking effect during  
11 the period; or

12 “(2) a promotion of the member during the  
13 period.

14 “(g) FISCAL YEAR LIMITATION ON TOTAL ALLOW-  
15 ANCES PAID FOR HOUSING INSIDE THE UNITED  
16 STATES.—(1) The total amount that may be paid for a  
17 fiscal year for the basic allowance for housing for areas  
18 within the United States by authorized members of the  
19 uniformed services by section 403 of this title is the prod-  
20 uct of—

21 “(A) the total amount authorized to be paid for  
22 the allowance for such areas for the preceding fiscal  
23 year (as adjusted under paragraph (2)); and

24 “(B) the fraction—

1           “(i) the numerator of which is the average  
2           of the costs of housing determined by the Sec-  
3           retary under subsection (b)(2) for the areas of  
4           the United States for June of the preceding fis-  
5           cal year; and

6           “(ii) the denominator of which is the aver-  
7           age of the costs of housing determined by the  
8           Secretary under subsection (b)(2) for the areas  
9           of the United States for June of the fiscal year  
10          before the preceding fiscal year.

11          “(2) In making a determination under paragraph (1)  
12          for a fiscal year, the Secretary shall adjust the amount  
13          authorized to be paid for the preceding fiscal year for the  
14          basic allowance for housing to reflect changes (during the  
15          fiscal year for which the determination is made) in the  
16          number, grade distribution, and dependency status of  
17          members of the uniformed services entitled to the basic  
18          allowance for housing from the number of such members  
19          during such preceding fiscal year.

20          “(h) MEMBERS EN ROUTE BETWEEN PERMANENT  
21          DUTY STATIONS.—The Secretary of Defense shall pre-  
22          scribe in regulations the rate of the temporary housing  
23          allowance to which a member is entitled under section  
24          403(f) of this title while the member is in a travel or leave  
25          status between permanent duty stations.

1       “(i) SURVIVORS OF MEMBERS DYING ON ACTIVE  
2 DUTY.— The rate of the basic allowance for housing pay-  
3 able to dependents of a deceased member under section  
4 403(l)(2) of this title shall be the rate that is payable for  
5 members of the same grade and dependency status as the  
6 deceased member for the area where the dependents are  
7 residing.

8       “(j) MEMBERS PAYING CHILD SUPPORT.—(1) The  
9 basic allowance for housing differential to which a member  
10 is entitled under section 403(m)(2) of this title is the  
11 amount equal to the excess of—

12           “(A) the rate of the basic allowance for quar-  
13 ters (with dependents) for the member’s pay grade,  
14 as such rate was in effect on December 31, 1997,  
15 under section 403 of this title (as such section was  
16 in effect on such date), over

17           “(B) the rate of the basic allowance for quar-  
18 ters (without dependents) for the member’s pay  
19 grade, as such rate was in effect on December 31,  
20 1997, under section 403 of this title (as such section  
21 was in effect on that date).

22       “(2) Whenever the rates of basic pay for members  
23 of the uniformed services are increased, the monthly  
24 amount of the basic allowance for housing differential  
25 shall be increased by the average percent increase in the

1 rates of basic pay. The effective date of the increase shall  
2 be the same date as the effective date in the increase in  
3 the rates of basic pay.

4 “(k) PARTIAL ALLOWANCE FOR QUARTERS.—The  
5 rate of the partial allowance for quarters to which a mem-  
6 ber without dependents is entitled under section 403(p)  
7 of this title is the partial rate of basic allowance for quar-  
8 ters for the member’s pay grade as such partial rate was  
9 in effect on December 31, 1997, under section 1009(c)(2)  
10 of this title (as such section was in effect on such date).”.

11 **SEC. 618. DISLOCATION ALLOWANCE.**

12 (a) AMOUNT.—Section 407 of title 37, United States  
13 Code, is amended—

14 (1) in subsection (a), by striking out “equal to  
15 the basic allowance for quarters for two and one-half  
16 months as provided for the member’s pay grade and  
17 dependency status in section 403 of this title” in the  
18 matter preceding paragraph (1) and inserting in lieu  
19 thereof “determined under subsection (g)”;

20 (2) in subsection (b), by striking out “equal to  
21 the basic allowance for quarters for two months as  
22 provided for a member’s pay grade and dependency  
23 status in section 403 of this title” and inserting in  
24 lieu thereof “determined under subsection (g)”;

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

1       “(g) AMOUNT.—(1) The dislocation allowance pay-  
 2 able to a member under subsection (a) shall be the amount  
 3 equal to 160 percent of the monthly national average cost  
 4 of housing determined for members of the same grade and  
 5 dependency status as the member.

6       “(2) The dislocation allowance payable to a member  
 7 under subsection (b) shall be the amount equal to 130 per-  
 8 cent of the monthly national average cost of housing deter-  
 9 mined for members of the same grade and dependency sta-  
 10 tus as the member.

11       “(3) In this section, the term ‘monthly national aver-  
 12 age cost of housing’, with respect to members of a particu-  
 13 lar grade and dependency status, means the average of  
 14 the monthly costs of housing that the Secretary deter-  
 15 mines adequate for members of that grade and depend-  
 16 ency status for all areas in the United States under section  
 17 403a(b)(2) of this title.”.

18       (b) STYLISTIC AMENDMENTS.—Such section is  
 19 amended—

20           (1) in subsection (a), by inserting “FIRST AL-  
 21 LOWANCE.—” after “(a)”;

22           (2) in subsection (b), by inserting “SECOND  
 23 ALLOWANCE.—” after “(b)”;

24           (3) in subsection (c), by inserting “ONE AL-  
 25 LOWANCE PER FISCAL YEAR.—” after “(c)”;

1 (4) in subsection (d), by inserting “NO ENTI-  
 2 TLEMENT FOR FIRST AND LAST MOVES.—” after  
 3 “(d)”;

4 (5) in subsection (e), by inserting “WHEN  
 5 MEMBER WITH DEPENDENTS CONSIDERED MEM-  
 6 BER WITHOUT DEPENDENTS.—” after “(e)”;

7 (6) in subsection (f), by inserting “PAYMENT IN  
 8 ADVANCE.—” after “(f)”.

9 **SEC. 619. FAMILY SEPARATION AND STATION**  
 10 **ALLOWANCES.**

11 (a) FAMILY SEPARATION ALLOWANCE.—

12 (1) REPEAL OF AUTHORITY FOR ALLOWANCE  
 13 EQUAL TO BAQ.—Section 427 of title 37, United  
 14 States Code, is amended by striking out subsection  
 15 (a).

16 (2) CONFORMING AMENDMENTS.—Subsection  
 17 (b) of such section is amended—

18 (A) by striking out “(b) ADDITIONAL SEP-  
 19 ARATION ALLOWANCE.—”;

20 (B) by redesignating paragraphs (1), (2),  
 21 (3), (4), and (5), as subsections (a), (b), (c),  
 22 (d), and (e), respectively;

23 (C) in subsection (a), as so redesignated—

24 (i) by inserting “ENTITLEMENT.—”  
 25 after “(a)”;

1 (ii) by striking out “, including sub-  
2 section (a),”; and

3 (iii) by redesignating subparagraphs  
4 (A), (B), (C), and (D) as paragraphs (1),  
5 (2), (3), and (4), respectively;

6 (D) in subsection (b), as redesignated by  
7 paragraph (2)—

8 (i) by inserting “EFFECTIVE DATE  
9 FOR SEPARATION DUE TO CRUISE OR  
10 TEMPORARY DUTY.—” after “(b)”;

11 (ii) by striking out “subsection by vir-  
12 tue of duty described in subparagraph (B)  
13 or (C) of paragraph (1)” and inserting in  
14 lieu thereof “section by virtue of duty de-  
15 scribed in paragraph (2) or (3) of sub-  
16 section (a)”;

17 (iii) by redesignating subparagraphs  
18 (A) and (B) as paragraphs (1) and (2), re-  
19 spectively; and

20 (iv) in paragraph (2), as so redesign-  
21 ated—

22 (I) by striking out “subsection”  
23 and inserting in lieu thereof “sec-  
24 tion”; and

1 (II) by striking out “subpara-  
2 graphs” and inserting in lieu thereof  
3 “paragraphs”;

4 (E) in subsection (c), as redesignated by  
5 paragraph (2)—

6 (i) by inserting “ENTITLEMENT  
7 WHEN NO RESIDENCE OR HOUSEHOLD  
8 MAINTAINED FOR DEPENDENTS.—” after  
9 “(c)”;

10 (ii) by striking out “subsection” and  
11 inserting in lieu thereof “section”;

12 (F) in subsection (d), as redesignated by  
13 paragraph (2)—

14 (i) by inserting “EFFECT OF ELEC-  
15 TION OF UNACCOMPANIED TOUR.—” after  
16 “(d)”;

17 (ii) by striking out “paragraph (1)(A)  
18 of this subsection” and inserting in lieu  
19 thereof “subsection (a)(1)”;

20 (G) in subsection (e), as redesignated by  
21 paragraph (2)—

22 (i) by inserting “ENTITLEMENT  
23 WHILE DEPENDENT ENTITLED TO BASIC  
24 PAY.—” after “(e)”;

1 (ii) by striking out “paragraph  
2 (1)(D)” each place it appears and insert-  
3 ing in lieu thereof “subsection (a)(4)”.

4 (b) STATION ALLOWANCE.—

5 (1) REPEAL OF AUTHORITY.—Section 405 of  
6 title 37, United States Code, is amended by striking  
7 out subsection (b).

8 (2) CONFORMING AMENDMENT.—Such section  
9 is further amended by redesignating subsections (c)  
10 and (d) as subsections (b) and (c), respectively.

11 **SEC. 620. OTHER CONFORMING AMENDMENTS.**

12 (a) DEFINITION OF REGULAR MILITARY COMPENSA-  
13 TION.—Section 101(25) of title 37, United States Code,  
14 is amended by striking out “basic allowance for quarters  
15 (including any variable housing allowance or station allow-  
16 ance)” and inserting in lieu thereof “basic allowance for  
17 housing.”.

18 (b) ALLOWANCES WHILE PARTICIPATING IN INTER-  
19 NATIONAL SPORTS.—Section 420(c) of such title is  
20 amended by striking out “quarters” and inserting in lieu  
21 thereof “housing”.

22 (c) PAYMENTS TO MISSING PERSONS.—Section  
23 551(3)(D) of such title is amended by striking out “quar-  
24 ters” and inserting in lieu thereof “housing”.

1 (d) PAYMENT DATE.—Section 1014(a) of such title  
 2 is amended by striking out “basic allowance for quarters”  
 3 and inserting in lieu thereof “basic allowance for  
 4 housing”.

5 (e) OCCUPANCY OF SUBSTANDARD FAMILY HOUS-  
 6 ING.—Section 2830(a) of title 10, United States Code, is  
 7 amended by striking out “basic allowance for quarters”  
 8 each place it appears and inserting in lieu thereof “basic  
 9 allowance for housing”.

10 **SEC. 621. CLERICAL AMENDMENT.**

11 The table of sections at the beginning of chapter 7  
 12 of title 37, United States Code, is amended by striking  
 13 out the items relating to section 403 and 403a and insert-  
 14 ing in lieu thereof the following:

“403. Basic allowance for housing: eligibility.  
 “403a. Basic allowance for housing: rates.”.

15 **SEC. 622. EFFECTIVE DATE.**

16 This part and the amendments made by this part  
 17 shall take effect on January 1, 1998.

18 **PART III—OTHER AMENDMENTS RELATING TO**  
 19 **ALLOWANCES**

20 **SEC. 626. REVISION OF AUTHORITY TO ADJUST COMPENSA-**  
 21 **TION NECESSITATED BY REFORM OF SUB-**  
 22 **SISTENCE AND HOUSING ALLOWANCES.**

23 (a) CONFORMING REPEAL OF AUTHORITY RELATING  
 24 TO BAS AND BAQ.—

1           (1) IN GENERAL.—Section 1009 of title 37,  
2           United States Code, is amended to read as follows:

3   **“§ 1009. Adjustments of monthly basic pay**

4           “(a) ADJUSTMENT REQUIRED.—Whenever the Gen-  
5           eral Schedule of compensation for Federal classified em-  
6           ployees as contained in section 5332 of title 5 is adjusted  
7           upward, the President shall immediately make an upward  
8           adjustment in the monthly basic pay authorized members  
9           of the uniformed services by section 203(a) of this title.

10          “(b) EFFECTIVENESS OF ADJUSTMENT.—An adjust-  
11          ment under this section shall—

12                  “(1) have the force and effect of law; and

13                  “(2) carry the same effective date as that ap-  
14                  plying to the compensation adjustments provided  
15                  General Schedule employees.

16          “(c) EQUAL PERCENTAGE INCREASE FOR ALL MEM-  
17          BERS.—Subject to subsection (d), an adjustment under  
18          this section shall provide all eligible members with an in-  
19          crease in the monthly basic pay which is of the same per-  
20          centage as the overall average percentage increase in the  
21          General Schedule rates of basic pay for civilian employees.

22          “(d) ALLOCATION OF INCREASE AMONG PAY  
23          GRADES AND YEARS-OF-SERVICE.—(1) Subject to para-  
24          graph (2), whenever the President determines such action  
25          to be in the best interest of the Government, he may allo-

1 cate the overall percentage increase in the monthly basic  
2 pay under subsection (a) among such pay grade and years-  
3 of-service categories as he considers appropriate.

4 “(2) In making any allocation of an overall percent-  
5 age increase in basic pay under paragraph (1)—

6 “(A) the amount of the increase in basic pay  
7 for any given pay grade and years-of-service cat-  
8 egory after any allocation made under this sub-  
9 section may not be less than 75 percent of the  
10 amount of the increase in the monthly basic pay that  
11 would otherwise have been effective with respect to  
12 such pay grade and years-of-service category under  
13 subsection (c); and

14 “(B) the percentage increase in the monthly  
15 basic pay in the case of any member of the uni-  
16 formed services with four years or less service may  
17 not exceed the overall percentage increase in the  
18 General Schedule rates of basic pay for civilian  
19 employees.

20 “(e) NOTICE OF ALLOCATIONS.—Whenever the  
21 President plans to exercise his authority under subsection  
22 (d) with respect to any anticipated increase in the monthly  
23 basic pay of members of the uniformed services, he shall  
24 advise Congress, at the earliest practicable time prior to

1 the effective date of such increase, regarding the proposed  
2 allocation of such increase.

3 “(f) QUADRENNIAL ASSESSMENT OF ALLOCA-  
4 TIONS.—The allocations of increases made under this sec-  
5 tion shall be assessed in conjunction with the quadrennial  
6 review of military compensation required by section  
7 1008(b) of this title.”.

8 (2) CLERICAL AMENDMENT.—The item relating  
9 to such section in the table of sections at the begin-  
10 ning of chapter 19 of such title is amended to read  
11 as follows:

“1009. Adjustments of monthly basic pay.”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 subsection (a) shall take effect on January 1, 1998.

14 **SEC. 627. DEADLINE FOR PAYMENT OF READY RESERVE**  
15 **MUSTER DUTY ALLOWANCE.**

16 Section 433(c) of title 37, United States Code, is  
17 amended by striking out “and shall” in the first sentence  
18 and all that follows in that sentence and inserting in lieu  
19 thereof a period and the following: “The allowance shall  
20 be paid to the member before, on, or after the date on  
21 which the muster duty is performed, but not later than  
22 30 days after that date.”.

1     **Subtitle C—Bonuses and Special**  
2                   **and Incentive Pays**

3     **SEC. 631. ONE-YEAR EXTENSION OF CERTAIN BONUSES**  
4                   **AND SPECIAL PAY AUTHORITIES FOR RE-**  
5                   **SERVE FORCES.**

6           (a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME  
7 HEALTH SPECIALISTS.—Section 302g(f) of title 37, Unit-  
8 ed States Code, is amended by striking out “September  
9 30, 1998” and inserting in lieu thereof “September 30,  
10 1999”.

11          (b) SELECTED RESERVE REENLISTMENT BONUS.—  
12 Section 308b(f) of title 37, United States Code, is amend-  
13 ed by striking out “September 30, 1998” and inserting  
14 in lieu thereof “September 30, 1999”.

15          (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-  
16 tion 308c(e) of title 37, United States Code, is amended  
17 by striking out “September 30, 1998” and inserting in  
18 lieu thereof “September 30, 1999”.

19          (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-  
20 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section  
21 308d(c) of title 37, United States Code, is amended by  
22 striking out “September 30, 1998” and inserting in lieu  
23 thereof “September 30, 1999”.

24          (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-  
25 tion 308e(e) of title 37, United States Code, is amended

1 by striking out “September 30, 1998” and inserting in  
2 lieu thereof “September 30, 1999”.

3 (f) **READY RESERVE ENLISTMENT AND REENLIST-**  
4 **MENT BONUS.**—Section 308h(g) of title 37, United States  
5 Code, is amended by striking out “September 30, 1998”  
6 and inserting in lieu thereof “September 30, 1999”.

7 (g) **PRIOR SERVICE ENLISTMENT BONUS.**—Section  
8 308i(i) of title 37, United States Code, is amended by  
9 striking out “September 30, 1998” and inserting in lieu  
10 thereof “September 30, 1999”.

11 (h) **REPAYMENT OF EDUCATION LOANS FOR CER-**  
12 **TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-**  
13 **LECTED RESERVE.**—Section 16302(d) of title 10, United  
14 States Code, is amended by striking out “October 1,  
15 1998” and inserting in lieu thereof “October 1, 1999”.

16 **SEC. 632. ONE-YEAR EXTENSION OF CERTAIN BONUSES**  
17 **AND SPECIAL PAY AUTHORITIES FOR NURSE**  
18 **OFFICER CANDIDATES, REGISTERED NURSES,**  
19 **AND NURSE ANESTHETISTS.**

20 (a) **NURSE OFFICER CANDIDATE ACCESSION PRO-**  
21 **GRAM.**—Section 2130a(a)(1) of title 10, United States  
22 Code, is amended by striking out “September 30, 1998”  
23 and inserting in lieu thereof “September 30, 1999”.

24 (b) **ACCESSION BONUS FOR REGISTERED NURSES.**—  
25 Section 302d(a)(1) of title 37, United States Code, is

1 amended by striking out “September 30, 1998” and in-  
2 serting in lieu thereof “September 30, 1999”.

3 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-  
4 THETISTS.—Section 302e(a)(1) of title 37, United States  
5 Code, is amended by striking out “September 30, 1998”  
6 and inserting in lieu thereof “September 30, 1999”.

7 **SEC. 633. ONE-YEAR EXTENSION OF AUTHORITIES RELAT-**  
8 **ING TO PAYMENT OF OTHER BONUSES AND**  
9 **SPECIAL PAYS.**

10 (a) REENLISTMENT BONUS FOR ACTIVE MEM-  
11 BERS.—Section 308(g) of title 37, United States Code, is  
12 amended by striking out “September 30, 1998” and in-  
13 serting in lieu thereof “September 30, 1999”.

14 (b) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—  
15 Sections 308a(e) and 308f(e) of title 37, United States  
16 Code, are each amended by striking out “September 30,  
17 1998” and inserting in lieu thereof “September 30,  
18 1999”.

19 (c) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFI-  
20 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section  
21 312(e) of title 37, United States Code, is amended by  
22 striking out “September 30, 1998” and inserting in lieu  
23 thereof “September 30, 1999”.

24 (d) NUCLEAR CAREER ACCESSION BONUS.—Section  
25 312b(c) of title 37, United States Code, is amended by

1 striking out “September 30, 1998” and inserting in lieu  
2 thereof “September 30, 1999”.

3 (e) NUCLEAR CAREER ANNUAL INCENTIVE  
4 BONUS.—Section 312c(d) of title 37, United States Code,  
5 is amended by striking out “October 1, 1998” and insert-  
6 ing in lieu thereof “October 1, 1999”.

7 **SEC. 634. INCREASED AMOUNTS FOR AVIATION CAREER IN-**  
8 **CENTIVE PAY.**

9 (a) AMOUNTS.—The table in subsection (b)(1) of sec-  
10 tion 301a(b)(1) of title 37, United States Code, is  
11 amended—

12 (1) by inserting at the end of phase I of the  
13 table the following:

“Over 14 ..... 840”;

14 and

15 (2) by striking out phase II of the table and in-  
16 serting 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”.

17 (b) EFFECTIVE DATE AND APPLICABILITY.—The  
18 amendments made by subsection (a) shall take effect on  
19 October 1, 1998, and shall apply with respect to months  
20 beginning on or after that date.

1 **SEC. 635. AVIATION CONTINUATION PAY.**

2 (a) EXTENSION OF AUTHORITY.—Subsection (a) of  
3 section 301b of title 37, United States Code, is amended  
4 by striking out “1998” and inserting in lieu thereof  
5 “2005”.

6 (b) BONUS AMOUNTS.—Subsection (c) of such sec-  
7 tion is amended—

8 (1) in paragraph (1), by striking out “\$12,000”  
9 and inserting in lieu thereof “\$25,000”; and

10 (2) in paragraph (2), by striking out “\$6,000”  
11 and inserting in lieu thereof “\$12,000”.

12 (c) DEFINITION OF AVIATION SPECIALTY.—Sub-  
13 section (j)(2) of such section is amended by inserting “spe-  
14 cific” before “community”.

15 (d) CONTENT OF ANNUAL REPORT.—Subsection  
16 (i)(1) of such section is amended—

17 (1) by inserting “and” at the end of subpara-  
18 graph (A);

19 (2) by striking out the semicolon and “and” at  
20 the end of subparagraph (B) and inserting in lieu  
21 thereof a period; and

22 (3) by striking out subparagraph (C).

23 (e) EFFECTIVE DATES AND APPLICABILITY.—(1)  
24 Except as provided in paragraphs (1) and (2), the amend-  
25 ments made by this section shall take effect on the date  
26 of the enactment of this Act.

1       (2) The amendment made by subsection (b) shall take  
 2 effect on October 1, 1997, and shall apply with respect  
 3 to agreements accepted under subsection (a) of section  
 4 301b of title 37, United States Code, on or after that date.

5       (3) The amendment made by subsection (c) shall take  
 6 effect as of October 1, 1996, and shall apply with respect  
 7 to agreements accepted under subsection (a) of section  
 8 301b of title 37, United States Code, on or after that date.

9 **SEC. 636. ELIGIBILITY OF DENTAL OFFICERS FOR THE**  
 10 **MULTIYEAR RETENTION BONUS PROVIDED**  
 11 **FOR MEDICAL OFFICERS.**

12       (a) ADDITION OF DENTAL OFFICERS.—Section 301d  
 13 of title 37, United States Code, is amended—

14           (1) in subsection (a)(1), by inserting “or den-  
 15 tal” after “medical”; and

16           (2) in subsection (b)—

17               (A) in paragraph (1)—

18                   (i) by inserting “or Dental Corps”  
 19 after “Medical Corps”; and

20                   (ii) by inserting “or dental” after  
 21 “medical”; and

22               (B) in paragraph (3), by inserting “or den-  
 23 tal” after “medical”.

1 (b) CONFORMING AMENDMENT AND RELATED CLER-  
2 ICAL AMENDMENT.—(1) The heading of such section is  
3 amended to read as follows:

4 **“§ 301d. Multiyear retention bonus: medical and den-  
5 tal officers of the armed forces”.**

6 (2) The item relating to such section in the table of  
7 sections at the beginning of chapter 5 of title 37, United  
8 States Code, is amended to read as follows:

“301d. Multiyear retention bonus: medical and dental officers of the armed  
forces.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall take effect on October 1, 1997, and apply  
11 to agreements accepted under section 301d of title 37,  
12 United States Code, on or after that date.

13 **SEC. 637. INCREASED SPECIAL PAY FOR DENTAL OFFICERS.**

14 (a) VARIABLE SPECIAL PAY FOR OFFICERS BELOW  
15 GRADE O–7.—Paragraph (2) of section 302b(a) of title  
16 37, United States Code, is amended by striking out sub-  
17 paragraphs (C), (D), (E), and (F), and inserting in lieu  
18 thereof the following:

19 “(C) \$4,000 per year, if the officer has at least  
20 six but less than 8 years of creditable service.

21 “(D) \$12,000 per year, if the officer has at  
22 least 8 but less than 12 years of creditable service.

23 “(E) \$10,000 per year, if the officer has at  
24 least 12 but less than 14 years of creditable service.

1           “(F) \$9,000 per year, if the officer has at least  
2           14 but less than 18 years of creditable service.

3           “(G) \$8,000 per year, 18 or more years of cred-  
4           itable service.”.

5           (b) VARIABLE SPECIAL PAY FOR OFFICERS ABOVE  
6 GRADE O-6.—Paragraph (3) of such section is amended  
7 by striking out “\$1,000” and inserting in lieu thereof  
8 “\$7,000”.

9           (c) ADDITIONAL SPECIAL PAY.—Paragraph (4) of  
10 such section is amended—

11           (1) in subparagraph (B), by striking out “14”  
12           and inserting in lieu thereof “10”; and

13           (2) by striking out subparagraphs (C) and (D)  
14           and inserting in lieu thereof the following:

15           “(C) \$15,000 per year, if the officer has 10 or  
16           more years of creditable service.”.

17           (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect on October 1, 1997, and shall  
19 apply with respect to months beginning on or after that  
20 date.

21 **SEC. 638. MODIFICATION OF SELECTED RESERVE REEN-**  
22 **LISTMENT BONUS AUTHORITY.**

23           (a) ELIGIBILITY OF MEMBERS WITH UP TO 14  
24 YEARS OF TOTAL SERVICE.—Subsection (a) of section  
25 308b of title 37, United States Code, is amended by strik-

1 ing out “ten years” in paragraph (1) and inserting in lieu  
2 thereof “14 years”.

3 (b) TWO-BONUS AUTHORITY FOR CONSECUTIVE 3-  
4 YEAR ENLISTMENTS.—Such subsection is further  
5 amended—

6 (1) by redesignating paragraphs (1) and (2) as  
7 subparagraphs (A) and (B), respectively;

8 (2) by inserting “AUTHORITY AND ELIGIBILITY  
9 REQUIREMENTS.—(1)” after “(a)”;

10 (3) by striking out “a bonus as provided in sub-  
11 section (b)” before the period at the end and insert-  
12 ing in lieu thereof “a bonus or bonuses in accord-  
13 ance with this section”; and

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

16 “(2) If a person eligible to receive a bonus under this  
17 section by reason of an enlistment for a period of three  
18 years so elects on or before the date of the enlistment,  
19 the Secretary concerned may pay the person—

20 “(A) a bonus for that enlistment; and

21 “(B) an additional bonus for a later voluntary  
22 extension of the enlistment, or a subsequent con-  
23 secutive enlistment, for a period of at least three  
24 years if—

1           “(i) on the date of the expiration of the en-  
2           listment for which the first bonus was paid, or  
3           the date on which, but for an extension of the  
4           enlistment, the enlistment would otherwise ex-  
5           pire, as the case may be, the person satisfies  
6           the eligibility requirements set forth in para-  
7           graph (1) and the eligibility requirements for  
8           reenlisting or extending the enlistment; and

9           “(ii) the extension of the enlistment or the  
10          subsequent consecutive enlistment, as the case  
11          may be, is in a critical military skill designated  
12          for such a bonus by the Secretary concerned.”.

13          (c) BONUS AMOUNTS.—Subsection (b) of such sec-  
14          tion is amended to read as follows:

15          “(b) BONUS AMOUNTS.—(1) In the case of a member  
16          who enlists for a period of six years, the bonus to be paid  
17          under subsection (a) shall be a total amount not to exceed  
18          \$5,000.

19          “(2) In the case of a member who enlists for a period  
20          of three years, the bonus to be paid under subsection (a)  
21          shall be as follows:

22                 “(A) If the member does not make an election  
23                 authorized under subsection (a)(2), the total amount  
24                 of the bonus shall be an amount not to exceed  
25                 \$2,500.

1           “(B) If the member makes an election under  
2           subsection (a)(2) to be paid a bonus for the enlist-  
3           ment and an additional bonus for a later extension  
4           of the enlistment or for a subsequent consecutive  
5           enlistment—

6                   “(i) the total amount of the first bonus  
7                   shall be an amount not to exceed \$2,000; and

8                   “(ii) the total amount of the additional  
9                   bonus shall be an amount not to exceed  
10                  \$2,500.”.

11          (d) DISBURSEMENT OF BONUS.—Subsection (c) of  
12 such section is amended to read as follows:

13          “(c) DISBURSEMENT OF BONUS.—(1) Any bonus  
14 payable under this section shall be disbursed in one initial  
15 payment of an amount not to exceed one-half of the total  
16 amount of the bonus and subsequent periodic partial pay-  
17 ments of the balance of the bonus. The Secretary con-  
18 cerned shall prescribe the amount of each partial payment  
19 and the schedule for making the partial payments.

20          “(2) Payment of any additional bonus under sub-  
21 section (a)(2)(B) for an extension of an enlistment or a  
22 subsequent consecutive enlistment shall begin on or after  
23 the date referred to in clause (i) of that subsection.”.

24          (e) SUBSECTION HEADINGS.—Such section is further  
25 amended—

1           (1) in subsection (d), by inserting “REFUND  
2           FOR UNSATISFACTORY SERVICE.—” after “(d)”;

3           (2) in subsection (e), by inserting “REGULA-  
4           TIONS.—” after “(e)”; and

5           (3) in subsection (f), by inserting “TERMI-  
6           NATION OF AUTHORITY.—” after “(f)”.

7           (f) EFFECTIVE DATE.—The amendments made by  
8           this section shall take effect on October 1, 1997, and apply  
9           to enlistments in the Armed Forces on or after that date.

10   **SEC. 639. MODIFICATION OF AUTHORITY TO PAY BONUSES**  
11                           **FOR ENLISTMENTS BY PRIOR SERVICE PER-**  
12                           **SONNEL IN CRITICAL SKILLS IN THE SE-**  
13                           **LECTED RESERVE.**

14           (a) REORGANIZATION OF SECTION.—Section 308i of  
15           title 37, United States Code, is amended—

16           (1) by redesignating subsections (e), (f), and  
17           (g) as paragraphs (2), (3), and (4), respectively, of  
18           subsection (d);

19           (2) by redesignating subsections (b), (c), (d),  
20           (h), and (i) as subsections (e), (f), (g), and (h),  
21           respectively; and

22           (3) by redesignating paragraph (2) of sub-  
23           section (a) as subsection (b) and in subsection (b),  
24           as so redesignated, by redesignating subparagraphs

1 (A), (B), (C), and (D) as paragraphs (1), (2), (3),  
2 and (4), respectively.

3 (b) TWO-BONUS AUTHORITY FOR CONSECUTIVE 3-  
4 YEAR ENLISTMENTS.—Subsection (a) of such section is  
5 amended by inserting after paragraph (1) the following  
6 new paragraph (2):

7 “(2) If a person eligible to receive a bonus under this  
8 section by reason of an enlistment for a period of three  
9 years so elects on or before the date of the enlistment,  
10 the Secretary concerned may pay the person—

11 “(A) a bonus for that enlistment; and

12 “(B) an additional bonus for a later extension  
13 of the enlistment, or a subsequent consecutive enlist-  
14 ment, for a period of at least three years if—

15 “(i) on the date of the expiration of the en-  
16 listment for which the first bonus was paid, or  
17 the date on which, but for an extension of the  
18 enlistment, the enlistment would otherwise ex-  
19 pire, the person satisfies the eligibility require-  
20 ments set forth in subsection (b) and the eligi-  
21 bility requirements for reenlisting or extending  
22 the enlistment, as the case may be; and

23 “(ii) the extension of the enlistment or the  
24 subsequent consecutive enlistment, as the case

1           may be, is in a critical military skill designated  
2           for such a bonus by the Secretary concerned.”.

3           (c) ELIGIBILITY OF FORMER MEMBERS WITH UP TO  
4 14 YEARS OF PRIOR SERVICE.—Subsection (b) of such  
5 section, as redesignated by subsection (a)(3), is amended  
6 by striking out “10 years” and inserting in lieu thereof  
7 “14 years”.

8           (d) BONUS AMOUNTS.—Subsection (c) of such sec-  
9 tion, as redesignated by subsection (a)(2), is amended to  
10 read as follows:

11           “(c) BONUS AMOUNTS.—(1) In the case of a member  
12 who enlists for a period of six years, the bonus to be paid  
13 under subsection (a) shall be a total amount not to exceed  
14 \$5,000.

15           “(2) In the case of a member who enlists for a period  
16 of three years, the bonus to be paid under subsection (a)  
17 shall be as follows:

18                   “(A) If the member does not make an election  
19 authorized under subsection (a)(2), the total amount  
20 of the bonus shall be an amount not to exceed  
21 \$2,500.

22                   “(B) If the member makes an election under  
23 subsection (a)(2) to be paid a bonus for the enlist-  
24 ment and an additional bonus for a later extension

1 of the enlistment or for a subsequent consecutive en-  
2 listment—

3 “(i) the total amount of the first bonus  
4 shall be an amount not to exceed \$2,000; and

5 “(ii) the total amount of the additional  
6 bonus shall be an amount not to exceed  
7 \$2,500.”.

8 (e) DISBURSEMENT OF BONUS.—Such section is  
9 amended by inserting after subsection (c), as redesignated  
10 by subsection (a)(2) and amended by subsection (d), the  
11 following new subsection (d):

12 “(d) DISBURSEMENT OF BONUS.—(1) Any bonus  
13 payable under this section shall be disbursed in one initial  
14 payment of an amount not to exceed one-half of the total  
15 amount of the bonus and subsequent periodic partial pay-  
16 ments of the balance of the bonus. The Secretary con-  
17 cerned shall prescribe the amount of each partial payment  
18 and the schedule for making the partial payments.

19 “(2) Payment of any additional bonus under sub-  
20 section (a)(2)(B) for an extension of an enlistment or a  
21 subsequent consecutive enlistment shall begin on or after  
22 the date referred to in clause (i) of that subsection.”.

23 (f) CONFORMING AMENDMENTS.—(1) Subsection  
24 (a)(1) of such section is amended by striking out “para-  
25 graph (2) may be paid a bonus as prescribed in subsection

1 (b)” and inserting in lieu thereof “subsection (b) may be  
2 paid a bonus or bonuses in accordance with this section”.

3 (2) Subsection (e) of such section, as redesignated by  
4 subsection (a)(2), is amended by striking out “may not  
5 be paid more than one bonus under this section and”.

6 (3) Subsection (f) of such section, as redesignated by  
7 subsection (a)(2), is amended—

8 (A) by inserting “REFUND FOR UNSATISFAC-  
9 TORY SERVICE.—(1)” after “(f)”;

10 (B) in paragraphs (2) and (4), as redesignated  
11 by subsection (a)(1), by striking out “subsection  
12 (d)” and inserting in lieu thereof “paragraph (1)”;  
13 and

14 (C) in paragraph (3), as redesignated by sub-  
15 section (a)(1)—

16 (i) by striking out “subsection (h)” and in-  
17 serting in lieu thereof “subsection (g)”;

18 (ii) by striking out “subsection (d)” and  
19 inserting in lieu thereof “paragraph (1)”.

20 (g) SUBSECTION HEADINGS.—Such section, as  
21 amended by subsections (a) through (f), is further  
22 amended—

23 (1) in subsection (a), by inserting “AUTHOR-  
24 ITY.—” after “(a)”;



1           (1) in subsection (a)(1), by striking out  
2           “\$10,000” and inserting in lieu thereof “\$12,000”;  
3           and

4           (2) in subsection (b)(1), by striking out  
5           “\$4,500” and inserting in lieu thereof “\$5,500”.

6           (d) EFFECTIVE DATE.—(1) The amendments made  
7 by this section shall take effect on October 1, 1997.

8           (2) The amendments made by subsections (a) and (b)  
9 shall apply with respect to agreements accepted under sec-  
10 tions 312(a) and 312b(a), respectively, of title 37, United  
11 States Code, on or after the effective date of the  
12 amendments.

13 **SEC. 641. AUTHORITY TO PAY BONUSES IN LIEU OF SPE-**  
14 **CIAL PAY FOR ENLISTED MEMBERS EXTEND-**  
15 **ING DUTY AT DESIGNATED LOCATIONS OVER-**  
16 **SEAS.**

17           (a) PAYMENT FLEXIBILITY.—Section 314 of title 37,  
18 United States Code, is amended—

19           (1) in subsection (a), by striking out “at a  
20           rate” and all that follows through “Secretary con-  
21           cerned”;

22           (2) by redesignating subsection (b) as sub-  
23           section (c); and

24           (3) by inserting after subsection (a) the follow-  
25           ing new subsection (b):

1       “(b) PAYMENT SCHEDULE AND RATES.—At the elec-  
2 tion of the Secretary concerned, the Secretary may pay  
3 the special pay to which a member is entitled under sub-  
4 section (a)—

5               “(1) in monthly installments in an amount pre-  
6 scribed by the Secretary, but not to exceed \$80 each;  
7 or

8               “(2) as an annual bonus in an amount pre-  
9 scribed by the Secretary, but not to exceed \$2,000  
10 per year.”.

11       (b) PROHIBITION OF CONCURRENT RECEIPT WITH  
12 REST AND RECUPERATIVE ABSENCE OR TRANSPOR-  
13 TATION.—Subsection (c) of such section, as redesignated  
14 by subsection (a)(2), is amended—

15               (1) by inserting “CONCURRENT RECEIPT OF  
16 BENEFITS PROHIBITED.—(1)” after “(c)”; and

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

18       “(2)(A) In the case of a member entitled to an annual  
19 bonus for a 12-month period under subsection (b)(2), the  
20 amount of the annual bonus shall be reduced by the per-  
21 cent determined by dividing 12 into the number of months  
22 in the period that the member is authorized rest and recu-  
23 perative absence or transportation. For the purposes of  
24 the preceding sentence, a member shall be treated as hav-  
25 ing been authorized rest and recuperative absence or

1 transportation for a full month if rest and recuperative  
2 absence or transportation is authorized for the member  
3 for any part of the month.

4 “(B) The Secretary concerned shall recoup by collec-  
5 tion from a member any amount of an annual bonus paid  
6 under subsection (b)(2) to the member for a 12-month pe-  
7 riod that exceeds the amount of the bonus to which the  
8 member is entitled for the period by reason of an author-  
9 ization of rest and recuperative absence or transportation  
10 for the member during that period that was not taken into  
11 account in computing the amount of the entitlement.”.

12 (c) REPAYMENT.—Such section is further amended  
13 by adding at the end the following:

14 “(d) REFUND FOR FAILURE TO COMPLETE TOUR OF  
15 DUTY.—(1) A member who, having entered into a written  
16 agreement to extend a tour of duty for a period under  
17 subsection (a), receives a bonus payment under subsection  
18 (b)(2) for a 12-month period covered by the agreement  
19 and ceases during that 12-month period to perform the  
20 agreed tour of duty shall refund to the United States the  
21 unearned portion of the bonus. The unearned portion of  
22 the bonus is the amount by which the amount of the bonus  
23 paid to the member exceeds the amount determined by  
24 multiplying the amount of the bonus paid by the percent  
25 determined by dividing 12 into the number of full months

1 during which the member performed the duty in the 12-  
2 month period.

3 “(2) The Secretary concerned may waive the obliga-  
4 tion of a member to reimburse the United States under  
5 paragraph (1) if the Secretary determines that conditions  
6 and circumstances warrant the waiver.

7 “(e) TREATMENT OF REIMBURSEMENT OBLIGA-  
8 TIONS.—(1) An obligation to reimburse the United States  
9 imposed under subsection (c)(2)(B) or (d) is for all pur-  
10 poses a debt owed to the United States.

11 “(2) A discharge in bankruptcy under title 11 that  
12 is entered less than 5 years after the termination of a writ-  
13 ten agreement entered into under subsection (a) does not  
14 discharge the member signing the agreement from a debt  
15 referred to in paragraph (1). This paragraph applies to  
16 any case commenced under title 11 on or after October  
17 1, 1997.”.

18 (d) STYLISTIC AMENDMENT.—Subsection (a) of such  
19 section is amended by inserting “AUTHORITY.—” after  
20 “(a)”.

21 (e) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect on October 1, 1997, and apply  
23 to agreements accepted under section 314 of title 37,  
24 United States Code, on or after that date.

1 **Subtitle D—Retired Pay, Survivor**  
 2 **Benefits, and Related Matters**

3 **SEC. 651. ONE-YEAR OPPORTUNITY TO DISCONTINUE PAR-**  
 4 **TICIPATION IN SURVIVOR BENEFIT PLAN.**

5 (a) ELECTION TO DISCONTINUE WITHIN ONE YEAR  
 6 AFTER SECOND ANNIVERSARY OF COMMENCEMENT OF  
 7 PAYMENT OF RETIRED PAY.—(1) Subchapter II of chap-  
 8 ter 73 of title 10, United States Code, is amended by in-  
 9 serting after section 1448 the following:

10 **“§ 1448a. Election to discontinue participation: one-**  
 11 **year opportunity after second anniver-**  
 12 **sary of commencement of payment of re-**  
 13 **tired pay**

14 “(a) AUTHORITY.—A participant in the Plan may,  
 15 subject to the provisions of this section, elect to dis-  
 16 continue participation in the Plan at any time during the  
 17 1-year period beginning on the second anniversary of the  
 18 date on which payment of retired pay to the participant  
 19 commences.

20 “(b) CONCURRENCE OF SPOUSE.—(1) A married  
 21 participant may not make an election under subsection (a)  
 22 without the concurrence of the participant’s spouse, except  
 23 that the participant may make such an election without  
 24 the concurrence of the person’s spouse if the person estab-  
 25 lishes to the satisfaction of the Secretary concerned that

1 one of the conditions described in section 1448(a)(3)(C)  
2 of this title exists.

3 “(2) The concurrence of a spouse under paragraph  
4 (1) shall be made in such written form and shall contain  
5 such information as may be required under regulations  
6 prescribed by the Secretary of Defense.

7 “(c) LIMITATION ON ELECTION WHEN FORMER  
8 SPOUSE COVERAGE IN EFFECT.—The limitation set forth  
9 in section 1450(f)(2) of this title shall apply to an election  
10 to discontinue participation in the Plan under subsection  
11 (a).

12 “(d) WITHDRAWAL OF ELECTION TO DIS-  
13 CONTINUE.—Section 1448(b)(1)(D) of this title shall  
14 apply to an election under subsection (a).

15 “(e) CONSEQUENCES OF DISCONTINUATION.—Sec-  
16 tion 1448(b)(1)(E) of this title shall apply to an election  
17 under subsection (a).

18 “(f) NOTICE TO EFFECTED BENEFICIARIES.—The  
19 Secretary concerned shall notify any former spouse or  
20 other natural person previously designated under section  
21 1448(b) of this title of any election to discontinue partici-  
22 pation under subsection (a).

23 “(g) EFFECTIVE DATE OF ELECTION.—An election  
24 authorized under this section is effective as of the first

1 day of the first calendar month following the month in  
2 which the election is received by the Secretary concerned.

3 “(h) INAPPLICABILITY OF IRREVOCABILITY PROVI-  
4 SIONS.—Paragraphs (4)(B) and (5)(C) of section 1448(a)  
5 of this title do not apply to prevent an election under sub-  
6 section (a).”.

7 (2) The table of sections at the beginning of such sub-  
8 chapter is amended by inserting after the item relating  
9 to section 1448 the following:

“1448a. Election to discontinue participation: one-year opportunity after second  
anniversary of commencement of payment of retired pay.”.

10 (b) TRANSITION PROVISION.—Notwithstanding the  
11 limitation on the time for making an election under section  
12 1448a of title 10, United States Code (as added by sub-  
13 section (a)), that is specified in subsection (a) of such sec-  
14 tion, a participant in the Survivor Benefit Plan under sub-  
15 chapter II of chapter 73 of such title may make an election  
16 in accordance with that section within one year after the  
17 effective date of the section if the second anniversary of  
18 the commencement of payment of retired pay to the par-  
19 ticipant precedes that effective date.

20 (c) EFFECTIVE DATE.—Section 1448a of title 10,  
21 United States Code, as added by subsection (a), shall take  
22 effect 180 days after the date of the enactment of this  
23 Act.

1 **SEC. 652. TIME FOR CHANGING SURVIVOR BENEFIT COV-**  
2 **ERAGE FROM FORMER SPOUSE TO SPOUSE.**

3 Section 1450(f)(1)(C) of title 10, United States Code,  
4 is amended by adding at the end the following: “Notwith-  
5 standing the preceding sentence, a change of election  
6 under this subsection to provide an annuity to a spouse  
7 instead of a former spouse may (subject to paragraph (2))  
8 be made at any time without regard to the time limitation  
9 in section 1448(a)(5)(B) of this title.”.

10 **SEC. 653. PAID-UP COVERAGE UNDER SURVIVOR BENEFIT**  
11 **PLAN.**

12 Section 1452 of title 10, United States Code, is  
13 amended by adding at the end the following new sub-  
14 section:

15 “(j) COVERAGE PAID UP AT 30 YEARS OR AGE 70.—

16 (1) Coverage of a survivor of a member under the Plan  
17 shall be considered paid up as of the end of the earlier  
18 of—

19 “(A) the 360th month in which the member’s  
20 retired pay has been reduced under this section; or

21 “(B) the month in which the member attains  
22 70 years of age.

23 “(2) The retired pay of a member shall not be re-  
24 duced under this section to provide coverage of a survivor  
25 under the Plan after the month when the coverage is con-  
26 sidered paid up under paragraph (1).”.

1 **SEC. 654. ANNUITIES FOR CERTAIN MILITARY SURVIVING**  
2 **SPOUSES.**

3 (a) SURVIVOR ANNUITY.—(1) The Secretary con-  
4 cerned shall pay an annuity to the qualified surviving  
5 spouse of each member of the uniformed services who—

6 (A) died before March 21, 1974, and was enti-  
7 tled to retired or retainer pay on the date of death;  
8 or

9 (B) was a member of a reserve component of  
10 the Armed Forces during the period beginning on  
11 September 21, 1972, and ending on October 1,  
12 1978, and at the time of his death would have been  
13 entitled to retired pay under chapter 67 of title 10,  
14 United States Code (as in effect before December 1,  
15 1994), but for the fact that he was under 60 years  
16 of age.

17 (2) A qualified surviving spouse for purposes of this  
18 section is a surviving spouse who has not remarried and  
19 who is not eligible for an annuity under section 4 of Public  
20 Law 92–425 (10 U.S.C. 1448 note).

21 (b) AMOUNT OF ANNUITY.—(1) An annuity under  
22 this section shall be paid at the rate of \$165 per month,  
23 as adjusted from time to time under paragraph (3).

24 (2) An annuity paid to a surviving spouse under this  
25 section shall be reduced by the amount of any dependency  
26 and indemnity compensation (DIC) to which the surviving

1 spouse is entitled under section 1311(a) of title 38, United  
2 States Code.

3 (3) Whenever after the date of the enactment of this  
4 Act retired or retainer pay is increased under section  
5 1401a(b)(2) of title 10, United States Code, each annuity  
6 that is payable under this section shall be increased at  
7 the same time and by the same total percent. The amount  
8 of the increase shall be based on the amount of the month-  
9 ly annuity payable before any reduction under this section.

10 (c) APPLICATION REQUIRED.—No benefit shall be  
11 paid to any person under this section unless an application  
12 for such benefit is filed with the Secretary concerned by  
13 or on behalf of such person.

14 (d) DEFINITIONS.—For purposes of this section:

15 (1) The terms “uniformed services” and “Sec-  
16 retary concerned” have the meanings given such  
17 terms in section 101 of title 37, United States Code.

18 (2) The term “surviving spouse” has the mean-  
19 ing given the terms “widow” and “widower” in para-  
20 graphs (3) and (4) of section 1447 of title 10, Unit-  
21 ed States Code.

22 (e) PROSPECTIVE APPLICABILITY.—(1) Annuities  
23 under this section shall be paid for months beginning after  
24 the month in which this Act is enacted.

1 (2) No benefit shall accrue to any person by reason  
2 of the enactment of this section for any period before the  
3 first month that begins after the month in which this Act  
4 is enacted.

5 (f) EXPIRATION OF AUTHORITY.—The authority to  
6 pay annuities under this section shall expire on September  
7 30, 2001.

## 8 **Subtitle E—Other Matters**

### 9 **SEC. 661. ELIGIBILITY OF RESERVES FOR BENEFITS FOR** 10 **ILLNESS, INJURY, OR DEATH INCURRED OR** 11 **AGGRAVATED IN LINE OF DUTY.**

12 (a) PAY AND ALLOWANCES.—(1) Section 204 of title  
13 37, United States Code, is amended—

14 (A) in subsection (g)(1)(D), by inserting after  
15 “while remaining overnight,” the following: “imme-  
16 diately before the commencement of inactive-duty  
17 training or”; and

18 (B) in subsection (h)(1)(D), by inserting after  
19 “while remaining overnight,” the following: “imme-  
20 diately before the commencement of inactive-duty  
21 training or”.

22 (2) Section 206(a)(3)(C) of such title is amended by  
23 inserting after “while remaining overnight,” the following:  
24 “immediately before the commencement of inactive-duty  
25 training or”.

1 (b) MEDICAL AND DENTAL CARE.—(1) Section  
2 1074a(a)(3) of title 10, United States Code, is amended  
3 by inserting after “while remaining overnight,” the follow-  
4 ing: “immediately before the commencement of inactive-  
5 duty training or”.

6 (2) Section 1076(a)(2) of title 10, United States  
7 Code, is amended—

8 (A) by striking out “or” at the end of subpara-  
9 graph (A);

10 (B) by striking out the period at the end of  
11 subparagraph (B)(ii) and inserting in lieu thereof “;  
12 or”; and

13 (C) by adding at the end the following:

14 “(C) who incurs or aggravates an injury, ill-  
15 ness, or disease in the line of duty while serving on  
16 active duty under a call or order to active duty for  
17 a period of 30 days or less, if the call or order is  
18 modified to extend the period of active duty of the  
19 member to be more than 30 days.”.

20 (c) ELIGIBILITY FOR DISABILITY RETIREMENT OR  
21 SEPARATION.—(1) Section 1204(2) of title 10, United  
22 States Code, is amended to read as follows:

23 “(2) the disability is a result of an injury, ill-  
24 ness, or disease incurred or aggravated—

1           “(A) in line of duty while performing ac-  
2           tive duty or inactive-duty training;

3           “(B) while traveling directly to or from the  
4           place at which such duty is performed; or

5           “(C) while remaining overnight, imme-  
6           diately before the commencement of inactive-  
7           duty training or between successive periods of  
8           inactive-duty training, at or in the vicinity of  
9           the site of the inactive-duty training, if the site  
10          of the inactive-duty training is outside reason-  
11          able commuting distance of the member’s resi-  
12          dence;”.

13          (2) Section 1206 of title 10, United States Code, is  
14          amended—

15                 (A) by redesignating paragraphs (2), (3), and  
16                 (4) as paragraphs (3), (4), and (5), respectively, and

17                 (B) by inserting after paragraph (1) the follow-  
18                 ing new paragraph:

19                         “(2) the disability is a result of an injury, ill-  
20                         ness, or disease incurred or aggravated—

21                                 “(A) in line of duty while performing ac-  
22                                 tive duty or inactive-duty training;

23                                 “(B) while traveling directly to or from the  
24                                 place at which such duty is performed; or

1           “(C) while remaining overnight, imme-  
2           diately before the commencement of inactive-  
3           duty training or between successive periods of  
4           inactive-duty training, at or in the vicinity of  
5           the site of the inactive-duty training, if the site  
6           of the inactive-duty training is outside reason-  
7           able commuting distance of the member’s  
8           residence;”.

9           (d) RECOVERY, CARE, AND DISPOSITION OF RE-  
10 MAINS.—Section 1481(a)(2)(D) of title 10, United States  
11 Code, is amended by inserting after “while remaining  
12 overnight,” the following: “immediately before the com-  
13 mencement of inactive-duty training or”.

14           (e) CONFORMING AMENDMENTS AND RELATED  
15 CLERICAL AMENDMENTS.—(1) The heading of section  
16 1204 of title 10, United States Code, is amended to read  
17 as follows:

18           **“§ 1204. Members on active duty for 30 days or less or**  
19                           **on inactive-duty training: retirement”.**

20           (2) The heading of section 1206 of such title is  
21 amended to read as follows:

22           **“§ 1206. Members on active duty for 30 days or less or**  
23                           **on inactive-duty training: separation”.**

24           (3) The table of sections at the beginning of chapter  
25 61 of such title is amended—

1 (A) by striking out the item relating to section  
2 1204 and inserting in lieu thereof the following:

“1204. Members on active duty for 30 days or less or on inactive-duty training:  
retirement.”;

3 and

4 (B) by striking out the item relating to section  
5 1206 and inserting in lieu thereof the following:

“1206. Members on active duty for 30 days or less or on inactive-duty training:  
separation.”.

6 (f) PROSPECTIVE APPLICABILITY.—No benefit shall  
7 accrue under an amendment made by this section for any  
8 period before the date of the enactment of this Act.

9 **SEC. 662. TRAVEL AND TRANSPORTATION ALLOWANCES**  
10 **FOR DEPENDENTS BEFORE APPROVAL OF A**  
11 **MEMBER’S COURT-MARTIAL SENTENCE.**

12 Section 406(h)(2)(C) of title 37, United States Code,  
13 is amended by inserting before the period at the end of  
14 the matter following clause (iii) the following: “or action  
15 on the sentence is pending under that section”.

16 **SEC. 663. ELIGIBILITY OF MEMBERS OF THE UNIFORMED**  
17 **SERVICES FOR REIMBURSEMENT OF ADOPTI-**  
18 **ON EXPENSES.**

19 (a) PUBLIC HEALTH SERVICE.—Section 221(a) of  
20 the Public Health Service Act (42 U.S.C. 213a(a)) is  
21 amended by adding at the end the following:

22 “(16) Section 1052, Reimbursement for adop-  
23 tion expenses.”.

1 (b) NATIONAL OCEANIC AND ATMOSPHERIC ADMIN-  
 2 ISTRATION.—Section 3(a) of the Act entitled “An Act to  
 3 revise, codify, and enact into law, title 10 of the United  
 4 States Code, entitled ‘Armed Forces’, and title 32 of the  
 5 United States Code, entitled ‘National Guard’”, approved  
 6 August 10, 1956 (33 U.S.C. 857a(a)), is amended by add-  
 7 ing at the end the following:

8 “(16) Section 1052, Reimbursement for adop-  
 9 tion expenses.”.

10 (c) PROSPECTIVE APPLICABILITY.—The amendments  
 11 made by this section shall take effect on the date of the  
 12 enactment of this Act and apply to adoptions completed  
 13 on or after such date.

## 14 **TITLE VII—HEALTH CARE** 15 **PROVISIONS**

16 **SEC. 701. WAIVER OF DEDUCTIBLES, COPAYMENTS, AND**  
 17 **ANNUAL FEES FOR MEMBERS ASSIGNED TO**  
 18 **CERTAIN DUTY LOCATIONS FAR FROM**  
 19 **SOURCES OF CARE.**

20 (a) AUTHORITY.—Chapter 55 of title 10, United  
 21 States Code, is amended by adding at the end the follow-  
 22 ing:

1 **“§ 1107. Waiver of deductibles, copayments, and an-**  
2 **nual fees for members assigned to certain**  
3 **duty locations far from sources of care**

4 “(a) **AUTHORITY.**—The administering Secretaries  
5 shall prescribe in regulations—

6 “(1) authority for members of the armed forces  
7 referred to in subsection (b) to receive care under  
8 the Civilian Health and Medical Program of the  
9 Uniformed Services; and

10 “(2) policies and procedures for waiving an obli-  
11 gation for such members to pay a deductible, copay-  
12 ment, or annual fee that would otherwise be applica-  
13 ble under that program for care provided to the  
14 members under the program.

15 “(b) **ELIGIBILITY.**—The regulations may be applied  
16 to a member of the uniformed services on active duty  
17 who—

18 “(1) is assigned to—

19 “(A) permanent duty as a recruiter;

20 “(B) permanent duty at an educational in-  
21 stitution to instruct, administer a program of  
22 instruction, or provide administrative services in  
23 support of a program of instruction for the Re-  
24 serve Officers’ Training Corps;

1           “(C) permanent duty as a full-time adviser  
2           to a unit of a reserve component of the armed  
3           forces; or

4           “(D) any other permanent duty designated  
5           by the administering Secretary concerned for  
6           purposes of the regulations; and

7           “(2) pursuant to such assignment, resides at a  
8           location that is more than 50 miles, or one hour of  
9           driving time, from—

10           “(A) the nearest health care facility of the  
11           uniformed services adequate to provide the  
12           needed care under this chapter; and

13           “(B) the nearest source of the needed care  
14           that is available to the member under the  
15           TRICARE Prime plan.

16           “(c) PAYMENT OF COSTS.—Deductibles, copayments,  
17           and annual fees not payable by a member by reason of  
18           a waiver granted under the regulations shall be paid out  
19           of funds available to the Department of Defense for the  
20           defense health program.

21           “(d) DEFINITIONS.—In this section:

22           “(1) The term ‘TRICARE Prime plan’ means  
23           a plan under the TRICARE program that provides  
24           for voluntary enrollment for health care to be fur-  
25           nished in a manner similar to the manner in which

1 health care is furnished by health maintenance orga-  
2 nizations.

3 “(2) The term ‘TRICARE program’ means the  
4 managed health care program that is established by  
5 the Secretary of Defense under the authority of this  
6 chapter, principally section 1097 of this title, and in-  
7 cludes the competitive selection of contractors to fi-  
8 nancially underwrite the delivery of health care serv-  
9 ices under the Civilian Health and Medical Program  
10 of the Uniformed Services.”.

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

“1107. Waiver of deductibles, copayments, and annual fees for members as-  
signed to certain duty locations far from sources of care.”.

14 **SEC. 702. PAYMENT FOR EMERGENCY HEALTH CARE OVER-**  
15 **SEAS FOR MILITARY AND CIVILIAN PERSON-**  
16 **NEL OF THE ON-SITE INSPECTION AGENCY.**

17 (a) PAYMENT OF COSTS.—The Secretary of Defense  
18 may pay the costs of any emergency health care that—

19 (1) is needed by a member of the Armed  
20 Forces, civilian employee of the Department of De-  
21 fense, or civilian employee of a contractor while the  
22 person is performing temporary or permanent duty  
23 with the On-Site Inspection Agency outside the  
24 United States; and



1 (d) COVERED SOURCES.—The regulations shall apply  
2 to the following:

3 (1) Pharmacies and any other dispensers of  
4 prescription medications in medical facilities of the  
5 uniformed services.

6 (2) Sources of prescription medications under  
7 any mail order pharmaceuticals program provided by  
8 any of the administering Secretaries under chapter  
9 55 of title 10, United States Code.

10 (3) Pharmacies paid under the Civilian Health  
11 and Medical Program of the Uniformed Services (in-  
12 cluding the TRICARE program).

13 (4) Pharmacies, and any other pharmaceutical  
14 dispensers, of designated providers referred to in  
15 section 721(5) of the National Defense Authoriza-  
16 tion Act for Fiscal Year 1997 (Public Law 104–201;  
17 110 Stat. 2593; 10 U.S.C. 1073 note).

18 **SEC. 704. HEALTH CARE SERVICES FOR CERTAIN RE-**  
19 **SERVES WHO SERVED IN SOUTHWEST ASIA**  
20 **DURING THE PERSIAN GULF WAR.**

21 (a) REQUIREMENT.—A member of the Armed Forces  
22 described in subsection (b) shall be entitled to medical and  
23 dental care under chapter 55 of title 10, United States  
24 Code, for a symptom or illness described in subsection  
25 (b)(2) to the same extent and under the same conditions

1 (other than the requirement to be on active duty) as is  
2 a member of a uniformed service who is entitled under  
3 section 1074(a) of such title to medical and dental care  
4 under such chapter. The Secretary shall provide such care  
5 free of charge to the member.

6 (b) COVERED MEMBERS.—Subsection (a) applies to  
7 any member of a reserve component of the Armed Forces  
8 who—

9 (1) is a Persian Gulf veteran;

10 (2) registers a symptom or illness in the Per-  
11 sian Gulf War Veterans Health Surveillance System  
12 of the Department of Defense that is presumed  
13 under section 721(d) of the National Defense Au-  
14 thorization Act for Fiscal Year 1995 (Public Law  
15 103–337; 108 Stat. 2805; 10 U.S.C. 1074 note) to  
16 be a result of such service; and

17 (3) is not otherwise entitled to medical and den-  
18 tal care under section 1074(a) of title 10, United  
19 States Code.

20 (c) DEFINITION.—In this section, the term “Persian  
21 Gulf veteran” has the same meaning as in section 721(i)  
22 of the National Defense Authorization Act for Fiscal Year  
23 1995 (Public Law 103–337; 108 Stat. 2807; 10 U.S.C.  
24 1074 note).

1 **SEC. 705. COLLECTION OF DENTAL INSURANCE PREMIUMS.**

2 (a) **SELECTED RESERVE DENTAL INSURANCE.**—

3 Paragraph (3) of section 1076b(b) of title 10, United  
4 States Code, is amended to read as follows:

5 “(3) The Secretary of Defense shall establish proce-  
6 dures for the collection of the member’s share of the pre-  
7 mium for coverage by the dental insurance plan. To the  
8 extent that the Secretary determines practicable, a mem-  
9 ber’s share may be deducted and withheld from the basic  
10 pay payable to the member for inactive duty training and  
11 from the basic pay payable to the member for active  
12 duty.”.

13 (b) **RETIREE DENTAL INSURANCE.**—Paragraph (2)  
14 of section 1076c(e) of title 10, United States Code, is  
15 amended by striking out “(2) The amount of the pre-  
16 miums” and inserting in lieu thereof “(2) The Secretary  
17 of Defense shall establish procedures for the collection of  
18 the premiums charged for coverage by the dental insur-  
19 ance plan. To the extent that the Secretary determines  
20 practicable, the premiums”.

21 **SEC. 706. DENTAL INSURANCE PLAN COVERAGE FOR RE-**  
22 **TIREES OF UNIFORMED SERVICE IN THE**  
23 **PUBLIC HEALTH SERVICE AND NOAA.**

24 (a) **OFFICIALS RESPONSIBLE.**—Subsection (a) of sec-  
25 tion 1076c of title 10, United States Code, is amended

1 by striking out “Secretary of Defense” and inserting in  
2 lieu thereof “administering Secretaries”.

3 (b) ELIGIBILITY.—Subsection (b)(1) of such section  
4 is amended by striking out “Armed Forces” and inserting  
5 in lieu thereof “uniformed services”.

6 **SEC. 707. PROSTHETIC DEVICES FOR DEPENDENTS.**

7 (a) EXPANDED AUTHORITY.—Section 1077(a) of  
8 title 10, United States Code, is amended by adding at the  
9 end the following:

10 “(15) Artificial limbs, voice prostheses, and ar-  
11 tificial eyes.

12 “(16) Any prosthetic device not named in para-  
13 graph (15) that is determined under regulations pre-  
14 scribed by the Secretary of Defense to be necessary  
15 because of one or more significant impairments re-  
16 sulting from trauma, congenital anomaly, or dis-  
17 ease.”.

18 (b) CONFORMING AMENDMENT.—Paragraph (2) of  
19 subsection (b) of such section is amended to read as fol-  
20 lows:

21 “(2) Hearing aids, orthopedic footwear, and  
22 spectacles, except that such items may be sold, at  
23 the cost to the United States, to dependents outside  
24 the United States and at stations inside the United

1 States where adequate civilian facilities are unavail-  
2 able.”.

3 **TITLE VIII—ACQUISITION POL-**  
4 **ICY, ACQUISITION MANAGE-**  
5 **MENT, AND RELATED MAT-**  
6 **TERS**

7 **Subtitle A—Amendments to Gen-**  
8 **eral Contracting Authorities,**  
9 **Procedures, and Limitations**

10 **SEC. 801. STREAMLINED APPROVAL REQUIREMENTS FOR**  
11 **CONTRACTS UNDER INTERNATIONAL AGREE-**  
12 **MENTS.**

13 Section 2304(f)(2)(E) of title 10, United States  
14 Code, is amended by striking out “and such document is  
15 approved by the competition advocate for the procuring  
16 activity”.

17 **SEC. 802. RESTRICTION ON UNDEFINITIZED CONTRACT AC-**  
18 **TIONS.**

19 (a) **APPLICABILITY OF WAIVER AUTHORITY TO HU-**  
20 **MANITARIAN OR PEACEKEEPING OPERATIONS.**—Section  
21 2326(b)(4) of title 10, United States Code, is amended  
22 to read as follows:

23 “(4) The head of an agency may waive the provisions  
24 of this subsection with respect to a contract of that agency  
25 if that head of an agency determines that the waiver is

1 necessary in order to support any of the following oper-  
2 ations:

3           “(A) A contingency operation.

4           “(B) A humanitarian or peacekeeping oper-  
5 ation.”.

6           (b) HUMANITARIAN OR PEACEKEEPING OPERATION  
7 DEFINED.—Section 2302(7) of such title is amended—

8           (1) by striking out “(7)(A)” and inserting in  
9 lieu thereof “(7)”; and

10           (2) by striking out “(B) In subparagraph (A),  
11 the” and inserting in lieu thereof “(8) The”.

12 **SEC. 803. EXPANSION OF AUTHORITY TO CROSS FISCAL**  
13 **YEARS TO ALL SEVERABLE SERVICE CON-**  
14 **TRACTS NOT EXCEEDING A YEAR.**

15           (a) EXPANDED AUTHORITY.—Section 2410a of title  
16 10, United States Code, is amended to read as follows:

17 **“§ 2410a. Severable service contracts for periods**  
18 **crossing fiscal years**

19           “(a) AUTHORITY.—The Secretary of Defense or the  
20 Secretary of a military department may enter into a con-  
21 tract for procurement of severable services for a period  
22 that begins in one fiscal year and ends in the next fiscal  
23 year if (without regard to any option to extend the period  
24 of the contract) the contract period does not exceed one  
25 year.

1       “(b) OBLIGATION OF FUNDS.—Funds made available  
2 for a fiscal year may be obligated for the total amount  
3 of a contract entered into under the authority of sub-  
4 section (a).”.

5       (b) CLERICAL AMENDMENT.—The item relating to  
6 such section in the table of sections at the beginning of  
7 chapter 141 of such title is amended to read as follows:  
“2410a. Severable service contracts for periods crossing fiscal years.”.

8       **SEC. 804. LIMITATION ON ALLOWABILITY OF COMPENSA-**  
9                               **TION FOR CERTAIN CONTRACTOR PERSON-**  
10                              **NEL.**

11       (a) CERTAIN COMPENSATION NOT ALLOWABLE AS  
12 COSTS UNDER DEFENSE CONTRACTS.—(1) Subsection  
13 (e)(1) of section 2324 of title 10, United States Code, is  
14 amended by adding at the end the following:

15               “(P) Costs of compensation of senior executives  
16 of contractors for a fiscal year, to the extent that  
17 such compensation exceeds the benchmark com-  
18 pensation amount determined applicable for the fis-  
19 cal year by the Administrator for Federal Procure-  
20 ment Policy under section 39 of the Office of Fed-  
21 eral Procurement Policy Act (41 U.S.C. 435).”.

22       (2) Subsection (1) of such section is amended by add-  
23 ing at the end the following:

24               “(4) The term ‘compensation’, for a fiscal year,  
25 means the total amount of wages, salary, bonuses

1 and deferred compensation for the fiscal year,  
2 whether paid, earned, or otherwise accruing, as re-  
3 corded in an employer's cost accounting records for  
4 the fiscal year.

5 “(5) The term ‘senior executive’, with respect to  
6 a contractor, means—

7 “(A) the chief executive officer of the con-  
8 tractor or any individual acting in a similar ca-  
9 pacity for the contractor;

10 “(B) the five most highly compensated em-  
11 ployees in management positions of the contrac-  
12 tor other than the chief executive officer; and

13 “(C) in the case of a contractor that has  
14 components managed by personnel who report  
15 on the operations of the components directly to  
16 officers of the contractor, the five most highly  
17 compensated individuals in management posi-  
18 tions at each such component.”.

19 (b) CERTAIN COMPENSATION NOT ALLOWABLE AS  
20 COSTS UNDER NON-DEFENSE CONTRACTS.—(1) Sub-  
21 section (e)(1) of section 306 of the Federal Property and  
22 Administrative Services Act of 1949 (41 U.S.C. 256) is  
23 amended by adding at the end the following:

24 “(P) Costs of compensation of senior executives  
25 of contractors for a fiscal year, to the extent that

1 such compensation exceeds the benchmark com-  
2 pensation amount determined applicable for the fis-  
3 cal year by the Administrator for Federal Procure-  
4 ment Policy under section 39 of the Office of Fed-  
5 eral Procurement Policy Act (41 U.S.C. 435).”.

6 (2) Such section is further amended by adding at the  
7 end the following:

8 “(m) OTHER DEFINITIONS.—In this section:

9 “(1) The term ‘compensation’, for a fiscal year,  
10 means the total amount of wages, salary, bonuses  
11 and deferred compensation for the fiscal year,  
12 whether paid, earned, or otherwise accruing, as re-  
13 corded in an employer’s cost accounting records for  
14 the fiscal year.

15 “(2) The term ‘senior executive’, with respect to  
16 a contractor, means—

17 “(A) the chief executive officer of the con-  
18 tractor or any individual acting in a similar ca-  
19 pacity for the contractor;

20 “(B) the five most highly compensated em-  
21 ployees in management positions of the contrac-  
22 tor other than the chief executive officer; and

23 “(C) in the case of a contractor that has  
24 components managed by personnel who report  
25 on the operations of the components directly to

1 officers of the contractor, the five most highly  
2 compensated individuals in management posi-  
3 tions at each such component.”.

4 (c) LEVELS OF COMPENSATION NOT ALLOWABLE.—

5 (1) The Office of Federal Procurement Policy Act (41  
6 U.S.C. 401 et seq.) is amended by adding at the end the  
7 following:

8 **“SEC. 39. LEVELS OF COMPENSATION OF CERTAIN CON-**  
9 **TRACTOR PERSONNEL NOT ALLOWABLE AS**  
10 **COSTS UNDER CERTAIN CONTRACTS.**

11 “(a) DETERMINATION REQUIRED.—For purposes of  
12 section 2324(e)(1)(P) of title 10, United States Code, and  
13 section 306(e)(1)(P) of the Federal Property and Admin-  
14 istrative Services Act of 1949 (41 U.S.C. 256(e)(1)(P)),  
15 the Administrator shall review commercially available sur-  
16 veys of executive compensation and, on the basis of the  
17 results of the review, determine a benchmark compensa-  
18 tion amount to apply for each fiscal year. In making deter-  
19 minations under this subsection the Administrator shall  
20 consult with the Director of the Defense Contract Audit  
21 Agency and such other officials of executive agencies as  
22 the Administrator considers appropriate.

23 “(b) BENCHMARK COMPENSATION AMOUNT.—The  
24 benchmark compensation amount applicable for a fiscal  
25 year is the median amount of the compensation provided

1 for all senior executives of all benchmark corporations for  
2 the most recent year for which data is available at the  
3 time the determination under subsection (a) is made.

4 “(c) DEFINITIONS.—In this section:

5 “(1) The term ‘compensation’, for a year,  
6 means the total amount of wages, salary, bonuses  
7 and deferred compensation for the year, whether  
8 paid, earned, or otherwise accruing, as recorded in  
9 an employer’s cost accounting records for the year.

10 “(2) The term ‘senior executive’, with respect to  
11 a corporation, means—

12 “(A) the chief executive officer of the cor-  
13 poration or any individual acting in a similar  
14 capacity for the corporation;

15 “(B) the five most highly compensated em-  
16 ployees in management positions of the corpora-  
17 tion other than the chief executive officer; and

18 “(C) in the case of a corporation that has  
19 components managed by personnel who report  
20 on the operations of the components directly to  
21 officers of the corporation, the five most highly  
22 compensated individuals in management posi-  
23 tions at each such component.

24 “(3) The term ‘benchmark corporation’, with  
25 respect to a year, means a publicly-owned United

1 States corporation that has annual sales in excess of  
2 \$50,000,000 for the year.

3 “(4) The term ‘publicly-owned United States  
4 corporation’ means a corporation organized under  
5 the laws of a State of the United States, the District  
6 of Columbia, the Commonwealth of Puerto Rico, or  
7 a possession of the United States the voting stock of  
8 which is publicly traded.”.

9 (2) The table of sections in section 1(b) of such Act  
10 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.”.

11 (d) REGULATIONS.—Regulations implementing the  
12 amendments made by this section shall be published in  
13 the Federal Register not later than the effective date of  
14 the amendments under subsection (e).

15 (e) EFFECTIVE DATE.—(1) The amendments made  
16 by this section shall take effect on the date that is 90  
17 days after the date of the enactment of this Act and shall  
18 apply with respect to payments that become due from the  
19 United States after that date under covered contracts en-  
20 tered into before, on, or after that date.

21 (2) In paragraph (1), the term “covered contract”  
22 has the meaning given such term in section 2324(l) of title  
23 10, United States Code, and section 306(l) of the Federal

1 Property and Administrative Services Act of 1949 (41  
2 U.S.C. 256(l)).

3 **SEC. 805. INCREASED PRICE LIMITATION ON PURCHASES**  
4 **OF RIGHT-HAND DRIVE VEHICLES.**

5 Section 2253(a)(2) of title 10, United States Code,  
6 is amended by striking out “\$12,000” and inserting in  
7 lieu thereof “\$30,000”.

8 **SEC. 806. CONVERSION OF DEFENSE CAPABILITY PRESER-**  
9 **VATION AUTHORITY TO NAVY SHIPBUILDING**  
10 **CAPABILITY PRESERVATION AUTHORITY.**

11 (a) **AUTHORITY OF SECRETARY OF THE NAVY.**—Sec-  
12 tion 808 of the National Defense Authorization Act for  
13 Fiscal Year 1996 (Public Law 104–106; 110 Stat. 393;  
14 10 U.S.C. 2501) is amended—

15 (1) in subsection (a), by striking out “Secretary  
16 of Defense” and inserting in lieu thereof “Secretary  
17 of the Navy”; and

18 (2) in subsection (b)(2), by striking out “Sec-  
19 retary of Defense if the Secretary of Defense” and  
20 inserting in lieu thereof “Secretary of the Navy if  
21 the Secretary”.

22 (b) **NAME OF AGREEMENTS.**—Subsection (a) of such  
23 section is amended—

24 (1) by striking out “**DEFENSE CAPABILITY**  
25 **PRESERVATION AGREEMENT.—**” and inserting in

1        lieu thereof “SHIPBUILDING CAPABILITY PRESERVA-  
2        TION AGREEMENT.—”; and

3            (2) by striking out “‘defense capability preser-  
4        vation agreement’” and inserting in lieu thereof  
5        “‘shipbuilding capability preservation agreement’”.

6        (c) SCOPE OF AUTHORITY.—(1) The first sentence  
7 of subsection (a) of such section is amended—

8            (A) by striking out “defense contractor” and in-  
9        serting in lieu thereof “shipbuilder”; and

10           (B) by adding at the end the following “to the  
11        shipbuilder under a Navy contract for the construc-  
12        tion of a ship”.

13        (2) Subsection (b)(1)(A) of such section is amended  
14 by striking out “defense contract” and inserting in lieu  
15 thereof “contract for the construction of a ship for the  
16 Navy”.

17        (d) MAXIMUM AMOUNT OF ALLOCABLE INDIRECT  
18 COSTS.—Subsection (b)(1)(C) of such section is amend-  
19 ed—

20            (1) by striking out “in any year of” and insert-  
21        ing in lieu thereof “covered by”; and

22            (2) by striking out “that year” and inserting in  
23        lieu thereof “the period covered by the agreement”.

1 (e) APPLICABILITY.—Such section is further amend-  
2 ed by striking out subsections (c), (d), and (e) and insert-  
3 ing in lieu thereof the following:

4 “(c) APPLICABILITY.—(1) An agreement entered into  
5 with a shipbuilder under subsection (a) shall apply to each  
6 of the following Navy contracts with the shipbuilder:

7 “(A) A contract that is in effect on the date on  
8 which the agreement is entered into.

9 “(B) A contract that is awarded during the  
10 term of the agreement.

11 “(2) In a shipbuilding capability preservation agree-  
12 ment applicable to a shipbuilder, the Secretary may agree  
13 to apply the cost reimbursement rules set forth in sub-  
14 section (b) to allocations of indirect costs to private sector  
15 work performed by the shipbuilder only with respect to  
16 costs that the shipbuilder incurred on or after the date  
17 of the enactment of the National Defense Authorization  
18 Act for Fiscal Year 1998 under a contract between the  
19 shipbuilder and a private sector customer of the ship-  
20 builder that became effective on or after January 26,  
21 1996.”.

22 (f) IMPLEMENTATION AND REPORT.—Such section is  
23 further amended adding at the end the following:

24 “(d) IMPLEMENTATION.—Not later than 30 days  
25 after the date of the enactment of the National Defense

1 Authorization Act for Fiscal Year 1998, the Secretary of  
2 the Navy shall establish application procedures and proce-  
3 dures for expeditious consideration of shipbuilding capa-  
4 bility preservation agreements as authorized by this sec-  
5 tion.

6 “(e) REPORT.—Not later than February 15, 1998,  
7 the Secretary of the Navy shall submit to the congres-  
8 sional defense committees a report on applications for  
9 shipbuilding capability preservation agreements. The re-  
10 port shall contain the number of the applications received,  
11 the number of the applications approved, and a discussion  
12 of the reasons for disapproval of any applications dis-  
13 approved.”.

14 (g) SECTION HEADING.—The heading for such sec-  
15 tion is amended by striking out “**DEFENSE**” and inserting  
16 in lieu thereof “**CERTAIN**”.

17 **SEC. 807. ELIMINATION OF CERTIFICATION REQUIREMENT**  
18 **FOR GRANTS.**

19 Section 5153 of the Drug-Free Workplace Act of  
20 1988 (Public Law 100–690; 102 Stat. 4306; 41 U.S.C.  
21 702) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking out “has  
24 certified to the granting agency that it will”  
25 and inserting in lieu thereof “agrees to”; and

1 (B) in paragraph (2), by striking out “cer-  
2 tifies to the agency” and inserting in lieu there-  
3 of “agrees”; and

4 (2) in subsection (b)(1)—

5 (A) by striking out subparagraph (A);

6 (B) by redesignating subparagraphs (B)  
7 and (C) as subparagraphs (A) and (B), respec-  
8 tively; and

9 (C) in subparagraph (A), as so redesign-  
10 nated, by striking out “such certification by  
11 failing to carry out”.

12 **SEC. 808. REPEAL OF LIMITATION ON ADJUSTMENT OF**  
13 **SHIPBUILDING CONTRACTS.**

14 (a) REPEAL.—(1) Section 2405 of title 10, United  
15 States Code, is repealed.

16 (2) The table of sections at the beginning of chapter  
17 141 of such title is amended by striking out the item relat-  
18 ing to section 2405.

19 (b) APPLICABILITY.—(1) Except as provided in para-  
20 graph (2), the amendments made by subsection (a) shall  
21 apply to claims, requests for equitable adjustment, and de-  
22 mands for payment under shipbuilding contracts that have  
23 been or are submitted before, on, or after the date of the  
24 enactment of this Act.

1       (2) Section 2405 of title 10, United States Code, as  
2 in effect immediately before the date of the enactment of  
3 this Act, shall continue to apply to a contractor's claim,  
4 request for equitable adjustment, or demand for payment  
5 under a shipbuilding contract that was submitted before  
6 such date if—

7           (A) a contracting officer denied the claim, re-  
8 quest, or demand, and the period for appealing the  
9 decision to a court or board under the Contract Dis-  
10 putes Act of 1978 expired before such date;

11           (B) a court or board of contract appeals consid-  
12 ering the claim, request, or demand (including any  
13 appeal of a decision of a contracting officer to deny  
14 or dismiss the claim, request, or demand) denied the  
15 claim, request, or demand (or the appeal), and the  
16 action of the court or board became final and  
17 unappealable before such date; or

18           (C) the contractor released or releases the  
19 claim, request, or demand.

## 20       **Subtitle B—Contract Provisions**

### 21       **SEC. 811. CONTRACTOR GUARANTEES OF MAJOR SYSTEMS.**

22       (a) REVISION OF REQUIREMENT.—Section 2403 of  
23 title 10, United States Code, is amended to read as fol-  
24 lows:

1 **“§ 2403. Major systems: contractor guarantees**

2       “(a) GUARANTEE REQUIRED.—In any case in which  
3 the head of an agency determines that it is appropriate  
4 and cost effective to do so in entering into a contract for  
5 the production of a major system, the head of an agency  
6 shall, except as provided in subsection (b), require the  
7 prime contractor to provide the United States with a writ-  
8 ten guarantee that—

9               “(1) the item provided under the contract will  
10 conform to the design and manufacturing require-  
11 ments specifically delineated in the production con-  
12 tract (or in any amendment to that contract);

13               “(2) the item provided under the contract will  
14 be free from all defects in materials and workman-  
15 ship at the time it is delivered to the United States;

16               “(3) the item provided under the contract will  
17 conform to the essential performance requirements  
18 of the item as specifically delineated in the produc-  
19 tion contract (or in any amendment to that con-  
20 tract); and

21               “(4) if the item provided under the contract  
22 fails to meet a guarantee required under paragraph  
23 (1), (2), or (3), the contractor will, at the election  
24 of the Secretary of Defense or as otherwise provided  
25 in the contract—

1           “(A) promptly take such corrective action  
2           as may be necessary to correct the failure at no  
3           additional cost to the United States; or

4           “(B) pay costs reasonably incurred by the  
5           United States in taking such corrective action.

6           “(b) EXCEPTION.—The head of an agency may not  
7           require a prime contractor under subsection (a) to provide  
8           a guarantee for a major system, or for a component of  
9           a major system, that is furnished by the United States.

10          “(c) DEFINITIONS.—In this section:

11           “(1) The term ‘prime contractor’ means a party  
12           that enters into an agreement directly with the Unit-  
13           ed States to furnish part or all of a major system.

14           “(2) The term ‘design and manufacturing re-  
15           quirements’ means structural and engineering plans  
16           and manufacturing particulars, including precise  
17           measurements, tolerances, materials, and finished  
18           product tests for the major system being produced.

19           “(3) The term ‘essential performance require-  
20           ments’, with respect to a major system, means the  
21           operating capabilities or maintenance and reliability  
22           characteristics of the system that are determined by  
23           the Secretary of Defense to be necessary for the sys-  
24           tem to fulfill the military requirement for which the  
25           system is designed.

1           “(4) The term ‘component’ means any constitu-  
2           ent element of a major system.

3           “(5) The term ‘head of an agency’ has the  
4           meaning given that term in section 2302 of this  
5           title.”.

6           (b) CLERICAL AMENDMENT.—The item relating to  
7           such section in the table of sections at the beginning of  
8           chapter 141 of such title is amended to read as follows:  
          “2403. Major systems: contractor guarantees.”.

9   **SEC. 812. VESTING OF TITLE IN THE UNITED STATES**  
10                           **UNDER CONTRACTS PAID UNDER PROGRESS**  
11                           **PAYMENT ARRANGEMENTS OR SIMILAR AR-**  
12                           **RANGEMENTS.**

13           Section 2307 of title 10, United States Code, is  
14           amended—

15           (1) by redesignating subsection (h) as sub-  
16           section (i); and

17           (2) by inserting after subsection (g) the follow-  
18           ing new subsection (h):

19           “(h) VESTING OF TITLE IN THE UNITED STATES.—  
20           If a contract paid by a method authorized under sub-  
21           section (a)(1) provides for title to property to vest in the  
22           United States, the title to the property shall vest in ac-  
23           cordance with the terms of the contract, regardless of any  
24           security interest in the property that is asserted before  
25           or after the contract is entered into.”.

1 **Subtitle C—Acquisition Assistance**  
2 **Programs**

3 **SEC. 821. PROCUREMENT TECHNICAL ASSISTANCE PRO-**  
4 **GRAMS.**

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

9 (b) SPECIFIC PROGRAMS.—Of the amounts made  
10 available pursuant to subsection (a), \$600,000 shall be  
11 available for fiscal year 1998 for the purpose of carrying  
12 out programs sponsored by eligible entities referred to in  
13 subparagraph (D) of section 2411(1) of title 10, United  
14 States Code, that provide procurement technical assist-  
15 ance in distressed areas referred to in subparagraph (B)  
16 of section 2411(2) of such title. If there is an insufficient  
17 number of satisfactory proposals for cooperative agree-  
18 ments in such distressed areas to allow effective use of  
19 the funds made available in accordance with this sub-  
20 section in such areas, the funds shall be allocated among  
21 the Defense Contract Administration Services regions in  
22 accordance with section 2415 of such title.

1 **SEC. 822. ONE-YEAR EXTENSION OF PILOT MENTOR-PRO-**  
2 **TEGE PROGRAM.**

3 Section 831(j) of the National Defense Authorization  
4 Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amend-  
5 ed—

6 (1) in paragraph (1), by striking out “1998”  
7 and inserting in lieu thereof “1999”;

8 (2) in paragraph (2), by striking out “1999”  
9 and inserting in lieu thereof “2000”; and

10 (3) in paragraph (3), by striking out “1999”  
11 and inserting in lieu thereof “2000”.

12 **SEC. 823. TEST PROGRAM FOR NEGOTIATION OF COM-**  
13 **PREHENSIVE SUBCONTRACTING PLANS.**

14 (a) **CONTENT OF SUBCONTRACTING PLANS.**—Sub-  
15 section (b)(2) of section 834 of the National Defense Au-  
16 thorization Act for Fiscal Years 1990 and 1991 (Public  
17 Law 101–189; 15 U.S.C. 637 note) is amended—

18 (1) by striking out “plan—” and inserting in  
19 lieu thereof “plan of a contractor—”;

20 (2) by striking out subparagraph (A);

21 (3) by redesignating subparagraph (B) as sub-  
22 paragraph (A) and by striking out the period at the  
23 end of such subparagraph and inserting in lieu  
24 thereof “; and”; and

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

1           “(B) shall cover each Department of Defense  
2           contract that is entered into by the contractor and  
3           each subcontract that is entered into by the contrac-  
4           tor as the subcontractor under a Department of De-  
5           fense contract.”.

6           (b) EXTENSION OF PROGRAM.—Subsection (e) of  
7           such section is amended by striking out “September 30,  
8           1998” in the second sentence and inserting in lieu thereof  
9           “September 30, 2000.”.

10   **SEC. 824. PRICE PREFERENCE FOR SMALL AND DISADVAN-**  
11                           **TAGED BUSINESSES.**

12           Section 2323(e)(3) of title 10, United States Code,  
13           is amended by—

14                   (1) inserting “(A)” after “(3)”;

15                   (2) inserting “, except as provided in (B),”  
16           after “the head of an agency may” in the first sen-  
17           tence; and

18                   (3) adding at the end the following:

19           “(B) The Secretary of Defense may not exercise the  
20           authority under subparagraph (A) to enter into a contract  
21           for a price exceeding fair market cost in any fiscal year  
22           following a fiscal year in which the Department of Defense  
23           attained the 5 percent goal required by subsection (a).”.

1                   **Subtitle D—Administrative**  
2                   **Provisions**

3   **SEC. 831. RETENTION OF EXPIRED FUNDS DURING THE**  
4                   **PENDENCY OF CONTRACT LITIGATION.**

5           (a) IN GENERAL.—Chapter 141 of title 10, United  
6 States Code, is amended by adding at the end the follow-  
7 ing new section:

8   **“§ 2410m. Retention of amounts collected from con-**  
9                   **tractor during the pendency of contract**  
10                  **dispute**

11           “(a) RETENTION OF FUNDS.—Notwithstanding sec-  
12 tions 1552(a) and 3302(b) of title 31, any amount, includ-  
13 ing interest, collected from a contractor as a result of a  
14 claim made by an executive agency under the Contract  
15 Disputes Act of 1978 (41 U.S.C. 601 et seq.), shall remain  
16 available in accordance with this section to pay—

17                   “(1) any settlement of the claim by the parties;

18                   “(2) any judgment rendered in the contractor’s  
19 favor on an appeal of the decision on that claim to  
20 the Armed Services Board of Contract Appeals  
21 under section 7 of such Act (41 U.S.C. 606); or

22                   “(3) any judgment rendered in the contractor’s  
23 favor in an action on that claim in a court of the  
24 United States.

1       “(b) PERIOD OF AVAILABILITY.—(1) The period of  
2 availability of an amount under subsection (a), in connec-  
3 tion with a claim—

4           “(A) expires 180 days after the expiration of  
5 the period for bringing an action on that claim in  
6 the United States Court of Federal Claims under  
7 section 10(a) of the Contract Disputes Act of 1978  
8 (41 U.S.C. 609(a)) if, within that 180-day period—

9           “(i) no appeal on the claim is commenced  
10 at the Armed Services Board of Contract Ap-  
11 peals under section 7 of the Contract Disputes  
12 Act of 1978; and

13           “(ii) no action on the claim is commenced  
14 in a court of the United States; or

15       “(B) if not expiring under subparagraph (A),  
16 expires—

17           “(i) in the case of a settlement of the  
18 claim, 180 days after the date of the settle-  
19 ment; or

20           “(ii) in the case of a judgment rendered on  
21 the claim in an appeal to the Armed Services  
22 Board of Contract Appeals under section 7 of  
23 the Contract Disputes Act of 1978 or an action  
24 in a court of the United States, 180 days after

1           the date on which the judgment becomes final  
2           and not appealable.

3           “(2) While available under this section, an amount  
4 may be obligated or expended only for the purpose de-  
5 scribed in subsection (a).

6           “(3) Upon the expiration of the period of availability  
7 of an amount under paragraph (1), the amount shall be  
8 deposited in the Treasury as miscellaneous receipts.

9           “(c) REPORTING REQUIREMENT.—Each year, the  
10 Under Secretary of Defense (Comptroller) shall submit to  
11 Congress a report on the amounts, if any, that are avail-  
12 able for obligation pursuant to this section. The report  
13 shall include, at a minimum, the following:

14           “(1) The total amount available for obligation.

15           “(2) The total amount collected from contrac-  
16 tors during the year preceding the year in which the  
17 report is submitted.

18           “(3) The total amount disbursed in such pre-  
19 ceding year and a description of the purpose for  
20 each disbursement.

21           “(4) The total amount returned to the Treasury  
22 in such preceding year.”.

23           (b) CLERICAL AMENDMENT.—The table of sections  
24 at the beginning of chapter 141 of title 10, United States

1 Code, is amended by adding at the end the following new  
2 item:

“2410m. Retention of amounts collected from contractor during the pendency  
of contract dispute.”.

3 **SEC. 832. PROTECTION OF CERTAIN INFORMATION FROM**  
4 **DISCLOSURE.**

5 Section 2371 of title 10, United States Code, is  
6 amended by inserting after subsection (h) the following:

7 “(i) PROTECTION OF CERTAIN INFORMATION FROM  
8 DISCLOSURE.—(1) Disclosure of information described in  
9 paragraph (2) is not required, and may not be compelled,  
10 under section 552 of title 5 for five years after the date  
11 on which the information is received by the Department  
12 of Defense.

13 “(2)(A) Paragraph (1) applies to information de-  
14 scribed in subparagraph (B) that is in the records of the  
15 Department of Defense if the information was submitted  
16 to the department in a competitive or noncompetitive proc-  
17 ess having the potential for resulting in an award, to the  
18 party submitting the information, of a cooperative agree-  
19 ment that includes a clause described in subsection (d)  
20 or another transaction authorized under subsection (a).

21 “(B) The information referred to in subparagraph  
22 (A) is the following:

23 “(i) A proposal, proposal abstract, and support-  
24 ing documents.

1           “(ii) A business plan submitted on a confiden-  
2           tial basis.

3           “(iii) Technical information submitted on a con-  
4           fidential basis.”.

5 **SEC. 833. CONTENT OF LIMITED SELECTED ACQUISITION**  
6                                   **REPORTS.**

7           Section 2432(h)(2) of title 10, United States Code,  
8 is amended—

9           (1) by striking out subparagraph (D); and

10           (2) by redesignating subparagraphs (E) and  
11           (F) as subparagraphs (D) and (E), respectively.

12 **SEC. 834. UNIT COST REPORTS.**

13           (a) IMMEDIATE REPORT REQUIRED ONLY FOR PRE-  
14           VIOUSLY UNREPORTED INCREASED COSTS.—Subsection  
15           (c) of section 2433 of title 10, United States Code, is  
16           amended by striking out “during the current fiscal year  
17           (other than the last quarterly unit cost report under sub-  
18           section (b) for the preceding fiscal year)” in the matter  
19           following paragraph (3).

20           (b) IMMEDIATE REPORT NOT REQUIRED FOR COST  
21           VARIANCES OR SCHEDULE VARIANCES OF MAJOR CON-  
22           TRACTS.—Subsection (c) of such section is further amend-  
23           ed—

24           (1) by inserting “or” at the end of paragraph

25           (1);



1           (2) Department of Defense solicitations for of-  
2           fers that are open for response and the procedures  
3           for responding to the solicitations.

4           (3) Procedures for being included on any list of  
5           approved suppliers used by the Department of De-  
6           fense.

7           (c) AVAILABILITY OF INFORMATION.—The official  
8           designated under subsection (a) shall use a variety of  
9           means for making the information described in subsection  
10          (b) readily available to potential contractors for the De-  
11          partment of Defense. The means shall include the estab-  
12          lishment of one or more toll-free automated telephone  
13          lines, posting of information about the services of the offi-  
14          cial on generally accessible computer communications net-  
15          works, and advertising.

## 16                   **Subtitle E—Other Matters**

### 17           **SEC. 841. DEFENSE BUSINESS COMBINATIONS.**

18          (a) EXTENSION OF REQUIREMENT FOR REPORTS ON  
19          PAYMENT OF RESTRUCTURING COSTS.—Section 818(e) of  
20          the National Defense Authorization Act for Fiscal Year  
21          1995 (Public Law 103–337; 108 Stat. 1821; 10 U.S.C.  
22          2324 note) is amended by striking out “1995, 1996, and  
23          1997” and inserting in lieu thereof “1997, 1998, and  
24          1999”.

1           (b) SECRETARY OF DEFENSE REPORTS.—Not later  
2 than March 1 in each of the years 1998, 1999, and 2000,  
3 the Secretary of Defense shall submit to the congressional  
4 defense committees a report on effects on competition re-  
5 sulting from any business combinations of major defense  
6 contractors that took place during the year preceding the  
7 year of the report. The report shall include, for each busi-  
8 ness combination reviewed by the Department pursuant  
9 to Department of Defense Directive 5000.62, the follow-  
10 ing:

11           (1) An assessment of any potentially adverse ef-  
12 fects that the business combination could have on  
13 competition for Department of Defense contracts  
14 (including potential horizontal effects, vertical ef-  
15 fects, and organizational conflicts of interest), the  
16 national technology and industrial base, or innova-  
17 tion in the defense industry.

18           (2) The actions taken to mitigate the poten-  
19 tially adverse effects.

20           (c) GAO REPORTS.—(1) Not later than December 1,  
21 1997, the Comptroller General shall—

22           (A) in consultation with appropriate officials in  
23 the Department of Defense—

1 (i) identify major market areas adversely  
2 affected by business combinations of defense  
3 contractors since January 1, 1990; and

4 (ii) develop a methodology for determining  
5 the beneficial impact of business combinations  
6 of defense contractors on the prices paid on  
7 particular defense contracts; and

8 (B) submit to the congressional defense com-  
9 mittees a report describing, for each major market  
10 area identified pursuant to subparagraph (A)(i), the  
11 changes in numbers of businesses competing for  
12 major defense contracts since January 1, 1990.

13 (2) Not later than December 1, 1998, the Comptrol-  
14 ler General shall submit to the congressional defense com-  
15 mittees a report containing the following:

16 (A) Updated information on—

17 (i) restructuring costs of business combina-  
18 tions paid by the Department of Defense pursu-  
19 ant to certifications under section 818 of the  
20 National Defense Authorization Act for Fiscal  
21 Year 1995, and

22 (ii) savings realized by the Department of  
23 Defense as a result of the business combina-  
24 tions for which the payment of restructuring  
25 costs was so certified.

1           (B) An assessment of the beneficial impact of  
2           business combinations of defense contractors on the  
3           prices paid on a meaningful sample of defense con-  
4           tracts, determined in accordance with the methodol-  
5           ogy developed pursuant to paragraph (1)(A)(ii).

6           (C) Any recommendations that the Comptroller  
7           General considers appropriate.

8           (d) BUSINESS COMBINATION DEFINED.—In this sec-  
9           tion, the term “business combination” has the meaning  
10          given that term in section 818(f) of the National Defense  
11          Authorization Act for Fiscal Year 1995 (108 Stat. 2822;  
12          10 U.S.C. 2324 note).

13       **SEC. 842. LEASE OF NONEXCESS PROPERTY OF DEFENSE**  
14                               **AGENCIES.**

15          (a) AUTHORITY.—Chapter 159 of title 10, United  
16          States Code, is amended by inserting after section 2667  
17          the following:

18       **“§ 2667a. Leases: non-excess property of Defense**  
19                               **Agencies**

20          “(a) AUTHORITY.—Whenever the Director of a De-  
21          fense Agency considers it advantageous to the United  
22          States, he may lease to such lessee and upon such terms  
23          as he considers will promote the national defense or to  
24          be in the public interest, personal property that is—

25               “(1) under the control of the Defense Agency;

1           “(2) not for the time needed for public use; and

2           “(3) not excess property, as defined by section  
3 of the Federal Property and Administrative Serv-  
4 ices Act of 1949 (40 U.S.C. 472).

5           “(b) LIMITATION, TERMS, AND CONDITIONS.—A  
6 lease under subsection (a)—

7           “(1) may not be for more than five years unless  
8 the Director of the Defense Agency concerned deter-  
9 mines that a lease for a longer period will promote  
10 the national defense or be in the public interest;

11           “(2) may give the lessee the first right to buy  
12 the property if the lease is revoked to allow the  
13 United States to sell the property under any other  
14 provision of law;

15           “(3) shall permit the Director to revoke the  
16 lease at any time, unless he determines that the  
17 omission of such a provision will promote the na-  
18 tional defense or be in the public interest; and

19           “(4) may provide, notwithstanding any other  
20 provision of law, for the improvement, maintenance,  
21 protection, repair, restoration, or replacement by the  
22 lessee, of the property leased as the payment of part  
23 or all of the consideration for the lease.

24           “(c) DISPOSITION OF MONEY RENT.—Money rentals  
25 received pursuant to leases entered into by the Director

1 of a Defense Agency under subsection (a) shall be depos-  
 2 ited in a special account in the Treasury established for  
 3 such Defense Agency. Amounts in a Defense Agency's spe-  
 4 cial account shall be available, to the extent provided in  
 5 appropriations Acts, solely for the maintenance, repair,  
 6 restoration, or replacement of the leased property.”.

7 (b) CONFORMING AMENDMENT.—The heading of sec-  
 8 tion 2667 of such title is amended to read as follows:

9 **“§ 2667. Leases: non-excess property of military de-**  
 10 **partments”.**

11 (c) CLERICAL AMENDMENT.—The table of sections  
 12 at the beginning of chapter 159 of such title is amended  
 13 by striking out the item relating to section 2667 and in-  
 14 serting in lieu thereof the following:

“2667. Leases: non-excess property of military departments.

“2667a. Leases: non-excess property of Defense Agencies.”.

15 **SEC. 843. PROMOTION RATE FOR OFFICERS IN AN ACQUI-**  
 16 **SION CORPS.**

17 (a) REVIEW OF ACQUISITION CORPS PROMOTION SE-  
 18 LECTIONS.—Upon the approval of the President or his  
 19 designee of the report of a selection board convened under  
 20 section 611(a) of title 10, United States Code, which con-  
 21 sidered members of an Acquisition Corps of a military de-  
 22 partment for promotion to a grade above O-4, the Sec-  
 23 retary of the military department shall submit a copy of

1 the report to the Under Secretary of Defense for Acquisi-  
2 tion and Technology for review.

3 (b) REPORTING REQUIREMENT.—Not later than  
4 January 31 of each year, the Under Secretary of Defense  
5 for Acquisition and Technology shall submit to the Com-  
6 mittee on Armed Services of the Senate and the Commit-  
7 tee on National Security of the House of Representatives  
8 a report containing the Under Secretary’s assessment of  
9 the extent to which each military department is complying  
10 with the requirement set forth in section 1731(b) of title  
11 10, United States Code.

12 (c) TERMINATION OF REQUIREMENTS.—This section  
13 shall cease to be effective on October 1, 2000.

14 **TITLE IX—DEPARTMENT OF DE-**  
15 **FENSE ORGANIZATION AND**  
16 **MANAGEMENT**

17 **SEC. 901. PRINCIPAL DUTY OF ASSISTANT SECRETARY OF**  
18 **DEFENSE FOR SPECIAL OPERATIONS AND**  
19 **LOW INTENSITY CONFLICT.**

20 Section 138(b)(4) of title 10, United States Code, is  
21 amended by striking out “of special operations activities  
22 (as defined in section 167(j) of this title) and” and insert-  
23 ing in lieu thereof “of the performance of the responsibil-  
24 ities of the commander of the special operations command

1 under subsections (e)(4) and (f) of section 167 of this title  
2 and of”.

3 **SEC. 902. PROFESSIONAL MILITARY EDUCATION SCHOOLS.**

4 (a) COMPONENT INSTITUTIONS OF THE NATIONAL  
5 DEFENSE UNIVERSITY.—(1) Chapter 108 of title 10,  
6 United States Code, is amended by adding at the end the  
7 following:

8 **“§ 2165. National Defense University**

9 “(a) IN GENERAL.—There is a National Defense  
10 University in the Department of Defense.

11 “(b) COMPONENT INSTITUTIONS.—The university in-  
12 cludes the following institutions:

13 “(1) The National War College.

14 “(2) The Industrial College of the Armed  
15 Forces.

16 “(3) The Armed Forces Staff College.

17 “(4) The Institute for National Strategic Stud-  
18 ies.

19 “(5) The Information Resources Management  
20 College.”.

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

“2165. National Defense University.”.

23 (b) MARINE CORPS UNIVERSITY AS PROFESSIONAL  
24 MILITARY EDUCATION SCHOOL.—Subsection (d) of sec-  
25 tion 2162 of such title is amended to read as follows:

1       “(d)    PROFESSIONAL    MILITARY    EDUCATION  
2   SCHOOLS.—This section applies to the following profes-  
3   sional military education schools:

4           “(1) The National Defense University.

5           “(2) The Army War College.

6           “(3) The College of Naval Warfare.

7           “(4) The Air War College.

8           “(5) The United States Army Command and  
9   General Staff College.

10          “(6) The College of Naval Command and Staff.

11          “(7) The Air Command and Staff College.

12          “(8) The Marine Corps University.”.

13       (c) REPEAL OF DUPLICATIVE DEFINITION.—Section  
14   1595(d) of title 10, United States Code, is amended—

15           (1) in paragraph (1), by striking out “(1)”; and

16           (2) by striking out paragraph (2).

17   **SEC. 903. USE OF CINC INITIATIVE FUND FOR FORCE PRO-**  
18                                   **TECTION.**

19       Section 166a(b) of title 10, United States Code, is  
20   amended by adding at the end the following:

21           “(9) Force protection.”.

22   **SEC. 904. TRANSFER OF TIARA PROGRAMS.**

23       (a) TRANSFER OF FUNCTIONS.—The Secretary of  
24   Defense shall transfer—

1           (1) the responsibilities of the Tactical Intel-  
2           ligence and Related Activities (TIARA) aggregation  
3           for the conduct of programs referred to in sub-  
4           section (b) to officials of elements of the military de-  
5           partments not in the intelligence community; and

6           (2) the funds available within the Tactical In-  
7           telligence and Related Activities aggregation for  
8           such programs to accounts of the military depart-  
9           ments that are available for non-intelligence pro-  
10          grams of the military departments.

11          (b) COVERED PROGRAMS.—Subsection (a) applies to  
12          the following programs:

13           (1) Targeting or target acquisition programs,  
14           including the Joint Surveillance and Target Attack  
15           Radar System, and the Advanced Deployable Sys-  
16           tem.

17           (2) Tactical Warning and Attack Assessment  
18           programs, including the Defense Support Program,  
19           the Space-Based Infrared Program, and early warn-  
20           ing radars.

21           (3) Tactical communications systems, including  
22           the Joint Tactical Terminal.

23          (c) INTELLIGENCE COMMUNITY DEFINED.—In this  
24          section, the term “intelligence community” has the mean-

1 ing given the term in section 3 of the National Security  
2 Act of 1947 (50 U.S.C. 401a).

### 3 **TITLE X—GENERAL PROVISIONS**

#### 4 **Subtitle A—Financial Matters**

##### 5 **SEC. 1001. TRANSFER AUTHORITY.**

6 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

7 (1) Upon determination by the Secretary of Defense that  
8 such action is necessary in the national interest, the Sec-  
9 retary may transfer amounts of authorizations made avail-  
10 able to the Department of Defense in this division for fis-  
11 cal year 1998 between any such authorizations for that  
12 fiscal year (or any subdivisions thereof). Amounts of au-  
13 thorizations so transferred shall be merged with and be  
14 available for the same purposes as the authorization to  
15 which transferred.

16 (2) The total amount of authorizations that the Sec-  
17 retary of Defense may transfer under the authority of this  
18 section may not exceed \$2,500,000,000.

19 (b) **LIMITATIONS.—**The authority provided by this  
20 section to transfer authorizations—

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

1           (2) may not be used to provide authority for an  
2           item that has been denied authorization by Con-  
3           gress.

4           (c) EFFECT ON AUTHORIZATION AMOUNTS.—A  
5           transfer made from one account to another under the au-  
6           thority of this section shall be deemed to increase the  
7           amount authorized for the account to which the amount  
8           is transferred by an amount equal to the amount trans-  
9           ferred.

10          (d) NOTICE TO CONGRESS.—The Secretary shall  
11          promptly notify Congress of each transfer made under  
12          subsection (a).

13       **SEC. 1002. AUTHORITY FOR OBLIGATION OF CERTAIN UN-**  
14                               **AUTHORIZED FISCAL YEAR 1997 DEFENSE AP-**  
15                               **PROPRIATIONS.**

16          (a) AUTHORITY.—The amounts described in sub-  
17          section (b) may be obligated and expended for programs,  
18          projects, and activities of the Department of Defense in  
19          accordance with fiscal year 1997 defense appropriations.

20          (b) COVERED AMOUNTS.—The amounts referred to  
21          in subsection (a) are the amounts provided for programs,  
22          projects, and activities of the Department of Defense in  
23          fiscal year 1997 defense appropriations that are in excess  
24          of the amounts provided for such programs, projects, and  
25          activities in fiscal year 1997 defense authorizations.

1 (c) DEFINITIONS.—For the purposes of this section:

2 (1) FISCAL YEAR 1997 DEFENSE APPROPRIA-  
3 TIONS.—The term “fiscal year 1997 defense appro-  
4 priations” means amounts appropriated or otherwise  
5 made available to the Department of Defense for fis-  
6 cal year 1997 in the Department of Defense Appro-  
7 priations Act, 1997 (section 101(b) of Public Law  
8 104–208).

9 (2) FISCAL YEAR 1997 DEFENSE AUTHORIZA-  
10 TIONS.—The term “fiscal year 1997 defense author-  
11 izations” means amounts authorized to be appro-  
12 priated for the Department of Defense for fiscal  
13 year 1997 in the National Defense Authorization  
14 Act for Fiscal Year 1997 (Public Law 104–201).

15 **SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUP-**  
16 **PLEMENTAL APPROPRIATIONS FOR FISCAL**  
17 **YEAR 1997.**

18 Amounts authorized to be appropriated to the De-  
19 partment of Defense for fiscal year 1997 in the National  
20 Defense Authorization Act for Fiscal Year 1997 (Public  
21 Law 104–201) are hereby adjusted, with respect to any  
22 such authorized amount, by the amount by which appro-  
23 priations pursuant to such authorization were increased  
24 (by a supplemental appropriation) or decreased (by a re-  
25 scission), or both, in the 1997 Emergency Supplemental

1 Appropriations Act for Recovery from Natural Disasters,  
2 and for Overseas Peacekeeping Efforts, Including Those  
3 in Bosnia (Public Law 105–18).

4 **SEC. 1004. INCREASED TRANSFER AUTHORITY FOR FISCAL**  
5 **YEAR 1996 AUTHORIZATIONS.**

6 Section 1001(a) of the National Defense Authoriza-  
7 tion Act for Fiscal Year 1996 (Public Law 104–106; 110  
8 Stat. 414) is amended by striking out “\$2,000,000,000”  
9 and inserting in lieu thereof “\$3,100,000,000”.

10 **SEC. 1005. BIENNIAL FINANCIAL MANAGEMENT STRATEGIC**  
11 **PLAN.**

12 (a) BIENNIAL PLAN.—(1) Chapter 23 of title 10,  
13 United States Code, is amended by adding at the end the  
14 following:

15 **“§ 483. Biennial financial management strategic plan**

16 “(a) PLAN REQUIRED.—Not later than September  
17 30 of each even-numbered year, the Secretary of Defense  
18 shall submit to Congress a strategic plan to improve the  
19 financial management within the Department of Defense.  
20 The strategic plan shall address all aspects of financial  
21 management within the Department of Defense, including  
22 the finance systems, accounting systems, and feeder sys-  
23 tems that support financial functions.

24 “(b) DEFINITIONS.—In this section, the term ‘feeder  
25 system’ means an automated or manual system that pro-

1 vides input to a financial management or accounting sys-  
2 tem.”.

3 (2) The table of sections at the beginning of such  
4 chapter is amended by adding at the end the following:  
“483. Biennial financial management strategic plan.”.

5 (b) FIRST SUBMISSION.—The Secretary of Defense  
6 shall submit the first financial management strategic plan  
7 under section 483 of title 10, United States Code (as  
8 added by subsection (a)), not later than September 30,  
9 1998.

10 (c) CONTENT OF FIRST PLAN.—(1) At a minimum,  
11 the first financial management strategic plan shall include  
12 the following:

13 (A) The costs and benefits of integrating the fi-  
14 nance and accounting systems of the Department of  
15 Defense, and the feasibility of doing so.

16 (B) Problems with the accuracy of data in-  
17 cluded in the finance systems, accounting systems,  
18 or feeder systems that support financial functions of  
19 the Department of Defense and the actions that can  
20 be taken to address the problems.

21 (C) Weaknesses in the internal controls of the  
22 systems and the actions that can be taken to ad-  
23 dress the weaknesses.

24 (D) Actions that can be taken to eliminate neg-  
25 ative unliquidated obligations, unmatched disburse-

1       ments, and in-transit disbursements, and to avoid  
2       such disbursements in the future.

3           (E) The status of the efforts being undertaken  
4       in the department to consolidate and eliminate—

5           (i) redundant or unneeded finance systems;

6           and

7           (ii) redundant or unneeded accounting sys-  
8       tems.

9           (F) The consolidation or elimination of redun-  
10       dant personnel systems, acquisition systems, asset  
11       accounting systems, time and attendance systems,  
12       and other feeder systems of the department.

13          (G) The integration of the feeder systems of the  
14       department with the finance and accounting systems  
15       of the department.

16          (H) Problems with the organization or perform-  
17       ance of the Operating Locations and Service Centers  
18       of the Defense Finance and Accounting Service, and  
19       the actions that can be taken to address those prob-  
20       lems.

21          (I) The costs and benefits of reorganizing the  
22       Operating Locations and Service Centers of the De-  
23       fense Finance and Accounting Service according to  
24       function, and the feasibility of doing so.

1           (J) The costs and benefits of contracting for  
2 private sector performance of specific functions per-  
3 formed by the Defense Finance and Accounting  
4 Service, and the feasibility of doing so.

5           (K) The costs and benefits of increasing the use  
6 of electronic fund transfer as a method of payment,  
7 and the feasibility of doing so.

8           (L) Any other changes in the financial manage-  
9 ment structure of the department or revisions of the  
10 department's financial processes and business prac-  
11 tices that the Secretary of Defense considers nec-  
12 essary to improve financial management in the de-  
13 partment.

14       (2) For the problems and actions identified in the  
15 plan, the Secretary shall include in the plan statements  
16 of objectives, performance measures, and schedules, and  
17 shall specify the individual and organizational responsibil-  
18 ities.

19       (3) In this subsection, the term "feeder system" has  
20 the meaning given the term in section 483(b) of title 10,  
21 United States Code, as added by subsection (a).

22 **SEC. 1006. REVISION OF AUTHORITY FOR FISHER HOUSE**  
23 **TRUST FUNDS.**

24       (a) CORRECTION TO ELIMINATE USE OF TERM AS-  
25 SOCIATED WITH FUNDING AUTHORITIES.—Section

1 2221(c) of title 10, United States Code, is amended by  
2 striking out “or maintenance” each place it appears.

3 (b) CORPUS OF AIR FORCE TRUST FUND.—Section  
4 914(b) of Public Law 104–106 (110 Stat. 412) is amend-  
5 ed by striking out paragraph (2) and inserting in lieu  
6 thereof the following:

7 “(2) The Secretary of the Air Force shall deposit in  
8 the Fisher House Trust Fund, Department of the Air  
9 Force, an amount that the Secretary determines appro-  
10 priate to establish the corpus of the fund.”.

11 **SEC. 1007. AVAILABILITY OF CERTAIN FISCAL YEAR 1991**  
12 **FUNDS FOR PAYMENT OF CONTRACT CLAIM.**

13 (a) AUTHORITY.—The Secretary of the Army may re-  
14 imburse the fund provided by section 1304 of title 31,  
15 United States Code, out of funds appropriated for the  
16 Army for fiscal year 1991 for other procurement (BLIN  
17 105125 (Special Programs)), for any judgment against  
18 the United States that is rendered in the case *Appeal of*  
19 *McDonnell Douglas Company*, Armed Services Board of  
20 Contract Appeals Number 48029.

21 (b) CONDITIONS FOR PAYMENT.—(1) Subject to  
22 paragraph (2), any reimbursement out of funds referred  
23 to in subsection (a) shall be made before October 1, 1998.

24 (2) No reimbursement out of funds referred to in  
25 subsection (a) may be made before the date that is 30

1 days after the date on which the Secretary of the Army  
2 submits to the congressional defense committees a notifi-  
3 cation of the intent to make the reimbursement.

4 **SEC. 1008. ESTIMATES AND REQUESTS FOR PROCUREMENT**  
5 **AND MILITARY CONSTRUCTION FOR THE RE-**  
6 **SERVE COMPONENTS.**

7 (a) DETAILED PRESENTATION IN FUTURE-YEARS  
8 DEFENSE PROGRAM.—Section 10543 of title 10, United  
9 States Code, is amended—

10 (1) by inserting “(a) IN GENERAL.—” before  
11 “The Secretary of Defense”; and

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

13 “(b) ASSOCIATED ANNEXES.—The associated an-  
14 nexes of the future-years defense program shall specify,  
15 at the same level of detail as is set forth in the annexes  
16 for the active components, the amount requested for—

17 “(1) procurement of each item of equipment to  
18 be procured for each reserve component; and

19 “(2) each military construction project to be  
20 carried out for each reserve component, together  
21 with the location of the project.

22 “(c) REPORT.—(1) If the aggregate of the amounts  
23 specified in paragraphs (1) and (2) of subsection (b) for  
24 a fiscal year is less than the amount equal to 90 percent  
25 of the average authorized amount applicable for that fiscal

1 year under paragraph (2), the Secretary of Defense shall  
2 submit to Congress a report specifying for each reserve  
3 component the additional items of equipment that would  
4 be procured, and the additional military construction  
5 projects that would be carried out, if that aggregate  
6 amount were an amount equal to such average authorized  
7 amount. The report shall be at the same level of detail  
8 as is required by subsection (b).

9 “(2) In this subsection, the term ‘average authorized  
10 amount’, with respect to a fiscal year, means the average  
11 of—

12 “(A) the aggregate of the amounts authorized  
13 to be appropriated for the preceding fiscal year for  
14 the procurement of items of equipment, and for mili-  
15 tary construction, for the reserve components; and

16 “(B) the aggregate of the amounts authorized  
17 to be appropriated for the fiscal year preceding the  
18 fiscal year referred to in subparagraph (A) for the  
19 procurement of items of equipment, and for military  
20 construction, for the reserve components.”.

21 (b) PROHIBITION.—The level of detail provided for  
22 procurement and military construction in the future-years  
23 defense programs for fiscal years after fiscal year 1998  
24 may not be less than the level of detail provided for pro-

1 curement and military construction in the future-years de-  
2 fense program for fiscal year 1998.

3 **Subtitle B—Naval Vessels and**  
4 **Shipyards**

5 **SEC. 1011. LONG-TERM CHARTER OF VESSEL FOR SURVEIL-**  
6 **LANCE TOWED ARRAY SENSOR PROGRAM.**

7 The Secretary of the Navy is authorized to enter into  
8 a long-term charter, in accordance with section 2401 of  
9 title 10, United States Code, for a vessel to support the  
10 Surveillance Towed Array Sensor (SURTASS) Program  
11 through fiscal year 2004.

12 **SEC. 1012. PROCEDURES FOR SALE OF VESSELS STRICKEN**  
13 **FROM THE NAVAL VESSEL REGISTER.**

14 Section 7305(c) of title 10, United States Code, is  
15 amended to read as follows:

16 “(c) PROCEDURES FOR SALE.—(1) A vessel stricken  
17 from the Naval Vessel Register and not subject to disposal  
18 under any other law may be sold under this section.

19 “(2) In such a case, the Secretary may—

20 “(A) sell the vessel to the highest acceptable  
21 bidder, regardless of the appraised value of the ves-  
22 sel, after publicly advertising the sale of the vessel  
23 for a period of not less than 30 days; or

24 “(B) subject to paragraph (3), sell the vessel by  
25 competitive negotiation to the acceptable offeror who

1 submits the offer that is most advantageous to the  
2 United States (taking into account price and such  
3 other factors as the Secretary determines appro-  
4 priate).

5 “(3) Before entering into negotiations to sell a vessel  
6 under paragraph (2)(B), the Secretary shall publish notice  
7 of the intention to do so in the Commerce Business Daily  
8 sufficiently in advance of initiating the negotiations that  
9 all interested parties are given a reasonable opportunity  
10 to prepare and submit proposals. The Secretary shall af-  
11 ford an opportunity to participate in the negotiations to  
12 all acceptable offerors submitting proposals that the Sec-  
13 retary considers as having the potential to be the most  
14 advantageous to the United States (taking into account  
15 price and such other factors as the Secretary determines  
16 appropriate).”.

17 **SEC. 1013. TRANSFERS OF NAVAL VESSELS TO CERTAIN**  
18 **FOREIGN COUNTRIES.**

19 (a) TRANSFERS BY SALE.—The Secretary of the  
20 Navy is authorized to transfer vessels to foreign countries  
21 on a sale basis under section 21 of the Arms Export Con-  
22 trol Act (22 U.S.C. 2761) as follows:

23 (1) To the Government of Brazil, the sub-  
24 marine tender Holland (AS 32) of the Hunley class.

1           (2) To the Government of Chile, the oiler Isher-  
2 wood (T-AO 191) of the Kaiser class.

3           (3) To the Government of Egypt:

4           (A) The following frigates of the Knox  
5 class:

6           (i) The Paul (FF 1080).

7           (ii) The Miller (FF 1091).

8           (iii) The Jesse L. Brown (FFT 1089).

9           (iv) The Moinester (FFT 1097).

10          (B) The following frigates of the Oliver  
11 Hazard Perry class:

12          (i) The Fahrion (FFG 22).

13          (ii) The Lewis B. Puller (FFG 23).

14          (4) To the Government of Israel, the tank land-  
15 ing ship Peoria (LST 1183) of the Newport class.

16          (5) To the Government of Malaysia, the tank  
17 landing ship Barbour County (LST 1195) of the  
18 Newport class.

19          (6) To the Government of Mexico, the frigate  
20 Roark (FF 1053) of the Knox class.

21          (7) To the Taipei Economic and Cultural Rep-  
22 resentative Office in the United States (the Taiwan  
23 instrumentality that is designated pursuant to sec-  
24 tion 10(a) of the Taiwan Relations Act), the follow-  
25 ing frigates of the Knox class:

1 (A) The Whipple (FF 1062).

2 (B) The Downes (FF 1070).

3 (8) To the Government of Thailand, the tank  
4 landing ship Schenectady (LST 1185) of the New-  
5 port class.

6 (b) COSTS OF TRANSFERS.—Any expense incurred by  
7 the United States in connection with a transfer authorized  
8 by subsection (a) shall be charged to the recipient.

9 (c) REPAIR AND REFURBISHMENT IN UNITED  
10 STATES SHIPYARDS.—To the maximum extent prac-  
11 ticable, the Secretary of the Navy shall require, as a condi-  
12 tion of the transfer of a vessel under this section, that  
13 the country to which the vessel is transferred have such  
14 repair or refurbishment of the vessel as is needed, before  
15 the vessel joins the naval forces of that country, performed  
16 at a shipyard located in the United States, including a  
17 United States Navy shipyard.

18 (d) EXPIRATION OF AUTHORITY.—The authority to  
19 transfer a vessel under subsection (a) shall expire at the  
20 end of the 2-year period beginning on the date of the en-  
21 actment of this Act.

1                   **Subtitle C—Counter-Drug**  
2                   **Activities**

3   **SEC. 1021. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT**  
4                   **FOR COUNTER-DRUG ACTIVITIES OF MEXICO.**

5           (a) EXTENSION OF AUTHORITY.—Subsection (a) of  
6 section 1031 of the National Defense Authorization Act  
7 for Fiscal Year 1997 (Public Law 104–201; 110 Stat.  
8 2637), is amended by striking out “fiscal year 1997” and  
9 inserting in lieu thereof “fiscal years 1997 and 1998”.

10          (b) EXTENSION OF FUNDING AUTHORIZATION.—  
11 Subsection (d) of such section is amended by inserting  
12 “for fiscal years 1997 and 1998” after “shall be avail-  
13 able”.

14   **SEC. 1022. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT**  
15                   **FOR COUNTER-DRUG ACTIVITIES OF PERU**  
16                   **AND COLOMBIA.**

17          (a) AUTHORITY TO PROVIDE ADDITIONAL SUP-  
18 PORT.—Subject to subsection (f), during fiscal years 1998  
19 through 2002, the Secretary of Defense may provide ei-  
20 ther or both of the governments named in subsection (b)  
21 with the support described in subsection (c) for the  
22 counter-drug activities of that government. The support  
23 provided to a government under the authority of this sub-  
24 section shall be in addition to support provided to that  
25 government under any other provision of law.

1           (b) GOVERNMENTS ELIGIBLE TO RECEIVE SUP-  
2 PORT.—The governments referred to in subsection (a) are  
3 as follows:

4           (1) The Government of Peru.

5           (2) The Government of Colombia.

6           (c) TYPES OF SUPPORT.—The authority under sub-  
7 section (a) is limited to the provision of the following types  
8 of support:

9           (1) The transfer of nonlethal protective and  
10 utility personnel equipment.

11           (2) The transfer of the following nonlethal spe-  
12 cialized equipment:

13                   (A) Navigation equipment.

14                   (B) Secure and nonsecure communications  
15 equipment.

16                   (C) Photo equipment.

17                   (D) Radar equipment.

18                   (E) Night vision systems.

19                   (F) Repair equipment and parts for equip-  
20 ment referred to in subparagraphs (A), (B),  
21 (C), (D), and (E).

22           (3) The transfer of nonlethal components, ac-  
23 cessories, attachments, parts (including ground sup-  
24 port equipment), firmware, and software for aircraft  
25 or patrol boats, and related repair equipment.

1           (4) The transfer of riverine patrol boats.

2           (5) The maintenance and repair of equipment  
3 of a government named in subsection (b) that is  
4 used for counter-narcotics activities.

5           (d) APPLICABILITY OF OTHER SUPPORT AUTHORI-  
6 TIES.—Except as otherwise provided in this section, the  
7 provisions of section 1004 of the National Defense Au-  
8 thorization Act for Fiscal Year 1991 (Public Law 101–  
9 510; 10 U.S.C. 374 note) shall apply to the provision of  
10 support to a government under this section.

11          (e) FUNDING.—Of the amounts authorized to be ap-  
12 propriated under section 301(20) for fiscal year 1998 for  
13 drug interdiction and counter-drug activities, not more  
14 than \$30,000,000 shall be available in that fiscal year for  
15 the provision of support under this section.

16          (f) LIMITATIONS.—(1) The Secretary may not obli-  
17 gate or expend funds to provide a government with sup-  
18 port under this section until 15 days after the date on  
19 which the Secretary submits to the committees referred  
20 to in paragraph (2) a written certification of the following:

21           (A) That the provision of support to that gov-  
22 ernment under this section will not adversely affect  
23 the military preparedness of the United States  
24 Armed Forces.

1           (B) That the equipment and materiel provided  
2           as support will be used only by officials and employ-  
3           ees of that government who have undergone back-  
4           ground investigations by that government and have  
5           been approved by that government to perform  
6           counter-drug activities on the basis of the back-  
7           ground investigations.

8           (C) That such government has certified to the  
9           Secretary that—

10           (i) the equipment and materiel provided as  
11           support will be used only by the officials and  
12           employees referred to in subparagraph (B);

13           (ii) none of the equipment or materiel will  
14           be transferred (by sale, gift, or otherwise) to  
15           any person or entity not authorized by the  
16           United States to receive the equipment or mate-  
17           riel; and

18           (iii) the equipment and materiel will be  
19           used only for the purposes intended by the  
20           United States Government.

21           (D) That the government to receive the support  
22           has implemented, to the satisfaction of the Sec-  
23           retary, a system that will provide an accounting and  
24           inventory of the equipment and materiel provided as  
25           support.

1           (E) That the departments, agencies, and instru-  
2           mentalities of that government will grant United  
3           States Government personnel access to any of the  
4           equipment or materiel provided as support, or to any  
5           of the records relating to such equipment or mate-  
6           riel, under terms and conditions similar to the terms  
7           and conditions imposed with respect to such access  
8           under section 505(a)(3) of the Foreign Assistance  
9           Act of 1961 (22 U.S.C. 2314(a)(3)).

10           (F) That the government to receive the support  
11           will provide security with respect to the equipment  
12           and materiel provided as support that is substan-  
13           tially the same degree of security that the United  
14           States Government would provide with respect to  
15           such equipment and materiel.

16           (G) That the government to receive the support  
17           will permit continuous observation and review by  
18           United States Government personnel of the use of  
19           the equipment and materiel provided as support  
20           under terms and conditions similar to the terms and  
21           conditions imposed with respect to such observation  
22           and review under section 505(a)(3) of the Foreign  
23           Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

24           (2) The committees referred to in this paragraph are  
25           the following:

1           (A) The Committee on Armed Services and the  
2           Committee on Foreign Relations of the Senate.

3           (B) The Committee on National Security and  
4           the Committee on International Relations of the  
5           House of Representatives.

## 6           **Subtitle D—Reports and Studies**

### 7           **SEC. 1031. REPEAL OF REPORTING REQUIREMENTS.**

8           (a) REPORTS REQUIRED BY TITLE 10.—

9           (1) ACHIEVEMENT OF COST, PERFORMANCE,  
10           AND SCHEDULE GOALS FOR NONMAJOR ACQUISITION  
11           PROGRAMS.—Section 2220(b) of title 10, United  
12           States Code, is amended by striking out “and  
13           nonmajor” in the first sentence.

14           (2) CONVERSION OF CERTAIN HEATING SYS-  
15           TEMS.—Section 2690(b) of title 10, United States  
16           Code, is amended by striking out “unless the Sec-  
17           retary—” and all that follows and inserting in lieu  
18           thereof the following: “unless the Secretary deter-  
19           mines that the conversion (1) is required by the gov-  
20           ernment of the country in which the facility is lo-  
21           cated, or (2) is cost effective over the life cycle of  
22           the facility.”.

23           (3) AVAILABILITY OF SUITABLE ALTERNATIVE  
24           HOUSING.—Section 2823 of title 10, United States  
25           Code, is amended—

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

2 (B) by redesignating subsections (c) and

3 (d) as subsections (b) and (c), respectively.

4 (b) REPORTS REQUIRED BY DEFENSE AUTHORIZA-  
5 TION AND APPROPRIATIONS ACTS.—

6 (1) OVERSEAS BASING COSTS.—Section 8125 of  
7 the Department of Defense Appropriations Act,  
8 1989 (Public Law 100–463; 102 Stat. 2270–41; 10  
9 U.S.C. 113 note) is amended—

10 (A) by striking out subsection (g); and

11 (B) in subsection (h), by striking out “sub-  
12 sections (f) and (g)” and inserting in lieu there-  
13 of “subsection (f)”.

14 (2) STRETCHOUT OF MAJOR DEFENSE ACQUISSI-  
15 TION PROGRAMS.—Section 117 of the National De-  
16 fense Authorization Act, Fiscal Year 1989 (Public  
17 Law 100–456; 102 Stat. 1933; 10 U.S.C. 2431  
18 note) is repealed.

19 (c) REPORTS REQUIRED BY OTHER LAW.—Section  
20 25 of the Office of Federal Procurement Policy Act (41  
21 U.S.C. 421) is amended by striking out subsection (g),  
22 relating to the annual report on development of procure-  
23 ment regulations.

1 **SEC. 1032. COMMON MEASUREMENT OF OPERATIONS TEM-**  
2 **POS AND PERSONNEL TEMPOS.**

3 (a) MEANS FOR MEASUREMENT.—The Chairman of  
4 the Joint Chiefs of Staff shall, in consultation with the  
5 other members of the Joint Chiefs of Staff and to the  
6 maximum extent practicable, develop a common means of  
7 measuring the operations tempo (OPTEMPO) and the  
8 personnel tempo (PERSTEMPO) of each of the Armed  
9 Forces.

10 (b) PERSTEMPO MEASUREMENT.—The measurement  
11 of personnel tempo shall include a means of identifying  
12 the rate of deployment for individuals in addition to the  
13 rate of deployment for units.

14 **SEC. 1033. REPORT ON OVERSEAS DEPLOYMENT.**

15 (a) REPORT.—Not later than 90 days after the date  
16 of the enactment of this Act, the Secretary of Defense  
17 shall submit to Congress a report on the deployment over-  
18 seas of personnel of the Armed Forces. The report shall  
19 describe the deployment as of June 30, 1996, and June  
20 30, 1997.

21 (b) ELEMENTS.—The report under subsection (a)  
22 shall set forth the following:

23 (1) The number of personnel who were deployed  
24 overseas pursuant to a permanent duty assignment  
25 on each date specified in that subsection in aggre-  
26 gate and by country or ocean to which deployed.

1           (2) The number of personnel who were deployed  
2           overseas pursuant to a temporary duty assignment  
3           on each date, including—

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

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

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

10           (3) The number of personnel deployed overseas  
11           on each date who were engaged in contingency oper-  
12           ations (including peacekeeping or humanitarian as-  
13           sistance missions) or other activities.

14 **SEC. 1034. REPORT ON MILITARY READINESS REQUIRE-**  
15 **MENTS OF THE ARMED FORCES.**

16           (a) REQUIREMENT FOR REPORT.—Not later than  
17           January 31, 1998, the Chairman of the Joint Chiefs of  
18           Staff shall submit to the congressional defense committees  
19           a report on the military readiness requirements of the ac-  
20           tive and reserve components of the Armed Forces (includ-  
21           ing combat units, combat support units, and combat serv-  
22           ice support units) prepared by the officers referred to in  
23           subsection (b). The report shall assess such requirements  
24           under a tiered readiness and response system that cat-  
25           egorizes a given unit according to the likelihood that it

1 will be required to respond to a military conflict and the  
2 time in which it will be required to respond.

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

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

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

16 (A) fighting and winning, in concert with  
17 allies, two major theater wars nearly simulta-  
18 neously; and

19 (B) deterring or defeating a strategic at-  
20 tack on the United States.

21 (2) That the forces available for deployment are  
22 the forces included in the force structure rec-  
23 ommended in the Quadrennial Defense Review, in-  
24 cluding all other planned force enhancements.

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

7 (A) Forward-deployed and crisis response  
8 forces, or “Tier I” forces, that possess limited inter-  
9 nal sustainment capability and do not require imme-  
10 diate access to regional air bases or ports or over-  
11 flight rights, including the following:

12 (i) Force units that are deployed in rota-  
13 tion at sea or on land outside the United  
14 States.

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

18 (iii) Forces that are supported by  
19 prepositioning equipment afloat or are capable  
20 of being inserted into a theater upon the cap-  
21 ture of a port or airfield by forcible entry  
22 forces.

23 (B) Combat-ready follow-on forces, or “Tier II”  
24 forces, that can be mobilized and deployed to a thea-

1 ter within approximately 60 days after receipt of or-  
2 ders.

3 (C) Combat-ready conflict resolution forces, or  
4 “Tier III” forces, that can be mobilized and de-  
5 ployed to a theater within approximately 180 days  
6 after receipt of orders.

7 (D) All other active and reserve component  
8 force units which are not categorized within a classi-  
9 fication described in subparagraph (A), (B), or (C).

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

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

14 (B) In the case of the Navy, a squadron of air-  
15 craft, a ship, and a squadron of ships.

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

18 (e) PROJECTION OF SAVINGS FOR USE FOR MOD-  
19 ERNIZATION.—The report shall include a projection for  
20 fiscal years 1998 through 2003 of the amounts of the sav-  
21 ings in operation and maintenance funding that—

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

1           (2) could be made available for force mod-  
2           ernization.

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

6           (g) PLANNED FORCE ENHANCEMENT DEFINED.—In  
7 this section, the term “planned force enhancement”, with  
8 respect to the force structure recommended in the Quad-  
9 rennial Defense Review, means any future improvement  
10 in the capability of the force (including current strategic  
11 and future improvement in strategic lift capability) that  
12 is assumed in the development of the recommendation for  
13 the force structure set forth in the Quadrennial Defense  
14 Review.

15 **SEC. 1035. ASSESSMENT OF CYCLICAL READINESS POS-**  
16 **TURE OF THE ARMED FORCES.**

17           (a) REQUIREMENT.—(1) Not later than 120 days  
18 after the date of enactment of this Act, the Secretary of  
19 Defense shall submit to the Committee on Armed Services  
20 of the Senate and the Committee on National Security of  
21 the House of Representatives a report on the readiness  
22 posture of the Armed Forces described in subsection (b).

23           (2) The Secretary shall prepare the report required  
24 under paragraph (1) with the assistance of the Joint  
25 Chiefs of Staff. In providing such assistance, the Chair-

1 man of the Joint Chiefs of Staff shall consult with the  
2 Chief of the National Guard Bureau.

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

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

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

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

18 (3) The evaluation of the readiness posture described  
19 in paragraph (2) shall be based upon assumptions permit-  
20 ting comparison with the existing force structure as fol-  
21 lows:

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

1           (B) That each force referred to in subpara-  
2 graph (A) includes—

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

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

14           (iii) six aircraft carrier battle groups;

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

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

19           (vi) one active Marine Corps expeditionary  
20 force.

21           (C) That each force may be supplemented by  
22 critical units or units in short supply, including  
23 heavy bomber units, strategic lift units, and aerial  
24 reconnaissance units, that are not subject to the  
25 readiness rotation otherwise assumed for purposes of

1 the evaluation or are subject to the rotation on a  
2 modified basis.

3 (D) That units of the Armed Forces not as-  
4 signed to a force are available for operations other  
5 than those essential to fight and win a major theater  
6 war, including peace operations.

7 (E) That the state of readiness of each force al-  
8 ternates between a state of high readiness and a  
9 state of low readiness on a frequency determined by  
10 the Secretary (but not more often than once every  
11 6 months) and with only one force at a given state  
12 of readiness at any one time.

13 (F) That, during the period of state of high  
14 readiness of a force, any operations or activities (in-  
15 cluding leave and education and training of person-  
16 nel) that detract from the near-term wartime readi-  
17 ness of the force are temporary and their effects on  
18 such state of readiness minimized.

19 (G) That units are assigned overseas during the  
20 period of state of high readiness of the force to  
21 which the units are assigned primarily on a tem-  
22 porary duty basis.

23 (H) That, during the period of high readiness  
24 of a force, the operational war plans for the force in-  
25 corporate the divisions (or division equivalents) of

1 the Army Reserve or Army National Guard assigned  
2 to the force in a manner such that one such division  
3 (or division equivalent) is, on a rotating basis for  
4 such divisions (or division equivalents) during the  
5 period, maintained in a high state of readiness and  
6 dedicated as the first reserve combat division to be  
7 transferred overseas in the event of a major theater  
8 war.

9 (c) REPORT ELEMENTS.—The report under this sec-  
10 tion shall include the following elements for the readiness  
11 posture described in subsection (b)(2):

12 (1) An estimate of the range of cost savings  
13 achievable over the long term as a result of imple-  
14 menting the readiness posture, including—

15 (A) the savings achievable from reduced  
16 training levels and readiness levels during peri-  
17 ods in which a force referred to in subsection  
18 (b)(3)(A) is in a state of low readiness; and

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

22 (2) An assessment of the potential risks associ-  
23 ated with a lower readiness status for units assigned  
24 to a force in a state of low readiness under the read-  
25 iness posture, including the risks associated with the

1 delayed availability of such units overseas in the  
2 event of two nearly simultaneous major theater  
3 wars.

4 (3) An assessment of the potential risks associ-  
5 ated with requiring the forces under the readiness  
6 posture to fight a major war in any theater world-  
7 wide.

8 (4) An assessment of the modifications of the  
9 current force structure of the Armed Forces that are  
10 necessary to achieve the range of cost savings esti-  
11 mated under paragraph (1), including the extent of  
12 the diminishment, if any, of the military capabilities  
13 of the Armed Forces as a result of the modifications.

14 (5) An assessment whether or not the risks of  
15 diminished military capability associated with imple-  
16 mentation of the readiness posture exceed the risks  
17 of diminished military capability associated with the  
18 modifications of the current force structure nec-  
19 essary to achieve cost savings equivalent to the best  
20 case for cost savings resulting from the implementa-  
21 tion of the readiness posture.

22 (d) FORM OF REPORT.—The report under this sec-  
23 tion shall be submitted in unclassified form, but may con-  
24 tain a classified annex.

25 (e) DEFINITIONS.—In this section:

1           (1) The term “state of high readiness”, in the  
2 case of a military force, means the capability to mo-  
3 bilize first-to-arrive units of the force within 18  
4 hours and last-to-arrive units within 120 days of a  
5 particular event.

6           (2) The term “state of low readiness”, in the  
7 case of a military force, means the capability to mo-  
8 bilize first-to-arrive units within 90 days and last-to-  
9 arrive units within 180 days of a particular event.

10 **SEC. 1036. OVERSEAS INFRASTRUCTURE REQUIREMENTS.**

11       (a) FINDINGS.—Congress makes the following find-  
12 ings:

13           (1) United States military forces have been  
14 withdrawn from the Philippines.

15           (2) United States military forces are to be with-  
16 drawn from Panama by 2000.

17           (3) There continues to be local opposition to the  
18 continued presence of United States military forces  
19 in Okinawa.

20           (4) The Quadrennial Defense Review lists “the  
21 loss of U.S. access to critical facilities and lines of  
22 communication in key regions” as one of the so-  
23 called “wild card” scenarios covered in the review.

24           (5) The National Defense Panel states that  
25 “U.S. forces’ long-term access to forward bases, to

1 include air bases, ports, and logistics facilities, can-  
2 not be assumed”.

3 (b) SENSE OF CONGRESS.—It is the sense of Con-  
4 gress that—

5 (1) the President should develop alternatives to  
6 the current arrangement for forward basing of the  
7 Armed Forces outside the United States, including  
8 alternatives to the existing infrastructure for for-  
9 ward basing of forces and alternatives to the existing  
10 international agreements that provide for basing of  
11 United States forces in foreign countries; and

12 (2) because the Pacific Rim continues to  
13 emerge as a region of significant economic and mili-  
14 tary importance to the United States, a continued  
15 presence of the Armed Forces in that region is vital  
16 to the capability of the United States to timely pro-  
17 tect its interests in the region.

18 (c) REPORT REQUIRED.—Not later than March 31,  
19 1998, the Secretary of Defense shall submit to the Com-  
20 mittee on Armed Services of the Senate and the Commit-  
21 tee on National Security of the House of Representatives  
22 a report on the overseas infrastructure requirements of the  
23 Armed Forces.

24 (d) CONTENT.—The report shall contain the follow-  
25 ing:

1           (1) The quantity and types of forces that the  
2 United States must station in each region of the  
3 world in order to support the current national mili-  
4 tary strategy of the United States.

5           (2) The quantity and types of forces that the  
6 United States will need to station in each region of  
7 the world in order to meet the expected or potential  
8 future threats to the national security interests of  
9 the United States.

10          (3) The requirements for access to, and use of,  
11 air space and ground maneuver areas in each such  
12 region for training for the quantity and types of  
13 forces identified for the region pursuant to para-  
14 graphs (1) and (2).

15          (4) A list of the international agreements, cur-  
16 rently in force, that the United States has entered  
17 into with foreign countries regarding the basing of  
18 United States forces in those countries and the  
19 dates on which the agreements expire.

20          (5) A discussion of any anticipated political op-  
21 position or other opposition to the renewal of any of  
22 those international agreements.

23          (6) A discussion of future overseas basing re-  
24 quirements for United States forces, taking into ac-

1 count expected changes in national security strategy,  
2 national security environment, and weapons systems.

3 (7) The expected costs of maintaining the over-  
4 seas infrastructure for foreign based forces of the  
5 United States, including the costs of constructing  
6 any new facilities that will be necessary overseas to  
7 meet emerging requirements relating to the national  
8 security interests of the United States.

9 (e) FORM OF REPORT.—The report may be submit-  
10 ted in a classified or unclassified form.

11 **SEC. 1037. REPORT ON AIRCRAFT INVENTORY.**

12 (a) REPORT.—Not later than January 30, 1998, the  
13 Under Secretary of Defense (Comptroller) shall submit to  
14 the Committee on Armed Services of the Senate and the  
15 Committee on National Security of the House of Rep-  
16 resentatives a report on the aircraft in the inventory of  
17 the Department of Defense.

18 (b) CONTENT.—The report shall set forth, for each  
19 type of aircraft provided for in the future-years defense  
20 program submitted to Congress in 1998, the following in-  
21 formation:

22 (1) The total number of aircraft in the inven-  
23 tory.

1           (2) The total number of the aircraft in the in-  
2           ventory that are active, stated in the following cat-  
3           egories:

4                   (A) Primary aircraft (with a subcategory  
5                   for mission aircraft, a subcategory for training  
6                   aircraft, a subcategory for dedicated test air-  
7                   craft, and other appropriate subcategories).

8                   (B) Backup aircraft.

9                   (C) Attrition and reconstitution reserve  
10                  aircraft.

11           (3) The total number of the aircraft in the in-  
12           ventory that are inactive, stated in the following cat-  
13           egories:

14                   (A) Bailment aircraft.

15                   (B) Drone aircraft.

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

18                   (D) Leased or loaned aircraft.

19                   (E) Aircraft for maintenance training.

20                   (F) Aircraft for reclamation.

21                   (G) Aircraft in storage.

22           (4) The aircraft inventory requirements ap-  
23           proved by the Joint Chiefs of Staff.

1 **SEC. 1038. DISPOSAL OF EXCESS MATERIALS.**

2 (a) REPORT.—Not later than January 31, 1998, the  
3 Secretary shall submit to Congress a report on the actions  
4 that have been taken or are planned to be taken within  
5 the Department of Defense to address problems with the  
6 sale or other disposal of excess materials.

7 (b) REQUIRED CONTENT.— At a minimum, the re-  
8 port shall address the following issues:

9 (1) Whether any change is needed in the proc-  
10 ess of coding military equipment for demilitarization  
11 during the acquisition process.

12 (2) Whether any change is needed to improve  
13 methods used for the demilitarization of specific  
14 types of military equipment.

15 (3) Whether any change is needed in the pen-  
16 alties that are applicable to Federal Government em-  
17 ployees or contractor employees who fail to comply  
18 with rules or procedures applicable to the demili-  
19 tarization of excess materials.

20 (4) Whether provision has been made for suffi-  
21 cient supervision and oversight of the demilitariza-  
22 tion of excess materials by purchasers of the mate-  
23 rials.

24 (5) Whether any additional controls are needed  
25 to prevent the inappropriate transfer of excess mate-  
26 rials overseas.

1 (6) Whether the Department should—

2 (A) identify categories of materials that  
3 are particularly vulnerable to improper use; and

4 (B) provide for enhanced review of the sale  
5 or other disposal of such materials.

6 (7) Whether legislation is necessary to establish  
7 appropriate mechanisms, including repurchase, for  
8 the recovery of equipment that is sold or otherwise  
9 disposed of without appropriate action having been  
10 taken to demilitarize the equipment or to provide for  
11 demilitarization of the equipment.

12 **SEC. 1039. REVIEW OF FORMER SPOUSE PROTECTIONS.**

13 (a) REQUIREMENT.—The Secretary of Defense shall  
14 carry out a comprehensive review and comparison of—

15 (1) the protections and benefits afforded under  
16 Federal law to former spouses of members and  
17 former members of the uniformed services by reason  
18 of their status as former spouses of such personnel;  
19 and

20 (2) the protections and benefits afforded under  
21 Federal law to former spouses of employees and  
22 former employees of the Federal Government by rea-  
23 son of their status as former spouses of such person-  
24 nel.

1 (b) MATTERS TO BE REVIEWED.—The review under  
2 subsection (a) shall include the following:

3 (1) In the case of former spouses of members  
4 and former members of the uniformed services, the  
5 following:

6 (A) All provisions of law (principally those  
7 originally enacted in the Uniformed Services  
8 Former Spouses' Protection Act (title X of  
9 Public Law 97–252)) that—

10 (i) establish, provide for the enforce-  
11 ment of, or otherwise protect interests of  
12 former spouses of members and former  
13 members of the uniformed services in re-  
14 tired or retainer pay of members and  
15 former members; and

16 (ii) provide other benefits for former  
17 spouses of members and former members.

18 (B) The experience of the uniformed serv-  
19 ices in administering such provisions of law.

20 (C) The experience of former spouses and  
21 members and former members of the uniformed  
22 services in the administration of such provisions  
23 of law.

1           (2) In the case of former spouses of employees  
2           and former employees of the Federal Government,  
3           the following:

4                   (A) All provisions of law that—

5                           (i) establish, provide for the enforce-  
6                           ment of, or otherwise protect interests of  
7                           former spouses of employees and former  
8                           employees of the Federal Government in  
9                           annuities of employees and former employ-  
10                           ees under Federal employees' retirement  
11                           systems; and

12                           (ii) provide other benefits for former  
13                           spouses of employees and former employ-  
14                           ees.

15                   (B) The experience of the Office of Person-  
16                   nel Management and other agencies of the Fed-  
17                   eral Government in administering such provi-  
18                   sions of law.

19                   (C) The experience of former spouses and  
20                   employees and former employees of the Federal  
21                   Government in the administration of such pro-  
22                   visions of law.

23           (c) SAMPLING AUTHORIZED.—The Secretary may  
24           use sampling in carrying out the review under this section.

1 (d) REPORT.—Not later than September 30, 1999,  
2 the Secretary shall submit a report on the results of the  
3 review and comparison to the Committee on Armed Serv-  
4 ices of the Senate and the Committee on National Security  
5 of the House of Representatives. The report shall include  
6 any recommendation for legislation that the Secretary con-  
7 siders appropriate.

8 **SEC. 1040. COMPLETION OF GAO REPORTS FOR CONGRESS.**

9 (a) PRIORITY.—(1) Subchapter II of chapter 7 of  
10 title 31, United States Code, is amended by adding at the  
11 end the following:

12 **“§ 721. Priority for completion of certain audits, eval-  
13 uations, other reviews, and reports**

14 “(a) PRIORITY.—The Comptroller General may com-  
15 mence an audit, evaluation, other review, or report in a  
16 fiscal year only after the Comptroller General certifies in  
17 writing to Congress during such fiscal year that the Gen-  
18 eral Accounting Office has completed all audits, evalua-  
19 tions, other reviews, and reports that were requested of  
20 that office by Congress before the date of the certification.

21 “(b) EXCEPTIONS.—The restriction in subsection (a)  
22 does not apply to the commencement of an audit, evalua-  
23 tion, other review, or report that is required by law or  
24 requested by Congress.

1       “(c) SOURCE, FORM, AND DATE OF CONGRESSIONAL  
2 REQUESTS.—For the purposes of this section—

3           “(1) an audit, evaluation, other review, or re-  
4 port is requested by Congress if the request for the  
5 audit, evaluation, other review, or report is made in  
6 writing by the Chairman of a committee of Con-  
7 gress, the Chairman of a subcommittee of such a  
8 committee, or any other member of Congress; and

9           “(2) the date on which the General Accounting  
10 Office receives such a request shall be considered the  
11 date of the request.”.

12       (2) The chapter analysis at the beginning of such  
13 chapter is amended by inserting after the item relating  
14 to section 720 the following:

“721. Priority for completion of certain audits, evaluations, other reviews, and reports.”.

15       (b) ANNUAL REPORT ON CONGRESSIONAL AND NON-  
16 CONGRESSIONAL ACTIVITIES.—(1) Section 719(b) of title  
17 31, United States Code, is amended by adding at the end  
18 the following:

19       “(3)(A) The report under subsection (a) shall in-  
20 clude, for the latest fiscal year ending before the date of  
21 the report, the amount and cost of the work that the Gen-  
22 eral Accounting Office performed during the fiscal year  
23 for the following:

1           “(i) Audits, evaluations, other reviews, and re-  
2           ports requested by the Chairman of a committee of  
3           Congress, the Chairman of a subcommittee of such  
4           a committee, or any other member of Congress.

5           “(ii) Audits, evaluations, other reviews, and re-  
6           ports not described in clause (i) and not required by  
7           law to be performed by the General Accounting Of-  
8           fice.

9           “(B) In the report, amounts of work referred to in  
10          subparagraph (A) shall be expressed as hours of labor.”.

11          (2) Paragraph (1) of such section is amended—

12                 (A) by striking out “and” at the end of sub-  
13                 paragraph (B);

14                 (B) by striking out the period at the end of  
15                 subparagraph (C) and inserting in lieu thereof “;  
16                 and”; and

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

18                 “(D) the matters required by paragraph (3).”.

19          (c) APPLICABILITY.—(1) Section 721 of title 31,  
20          United States Code (as added by subsection (a)), shall  
21          apply to the commencement of audits, evaluations, other  
22          reviews, and reports by the General Accounting Office  
23          after the later of—

24                 (A) September 30, 1997; or

25                 (B) the date of the enactment of this Act.

1           (2) The amendments made by subsection (b) shall  
2 apply with respect to reports submitted under section  
3 719(a) of title 31, United States Code, after December  
4 31, 1997.

## 5           **Subtitle E—Other Matters**

### 6   **SEC. 1051. PSYCHOTHERAPIST-PATIENT PRIVILEGE IN THE** 7           **MILITARY RULES OF EVIDENCE.**

8           (a) **REQUIREMENT FOR PROPOSED RULE.**—The Sec-  
9 retary of Defense shall submit to the President, for consid-  
10 eration for promulgation under article 36 of the Uniform  
11 Code of Military Justice (10 U.S.C. 836), a recommended  
12 amendment to the Military Rules of Evidence that recog-  
13 nizes an evidentiary privilege regarding disclosure by a  
14 psychotherapist of confidential communications between a  
15 patient and the psychotherapist.

16           (b) **APPLICABILITY OF PRIVILEGE.**—The rec-  
17 ommended amendment shall include a provision that ap-  
18 plies the privilege to—

19               (1) patients who are not subject to the Uniform  
20 Code of Military Justice; and

21               (2) any patients subject to the Uniform Code of  
22 Military Justice that the Secretary determines it ap-  
23 propriate for the privilege to cover.

24           (c) **SCOPE OF PRIVILEGE.**—The evidentiary privilege  
25 recommended pursuant to subsection (a) shall be similar

1 in scope to the psychotherapist-patient privilege recog-  
2 nized under Rule 501 of the Federal Rules of Evidence,  
3 subject to such exceptions and limitations as the Secretary  
4 determines appropriate on the bases of law, public policy,  
5 and military necessity.

6 (d) DEADLINE FOR RECOMMENDATION.—The Sec-  
7 retary shall submit the recommendation under subsection  
8 (a) on or before the later of the following dates:

9 (1) The date that is 90 days after the date of  
10 the enactment of this Act.

11 (2) January 1, 1998.

12 **SEC. 1052. NATIONAL GUARD CIVILIAN YOUTH OPPORTUNI-**  
13 **TIES PILOT PROGRAM.**

14 (a) EXTENSION OF PILOT PROGRAM AUTHORITY FOR  
15 CURRENT NUMBER OF PROGRAMS.—Subsection (a) of  
16 section 1091 of the National Defense Authorization Act  
17 for Fiscal Year 1993 (Public Law 102–484; 32 U.S.C.  
18 501 note) is amended—

19 (1) by striking out “During fiscal years 1993  
20 through 1995” and inserting in lieu thereof “(1)  
21 During fiscal years 1993 through 1998”; and

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

24 “(2) In fiscal years after fiscal year 1995, the number  
25 of programs carried out under subsection (d) as part of

1 the pilot program may not exceed the number of such pro-  
2 grams as of September 30, 1995.”.

3 (b) FISCAL RESTRICTIONS.—(1) Section 1091 of  
4 such Act is amended by striking out subsection (k) and  
5 inserting in lieu thereof the following:

6 “(k) FISCAL RESTRICTIONS.—(1) The Federal Gov-  
7 ernment’s share of the total cost of carrying out a pro-  
8 gram in a State as part of the pilot program in any fiscal  
9 year after fiscal year 1997 may not exceed 50 percent of  
10 that total cost.

11 “(2) The total amount expended for carrying out the  
12 program during a fiscal year may not exceed  
13 \$20,000,000.”.

14 (2) Subsection (d)(3) of such section is amended by  
15 inserting “, subject to subsection (k)(1),” after “provide  
16 funds”.

17 (c) CONFORMING REPEAL.—Section 573 of the Na-  
18 tional Defense Authorization Act for Fiscal Year 1996  
19 (Public Law 104–106; 110 Stat. 355; 32 U.S.C. 501 note)  
20 is repealed.

21 **SEC. 1053. PROTECTION OF ARMED FORCES PERSONNEL**  
22 **DURING PEACE OPERATIONS.**

23 (a) PROTECTION OF PERSONNEL.—

24 (1) IN GENERAL.—The Secretary of Defense  
25 shall take appropriate actions to ensure that units of

1 the Armed Forces (including Army units, Marine  
2 Corps units, Air Force units, and support units for  
3 such units) engaged in peace operations have ade-  
4 quate troop protection equipment for such oper-  
5 ations.

6 (2) SPECIFIC ACTIONS.—In taking such actions,  
7 the Secretary shall—

8 (A) identify the additional troop protection  
9 equipment, if any, required to equip a division  
10 equivalent with adequate troop protection  
11 equipment for peace operations;

12 (B) establish procedures to facilitate the  
13 exchange of troop protection equipment among  
14 the units of the Armed Forces; and

15 (C) designate within the Department of  
16 Defense an individual responsible for—

17 (i) ensuring the proper allocation of  
18 troop protection equipment among the  
19 units of the Armed Forces engaged in  
20 peace operations; and

21 (ii) monitoring the availability, status  
22 or condition, and location of such equip-  
23 ment.

1 (b) REPORT.—Not later than March 1, 1998, the  
2 Secretary shall submit to Congress a report on the actions  
3 taken by the Secretary under subsection (a).

4 (c) TROOP PROTECTION EQUIPMENT DEFINED.—In  
5 this section, the term “troop protection equipment” means  
6 the equipment required by units of the Armed Forces to  
7 defend against any hostile threat that is likely during a  
8 peace operation, including an attack by a hostile crowd,  
9 small arms fire, mines, and a terrorist bombing attack.

10 **SEC. 1054. LIMITATION ON RETIREMENT OR DISMANTLE-**  
11 **MENT OF STRATEGIC NUCLEAR DELIVERY**  
12 **SYSTEMS.**

13 (a) FUNDING LIMITATION.—Funds available to the  
14 Department of Defense may not be obligated or expended  
15 during fiscal year 1998 for retiring or dismantling, or for  
16 preparing to retire or dismantle, any of the following stra-  
17 tegic nuclear delivery systems below the specified levels:

18 (1) 71 B-52H bomber aircraft.

19 (2) 18 Trident ballistic missile submarines.

20 (3) 500 Minuteman III intercontinental ballistic  
21 missiles.

22 (4) 50 Peacekeeper intercontinental ballistic  
23 missiles.

24 (b) WAIVER AUTHORITY.—If the START II Treaty  
25 enters into force during fiscal year 1997 or fiscal year

1 1998, the Secretary of Defense may waive the application  
2 of the limitation under subsection (a) to the extent that  
3 the Secretary determines necessary in order to implement  
4 the treaty.

5 (c) FUNDING LIMITATION ON EARLY DEACTIVA-  
6 TION.—(1) If the limitation under subsection (a) ceases  
7 to apply by reason of a waiver under subsection (b), funds  
8 available to the Department of Defense may nevertheless  
9 not be obligated or expended during fiscal year 1998 to  
10 implement any agreement or understanding to undertake  
11 substantial early deactivation of a strategic nuclear deliv-  
12 ery system specified in subsection (a) until 30 days after  
13 the date on which the President submits to Congress a  
14 report concerning such actions.

15 (2) For purposes of this subsection, a substantial  
16 early deactivation is an action during fiscal year 1998 to  
17 deactivate a substantial number of strategic nuclear deliv-  
18 ery systems specified in subsection (a) by—

19 (A) removing nuclear warheads from those sys-  
20 tems; or

21 (B) taking other steps to remove those systems  
22 from combat status.

23 (3) A report under this subsection shall include the  
24 following:

1           (A) The text of any understanding or agree-  
2           ment between the United States and the Russian  
3           Federation concerning substantial early deactivation  
4           of strategic nuclear delivery systems under the  
5           START II Treaty.

6           (B) The plan of the Department of Defense for  
7           implementing the agreement.

8           (C) An assessment of the Secretary of Defense  
9           of the adequacy of the provisions contained in the  
10          agreement for monitoring and verifying compliance  
11          of Russia with the terms of the agreement.

12          (D) A determination by the President as to  
13          whether the deactivations to occur under the agree-  
14          ment will be carried out in a symmetrical, reciprocal,  
15          or equivalent manner.

16          (E) An assessment by the President of the ef-  
17          fect of the proposed early deactivation on the stabil-  
18          ity of the strategic balance and relative strategic nu-  
19          clear capabilities of the United States and the Rus-  
20          sian Federation at various stages during deactiva-  
21          tion and upon completion.

22          (d) CONTINGENCY PLAN FOR SUSTAINMENT OF SYS-  
23          TEMS.—(1) Not later than February 15, 1998, the Sec-  
24          retary of Defense shall submit to the congressional defense  
25          committees a plan for the sustainment beyond October 1,

1 1999, of United States strategic nuclear delivery systems  
2 and alternative Strategic Arms Reduction Treaty force  
3 structures in the event that a strategic arms reduction  
4 agreement subsequent to the Strategic Arms Reduction  
5 Treaty does not enter into force before 2004.

6 (2) The plan shall include a discussion of the follow-  
7 ing matters:

8 (A) The actions that are necessary to sustain  
9 the United States strategic nuclear delivery systems,  
10 distinguishing between the actions that are planned  
11 for and funded in the future-years defense program  
12 and the actions that are not planned for and funded  
13 in the future-years defense program.

14 (B) The funding necessary to implement the  
15 plan, indicating the extent to which the necessary  
16 funding is provided for in the future-years defense  
17 program and the extent to which the necessary fund-  
18 ing is not provided for in the future-years defense  
19 program.

20 (e) START TREATIES DEFINED.—In this section:

21 (1) The term “Strategic Arms Reduction Trea-  
22 ty” means the Treaty Between the United States of  
23 America and the United Soviet Socialist Republics  
24 on the Reduction and Limitation of Strategic Offen-  
25 sive Arms (START), signed at Moscow on July 31,

1 1991, including related annexes on agreed state-  
2 ments and definitions, protocols, and memorandum  
3 of understanding.

4 (2) The term “START II Treaty” means the  
5 Treaty Between the United States of America and  
6 the Russian Federation on Further Reduction and  
7 Limitation of Strategic Offensive Arms, signed at  
8 Moscow on January 3, 1993, including the following  
9 protocols and memorandum of understanding, all  
10 such documents being integral parts of and collec-  
11 tively referred to as the “START II Treaty” (con-  
12 tained in Treaty Document 103–1):

13 (A) The Protocol on Procedures Governing  
14 Elimination of Heavy ICBMs and on Proce-  
15 dures Governing Conversion of Silo Launchers  
16 of Heavy ICBMs Relating to the Treaty Be-  
17 tween the United States of America and the  
18 Russian Federation on Further Reduction and  
19 Limitation of Strategic Offensive Arms (also  
20 known as the “Elimination and Conversion Pro-  
21 tocol”).

22 (B) The Protocol on Exhibitions and In-  
23 spections of Heavy Bombers Relating to the  
24 Treaty Between the United States and the Rus-  
25 sian Federation on Further Reduction and

1           Limitation of Strategic Offensive Arms (also  
2           known as the “Exhibitions and Inspections Pro-  
3           tocol”).

4           (C) The Memorandum of Understanding  
5           on Warhead Attribution and Heavy Bomber  
6           Data Relating to the Treaty Between the Unit-  
7           ed States of America and the Russian Federa-  
8           tion on Further Reduction and Limitation of  
9           Strategic Offensive Arms (also known as the  
10          “Memorandum on Attribution”).

11 **SEC. 1055. ACCEPTANCE AND USE OF LANDING FEES FOR**  
12                   **USE OF OVERSEAS MILITARY AIRFIELDS BY**  
13                   **CIVIL AIRCRAFT.**

14          (a) **AUTHORITY.**—Section 2350j of title 10, United  
15 States Code, is amended—

16           (1) by redesignating subsections (f) and (g) as  
17           subsections (g) and (h), and

18           (2) by inserting after subsection (e) the follow-  
19           ing new subsection (f):

20          “(f) **PAYMENTS FOR CIVIL USE OF MILITARY AIR-**  
21 **FIELDS.**—The authority under subsection (a) includes au-  
22           thority for the Secretary of a military department to ac-  
23           cept payments of landing fees for use of a military airfield  
24           by civil aircraft that are prescribed pursuant to an agree-  
25           ment that is entered into with the government of the coun-

1 try in which the airfield is located. Payments received  
2 under this subsection in a fiscal year shall be credited to  
3 the appropriation that is available for the fiscal year for  
4 the operation and maintenance of the military airfield,  
5 shall be merged with amounts in the appropriation to  
6 which credited, and shall be available for the same period  
7 and purposes as the appropriation is available.”.

8 (b) CONFORMING AMENDMENTS.—(1) Subsection (b)  
9 of such section is amended by striking out “Any” at the  
10 beginning of the second sentence and inserting in lieu  
11 thereof “Except as provided in subsection (f), any”.

12 (2) Subsection (c) of such section is amended by  
13 striking out “Contributions” in the matter preceding para-  
14 graph (1), and inserting in lieu thereof “Except as pro-  
15 vided in subsection (f), contributions”.

16 **SEC. 1056. ONE-YEAR EXTENSION OF INTERNATIONAL NON-**  
17 **PROLIFERATION INITIATIVE.**

18 (a) ONE-YEAR EXTENSION.—Subsection (f) of sec-  
19 tion 1505 of the Weapons of Mass Destruction Control  
20 Act of 1992 (title XV of the National Defense Authoriza-  
21 tion Act for Fiscal Year 1993; 22 U.S.C. 5859a) is  
22 amended by striking out “1997” and inserting in lieu  
23 thereof “1998”.

24 (b) LIMITATIONS ON AMOUNT OF ASSISTANCE FOR  
25 ADDITIONAL FISCAL YEARS.—Subsection (d)(3) of such

1 section is amended by striking out “or \$15,000,000 for  
2 fiscal year 1997” and inserting in lieu thereof  
3 “\$15,000,000 for fiscal year 1997, or \$15,000,000 for fis-  
4 cal year 1998”.

5 **SEC. 1057. ARMS CONTROL IMPLEMENTATION AND ASSIST-**  
6 **ANCE FOR FACILITIES SUBJECT TO INSPEC-**  
7 **TION UNDER THE CHEMICAL WEAPONS CON-**  
8 **VENTION.**

9 (a) ASSISTANCE AUTHORIZED.—The On-Site Inspec-  
10 tion Agency of the Department of Defense may provide  
11 technical assistance, on a reimbursable basis (in accord-  
12 ance with subsection (b)), to a facility that is subject to  
13 a routine or challenge inspection under the Chemical  
14 Weapons Convention upon the request of the owner or op-  
15 erator of the facility.

16 (b) REIMBURSEMENT REQUIREMENT.—The United  
17 States National Authority shall reimburse the On-Site In-  
18 spection Agency for costs incurred by the agency in pro-  
19 viding assistance under subsection (a).

20 (c) DEFINITIONS.—In this section:

21 (1) The terms “Chemical Weapons Convention”  
22 and “Convention” mean the Convention on the Pro-  
23 hibition of the Development, Production, Stockpiling  
24 and Use of Chemical Weapons and on Their De-

1       struction, opened for signature on January 13,  
2       1993.

3               (2) The term “facility that is subject to a rou-  
4       tine inspection” means a declared facility, as defined  
5       in paragraph 15 of part X of the Annex on Imple-  
6       mentation and Verification of the Convention.

7               (3) The term “challenge inspection” means an  
8       inspection conducted under Article IX of the Con-  
9       vention.

10              (4) The term “United States National Author-  
11       ity” means the United States National Authority es-  
12       tablished or designated pursuant to Article VII,  
13       paragraph 4, of the Chemical Weapons Convention.

14 **SEC. 1058. SENSE OF SENATE REGARDING THE RELATION-**  
15 **SHIP BETWEEN ENVIRONMENTAL LAWS AND**  
16 **UNITED STATES’ OBLIGATIONS UNDER THE**  
17 **CHEMICAL WEAPONS CONVENTION.**

18       (a) FINDINGS.—The Senate makes the following  
19 findings:

20              (1) The Chemical Weapons Convention requires  
21       the destruction of the United States’ stockpile of le-  
22       thal chemical agents and munitions within 10 years  
23       after the Convention’s entry into force (or 2007).

24              (2) The President possesses substantial powers  
25       under existing law to ensure that the technologies

1 necessary to destroy the stockpile are developed, that  
2 the facilities necessary to destroy the stockpile are  
3 constructed, and that Federal, State, and local envi-  
4 ronmental laws and regulations do not impair the  
5 ability of the United States to comply with its obli-  
6 gations under the Convention.

7 (b) SENSE OF SENATE.—It is the sense of the Senate  
8 that the President—

9 (1) should use the authority granted the Presi-  
10 dent under existing law to ensure that the United  
11 States is able to construct and operate the facilities  
12 necessary to destroy the United States' stockpile of  
13 lethal chemical agents and munitions within the time  
14 allowed by the Chemical Weapons Convention; and

15 (2) while carrying out the United States' obli-  
16 gations under the Convention, should encourage ne-  
17 gotiations between appropriate Federal Government  
18 officials and officials of the State and local govern-  
19 ments concerned to attempt to meet their concerns  
20 about the actions being taken to carry out those ob-  
21 ligations.

22 (c) CHEMICAL WEAPONS CONVENTION DEFINED.—  
23 In this section, the terms “Chemical Weapons Conven-  
24 tion” and “Convention” mean the Convention on the Pro-  
25 hibition of the Development, Production, Stockpiling and

1 Use of Chemical Weapons and on Their Destruction,  
2 opened for signature on January 13, 1993.

3 **SEC. 1059. SENSE OF CONGRESS REGARDING FUNDING FOR**  
4 **RESERVE COMPONENT MODERNIZATION NOT**  
5 **REQUESTED IN THE ANNUAL BUDGET RE-**  
6 **QUEST.**

7 (a) LIMITATION.—It is the sense of Congress that,  
8 to the maximum extent practicable, Congress should con-  
9 sider authorizing appropriations for reserve component  
10 modernization activities not included in the budget request  
11 of the Department of Defense for a fiscal year only if—

12 (1) there is a Joint Requirements Oversight  
13 Council validated requirement for the equipment;

14 (2) the equipment is included for reserve com-  
15 ponent modernization in the modernization plan of  
16 the military department concerned and is incor-  
17 porated into the future-years defense program;

18 (3) the equipment is consistent with the use of  
19 reserve component forces;

20 (4) the equipment is necessary in the national  
21 security interests of the United States; and

22 (5) the funds can be obligated in the fiscal year.

23 (b) VIEWS OF THE CHAIRMAN, JOINT CHIEFS OF  
24 STAFF.—It is further the sense of Congress that, in apply-  
25 ing the criteria set forth in subsection (a), Congress

1 should obtain the views of the Chairman of the Joint  
2 Chiefs of Staff, including views on whether funds for  
3 equipment not included in the budget request are appro-  
4 priate for the employment of reserve component forces in  
5 Department of Defense warfighting plans.

6 **SEC. 1060. AUTHORITY OF SECRETARY OF DEFENSE TO**  
7 **SETTLE CLAIMS RELATING TO PAY, ALLOW-**  
8 **ANCES, AND OTHER BENEFITS.**

9 (a) **AUTHORITY TO WAIVE TIME LIMITATIONS.**—  
10 Paragraph (1) of section 3702(e) of title 31, United States  
11 Code, is amended by striking out “Comptroller General”  
12 and inserting in lieu thereof “Secretary of Defense”.

13 (b) **APPROPRIATION TO BE CHARGED.**—Paragraph  
14 (2) of such section is amended by striking out “shall be  
15 subject to the availability of appropriations for payment  
16 of that particular claim” and inserting in lieu thereof  
17 “shall be made from an appropriation that is available,  
18 for the fiscal year in which the payment is made, for the  
19 same purpose as the appropriation to which the obligation  
20 claimed would have been charged if the obligation had  
21 been timely paid”.

1 **SEC. 1061. COORDINATION OF ACCESS OF COMMANDERS**  
2 **AND DEPLOYED UNITS TO INTELLIGENCE**  
3 **COLLECTED AND ANALYZED BY THE INTEL-**  
4 **LIGENCE COMMUNITY.**

5 (a) FINDINGS.—Congress makes the following find-  
6 ings:

7 (1) Coordination of operational intelligence sup-  
8 port for the commanders of the combatant com-  
9 mands and deployed units of the Armed Forces has  
10 proven to be inadequate.

11 (2) Procedures used to reconcile information  
12 among various intelligence community and Depart-  
13 ment of Defense data bases proved to be inadequate  
14 and, being inadequate, diminished the usefulness of  
15 that information and preclude commanders and  
16 planners within the Armed Forces from fully benefit-  
17 ing from key information that should have been  
18 available to them.

19 (3) Excessive compartmentalization of respon-  
20 sibilities and information within the Department of  
21 Defense and the other elements of the intelligence  
22 community resulted in inaccurate analysis of impor-  
23 tant intelligence material.

24 (4) Excessive restrictions on the distribution of  
25 information within the executive branch disadvan-

1       tagged units of the Armed Forces that would have  
2       benefited most from the information.

3               (5) Procedures used in the Department of De-  
4       fense to ensure that critical intelligence information  
5       is provided to the right combat units in a timely  
6       manner failed during the Persian Gulf War and, as  
7       a result, information about potential chemical weap-  
8       ons storage locations did not reach the units that  
9       eventually destroyed those storage areas.

10              (6) A recent, detailed review of the events lead-  
11       ing to and following the destruction of chemical  
12       weapons by members of the Armed Forces at  
13       Khamisiyah, Iraq, during the Persian Gulf War has  
14       revealed a number of inadequacies in the way the  
15       Department of Defense and the other elements of  
16       the intelligence community handled, distributed, re-  
17       corded, and stored intelligence information about the  
18       threat of exposure of United States forces to chemi-  
19       cal weapons and the toxic agents in those weapons.

20              (7) The inadequacy of procedures for recording  
21       the receipt of, and reaction to, intelligence reports  
22       provided by the intelligence community to combat  
23       units of the Armed Forces during the Persian Gulf  
24       War has caused it to be impossible to analyze the  
25       failures in transmission of intelligence-related infor-

1 mation on the location of chemical weapons at  
2 Khamisiyah, Iraq, that resulted in the demolition of  
3 chemical weapons by members of the Armed Forces  
4 unaware of the hazards to which they were exposed.

5 (b) REPORTING REQUIREMENT.—Not later than  
6 March 1, 1998, the Secretary of Defense shall submit to  
7 Congress a report that identifies the specific actions that  
8 have been taken or are being taken to ensure that there  
9 is adequate coordination of operational intelligence sup-  
10 port for the commanders of the combatant commands and  
11 deployed units of the Armed Forces.

12 (c) DEFINITION OF INTELLIGENCE COMMUNITY.—In  
13 this section, the term “intelligence community” has the  
14 meaning given the term in section 3 of the National Secu-  
15 rity Act of 1947 (50 U.S.C. 401a).

16 **SEC. 1062. PROTECTION OF IMAGERY, IMAGERY INTEL-**  
17 **LIGENCE, AND GEOSPATIAL INFORMATION**  
18 **AND DATA.**

19 (a) PROTECTION OF INFORMATION ON CAPABILI-  
20 TIES.—Paragraph (1)(B) of section 455(b) of title 10,  
21 United States Code, is amended by inserting “, or capa-  
22 bilities,” after “methods”.

23 (b) PRODUCTS PROTECTED.—(1) Paragraph (2) of  
24 such section is amended to read as follows:

1       “(2) In this subsection, the term ‘geodetic product’  
2 means imagery, imagery intelligence, or geospatial infor-  
3 mation, as those terms are defined in section 467 of this  
4 title.”.

5       (2) Section 467(4)(C) of title 10, United States Code,  
6 is amended to read as follows:

7               “(C) maps, charts, geodetic data, and re-  
8 lated products.”.

9 **SEC. 1063. PROTECTION OF AIR SAFETY INFORMATION**  
10                   **VOLUNTARILY PROVIDED BY A CHARTER AIR**  
11                   **CARRIER.**

12       Section 2640 of title 10, United States Code, is  
13 amended—

14           (1) by redesignating subsections (h) and (i) as  
15 subsections (i) and (j), respectively; and

16           (2) by inserting after subsection (g) the follow-  
17 ing new subsection (h):

18       “(h) PROTECTION OF VOLUNTARILY SUBMITTED AIR  
19 SAFETY INFORMATION.—(1) Subject to paragraph (2),  
20 the appropriate official may deny a request made under  
21 any other provision of law for public disclosure of safety-  
22 related information that has been provided voluntarily by  
23 an air carrier to the Secretary of Defense for the purposes  
24 of this section, notwithstanding the provision of law under  
25 which the request is made.

1       “(2) The appropriate official may exercise authority  
2 to deny a request for disclosure of information under para-  
3 graph (1) if the official first determines that—

4           “(A) the disclosure of the information as re-  
5 quested would inhibit an air carrier from voluntarily  
6 disclosing, in the future, safety-related information  
7 for the purposes of this section or for other air safe-  
8 ty purposes involving the Department of Defense or  
9 another Federal agency; and

10          “(B) the receipt of such information generally  
11 enhances the fulfillment of responsibilities under this  
12 section or other air safety responsibilities involving  
13 the Department of Defense or another Federal agen-  
14 cy.

15       “(3) For the purposes of this section, the appropriate  
16 official for exercising authority under paragraph (1) is—

17           “(A) the Secretary of Defense, in the case of a  
18 request for disclosure of information that is directed  
19 to the Department of Defense; or

20           “(B) the head of another Federal agency, in the  
21 case of a request that is directed to that Federal  
22 agency regarding information described in paragraph  
23 (1) that the Federal agency has received from the  
24 Department of Defense.”.

1 **SEC. 1064. SUSTAINMENT AND OPERATION OF GLOBAL PO-**  
2 **SITIONING SYSTEM.**

3 (a) FINDINGS.—Congress makes the following find-  
4 ings:

5 (1) The Global Positioning System, with its  
6 multiple uses, makes significant contributions to the  
7 attainment of the national security and foreign pol-  
8 icy goals of the United States, the safety and effi-  
9 ciency of international transportation, and the eco-  
10 nomic growth, trade, and productivity of the United  
11 States.

12 (2) The infrastructure for the Global Position-  
13 ing System, including both space and ground seg-  
14 ments of the infrastructure, is vital to the effective-  
15 ness of United States and allied military forces and  
16 to the protection of the national security interests of  
17 the United States.

18 (3) In addition to having military uses, the  
19 Global Positioning System has essential civil, com-  
20 mercial, and scientific uses.

21 (4) Driven by the increasing demand of civil,  
22 commercial, and scientific users of the Global Posi-  
23 tioning System—

24 (A) there has emerged in the United  
25 States a new commercial industry to provide  
26 Global Positioning System equipment and relat-

1 ed services to the many and varied users of the  
2 system; and

3 (B) there have been rapid technical ad-  
4 vancements in Global Positioning System equip-  
5 ment and services that have contributed signifi-  
6 cantly to reductions in the cost of the Global  
7 Positioning System and increases in the tech-  
8 nical capabilities and availability of the system  
9 for military uses.

10 (5) It is in the national interest of the United  
11 States for the United States—

12 (A) to support continuation of the mul-  
13 tiple-use character of the Global Positioning  
14 System;

15 (B) to promote broader acceptance and use  
16 of the Global Positioning System and the tech-  
17 nological standards that facilitate expanded use  
18 of the system for civil purposes;

19 (C) to coordinate with other countries to  
20 ensure—

21 (i) efficient management of the elec-  
22 tromagnetic spectrum utilized for the Glob-  
23 al Positioning System; and

1                   (ii) protection of that spectrum in  
2                   order to prevent disruption of, and inter-  
3                   ference with, signals from the system; and

4                   (D) to encourage open access in all inter-  
5                   national markets to the Global Positioning Sys-  
6                   tem and supporting equipment, services, and  
7                   techniques.

8                   (b) SUSTAINMENT AND OPERATION FOR MILITARY  
9                   PURPOSES.—The Secretary of Defense shall—

10                  (1) provide for the sustainment of the Global  
11                  Positioning System capabilities, and the operation of  
12                  basic Global Positioning System services, that are  
13                  beneficial for the national security interests of Unit-  
14                  ed States;

15                  (2) develop appropriate measures for preventing  
16                  hostile use of the Global Positioning System that  
17                  make it unnecessary to use the selective availability  
18                  feature of the system continuously and do not hinder  
19                  the use of the Global Positioning System by the  
20                  United States and its allies for military purposes;  
21                  and

22                  (3) ensure that United States military forces  
23                  have the capability to use the Global Positioning  
24                  System effectively despite hostile attempts to prevent  
25                  the use of the system by such forces.

1 (c) SUSTAINMENT AND OPERATION FOR CIVILIAN  
2 PURPOSES.—The Secretary of Defense shall—

3 (1) provide for the sustainment and operation  
4 of basic Global Positioning System services for  
5 peaceful civil, commercial, and scientific uses on a  
6 continuous worldwide basis free of direct user fees;

7 (2) provide for the sustainment and operation  
8 of basic Global Positioning System services in order  
9 to meet the performance requirements of the Fed-  
10 eral Radionavigation Plan jointly issued by the Sec-  
11 retary of Defense and the Secretary of Transpor-  
12 tation;

13 (3) coordinate with the Secretary of Transpor-  
14 tation regarding the development and implementa-  
15 tion by the Federal Government of augmentations to  
16 the basic Global Positioning System that achieve or  
17 enhance uses of the system in support of transpor-  
18 tation;

19 (4) coordinate with the Secretary of Commerce,  
20 the United States Trade Representative, and other  
21 appropriate officials to facilitate the development of  
22 new and expanded civil uses for the Global Position-  
23 ing System; and

24 (5) develop measures for preventing hostile use  
25 of the Global Positioning System in a particular area

1 without hindering peaceful civil use of the system  
2 elsewhere.

3 (d) FEDERAL RADIONAVIGATION PLAN.—The Sec-  
4 retary of Defense and the Secretary of Transportation  
5 shall continue to prepare the Federal Radionavigation  
6 Plan every two years as originally provided for in the  
7 International Maritime Satellite Telecommunications Act  
8 (title V of the Communications Satellite Act of 1962; 47  
9 U.S.C. 751 et seq.).

10 (e) INTERNATIONAL COOPERATION.—Congress urges  
11 the President to promote the security of the United States  
12 and its allies, the public safety, and commercial interests  
13 by—

14 (1) undertaking a coordinated effort within the  
15 executive branch to seek to establish the Global Po-  
16 sitioning System, and augmentations to the system,  
17 as a worldwide resource;

18 (2) seeking to enter into international agree-  
19 ments to establish signal and service standards that  
20 protect the Global Positioning System from disrup-  
21 tion and interference; and

22 (3) undertaking efforts to eliminate any bar-  
23 riers to, and other restrictions of foreign govern-  
24 ments on, peaceful uses of the Global Positioning  
25 System.

1 (f) PROHIBITION OF SUPPORT OF FOREIGN SYS-  
2 TEM.—None of the funds authorized to be appropriated  
3 under this Act may be used to support the operation and  
4 maintenance or enhancement of any satellite navigation  
5 system operated by a foreign country.

6 (g) REPORT.—(1) Not later than 30 days after the  
7 end of each even numbered fiscal year (beginning with fis-  
8 cal year 1998), the Secretary of Defense shall submit to  
9 the Committees on Armed Services and on Appropriations  
10 on the Senate and the Committees on National Security  
11 and on Appropriations of the House of Representatives a  
12 report on the Global Positioning System. The report shall  
13 include a discussion of the following matters:

14 (A) The operational status of the Global Posi-  
15 tioning System.

16 (B) The capability of the system to satisfy ef-  
17 fectively—

18 (i) the military requirements for the sys-  
19 tem that are current as of the date of the re-  
20 port; and

21 (ii) the performance requirements of the  
22 Federal Radionavigation Plan.

23 (C) The most recent determination by the  
24 President regarding continued use of the selective  
25 availability feature of the Global Positioning System

1 and the expected date of any change or elimination  
2 of use of that feature.

3 (D) The status of cooperative activities under-  
4 taken by the United States with the governments of  
5 other countries concerning the capability of the  
6 Global Positioning System or any augmentation of  
7 the system to satisfy civil, commercial, scientific, and  
8 military requirements, including a discussion of the  
9 status and results of activities undertaken under any  
10 regional international agreement.

11 (E) Any progress made toward establishing the  
12 Global Positioning System as an international stand-  
13 ard for consistency of navigational service.

14 (F) Any progress made toward protecting the  
15 Global Positioning System from disruption and in-  
16 terference.

17 (G) The effects of use of the Global Positioning  
18 System on national security, regional security, and  
19 the economic competitiveness of United States in-  
20 dustry, including the Global Positioning System  
21 equipment and service industry and user industries.

22 (2) In preparing the parts of the report required  
23 under subparagraphs (D), (E), (F), and (G) of paragraph  
24 (1), the Secretary of Defense shall consult with the Sec-

1 retary of Commerce, Secretary of Transportation, and  
2 Secretary of Labor.

3 (h) BASIC GLOBAL POSITIONING SYSTEM SERVICES  
4 DEFINED.—In this section, the term “basic global posi-  
5 tioning system services” means the following components  
6 of the Global Positioning System that are operated and  
7 maintained by the Department of Defense:

8 (1) The constellation of satellites.

9 (2) The navigation payloads that produce the  
10 Global Positioning System signals.

11 (3) The ground stations, data links, and associ-  
12 ated command and control facilities.

13 **SEC. 1065. LAW ENFORCEMENT AUTHORITY FOR SPECIAL**  
14 **AGENTS OF THE DEFENSE CRIMINAL INVES-**  
15 **TIGATIVE SERVICE.**

16 (a) AUTHORITY.—Chapter 81 of title 10, United  
17 States Code, is amended by inserting after section 1585  
18 the following new section:

19 **“§ 1585a. Special agents of the Defense Criminal In-**  
20 **vestigative Service: law enforcement au-**  
21 **thority**

22 “(a) AUTHORITY.—A special agent of the Defense  
23 Criminal Investigative Service designated under sub-  
24 section (b) has the following authority:

25 “(1) To carry firearms.

1           “(2) To execute and serve any warrant or other  
2           process issued under the authority of the United  
3           States.

4           “(3) To make arrests without warrant for—

5                   “(A) any offense against the United States  
6                   committed in the agent’s presence; or

7                   “(B) any felony cognizable under the laws  
8                   of the United States if the agent has probable  
9                   cause to believe that the person to be arrested  
10                  has committed or is committing the felony.

11          “(b) DESIGNATION OF AGENTS TO HAVE AUTHOR-  
12          ITY.—The Secretary of Defense may designate to have the  
13          authority provided under subsection (a) any special agent  
14          of the Defense Criminal Investigative Service whose duties  
15          include conducting, supervising, or coordinating investiga-  
16          tions of criminal activity in programs and operations of  
17          the Department of Defense.

18          “(c) GUIDELINES ON EXERCISE OF AUTHORITY.—  
19          The authority provided under subsection (a) shall be exer-  
20          cised in accordance with guidelines prescribed by the In-  
21          specter General of the Department of Defense and ap-  
22          proved by the Attorney General, and any other applicable  
23          guidelines prescribed by the Secretary of Defense or the  
24          Attorney General.”.

1 (b) CONFORMING AMENDMENT.—The table of sec-  
 2 tions at the beginning of such chapter is amended by in-  
 3 serting after the item relating to section 1585 the follow-  
 4 ing:

“1585a. Special agents of the Defense Criminal Investigative Service: law en-  
 forcement authority.”.

5 **SEC. 1066. REPEAL OF REQUIREMENT FOR CONTINUED OP-**  
 6 **ERATION OF THE NAVAL ACADEMY DAIRY**  
 7 **FARM.**

8 (a) REPEAL.—Section 810 of the Military Construc-  
 9 tion Authorization Act, 1968 (Public Law 90–110; 81  
 10 Stat. 309) is amended—

11 (1) by striking out subsection (a); and

12 (2) in subsection (b), by striking out “nor  
 13 shall” and all that follows through “Act of Con-  
 14 gress”.

15 (b) CONFORMING AMENDMENTS.—(1) Section  
 16 6971(b)(5) of title 10, United States Code, is amended  
 17 by inserting “(if any)” before the period at the end.

18 (2) Section 2105(b) of title 5, United States Code,  
 19 is amended by inserting “(if any)” after “Academy dairy”.

20 **SEC. 1067. POW/MIA INTELLIGENCE ANALYSIS CELL.**

21 (a) ESTABLISHMENT OF INTELLIGENCE CELL.—The  
 22 Director of Central Intelligence, in consultation with the  
 23 Secretary of Defense, shall establish a POW/MIA Intel-  
 24 ligence Analysis Cell to provide analytical support on

1 POW/MIA matters to all departments and agencies of the  
2 Federal Government involved with such matters. The Di-  
3 rector of Central Intelligence shall oversee the functions  
4 of the POW/MIA Intelligence Analysis Cell and determine  
5 its structure and location.

6 (b) PREPARATION OF NATIONAL INTELLIGENCE ES-  
7 TIMATE.—The POW/MIA Intelligence Analysis Cell shall  
8 be the primary source of support for the Director in the  
9 preparation of the Special National Intelligence Estimate  
10 on POW/MIA matters that was directed by the Assistant  
11 to the President for National Security Affairs in accord-  
12 ance with the letter on that subject that the Assistant to  
13 the President transmitted to the Majority Leader of the  
14 Senate on April 10, 1997.

15 (c) CONSOLIDATION OF INTELLIGENCE COLLECTION  
16 REQUIREMENTS.—All intelligence collection requirements  
17 for the intelligence community regarding POW/MIA mat-  
18 ters shall be consolidated within the POW/MIA Intel-  
19 ligence Analysis Cell.

20 (d) DEFINITIONS.—In this section:

21 (1) The term “POW/MIA matters” means mat-  
22 ters concerning prisoners of war and members of the  
23 Armed Forces who are missing in action.

1           (2) The term “intelligence community” has the  
2           meaning given the term in section 3 of the National  
3           Security Act of 1947 (50 U.S.C. 401a).

4 **SEC. 1068. PROTECTION OF EMPLOYEES FROM RETALIA-**  
5 **TION FOR CERTAIN DISCLOSURES OF CLASSI-**  
6 **FIED INFORMATION.**

7           (a) DISCLOSURES TO OFFICIALS CLEARED FOR AC-  
8           CESS.—Section 2302(b) of title 5, United States Code, is  
9           amended—

10           (1) in paragraph (8)—

11           (A) by striking out “or” at the end of sub-  
12           paragraph (A);

13           (B) by inserting “or” at the end of sub-  
14           paragraph (B)(ii); and

15           (C) by adding at the end the following:

16           “(C) a disclosure by an employee or appli-  
17           cant of information required by law or Execu-  
18           tive order to be kept secret in the interest of  
19           national defense or the conduct of foreign af-  
20           fairs which the employee or applicant reason-  
21           ably believes to provide direct and specific evi-  
22           dence of—

23           “(i) a violation of any law, rule, or  
24           regulation,

1                   “(ii) gross mismanagement, a gross  
2                   waste of funds, abuse of authority, or a  
3                   substantial and specific danger to public  
4                   health or safety, or

5                   “(iii) a false statement to Congress on  
6                   an issue of material fact,

7                   if the disclosure is made to a member of a com-  
8                   mittee of Congress having a primary respon-  
9                   sibility for oversight of a department, agency,  
10                  or element of the Federal Government to which  
11                  the disclosed information relates, to any other  
12                  Member of Congress who is authorized to re-  
13                  ceive information of the type disclosed, or to an  
14                  employee of the executive branch or Congress  
15                  who has the appropriate security clearance for  
16                  access to the information disclosed;” and

17                  (2) by striking out the matter following para-  
18                  graph (11).

19                  (b) DISSEMINATION OF INFORMATION ON NEW PRO-  
20                  TECTION.—Not later than 30 days after the date of the  
21                  enactment of this Act, the President shall—

22                  (1) take such action as is necessary to ensure  
23                  that employees of the executive branch having access  
24                  to classified information receive notice that the dis-  
25                  closure of such information to Congress is not pro-

1       hibited by law, executive order, or regulation, and is  
 2       not otherwise contrary to public policy when the in-  
 3       formation is disclosed under the circumstances de-  
 4       scribed in subparagraph (C) of section 2302(b)(8) of  
 5       title 5, United States Code (as added by subsection  
 6       (a)); and

7               (2) submit to Congress a report on the actions  
 8       taken to carry out paragraph (1).

9       (c) **EFFECTIVE DATE AND APPLICABILITY.**—The  
 10       amendments made by subsection (a) shall take effect on  
 11       October 1, 1998, and shall apply to a taking, failing to  
 12       take, or threat to take or fail to take a personnel action  
 13       on or after such date because of a disclosure described  
 14       in subparagraph (C) of section 2302(b)(8) of title 5, Unit-  
 15       ed States Code (as added by subsection (a)), that is made  
 16       before, on, or after such date.

17       **SEC. 1069. APPLICABILITY OF CERTAIN PAY AUTHORITIES**  
 18                       **TO MEMBERS OF THE COMMISSION ON**  
 19                       **SERVICEMEMBERS AND VETERANS TRANSI-**  
 20                       **TION ASSISTANCE.**

21       (a) **APPLICABILITY.**—Section 705(a) of the Veterans’  
 22       Benefits Improvements Act of 1996 (Public Law 104–275;  
 23       110 Stat. 3349; 38 U.S.C. 545 note) is amended—

24               (1) by inserting “(1)” before “Each member”;  
 25       and

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

2           “(2)(A) A member of the Commission who is an an-  
3 nuitant otherwise covered by section 8344 or 8468 of title  
4 5, United States Code, by reason of membership on the  
5 Commission shall not be subject to the provisions of such  
6 section with respect to such membership.

7           “(B) A member of the Commission who is a member  
8 or former member of a uniformed service shall not be sub-  
9 ject to the provisions of subsections (b) and (c) of section  
10 5532 of such title with respect to membership on the Com-  
11 mission.”.

12           (b) EFFECTIVE DATE.—The amendments made by  
13 subsection (a) shall take effect as if included in the provi-  
14 sions of section 705(a) of the Veterans’ Benefits Improve-  
15 ments Act of 1996 to which such amendments relate.

16 **SEC. 1070. TRANSFER OF B-17 AIRCRAFT TO MUSEUM.**

17           (a) AUTHORITY.—The Secretary of the Air Force  
18 may convey, without consideration, to the Planes of Fame  
19 Museum, Chino, California (hereafter in this section re-  
20 ferred to as the “museum”), all right, title, and interest  
21 of the United States in and to the B-17 aircraft known  
22 as the “Picadilly Lilly”, an aircraft that has been in the  
23 possession of the museum since 1959.

24           (b) CONDITION OF AIRCRAFT.—Before conveying  
25 ownership of the aircraft, the Secretary shall alter the air-

1 craft as necessary to ensure that the aircraft does not have  
2 any capability for use as a platform for launching or re-  
3 leasing munitions or any other combat capability that it  
4 was designed to have. The Secretary is not required to  
5 repair or alter the condition of the aircraft in any other  
6 way before conveying the ownership.

7 (c) CONDITION FOR CONVEYANCE.—A conveyance of  
8 ownership of the aircraft under this section shall be sub-  
9 ject to the condition that the museum not convey any own-  
10 ership interest in, or transfer possession of, the aircraft  
11 to any other party without the advance approval of the  
12 Secretary of the Air Force.

13 (d) REVERSION.—If the Secretary of the Air Force  
14 determines at any time that the museum has conveyed an  
15 ownership interest in, or transferred possession of, the air-  
16 craft to any other party without the advance approval of  
17 the Secretary, all right, title, and interest in and to the  
18 aircraft, including any repairs or alterations of the air-  
19 craft, shall revert to the United States, and the United  
20 States shall have the right of immediate possession of the  
21 aircraft.

22 (e) ADDITIONAL TERMS AND CONDITIONS.—The  
23 Secretary of the Air Force may require such additional  
24 terms and conditions in connection with the conveyance

1 under this section as the Secretary considers appropriate  
2 to protect the interests of the United States.

3 (f) CLARIFICATION OF LIABILITY.—Notwithstanding  
4 any other provision of law, the United States shall not  
5 be liable for any death, injury, loss, or damages that result  
6 from any use of the aircraft conveyed under this section  
7 by any person other than the United States after the con-  
8 veyance is complete.

9 **SEC. 1071. FIVE-YEAR EXTENSION OF AVIATION INSURANCE**  
10 **PROGRAM.**

11 (a) EXTENSION.—Section 44310 of title 49, United  
12 States Code, is amended by striking out “September 30,  
13 1997” and inserting in lieu thereof “September 30,  
14 2002”.

15 (b) EFFECTIVE DATE.—This section shall take effect  
16 as of September 30, 1997.

17 **SEC. 1072. TREATMENT OF MILITARY FLIGHT OPERATIONS.**

18 No military flight operation (including a military  
19 training flight), or designation of airspace for such an op-  
20 eration, may be treated as a transportation program or  
21 project for purposes of section 303(c) of title 49, United  
22 States Code.

1 **SEC. 1073. NATURALIZATION OF FOREIGN NATIONALS WHO**  
2 **SERVED HONORABLY IN THE ARMED FORCES**  
3 **OF THE UNITED STATES.**

4 (a) IN GENERAL.—Section 329 of the Immigration  
5 and Nationality Act (8 U.S.C. 1440) is amended—

6 (1) in subsection (a)(1)—

7 (A) by inserting “, reenlistment, extension  
8 of enlistment,” after “at the time of enlist-  
9 ment”; and

10 (B) by inserting “or on board a public ves-  
11 sel owned or operated by the United States for  
12 noncommercial service,” after “United States,  
13 the Canal Zone, American Samoa, or Swains Is-  
14 land,”; and

15 (2) by adding at the end the following new sub-  
16 section:

17 “(d) WAIVER.—(1) For purposes of the naturaliza-  
18 tion of natives of the Philippines under section 405 of the  
19 Immigration Act of 1990 (8 U.S.C. 1440 note), notwith-  
20 standing any other provision of law—

21 “(A) the processing of applications for natu-  
22 ralization, filed in accordance with the provisions of  
23 Section 405 of the Immigration Act of 1990 (Public  
24 Law 101–649; 104 Stat. 5039), including necessary  
25 interviews, may be conducted in the Philippines by

1 employees of the Service designated pursuant to sec-  
2 tion 335(b) of this Act; and

3 “(B) oaths of allegiance for applications under  
4 this subsection may be administered in the Phil-  
5ippines by employees of the Service designated pur-  
6suant to section 335(b) of this Act.

7 “(2) Paragraph (1) shall be effective only during the  
8 period beginning February 3, 1996, and ending at the end  
9 of February 2, 2006.”.

10 (b) EFFECTIVE DATES.—The amendments made by  
11 subsection (a)(1) shall be effective for all enlistments, re-  
12 enlistments, extensions of enlistment, or inductions of per-  
13 sons occurring on or after January 1, 1990.

14 **SEC. 1074. DESIGNATION OF BOB HOPE AS HONORARY VET-**  
15 **ERAN.**

16 (a) FINDINGS.—Congress makes the following find-  
17 ings:

18 (1) The United States has never in its more  
19 than 200 years of existence conferred honorary vet-  
20 eran status on any person.

21 (2) Honorary veteran status is and should re-  
22 main an extraordinary honor not lightly conferred  
23 nor frequently granted.

24 (3) It is fitting and proper to confer that status  
25 on Bob Hope.

1           (4) Bob Hope attempted to enlist in the Armed  
2 Forces to serve his country during World War II but  
3 was informed that the greatest service he could pro-  
4 vide his country was as a civilian entertainer for the  
5 troops.

6           (5) Since then, Bob Hope has travelled to visit  
7 and entertain millions of members of the Armed  
8 Forces of the United States throughout World War  
9 II, the Korean Conflict, the Vietnam War, the Per-  
10 sian Gulf War, and the Cold War, in Europe, Africa,  
11 England, Wales, Ireland, Scotland, Sicily, the Aleu-  
12 tian Islands, Pearl Harbor, Kwajalein Island, Guam,  
13 Japan, Korea, Vietnam, Saudi Arabia, and many  
14 other locations.

15           (6) Bob Hope frequently elected to stage his  
16 shows in forward combat areas.

17           (7) Bob Hope richly deserves the more than  
18 100 awards and citations that he has received from  
19 government, military, and civic groups.

20           (8) Those awards include the American Con-  
21 gressional Gold Medal, the Medal of Freedom, the  
22 People to People Award, the Peabody Award, the  
23 Jean Hersholdt Humanitarian Award, the Al Jolson  
24 Award of the Veterans of Foreign Wars, the Medal

1 of Liberty, and the Distinguished Service Medals of  
2 each of the Armed Forces.

3 (9) Bob Hope has given unselfishly of himself  
4 for over half a century to be with American service  
5 members on foreign shores, has worked tirelessly to  
6 bring a spirit of humor and cheer to millions of mili-  
7 tary members during their loneliest moments, and  
8 has, thereby, extended to them for the American  
9 people a touch of home away from home.

10 (b) HONORARY DESIGNATION.—The elected rep-  
11 resentatives of the American people, expressing the grati-  
12 tude of the American people to Bob Hope for his years  
13 of unselfish service to the members of the Armed Forces  
14 of the United States, designate Bob Hope as an honorary  
15 veteran of the Armed Forces of the United States.

16 **TITLE XI—DEPARTMENT OF**  
17 **DEFENSE CIVILIAN PERSONNEL**

18 **SEC. 1101. USE OF PROHIBITED CONSTRAINTS TO MANAGE**

19 **DEPARTMENT OF DEFENSE PERSONNEL.**

20 Section 129 of title 10, United States Code, is  
21 amended by adding at the end the following:

22 “(f)(1) Not later than February 1 and August 1 of  
23 each year, the Secretary of each military department and  
24 the head of each Defense Agency shall submit to the Com-  
25 mittee on Armed Services of the Senate and the Commit-

1 tee on National Security of the House of Representative  
2 a report on the management of the civilian workforce  
3 under the jurisdiction of that official.

4 “(2) Each report of an official under paragraph (1)  
5 shall contain the following:

6 “(A) The official’s certification that the civilian  
7 workforce under the jurisdiction of the official is not  
8 subject to any constraint or limitation in terms of  
9 man years, end strength, full-time equivalent posi-  
10 tions, or maximum number of employees, and that,  
11 during the six months preceding the date on which  
12 the report is due, such workforce has not been sub-  
13 ject to any such constraint or limitation.

14 “(B) A description of how the civilian workforce  
15 is managed.

16 “(C) A detailed description of the analytical  
17 tools used to determine civilian workforce require-  
18 ments during the six-month period referred to in  
19 subparagraph (A).”.

20 **SEC. 1102. EMPLOYMENT OF CIVILIAN FACULTY AT THE**  
21 **MARINE CORPS UNIVERSITY.**

22 (a) EXPANDED AUTHORITY.—Subsections (a) and  
23 (c) of section 7478 of title 10, United States Code, are  
24 amended by striking out “the Marine Corps Command

1 and Staff College” and inserting in lieu thereof “a school  
2 of the Marine Corps University”.

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

5 **“§ 7478. Naval War College and Marine Corps Univer-**  
6 **sity: civilian faculty members”.**

7 (2) The table of sections at the beginning of chapter  
8 643 of such title is amended by striking out the item relat-  
9 ing to section 7478 and inserting in lieu thereof the follow-  
10 ing new item:

“7478. Naval War College and Marine Corps University: civilian faculty mem-  
bers.”.

11 **SEC. 1103. EXTENSION AND REVISION OF VOLUNTARY SEP-**  
12 **ARATION INCENTIVE PAY AUTHORITY.**

13 (a) REMITTANCE TO CSRS FUND.—Section 5597 of  
14 title 5, United States Code, is amended by adding at the  
15 end the following:

16 “(h)(1) In addition to any other payment that it is  
17 required to make under subchapter III of chapter 83 or  
18 chapter 84 of this title, the Department of Defense shall  
19 remit to the Office of Personnel Management an amount  
20 equal to 15 percent of the final basic pay of each covered  
21 employee. The remittance shall be in place of any remit-  
22 tance with respect to the employee that is otherwise re-  
23 quired under section 4(a) of the Federal Workforce Re-  
24 structuring Act of 1994 (5 U.S.C. 8331 note).

1       “(2) Amounts remitted under paragraph (1) shall be  
2 deposited in the Treasury of the United States to the cred-  
3 it of the Civil Service Retirement and Disability Fund.

4       “(3) For the purposes of this subsection—

5           “(A) the term ‘covered employee’ means an em-  
6 ployee who is subject to subchapter III of chapter 83  
7 or chapter 84 of this title and to whom a voluntary  
8 separation incentive has been paid under this section  
9 on the basis of a separation on or after October 1,  
10 1997; and

11           “(B) the term ‘final basic pay’ has the meaning  
12 given such term in section 4(a)(2) of the Federal  
13 Workforce Restructuring Act of 1994 (5 U.S.C.  
14 8331 note).”.

15       (b) EXTENSION OF AUTHORITY.—(1) Subsection (e)  
16 of such section is amended by striking out “September  
17 30, 1999” and inserting in lieu thereof “September 30,  
18 2001”.

19       (2) Section 4436(d)(2) of the Defense Conversion,  
20 Reinvestment, and Transition Assistance Act of 1992 (5  
21 U.S.C. 8348 note) is amended by striking “January 1,  
22 2000” and inserting in lieu thereof “January 1, 2002”.

1 **SEC. 1104. REPEAL OF DEADLINE FOR PLACEMENT CONSID-**  
2 **ERATION OF INVOLUNTARILY SEPARATED**  
3 **MILITARY RESERVE TECHNICIANS.**

4 Section 3329(b) of title 5, United States Code, is  
5 amended by striking out “a position described in sub-  
6 section (c) not later than 6 months after the date of the  
7 application”.

8 **SEC. 1105. RATE OF PAY OF DEPARTMENT OF DEFENSE**  
9 **OVERSEAS TEACHER UPON TRANSFER TO**  
10 **GENERAL SCHEDULE POSITION.**

11 (a) PREVENTION OF EXCESSIVE INCREASES.—Sec-  
12 tion 5334(d) of title 5, United States Code, is amended  
13 by striking out “20 percent” and all that follows and in-  
14 serting in lieu thereof “an amount determined under regu-  
15 lations which the Secretary of Defense shall prescribe for  
16 the determination of the yearly rate of pay of the position.  
17 The amount by which a rate of pay is increased under  
18 the regulations may not exceed the amount equal to 20  
19 percent of that rate of pay.”.

20 (b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1)  
21 The amendment made by subsection (a) shall take effect  
22 180 days after the date of the enactment of this Act.

23 (2) In the case of a person who is employed in a  
24 teaching position referred to in section 5334(d) of title 5,  
25 United States Code, on the day before the effective date  
26 determined under paragraph (1), the rate of pay deter-

1 mined under such section (as in effect on that day) shall  
2 not be reduced by reason of the amendment made by sub-  
3 section (a) for so long as the person continues to serve  
4 in that position or another such position without a break  
5 in service on or after that day.

6 **SEC. 1106. NATURALIZATION OF EMPLOYEES OF THE**  
7 **GEORGE C. MARSHALL EUROPEAN CENTER**  
8 **FOR SECURITY STUDIES.**

9 (a) ELIGIBILITY WITHOUT PERMANENT RESI-  
10 DENCE.—Subsection (a) of section 506 of the Intelligence  
11 Authorization Act, Fiscal Year 1990 (Public Law 101–  
12 193; 103 Stat. 1709; 8 U.S.C. 1430 note) is amended to  
13 read as follows:

14 “(a) For purposes of subsection (c) of section 319  
15 of the Immigration and Nationality Act (8 U.S.C. 1430),  
16 the George C. Marshall European Center for Security  
17 Studies, located in Garmisch, Federal Republic of Ger-  
18 many, shall be considered to be an organization described  
19 in clause (1) of such subsection. Notwithstanding clauses  
20 (2) and (4) of such subsection and any other provision  
21 of title III of the Immigration and Nationality Act, neither  
22 prior admission to the United States for permanent resi-  
23 dence nor presence in the United States at the time of  
24 naturalization is required as a condition for the natu-

1 ralization (under the authority of such subsection) of a  
 2 person employed by the Center.”.

3 (b) REFERENCE CORRECTION.—The section heading  
 4 of such section is amended to read as follows:

5 “REQUIREMENTS FOR CITIZENSHIP FOR STAFF OF  
 6 GEORGE C. MARSHALL EUROPEAN CENTER FOR SE-  
 7 CURITY STUDIES”.

8 **DIVISION B—MILITARY CON-**  
 9 **STRUCTION AUTHORIZA-**  
 10 **TIONS**

11 **SEC. 2001. SHORT TITLE.**

12 This division may be cited as the “Military Construc-  
 13 tion Authorization Act for Fiscal Year 1998”.

14 **TITLE XXI—ARMY**

15 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**  
 16 **ACQUISITION PROJECTS.**

17 (a) INSIDE THE UNITED STATES.—Using amounts  
 18 appropriated pursuant to the authorization of appropria-  
 19 tions in section 2104(a)(1), the Secretary of the Army  
 20 may acquire real property and carry out military construc-  
 21 tion projects for the installations and locations inside the  
 22 United States, and in the amounts, set forth in the follow-  
 23 ing table:

**Army: Inside the United States**

State	Installation or location	Amount
Alabama .....	Redstone Arsenal .....	\$27,000,000
Arizona .....	Fort Huachuca .....	\$20,000,000
California .....	Naval Weapons Station, Concord .....	\$23,000,000

**Army: Inside the United States**—Continued

<b>State</b>	<b>Installation or location</b>	<b>Amount</b>
Colorado .....	Fort Carson .....	\$7,300,000
Georgia .....	Fort Gordon .....	\$22,000,000
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
North Carolina .....	Fort Bragg .....	\$6,500,000
South Carolina .....	Naval Weapons Station, Charleston .....	\$7,700,000
Texas .....	Fort Sam Houston .....	\$16,000,000
Virginia .....	Charlottesville .....	\$3,100,000
	Fort A.P. Hill .....	\$5,400,000
	Fort Myer .....	\$8,200,000
Washington .....	Fort Lewis .....	\$33,000,000
CONUS Classified .....	Classified Location .....	\$6,500,000
	Total: .....	\$387,000,000

1           (b) **OUTSIDE THE UNITED STATES.**—Using amounts  
2 appropriated pursuant to the authorization of appropria-  
3 tions in section 2104(a)(2), the Secretary of the Army  
4 may acquire real property and carry out military construc-  
5 tion projects for the locations outside the United States,  
6 and in the amounts, set forth in the following table:

**Army: Outside the United States**

<b>Country</b>	<b>Installation or location</b>	<b>Amount</b>
Germany .....	Katterbach Kaserne, Ansbach .....	\$22,000,000
	Kitzingen .....	\$4,365,000
	Tompkins Barracks, Heidelberg .....	\$8,800,000
	Rhine Ordnance Barracks, 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
Various Overseas .....	Various Locations .....	\$37,000,000
Worldwide .....	Host Nation Support .....	\$20,000,000
	Total: .....	\$174,265,000

7 **SEC. 2102. FAMILY HOUSING.**

8           (a) **CONSTRUCTION AND ACQUISITION.**—Using  
9 amounts appropriated pursuant to the authorization of ap-

1 appropriations in section 2104(a)(5)(A), the Secretary of the  
 2 Army may construct or acquire family housing units (in-  
 3 cluding land acquisition) at the installations, for the pur-  
 4 poses, and in the amounts set forth in the following table:

**Army: Family Housing**

State	Installation or loca- tion	Purpose	Amount
Alaska .....	Fort Richardson .....	52 Units .....	\$9,600,000
	Fort Wainwright .....	32 Units .....	\$8,300,000
Florida .....	Miami .....	8 Units .....	\$2,300,000
Hawaii .....	Schofield Barracks .....	132 Units .....	\$26,600,000
Kentucky .....	Fort Campbell .....	Family housing improve- ments.	\$8,500,000
			Maryland .....
New York .....	United States Military Academy, West Point.	Whole neigh- borhood revi- talization.	\$5,400,000
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: .....			\$120,450,000

5 (b) PLANNING AND DESIGN.—Using amounts appro-  
 6 priated pursuant to the authorization of appropriations in  
 7 section 2104(a)(5)(A), the Secretary of the Army may  
 8 carry out architectural and engineering services and con-  
 9 struction design activities with respect to the construction  
 10 or improvement of family housing units in an amount not  
 11 to exceed \$11,665,000.

12 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**  
 13 **UNITS.**

14 Subject to section 2825 of title 10, United States  
 15 Code, and using amounts appropriated pursuant to the  
 16 authorization of appropriations in section 2104(a)(5)(A),  
 17 the Secretary of the Army may improve existing military

1 family housing units in an amount not to exceed  
2 \$44,800,000.

3 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

4 (a) IN GENERAL.—Funds are hereby authorized to  
5 be appropriated for fiscal years beginning after September  
6 30, 1997, for military construction, land acquisition, and  
7 military family housing functions of the Department of the  
8 Army in the total amount of \$1,957,129,000 as follows:

9 (1) For military construction projects inside the  
10 United States authorized by section 2101(a),  
11 \$360,500,000.

12 (2) For the military construction projects out-  
13 side the United States authorized by section  
14 2101(b), \$174,265,000.

15 (3) For unspecified minor military construction  
16 projects authorized by section 2805 of title 10, Unit-  
17 ed States Code, \$6,000,000.

18 (4) For architectural and engineering services  
19 and construction design under section 2807 of title  
20 10, United States Code, \$50,512,000.

21 (5) For military family housing functions:

22 (A) For construction and acquisition, plan-  
23 ning and design, and improvement of military  
24 family housing and facilities, \$176,915,000.

1 (B) For support of military family housing  
2 (including the functions described in section  
3 2833 of title 10, United States Code),  
4 \$1,148,937,000.

5 (6) For the construction of the National Range  
6 Control Center, White Sands Missile Range, New  
7 Mexico, authorized by section 2101(a) of the Mili-  
8 tary Construction Authorization Act for Fiscal Year  
9 1997 (division B of Public Law 104–201; 110 Stat.  
10 2763), \$18,000,000.

11 (7) For the construction of the whole barracks  
12 complex renewal, Fort Knox, Kentucky, authorized  
13 by section 2101(a) of the Military Construction Au-  
14 thorization Act for Fiscal Year 1997 (110 Stat.  
15 2763), \$22,000,000.

16 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION  
17 PROJECTS.—Notwithstanding the cost variations author-  
18 ized by section 2853 of title 10, United States Code, and  
19 any other cost variation authorized by law, the total cost  
20 of all projects carried out under section 2101 of this Act  
21 may not exceed—

22 (1) the total amount authorized to be appro-  
23 priated under paragraphs (1) and (2) of subsection  
24 (a); and

1           (2) \$26,500,000 (the balance of the amount au-  
2           thorized under section 2101(a) for the construction  
3           of the United States Disciplinary Barracks, Fort  
4           Leavenworth, Kansas).

5 **SEC. 2105. AUTHORITY TO USE CERTAIN PRIOR YEAR**  
6                           **FUNDS TO CONSTRUCT A HELIPORT AT FORT**  
7                           **IRWIN, CALIFORNIA.**

8           (a) **AUTHORITY TO USE FUNDS.**—Notwithstanding  
9 any other provision of law and subject to subsection (b),  
10 the Secretary of the Army may carry out a project to con-  
11 struct a heliport at Fort Irwin, California, using the fol-  
12 lowing amounts:

13           (1) Amounts appropriated pursuant to the au-  
14 thORIZATION of appropriations in section 2104(a)(1)  
15 of the Military Construction Authorization Act for  
16 Fiscal Year 1995 (division B of Public Law 103–  
17 337; 108 Stat. 3029) for the military construction  
18 project at Fort Irwin authorized by section 2101(a)  
19 of that Act (108 Stat. 3027).

20           (2) Amounts appropriated pursuant to the au-  
21 thORIZATION of appropriations in section 2104(a)(1)  
22 of the Military Construction Authorization Act for  
23 Fiscal Year 1996 (division B of Public Law 104–  
24 106; 110 Stat. 524) for the military construction

1 project at Fort Irwin authorized by section 2101(a)  
2 of that Act (110 Stat. 523).

3 (b) **LIMITATION ON AVAILABILITY.**—Unless funds  
4 available under subsection (a) are obligated for the project  
5 covered by that subsection by the later of the dates set  
6 forth in section 2701(a) of this Act, the authority in that  
7 subsection to use funds for the project shall expire on the  
8 later of such dates.

## 9 **TITLE XXII—NAVY**

### 10 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND** 11 **ACQUISITION PROJECTS.**

12 (a) **INSIDE THE UNITED STATES.**—Using amounts  
13 appropriated pursuant to the authorization of appropria-  
14 tions in section 2204(a)(1), the Secretary of the Navy may  
15 acquire real property and carry out military construction  
16 projects for the installations and locations inside the Unit-  
17 ed States, and in the amounts, set forth in the following  
18 table:

#### **Navy: Inside the United States**

<b>State</b>	<b>Installation or location</b>	<b>Amount</b>
Arizona .....	Navy Detachment, Camp Navajo .....	\$11,426,000
	Marine Corps Air Station, Yuma .....	\$14,700,000
California .....	Marine Corps Air Station, Camp Pendle- ton.	\$14,020,000
	Marine Corps Air Station, Miramar .....	\$8,700,000
	Marine Corps Air-Ground Combat Cen- ter, Twentynine Palms.	\$3,810,000
	Marine Corps Base, Camp Pendleton .....	\$39,469,000
	Naval Air Facility, El Centro .....	\$11,000,000
	Naval Air Station, North Island .....	\$19,600,000
Connecticut .....	Naval Submarine Base, New London .....	\$23,560,000
Florida .....	Naval Air Station, Jacksonville .....	\$3,480,000
Hawaii .....	Honolulu (Fort DeRussy) .....	\$9,500,000
	Marine Corps Air Station, Kaneohe Bay	\$19,000,000

**Navy: Inside the United States**—Continued

State	Installation or location	Amount
	Naval Computer 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
Mississippi .....	Navy Combat Battalion Construction Base, Gulfport.	\$22,440,000
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 Recruit Depot, Parris Island.	\$3,200,000
Virginia .....	Fleet Combat Training Center, Dam Neck.	\$7,000,000
	Naval Air Station, Norfolk .....	\$14,240,000
	Naval Air Station, Oceana .....	\$28,000,000
	Naval Amphibious Base, Little Creek .....	\$8,685,000
	Naval Station, Norfolk .....	\$64,970,000
	Naval Surface Warfare Center, Dahlgren	\$20,480,000
	Naval Weapons Station, Yorktown .....	\$11,257,000
	Norfolk Naval Shipyard, Portsmouth .....	\$9,500,000
Washington .....	Naval Air Station, Whidbey Island .....	\$1,100,000
	Puget Sound Naval Shipyard, Bremerton	\$4,400,000
	Total: .....	\$481,257,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts  
2 appropriated pursuant to the authorization of appropria-  
3 tions in section 2204(a)(2), the Secretary of the Navy may  
4 acquire real property and carry out military construction  
5 projects for the installations and locations outside the  
6 United States, and in the amounts, set forth in the follow-  
7 ing table:

**Navy: Outside the United States**

Country	Installation or location	Amount
Bahrain .....	Administrative Support Unit, Bahrain .....	\$30,100,000
Guam .....	Naval Computer and Telecommunications Area, Master Station, Western Pacific.	\$4,050,000
Italy .....	Naval Air Station, Sigonella .....	\$21,440,000
	Naval Support Activity, Naples .....	\$8,200,000
Puerto Rico .....	Naval Station, Roosevelt Roads .....	\$9,500,000
United Kingdom .....	Joint Maritime Communications Center, Saint Mawgan.	\$2,330,000
	Total: .....	\$75,620,000

1 **SEC. 2202. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using  
 3 amounts appropriated pursuant to the authorization of ap-  
 4 propriations in section 2204(a)(5)(A), the Secretary of the  
 5 Navy may construct or acquire family housing units (in-  
 6 cluding land acquisition) at the installations, for the pur-  
 7 poses, and in the amounts set forth in the following table:

**Navy: Family Housing**

State	Installation	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
North Carolina .....	Marine Corps Base, Camp Lejeune.	37 Units .....	\$2,863,000
Texas .....	Naval Air Station, Corpus Christi.	57 Units .....	\$6,470,000
Washington .....	Naval Air Station, Whidbey Island.	198 Units .....	\$32,290,000
		Total: .....	\$140,139,000

8 (b) PLANNING AND DESIGN.—Using amounts appro-  
 9 priated pursuant to the authorization of appropriations in  
 10 section 2204(a)(5)(A), the Secretary of the Navy may  
 11 carry out architectural and engineering services and con-  
 12 struction design activities with respect to the construction  
 13 or improvement of military family housing units in an  
 14 amount not to exceed \$15,850,000.

1 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**  
2 **UNITS.**

3 Subject to section 2825 of title 10, United States  
4 Code, and using amounts appropriated pursuant to the  
5 authorization of appropriations in section 2204(a)(5)(A),  
6 the Secretary of the Navy may improve existing military  
7 family housing units in an amount not to exceed  
8 \$173,780,000.

9 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

10 (a) IN GENERAL.—Funds are hereby authorized to  
11 be appropriated for fiscal years beginning after September  
12 30, 1997, for military construction, land acquisition, and  
13 military family housing functions of the Department of the  
14 Navy in the total amount of \$1,916,887,000 as follows:

15 (1) For military construction projects inside the  
16 United States authorized by section 2201(a),  
17 \$448,637,000.

18 (2) For military construction projects outside  
19 the United States authorized by section 2201(b),  
20 \$75,620,000.

21 (3) For unspecified minor construction projects  
22 authorized by section 2805 of title 10, United States  
23 Code, \$9,960,000.

24 (4) For architectural and engineering services  
25 and construction design under section 2807 of title  
26 10, United States Code, \$47,597,000.

1 (5) For military family housing functions:

2 (A) For construction and acquisition, plan-  
3 ning and design, and improvement of military  
4 family housing and facilities, \$329,769,000.

5 (B) For support of military housing (in-  
6 cluding functions described in section 2833 of  
7 title 10, United States Code), \$976,504,000.

8 (6) For construction of a large anechoic cham-  
9 ber facility at Patuxent River Naval Warfare Center,  
10 Maryland, authorized by section 2201(a) of the Mili-  
11 tary Construction Authorization Act for Fiscal Year  
12 1993 (division B of Public Law 102-484; 106 Stat.  
13 2590), \$9,000,000.

14 (7) For construction of a bachelor enlisted  
15 quarters at Naval Hospital, Great Lakes, Illinois,  
16 authorized by section 2201(a) of the Military Con-  
17 struction Authorization Act for Fiscal Year 1997  
18 (division B of Public Law 104-201; 110 Stat.  
19 2766), \$5,200,000.

20 (8) For construction of a bachelor enlisted  
21 quarters at Naval Station, Roosevelt Roads, Puerto  
22 Rico, authorized by section 2201(b) of the Military  
23 Construction Authorization Act for Fiscal Year 1997  
24 (110 Stat. 2767), \$14,600,000.

1           (b) LIMITATION ON TOTAL COST OF CONSTRUCTION  
2 PROJECTS.—Notwithstanding the cost variations author-  
3 ized by section 2853 of title 10, United States Code, and  
4 any other cost variation authorized by law, the total cost  
5 of all projects carried out under section 2201 of this Act  
6 may not exceed—

7           (1) the total amount authorized to be appro-  
8 priated under paragraphs (1) and (2) of subsection  
9 (a); and

10           (2) \$32,620,000 (the balance of the amount au-  
11 thORIZED under section 2101(a) for the replacement  
12 of the Berthing Pier at Naval Station, Norfolk, Vir-  
13 ginia.

14           (c) ADJUSTMENT.—The total amount authorized to  
15 be appropriated under paragraph (5) of subsection (a) is  
16 the sum of the amounts authorized to be appropriated  
17 under such paragraph, reduced by \$8,463,000 (the com-  
18 bination of project savings resulting from favorable bids,  
19 reduced overhead costs, and cancellations due to force  
20 structure changes).

1 **SEC. 2205. AUTHORIZATION OF MILITARY CONSTRUCTION**  
 2 **PROJECT AT PASCAGOULA NAVAL STATION,**  
 3 **MISSISSIPPI, FOR WHICH FUNDS HAVE BEEN**  
 4 **APPROPRIATED.**

5 (a) AUTHORIZATION.—The table in section 2201(a)  
 6 of the Military Construction Authorization Act for Fiscal  
 7 Year 1997 (division B of Public Law 104–201; 110 Stat.  
 8 2766) is amended by striking out the item relating to  
 9 Navy Project, Stennis Space Center, Mississippi, and in-  
 10 serting in lieu thereof the following:

Mississippi .....	Naval Station Pascagoula .....	\$4,990,000
	Navy Project, Stennis Space Center .....	\$7,960,000

11 (b) CONFORMING AMENDMENTS.—Section 2204(a)  
 12 of such Act (110 Stat. 2769) is amended—

13 (1) in the matter preceding paragraph (1), by  
 14 striking out “\$2,213,731,000” and inserting in lieu  
 15 thereof “\$2,218,721,000”; and

16 (2) in paragraph (1), by striking out  
 17 “\$579,312,000” and inserting in lieu thereof  
 18 “\$584,302,000”.

19 **TITLE XXIII—AIR FORCE**

20 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND**  
 21 **LAND ACQUISITION PROJECTS.**

22 (a) INSIDE THE UNITED STATES.—Using amounts  
 23 appropriated pursuant to the authorization of appropria-

1 tions in section 2304(a)(1), the Secretary of the Air Force  
 2 may acquire real property and carry out military construc-  
 3 tion projects for the installations and locations inside the  
 4 United States, and in the amounts, set forth in the follow-  
 5 ing table:

**Air Force: Inside the United States**

State	Installation or location	Amount
Alabama .....	Maxwell Air Force Base .....	\$5,574,000
Alaska .....	Clear Air Force Station .....	\$67,069,000
	Elmendorf Air Force Base .....	\$6,100,000
	Eielson Air Force Base .....	\$13,764,000
	Indian Mountain Long Range Radar Site.	\$1,991,000
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
	MacDill Air Force Base .....	\$1,543,000
Georgia .....	Moody Air Force Base .....	\$15,900,000
	Robins Air Force Base .....	\$18,663,000
Idaho .....	Mountain Home Air Force Base .....	\$30,669,000
Kansas .....	McConnell Air Force Base .....	\$19,219,000
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
Nebraska .....	Offutt Air Force Base .....	\$6,900,000
Nevada .....	Nellis Air Force Base .....	\$5,900,000
New Jersey .....	McGuire Air Force Base .....	\$9,954,000
New Mexico .....	Cannon Air Force Base .....	\$2,900,000
	Kirtland Air Force Base .....	\$20,300,000
North Carolina .....	Pope Air Force Base .....	\$8,356,000
North Dakota .....	Grand Forks Air Force Base .....	\$8,560,000
	Minot Air Force Base .....	\$5,200,000
Ohio .....	Wright-Patterson Air Force Base ...	\$32,750,000
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 .....	\$10,750,000
Texas .....	Dyess Air Force Base .....	\$10,000,000
	Randolph Air Force Base .....	\$2,488,000
Utah .....	Hill Air Force Base .....	\$6,470,000
Virginia .....	Langley Air Force Base .....	\$4,031,000
Washington .....	Fairechild Air Force Base .....	\$24,016,000
	McChord Air Force Base .....	\$9,655,000
CONUS Classified .....	Classified Location .....	\$6,175,000
	Total: .....	\$540,920,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts  
 2 appropriated pursuant to the authorization of appropria-  
 3 tions in section 2304(a)(2), the Secretary of the Air Force  
 4 may acquire real property and carry out military construc-  
 5 tion projects for the installations and locations outside the  
 6 United States, and in the amounts, set forth in the follow-  
 7 ing 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

8 **SEC. 2302. FAMILY HOUSING.**

9 (a) CONSTRUCTION AND ACQUISITION.—Using  
 10 amounts appropriated pursuant to the authorization of ap-  
 11 propriations in section 2304(a)(5)(A), the Secretary of the  
 12 Air Force may construct or acquire family housing units  
 13 (including land acquisition) at the installations, for the  
 14 purposes, and in the amounts set forth in the following  
 15 table:

**Air Force: Family Housing**

State	Installation or loca- tion	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 Facil- ity.	\$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

**Air Force: Family Housing**—Continued

State	Installation or location	Purpose	Amount
Georgia .....	Robins Air Force Base	106 units .....	\$12,000,000
Idaho .....	Mountain Home Air Force Base.	60 units .....	\$11,032,000
Kansas .....	McConnell Air Force Base.	19 units .....	\$2,951,000
Mississippi .....	Columbus Air Force Base.	50 units .....	\$6,200,000
Montana .....	Keesler Air Force Base	40 units .....	\$5,000,000
	Malmstrom Air Force Base.	956 units .....	\$21,447,000
New Mexico .....	Kirtland Air Force Base.	180 units .....	\$20,900,000
North Dakota .....	Grand Forks Air Force Base.	42 units .....	\$7,936,000
South Carolina .....	Charleston Air Force Base.	Improve family housing area.	\$14,300,000
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: .....	\$182,467,000

1 (b) **PLANNING AND DESIGN.**—Using amounts appro-  
2 priated pursuant to the authorization of appropriations in  
3 section 2304(a)(5)(A), the Secretary of the Air Force may  
4 carry out architectural and engineering services and con-  
5 struction design activities with respect to the construction  
6 or improvement of military family housing units in an  
7 amount not to exceed \$13,021,000.

8 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING**  
9 **UNITS.**

10 Subject to section 2825 of title 10, United States  
11 Code, and using amounts appropriated pursuant to the  
12 authorization of appropriations in section 2304(a)(5)(A),  
13 the Secretary of the Air Force may improve existing mili-

1 tary family housing units in an amount not to exceed  
2 \$102,195,000.

3 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**  
4 **FORCE.**

5 (a) IN GENERAL.—Funds are hereby authorized to  
6 be appropriated for fiscal years beginning after September  
7 30, 1997, for military construction, land acquisition, and  
8 military family housing functions of the Department of the  
9 Air Force in the total amount of \$1,793,949,000 as fol-  
10 lows:

11 (1) For military construction projects inside the  
12 United States authorized by section 2301(a),  
13 \$540,920,000.

14 (2) For military construction projects outside  
15 the United States authorized by section 2301(b),  
16 \$89,345,000.

17 (3) For unspecified minor construction projects  
18 authorized by section 2805 of title 10, United States  
19 Code, \$8,545,000.

20 (4) For architectural and engineering services  
21 and construction design under section 2807 of title  
22 10, United States Code, \$51,080,000.

23 (5) For military housing functions:

24 (A) For construction and acquisition, plan-  
25 ning and design, planning improvement of mili-

1            tary family housing and facilities,  
2            \$297,683,000.

3            (B) For support of military family housing  
4            (including the functions described in section  
5            2833 of title 10, United States Code),  
6            \$830,234,000.

7            (b) LIMITATION ON TOTAL COST OF CONSTRUCTION  
8 PROJECTS.—Notwithstanding the cost variations author-  
9 ized by section 2853 of title 10, United States Code, and  
10 any other cost variation authorized by law, the total cost  
11 of all projects carried out under section 2301 of this Act  
12 may not exceed the total amount authorized to be appro-  
13 priated under paragraphs (1) and (2) of subsection (a).

14            (c) ADJUSTMENT.—The total amount authorized to  
15 be appropriated pursuant to paragraphs (1) through (5)  
16 of subsection (a) is the sum of the amounts authorized  
17 to be appropriated in such paragraphs, reduced by  
18 \$23,858,000 (the combination of project savings resulting  
19 from favorable bids, reduced overhead costs, and cancella-  
20 tions due to force structure changes).

1 **SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION**  
2 **PROJECT AT MCCONNELL AIR FORCE BASE,**  
3 **KANSAS, FOR WHICH FUNDS HAVE BEEN AP-**  
4 **PROPRIATED.**

5 (a) **AUTHORIZATION.**—The table in section 2301(a)  
6 of the Military Construction Authorization Act for Fiscal  
7 Year 1997 (division B of Public Law 104–201; 110 Stat.  
8 2771) is amended in the item relating to McConnell Air  
9 Force Base, Kansas, by striking out “\$19,130,000” in the  
10 amount column and inserting in lieu thereof  
11 “\$25,830,000”.

12 (b) **CONFORMING AMENDMENT.**—Section 2304 of  
13 such Act (110 Stat. 2774) is amended—

14 (1) in the matter preceding paragraph (1), by  
15 striking out “\$1,894,594,000” and inserting in lieu  
16 thereof “\$1,901,294,000”; and

17 (2) in paragraph (1), by striking out  
18 “\$603,834,000” and inserting in lieu thereof  
19 “\$610,534,000”.

20 **TITLE XXIV—DEFENSE**  
21 **AGENCIES**

22 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUC-**  
23 **TION AND LAND ACQUISITION PROJECTS.**

24 (a) **INSIDE THE UNITED STATES.**—Using amounts  
25 appropriated pursuant to the authorization of appropria-  
26 tions in section 2405(a)(1), the Secretary of Defense may

1 acquire real property and carry out military construction  
 2 projects for the installations and locations inside the Unit-  
 3 ed States, and in the amounts, set forth in the following  
 4 table:

**Defense Agencies: Inside the United States**

Agency	Installation or location	Amount
Defense Commissary Agency Defense Finance & Account- ing Service.	Fort Lee, Virginia .....	\$9,300,000
	Naval Station, Pearl Harbor, Hawaii	\$10,000,000
Defense Intelligence Agency ..	Columbus Center, Ohio .....	\$9,722,000
	Naval Air Station, Millington, Ten- nessee .....	\$6,906,000
Defense Logistics Agency .....	Naval Station, Norfolk, Virginia .....	\$12,800,000
	Redstone Arsenal, Alabama .....	\$32,700,000
Defense Logistics Agency .....	Bolling Air Force Base, District of Columbia .....	\$7,000,000
	Elmendorf Air Force Base, Alaska ..	\$21,700,000
Defense Logistics Agency .....	Naval Air Station, Jacksonville, Florida .....	\$9,800,000
	Westover Air Reserve Base, Massa- chusetts .....	\$4,700,000
Defense Logistics Agency .....	Defense Distribution New Cum- berland—DDSP, Pennsylvania ....	\$15,500,000
	Defense Distribution Depot— DDNV, Virginia .....	\$16,656,000
Defense Logistics Agency .....	Defense Fuel Support Point, Craney Island, Virginia .....	\$22,100,000
	Defense General Supply Center, Richmond, Virginia .....	\$5,200,000
Defense Logistics Agency .....	Defense Fuel Support Center, Truax Field, Wisconsin .....	\$4,500,000
	CONUS Various, CONUS Various ..	\$11,275,000
Defense Medical Facility Of- fice.	Naval Station, San Diego, California	\$2,100,000
	Naval Submarine Base, New Lon- don, Connecticut .....	\$2,300,000
Defense Medical Facility Of- fice.	Naval Air Station, Pensacola, Flor- ida .....	\$2,750,000
	Robins Air Force Base, Georgia .....	\$19,000,000
Defense Medical Facility Of- fice.	Fort Campbell, Kentucky .....	\$13,600,000
	Fort Detrick, Maryland .....	\$4,650,000
Defense Medical Facility Of- fice.	McGuire Air Force Base, New Jer- sey .....	\$35,217,000
	Holloman Air Force Base, New Mexico .....	\$3,000,000
Defense Medical Facility Of- fice.	Wright-Patterson Air Force Base, Ohio .....	\$2,750,000
	Lackland Air Force Base, Texas .....	\$3,000,000
Defense Medical Facility Of- fice.	Hill Air Force Base, Utah .....	\$3,100,000
	Marine Corps Combat Development Command, Quantico, Virginia .....	\$19,000,000
National Security Agency .....	Naval Station, Everett, Washington	\$7,500,000
	Fort Meade, Maryland .....	\$29,800,000
National Security Agency .....	Naval Amphibious Base, North Is- land, California .....	\$7,400,000
	Eglin Auxiliary Field 3, Florida .....	\$11,200,000
National Security Agency .....	Hurlburt Field, Florida .....	\$2,450,000
	Fort Benning, Georgia .....	\$9,814,000

**Defense Agencies: Inside the United States**—Continued

<b>Agency</b>	<b>Installation or location</b>	<b>Amount</b>
	Hunter Army Air Field, Fort Stewart, Georgia .....	\$2,500,000
	Naval Station, Pearl Harbor, Hawaii .....	\$7,400,000
	Mississippi Army Ammunition Plant, Mississippi .....	\$9,900,000
	Fort Bragg, North Carolina .....	\$9,800,000
	Total: .....	\$408,090,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts  
2 appropriated pursuant to the authorization of appropri-  
3 ations in section 2405(a)(2), the Secretary of Defense may  
4 acquire real property and carry out military construction  
5 projects for the installations and locations outside the  
6 United States, and in the amounts, set forth in the follow-  
7 ing table:

**Defense Agencies: Outside the United States**

<b>Agency</b>	<b>Installation or location</b>	<b>Amount</b>
Ballistic Missile Defense Organization.	Kwajalein Atoll .....	\$4,565,000
Defense Logistics Agency .....	Defense Fuel Support Point, Anderson Air Force Base, Guam .....	\$16,000,000
	Defense Fuel Supply Center, Moron Air Base, Spain .....	\$14,400,000
	Total: .....	\$34,965,000

**8 SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.**

9 Using amounts appropriated pursuant to the author-  
10 ization of appropriations in section 2405(a)(13)(A), the  
11 Secretary of Defense may carry out architectural and en-  
12 gineering services and construction design activities with  
13 respect to the construction or improvement of military  
14 family housing units in an amount not to exceed \$50,000.

1 **SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING**  
2 **UNITS.**

3 Subject to section 2825 of title 10, United States  
4 Code, and using amounts appropriated pursuant to the  
5 authorization of appropriation in section 2405(a)(13)(A),  
6 the Secretary of Defense may improve existing military  
7 family housing units in an amount not to exceed  
8 \$4,950,000.

9 **SEC. 2404. ENERGY CONSERVATION PROJECTS.**

10 Using amounts appropriated pursuant to the author-  
11 ization of appropriations in section 2405(a)(11), the Sec-  
12 retary of Defense may carry out energy conservation  
13 projects under section 2865 of title 10, United States  
14 Code.

15 **SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DE-**  
16 **FENSE AGENCIES.**

17 (a) IN GENERAL.—Funds are hereby authorized to  
18 be appropriated for fiscal years beginning after September  
19 30, 1997, for military construction, land acquisition, and  
20 military family housing functions of the Department of  
21 Defense (other than the military departments), in the total  
22 amount of \$2,778,531,000 as follows:

23 (1) For military construction projects inside the  
24 United States authorized by section 2401(a),  
25 \$408,090,000.

1           (2) For military construction projects outside  
2 the United States authorized by section 2401(b),  
3 \$34,965,000.

4           (3) For military construction projects at Annis-  
5 ton Army Depot, Alabama, authorized by section  
6 2101(a) of the Military Construction Authorization  
7 Act for Fiscal Year 1993 (division B of Public Law  
8 102-484; 106 Stat. 2587), \$9,900,000.

9           (4) For military construction projects at Walter  
10 Reed Army Institute of Research, Maryland, hospital  
11 replacement, authorized by section 2401(a) of the  
12 Military Construction Authorization Act for Fiscal  
13 Year 1993 (106 Stat. 2599), \$20,000,000.

14           (5) For military construction projects at  
15 Umatilla Army Depot, Oregon, authorized by section  
16 2401(a) of the Military Construction Authorization  
17 Act for Fiscal Year 1995 (division B of Public Law  
18 103-337; 108 Stat. 3040), as amended by section  
19 2407 of the Military Construction Authorization Act  
20 for Fiscal Year 1996 (division B of Public Law 104-  
21 106; 110 Stat. 539) and section 2408(2) of this Act,  
22 \$57,427,000.

23           (6) For military construction projects at the  
24 Defense Finance and Accounting Service, Columbus,  
25 Ohio, authorized by section 2401(a) of the Military

1 Construction Authorization Act of Fiscal Year 1996  
2 (110 Stat. 535), \$14,200,000.

3 (7) For military construction projects at Ports-  
4 mouth Naval Hospital, Virginia authorized by sec-  
5 tion 2401(a) of the Military Construction Authoriza-  
6 tion Act for Fiscal Years 1990 and 1991 (division  
7 B of Public Law 101-189; 103 Stat. 1640),  
8 \$34,600,000.

9 (8) For contingency construction projects of the  
10 Secretary of Defense under section 2804 of title 10,  
11 United States Code, \$9,844,000.

12 (9) For unspecified minor construction projects  
13 under section 2805 of title 10, United States Code,  
14 \$34,457,000.

15 (10) For architectural and engineering services  
16 and construction design under section 2807 of title  
17 10, United States Code, \$31,520,000.

18 (11) For energy conservation projects author-  
19 ized by section 2404 of this Act, \$25,000,000.

20 (12) For base closure and realignment activities  
21 as authorized by the Defense Base Closure and Re-  
22 alignment Act of 1990 (part A of title XXIX of  
23 Public Law 101-510; 10 U.S.C. 2687 note),  
24 \$2,060,854,000.

25 (13) For military family housing functions:

1 (A) For improvement and planning of mili-  
2 tary family housing and facilities, \$4,950,000.

3 (B) For support of military housing (in-  
4 cluding functions described in section 2833 of  
5 title 10, United States Code), \$32,724,000, of  
6 which not more than \$27,673,000 may be obli-  
7 gated or expended for the leasing of military  
8 family housing units worldwide.

9 (b) **LIMITATION OF TOTAL COST OF CONSTRUCTION**  
10 **PROJECTS.**—Notwithstanding the cost variation author-  
11 ized by section 2853 of title 10, United States Code, and  
12 any other cost variations authorized by law, the total cost  
13 of all projects carried out under section 2401 of this Act  
14 may not exceed the total amount authorized to be appro-  
15 priated under paragraphs (1) and (2) of subsection (a).

16 **SEC. 2406. CLARIFICATION OF AUTHORITY RELATING TO**  
17 **FISCAL YEAR 1997 PROJECT AT NAVAL STA-**  
18 **TION, PEARL HARBOR, HAWAII.**

19 The table in section 2401(a) of the Military Construc-  
20 tion Authorization Act for Fiscal Year 1997 (division B  
21 of Public Law 104–201; 110 Stat. 2775) is amended in  
22 the item relating to Special Operations Command, Naval  
23 Station, Ford Island, Pearl Harbor, Hawaii, in the instal-  
24 lation or location column by striking out “Naval Station,  
25 Ford Island, Pearl Harbor, Hawaii” and inserting in lieu

1 thereof “Naval Station, Pearl City Peninsula, Pearl Har-  
2 bor, Hawaii”.

3 **SEC. 2407. AUTHORITY TO USE PRIOR YEAR FUNDS TO**  
4 **CARRY OUT CERTAIN DEFENSE AGENCY MILI-**  
5 **TARY CONSTRUCTION PROJECTS.**

6 (a) **AUTHORITY TO USE FUNDS.**—Notwithstanding  
7 any other provision of law and subject to subsection (c),  
8 the Secretary of Defense may carry out the military con-  
9 struction projects referred to in subsection (b), in the  
10 amounts specified in that subsection, using amounts ap-  
11 propriated pursuant to the authorization of appropriations  
12 in section 2405(a)(1) of the Military Construction Author-  
13 ization Act for Fiscal Year 1995 (division B of Public Law  
14 103–337; 108 Stat. 3042) for the military construction  
15 project authorized at McClellan Air Force Base, Califor-  
16 nia, by section 2401 of that Act (108 Stat. 3041).

17 (b) **COVERED PROJECTS.**—Funds available under  
18 subsection (a) may be used for military construction  
19 projects as follows:

20 (1) Construction of an addition to the  
21 Aeromedical Clinic at Anderson Air Base, Guam,  
22 \$3,700,000.

23 (2) Construction of an occupational health clin-  
24 ic facility at Tinker Air Force Base, Oklahoma,  
25 \$6,500,000.

1 (c) LIMITATION ON AVAILABILITY.—Unless funds  
2 available under subsection (a) are obligated for a project  
3 referred to in subsection (b) by the later of the dates set  
4 forth in section 2701(a), the authority in subsection (a)  
5 to use such funds for the project shall expire on the later  
6 of such dates.

7 **SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT**  
8 **FISCAL YEAR 1995 PROJECTS.**

9 The table in section 2401 of the Military Construc-  
10 tion Authorization Act for Fiscal Year 1995 (division B  
11 of Public Law 103–337; 108 Stat. 3040), as amended by  
12 section 2407 of the Military Construction Authorization  
13 Act for Fiscal Year 1996 (division B of Public Law 104–  
14 106; 110 Stat. 539), under the agency heading relating  
15 to Chemical Weapons and Munitions Destruction, is  
16 amended—

17 (1) in the item relating to Pine Bluff Arsenal,  
18 Arkansas, by striking out “\$115,000,000” in the  
19 amount column and inserting in lieu thereof  
20 “\$134,000,000”; and

21 (2) in the item relating to Umatilla Army  
22 Depot, Oregon, by striking out “\$186,000,000” in  
23 the amount column and inserting in lieu thereof  
24 “\$187,000,000”.

1 **SEC. 2409. AVAILABILITY OF FUNDS FOR FISCAL YEAR 1995**  
2 **PROJECT RELATING TO RELOCATABLE OVER-**  
3 **THE-HORIZON RADAR, NAVAL STATION ROO-**  
4 **SEVELT ROADS, PUERTO RICO.**

5 (a) AVAILABILITY OF FUNDS.—Notwithstanding any  
6 other provision of law and except as provided in subsection  
7 (b), funds appropriated under the heading “DRUG INTER-  
8 DICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE” in  
9 title VI of the Department of Defense Appropriations Act,  
10 1995 (Public Law 103–335; 108 Stat. 2615) for the con-  
11 struction of a relocatable over-the-horizon radar at Naval  
12 Station Roosevelt Roads, Puerto Rico, shall be available  
13 for that purpose until the later of—

14 (1) October 1, 1998; or

15 (2) the date of enactment of an Act authorizing  
16 funds for military construction for fiscal year 1999.

17 (b) EXCEPTION.—Subsection (a) shall not apply to  
18 the use of funds covered by that subsection for the purpose  
19 specified in that subsection if such funds are obligated be-  
20 fore the later of the dates specified in that subsection.

1 **TITLE XXV—NORTH ATLANTIC**  
2 **TREATY ORGANIZATION SE-**  
3 **CURITY INVESTMENT PRO-**  
4 **GRAM**

5 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**  
6 **ACQUISITION PROJECTS.**

7 The Secretary of Defense may make contributions for  
8 the North Atlantic Treaty Organization Security Invest-  
9 ment program as provided in section 2806 of title 10,  
10 United States Code, in an amount not to exceed the sum  
11 of the amount authorized to be appropriated for this pur-  
12 pose in section 2502 and the amount collected from the  
13 North Atlantic Treaty Organization as a result of con-  
14 struction previously financed by the United States.

15 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

16 Funds are hereby authorized to be appropriated for  
17 fiscal years beginning after September 30, 1997, for con-  
18 tributions by the Secretary of Defense under section 2806  
19 of title 10, United States Code, for the share of the United  
20 States of the cost of projects for the North Atlantic Treaty  
21 Organization Security Investment program authorized by  
22 section 2501, in the amount of \$152,600,000.

1           **TITLE XXVI—GUARD AND**  
2           **RESERVE FORCES FACILITIES**

3   **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**  
4                           **TION AND LAND ACQUISITION PROJECTS.**

5           There are authorized to be appropriated for fiscal  
6 years beginning after September 30, 1997, for the costs  
7 of acquisition, architectural and engineering services, and  
8 construction of facilities for the Guard and Reserve  
9 Forces, and for contributions therefor, under chapter  
10 1803 of title 10, United States Code (including the cost  
11 of acquisition of land for those facilities), the following  
12 amounts:

13           (1) For the Department of the Army—

14                   (A) for the Army National Guard of the  
15                   United States, \$155,416,000; and

16                   (B) for the Army Reserve, \$87,640,000.

17           (2) For the Department of the Navy, for the  
18           Naval and Marine Corps Reserve, \$21,213,000.

19           (3) For the Department of the Air Force—

20                   (A) for the Air National Guard of the  
21                   United States, \$193,269,000; and

22                   (B) for the Air Force Reserve,  
23                   \$34,580,000.

1 **SEC. 2602. AUTHORIZATION OF ARMY NATIONAL GUARD**  
2 **CONSTRUCTION PROJECT, AVIATION SUP-**  
3 **PORT FACILITY, HILO, HAWAII, FOR WHICH**  
4 **FUNDS HAVE BEEN APPROPRIATED.**

5 Section 2601(1)(A) of the Military Construction Au-  
6 thorization Act for Fiscal Year 1997 (division B of Public  
7 Law 104–201; 110 Stat. 2780) is amended by striking  
8 out “\$59,194,000” and inserting in lieu thereof  
9 “\$65,094,000”.

10 **TITLE XXVII—EXPIRATION AND**  
11 **EXTENSION OF AUTHORIZA-**  
12 **TIONS**

13 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**  
14 **AMOUNTS REQUIRED TO BE SPECIFIED BY**  
15 **LAW.**

16 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE  
17 YEARS.—Except as provided in subsection (b), all author-  
18 izations contained in titles XXI through XXVI for military  
19 construction projects, land acquisition, family housing  
20 projects and facilities, and contributions to the North At-  
21 lantic Treaty Organization Security Investment program  
22 (and authorizations of appropriations therefor) shall ex-  
23 pire on the later of—

24 (1) October 1, 2000; or

1           (2) the date for the enactment of an Act au-  
2           thorizing funds for military construction for fiscal  
3           year 2001.

4           (b) EXCEPTION.—Subsection (a) shall not apply to  
5           authorizations for military construction projects, land ac-  
6           quisition, family housing projects and facilities, and con-  
7           tributions to the North Atlantic Treaty Organization Se-  
8           curity Investment program (and authorizations of appro-  
9           priations therefor), for which appropriated funds have  
10          been obligated before the later of—

11           (1) October 1, 2000; or

12           (2) the date of the enactment of an Act author-  
13          izing funds for fiscal year 2001 for military con-  
14          struction projects, land acquisition, family housing  
15          projects and facilities, or contributions to the North  
16          Atlantic Treaty Organization Security Investment  
17          program.

18   **SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN**  
19                           **FISCAL YEAR 1995 PROJECTS.**

20          (a) EXTENSIONS.—Notwithstanding section 2701 of  
21          the Military Construction Authorization Act for Fiscal  
22          Year 1995 (division B of Public Law 103–337; 108 Stat.  
23          3046), authorizations for the projects set forth in the ta-  
24          bles in subsection (b), as provided in section 2101, 2201,  
25          2202, 2301, 2302, 2401, or 2601 of that Act, shall remain

1 in effect until October 1, 1998, or the date of the enact-  
 2 ment of an Act authorizing funds for military construction  
 3 for fiscal year 1999, whichever is later.

4 (b) TABLES.—The tables referred to in subsection (a)  
 5 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.	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
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

1 **SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN**  
2 **FISCAL YEAR 1994 PROJECTS.**

3 (a) EXTENSION.—Notwithstanding section 2701 of  
4 the Military Construction Authorization Act for Fiscal  
5 Year 1994 (division B of Public Law 103–160; 107 Stat.  
6 1880), authorizations for the projects set forth in the table  
7 in subsection (b), as provided in section 2201 of that Act  
8 and extended by section 2702(a) of the Military Construc-  
9 tion Authorization Act for Fiscal Year 1997 (division B  
10 of Public Law 104–201; 110 Stat. 2783), shall remain in

1 effect until October 1, 1998, or the date of the enactment  
 2 of an Act authorizing funds for military construction for  
 3 fiscal year 1999, whichever is later.

4 (b) TABLE.—The table referred to in subsection (a)  
 5 is 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

6 **SEC. 2704. EXTENSION OF AUTHORIZATION OF FISCAL**  
 7 **YEAR 1993 PROJECT.**

8 (a) EXTENSION.—Notwithstanding section 2701 of  
 9 the Military Construction Authorization Act for Fiscal  
 10 Year 1993 (division B of Public Law 102–484; 106 Stat.  
 11 2602), the authorization for the project set forth in the  
 12 table in subsection (b), as provided in section 2101 of that  
 13 Act and extended by section 2702 of the Military Con-  
 14 struction Authorization Act for Fiscal Year 1996 (division  
 15 B of Public Law 104–106; 110 Stat. 541) and section  
 16 2703 of the Military Construction Authorization Act for  
 17 Fiscal Year 1997 (division B of Public Law 104–201; 110  
 18 Stat. 2784), shall remain in effect until October 1, 1998,  
 19 or the date of enactment of an Act authorizing funds for  
 20 military construction for fiscal year 1999, whichever is  
 21 later.

1 (b) TABLE.—The table referred to in subsection (a)  
 2 is as follows:

**Army: Extension of 1993 Project Authorization**

State	Installation or lo- cation	Project	Amount
Arkansas .....	Pine Bluff Arsenal	Ammunition Demilitariza- tion Support Facility.	\$15,000,000

3 **SEC. 2705. EXTENSION OF AUTHORIZATIONS OF CERTAIN**  
 4 **FISCAL YEAR 1992 PROJECTS.**

5 (a) EXTENSIONS.—Notwithstanding section 2701 of  
 6 the Military Construction Authorization Act for Fiscal  
 7 Year 1992 (division B of Public Law 102–190; 105 Stat.  
 8 1535), authorizations for the projects set forth in the table  
 9 in subsection (b), as provided in section 2101 of that Act  
 10 and extended by section 2702 of the Military Construction  
 11 Authorization Act for Fiscal Year 1995 (division B of  
 12 Public Law 103–337; 108 Stat. 3047), section 2703 of  
 13 the Military Construction Authorization Act for Fiscal  
 14 Year 1996 (division B of Public Law 104–106; 110 Stat.  
 15 543), and section 2704 of the Military Construction Au-  
 16 thorization Act for Fiscal Year 1997 (division B of Public  
 17 Law 104–201; 110 Stat. 2785), shall remain in effect  
 18 until October 1, 1998, or the date of enactment of an Act  
 19 authorizing funds for military construction for fiscal year  
 20 1999, whichever is later.

21 (b) TABLE.—The table referred to in subsection (a)  
 22 is as follows:

**Army: Extension of 1992 Project Authorizations**

<b>State</b>	<b>Installation or location</b>	<b>Project</b>	<b>Amount</b>
Oregon .....	Umatilla Army Depot.	Ammunition Demilitarization Support Facility.	\$3,600,000
	Umatilla Army Depot.	Ammunition Demilitarization Utilities.	\$7,500,000

**1 SEC. 2706. EFFECTIVE DATE.**

2       Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI  
3 shall take effect on the later of—

4             (1) October 1, 1997; or

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

6                             **TITLE XXVIII—GENERAL**  
7                                     **PROVISIONS**

8       **Subtitle A—Military Construction**  
9       **Program and Military Family**  
10      **Housing Changes**

11     **SEC. 2801. INCREASE IN CEILING FOR MINOR LAND ACQUI-**  
12                             **SITION PROJECTS.**

13       (a) INCREASE.—Section 2672 of title 10, United  
14 States Code, is amended by striking out “\$200,000” each  
15 place it appears in subsection (a) and inserting in lieu  
16 thereof “\$500,000”.

17       (b) CONFORMING AMENDMENTS.—(1) The section  
18 heading for such section is amended by striking out  
19 “\$200,000” and inserting in lieu thereof “\$500,000”.

1           (2) The table of sections at the beginning of chapter  
2 159 of such title is amended in the item relating to section  
3 2672 by striking out “\$200,000” and inserting in lieu  
4 thereof “\$500,000”.

5 **SEC. 2802. SALE OF UTILITY SYSTEMS OF THE MILITARY**  
6 **DEPARTMENTS.**

7           (a) IN GENERAL.—Chapter 159 of title 10, United  
8 States Code, is amended by adding at the end the follow-  
9 ing:

10 **“§ 2695. Sale of utility systems**

11           “(a) AUTHORITY.—The Secretary of the military de-  
12 partment concerned may convey all right, title, and inter-  
13 est of the United States, or any lesser estate thereof, in  
14 and to all or part of a utility system located on or adjacent  
15 to a military installation under the jurisdiction of the Sec-  
16 retary to a municipal utility, private utility, regional or  
17 district utility, or cooperative utility or other appropriate  
18 entity.

19           “(b) SELECTION OF PURCHASER.—If more than one  
20 utility or entity referred to in subsection (a) notifies the  
21 Secretary concerned of an interest in a conveyance under  
22 that subsection, the Secretary shall carry out the convey-  
23 ance through the use of competitive procedures.

24           “(c) CONSIDERATION.—

1           “(1) IN GENERAL.—The Secretary concerned  
2 shall accept as consideration for a conveyance under  
3 subsection (a) an amount equal to the fair market  
4 value (as determined by the Secretary) of the right,  
5 title, or interest conveyed.

6           “(2) FORM OF CONSIDERATION.—Consideration  
7 under this subsection may take the form of—

8                   “(A) a lump sum payment; or

9                   “(B) a reduction in charges for utility  
10 services provided the military installation con-  
11 cerned by the utility or entity concerned.

12           “(3) TREATMENT OF PAYMENTS.—

13                   “(A) CREDITING.—A lump sum payment  
14 received under paragraph (2)(A) shall be cred-  
15 ited, at the election of the Secretary—

16                           “(i) to an appropriation of the mili-  
17 tary department concerned available for  
18 the procurement of the same utility serv-  
19 ices as are provided by the utility system  
20 conveyed under this section;

21                           “(ii) to an appropriation of the mili-  
22 tary department available for carrying out  
23 energy savings projects or water conserva-  
24 tion projects; or

1           “(iii) to an appropriation of the mili-  
2           tary department available for improve-  
3           ments to other utility systems on the in-  
4           stallation concerned.

5           “(B) AVAILABILITY.—Amounts so credited  
6           shall be merged with funds in the appropriation  
7           to which credited and shall be available for the  
8           same purposes, and subject to the same condi-  
9           tions and limitations, as the appropriation with  
10          which merged.

11          “(d) INAPPLICABILITY OF CERTAIN CONTRACTING  
12          REQUIREMENTS.—Sections 2461, 2467, and 2468 of this  
13          title shall not apply to the conveyance of a utility system  
14          under subsection (a).

15          “(e) NOTICE AND WAIT REQUIREMENT.—The Sec-  
16          retary concerned may not make a conveyance under sub-  
17          section (a) until—

18                 “(1) the Secretary submits to the Committees  
19                 on Armed Services and Appropriations of the Senate  
20                 and the Committees on National Security and Ap-  
21                 propriations of the House of Representatives an eco-  
22                 nomic analysis (based upon accepted life-cycle cost-  
23                 ing procedures) demonstrating that—

24                         “(A) the long-term economic benefit of the  
25                         conveyance to the United States exceeds the

1 long-term economic cost of the conveyance to  
2 the United States; and

3 “(B) the conveyance will reduce the long-  
4 term costs of the United States for utility serv-  
5 ices provided by the utility system concerned;  
6 and

7 “(2) a period of 21 days has elapsed after the  
8 date on which the economic analysis is received by  
9 the committees.

10 “(f) ADDITIONAL TERMS AND CONDITIONS.—The  
11 Secretary concerned may require such additional terms  
12 and conditions in connection with a conveyance under sub-  
13 section (a) as such Secretary considers appropriate to pro-  
14 tect the interests of the United States.

15 “(g) UTILITY SYSTEM DEFINED.—For purposes of  
16 this section:

17 “(1) IN GENERAL.—The term ‘utility system’  
18 means the following:

19 “(A) A system for the generation and sup-  
20 ply of electric power.

21 “(B) A system for the treatment or supply  
22 of water.

23 “(C) A system for the collection or treat-  
24 ment of wastewater.

1           “(D) A system for the generation and sup-  
2           ply of steam, hot water, and chilled water.

3           “(E) A system for the supply of natural  
4           gas.

5           “(2) INCLUSIONS.—The term ‘utility system’  
6           includes the following:

7           “(A) Equipment, fixtures, structures, and  
8           other improvements utilized in connection with  
9           a system referred to in paragraph (1).

10           “(B) Easements and rights-of-ways associ-  
11           ated with a system referred to in that para-  
12           graph.”.

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

“2695. Sale of utility systems.”.

16           **SEC. 2803. ADMINISTRATIVE EXPENSES FOR CERTAIN REAL**  
17           **PROPERTY TRANSACTIONS.**

18           (a) IN GENERAL.—(1) Chapter 159 of title 10, Unit-  
19           ed States Code, as amended by section 2802 of this Act,  
20           is further amended by adding at the end the following:

21           **“§ 2696. Administrative expenses relating to certain**  
22           **real property transactions**

23           “(a) AUTHORITY TO COLLECT.—Upon entering into  
24           a transaction referred to in subsection (b) with a non-Fed-  
25           eral person or entity, the Secretary of a military depart-

1 ment may collect from the person or entity an amount  
2 equal to the administrative expenses incurred by the Sec-  
3 retary in entering into the transaction.

4 “(b) COVERED TRANSACTIONS.—Subsection (a) ap-  
5 plies to the following transactions:

6 “(1) The exchange of real property.

7 “(2) The grant of an easement over, in, or upon  
8 real property of the United States.

9 “(3) The lease or license of real property of the  
10 United States.

11 “(c) USE OF AMOUNTS COLLECTED.—Amounts col-  
12 lected under subsection (a) for administrative expenses  
13 shall be credited to the appropriation, fund, or account  
14 from which such expenses were paid. Amounts so credited  
15 shall be merged with funds in such appropriation, fund,  
16 or account and shall be available for the same purposes  
17 and subject to the same limitations as the funds with  
18 which merged.”.

19 (2) The table of sections at the beginning of chapter  
20 159 of such title, as so amended, is further amended by  
21 adding at the end the following:

“2696. Administrative expenses relating to certain real property transactions.”.

22 (b) CONFORMING AMENDMENT.—Section 2667(d)(4)  
23 of such title is amended by striking out “to cover the ad-  
24 ministrative expenses of leasing for such purposes and”.

1 **SEC. 2804. USE OF FINANCIAL INCENTIVES FOR ENERGY**  
2 **SAVINGS AND WATER COST SAVINGS.**

3 (a) IN GENERAL.—Section 2865(b) of title 10, Unit-  
4 ed States Code, is amended—

5 (1) in paragraph (1), by striking out “and fi-  
6 nancial incentives described in subsection (d)(2)”;

7 (2) in paragraph (2)—

8 (A) by striking out “section 2866(b)” in  
9 the matter preceding subparagraph (A) and in-  
10 serting in lieu thereof “section 2866(b)(2)”;  
11 and

12 (B) by striking out “section 2866(b)” in  
13 subparagraph (A) and inserting in lieu thereof  
14 “section 2866(b)(2)”; and

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

16 “(3)(A) Financial incentives received from gas or  
17 electric utilities under subsection (d)(2), and from utilities  
18 for water demand or conservation under section  
19 2866(b)(1) of this title, shall be credited to an appropria-  
20 tion designated by the Secretary of Defense. Amounts so  
21 credited shall be merged with the appropriation to which  
22 credited and shall be available for the same purposes and  
23 the same period as the appropriation with which merged.

24 “(B) The Secretary shall include in the annual report  
25 under subsection (f) the amounts of financial incentives  
26 credited under this paragraph during the year of the re-

1 port and the purposes for which such amounts were uti-  
2 lized in that year.”.

3 (b) CONFORMING AMENDMENT.—Section 2866(b) of  
4 such title is amended to read as follows:

5 “(b) USE OF FINANCIAL INCENTIVES AND WATER  
6 COST SAVINGS.—(1) Financial incentives received under  
7 subsection (a)(2) shall be used as provided in paragraph  
8 (3) of section 2865(b) of this title.

9 “(2) Water cost savings realized under subsection  
10 (a)(3) shall be used as provided in paragraph (2) of that  
11 section.”.

## 12 **Subtitle B—Land Conveyances**

### 13 **SEC. 2811. MODIFICATION OF AUTHORITY FOR DISPOSAL** 14 **OF CERTAIN REAL PROPERTY, FORT** 15 **BELVOIR, VIRGINIA.**

16 (a) REPEAL OF AUTHORITY TO CONVEY.—Section  
17 2821 of the Military Construction Authorization Act for  
18 Fiscal Years 1990 and 1991 (division B of Public Law  
19 101–189; 103 Stat. 1658), as amended by section 2854  
20 of the Military Construction Authorization Act for Fiscal  
21 Year 1996 (division B of Public Law 104–106; 110 Stat.  
22 568), is repealed.

23 (b) TREATMENT AS SURPLUS PROPERTY.—(1) Not-  
24 withstanding any other provision of law, the real property  
25 described in paragraph (2) shall be deemed to be surplus

1 property for purposes of section 203 of the Federal Prop-  
 2 erty and Administrative Services Act of 1949 (40 U.S.C.  
 3 484).

4 (2) Paragraph (1) applies to a parcel of real property,  
 5 including improvements thereon, at Fort Belvoir, Virginia,  
 6 consisting of approximately 820 acres and known as the  
 7 Engineer Proving Ground.

8 **SEC. 2812. CORRECTION OF LAND CONVEYANCE AUTHOR-**  
 9 **ITY, ARMY RESERVE CENTER, ANDERSON,**  
 10 **SOUTH CAROLINA.**

11 (a) CORRECTION OF CONVEYEE.—Subsection (a) of  
 12 section 2824 of the Military Construction Authorization  
 13 Act for Fiscal Year 1997 (division B of Public Law 104–  
 14 201; 110 Stat. 2793) is amended by striking out “County  
 15 of Anderson, South Carolina (in this section referred to  
 16 as the ‘County’)” and inserting in lieu thereof “Board of  
 17 Education, Anderson County, South Carolina (in this sec-  
 18 tion referred to as the ‘Board’)”.

19 (b) CONFORMING AMENDMENTS.—Subsections (b)  
 20 and (c) of such section are each amended by striking out  
 21 “County” and inserting in lieu thereof “Board”.

22 **SEC. 2813. LAND CONVEYANCE, HAWTHORNE ARMY AMMU-**  
 23 **NITION DEPOT, MINERAL COUNTY, NEVADA.**

24 (a) CONVEYANCE AUTHORIZED.—The Secretary of  
 25 the Army may convey, without consideration, to Mineral

1 County, Nevada (in this section referred to as the “Coun-  
2 ty”), all right, title, and interest of the United States in  
3 and to a parcel of excess real property, including improve-  
4 ments thereon, consisting of approximately 33.1 acres lo-  
5 cated at Hawthorne Army Ammunition Depot, Mineral  
6 County, Nevada, and commonly referred to as the Schweer  
7 Drive Housing Area.

8 (b) CONDITIONS OF CONVEYANCE.—The conveyance  
9 authorized by subsection (a) shall be subject to the follow-  
10 ing conditions:

11 (1) That the County accept the conveyed prop-  
12 erty subject to such easements and rights of way in  
13 favor of the United States as the Secretary considers  
14 appropriate.

15 (2) That the County, if the County sells any  
16 portion of the property conveyed under subsection  
17 (a) before the end of the 10-year period beginning  
18 on the date of enactment of this Act, pay to the  
19 United States an amount equal to the lesser of—

20 (A) the amount of sale of the property  
21 sold; or

22 (B) the fair market value of the property  
23 sold as determined without taking into account  
24 any improvements to such property by the  
25 County.

1 (c) DESCRIPTION OF PROPERTY.—The exact acreage  
2 and legal description of the real property to be conveyed  
3 under subsection (a), and of any easement or right of way  
4 granted under subsection (b)(1), shall be determined by  
5 a survey satisfactory to the Secretary. The cost of the sur-  
6 vey shall be borne by the County.

7 (d) ADDITIONAL TERMS AND CONDITIONS.—The  
8 Secretary may require such additional terms and condi-  
9 tions in connection with the conveyance under subsection  
10 (a), and any easement or right of way granted under sub-  
11 section (b)(1), as the Secretary considers appropriate to  
12 protect the interests of the United States.

13 **SEC. 2814. LONG-TERM LEASE OF PROPERTY, NAPLES,**  
14 **ITALY.**

15 (a) AUTHORITY.—The Secretary of the Navy may ac-  
16 quire by long-term lease structures and real property re-  
17 lating to a regional hospital complex in Naples, Italy, that  
18 the Secretary determines to be necessary for purposes of  
19 the Naples Improvement Initiative.

20 (b) LEASE TERM.—Notwithstanding section 2675 of  
21 title 10, United States Code, the lease authorized by sub-  
22 section (a) shall be for a term of not more than 20 years.

23 (c) EXPIRATION OF AUTHORITY.—The authority of  
24 the Secretary to enter into a lease under subsection (a)  
25 shall expire on September 30, 2002.

1 **SEC. 2815. LAND CONVEYANCE, TOPSHAM ANNEX, NAVAL**  
2 **AIR STATION, BRUNSWICK, MAINE.**

3 (a) CONVEYANCE AUTHORIZED.—The Secretary of  
4 the Navy may convey, without consideration, to the Maine  
5 School Administrative District No. 75, Topsham, Maine  
6 (in this section referred to as the “District”), all right,  
7 title, and interest of the United States in and to a parcel  
8 of real property, including improvements thereon, consist-  
9 ing of approximately 40 acres located at the Topsham  
10 Annex, Naval Air Station, Brunswick, Maine.

11 (b) CONDITION OF CONVEYANCE.—The conveyance  
12 under subsection (a) shall be subject to the condition that  
13 the District use the property conveyed for educational pur-  
14 poses.

15 (c) REVERSION.—If the Secretary determines at any  
16 time that the real property conveyed pursuant to this sec-  
17 tion is not being used for the purpose specified in sub-  
18 section (b), all right, title, and interest in and to the prop-  
19 erty, including any improvements thereon, shall revert to  
20 the United States, and the United States shall have the  
21 right of immediate entry thereon.

22 (d) INTERIM LEASE.—(1) Until such time as the real  
23 property described in subsection (a) is conveyed by deed,  
24 the Secretary may lease the property, together with the  
25 improvements thereon, to the District.

1           (2) As consideration for the lease under this sub-  
2 section, the District shall provide such security services  
3 for the property covered by the lease, and carry out such  
4 maintenance work with respect to the property, as the Sec-  
5 retary shall specify in the lease.

6           (e) DESCRIPTION OF PROPERTY.—The exact acreage  
7 and legal description of the property conveyed under sub-  
8 section (a) shall be determined by a survey satisfactory  
9 to the Secretary. The District shall bear the cost of the  
10 survey.

11          (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-  
12 retary may require such additional terms and conditions  
13 in connection with the conveyance under subsection (a),  
14 and the lease, if any, under subsection (d), as the Sec-  
15 retary considers appropriate to protect the interests of the  
16 United States.

17 **SEC. 2816. LAND CONVEYANCE, NAVAL WEAPONS INDUS-**  
18 **TRIAL RESERVE PLANT NO. 464, OYSTER BAY,**  
19 **NEW YORK.**

20          (a) CONVEYANCE AUTHORIZED.—(1) The Secretary  
21 of the Navy may convey, without consideration, to the  
22 County of Nassau, New York (in this section referred to  
23 as the “County”), all right, title, and interest of the Unit-  
24 ed States in and to parcels of real property consisting of  
25 approximately 110 acres and comprising the Naval Weap-

1 ons Industrial Reserve Plant No. 464, Oyster Bay, New  
2 York.

3 (2)(A) As part of the conveyance authorized in para-  
4 graph (1), the Secretary may convey to the County such  
5 improvements, equipment, fixtures, and other personal  
6 property (including special tooling equipment and special  
7 test equipment) located on the parcels as the Secretary  
8 determines to be not required by the Navy for other pur-  
9 poses.

10 (B) The Secretary may permit the County to review  
11 and inspect the improvements, equipment, fixtures, and  
12 other personal property located on the parcels for purposes  
13 of the conveyance authorized by this paragraph.

14 (b) CONDITION OF CONVEYANCE.—The conveyance  
15 of the parcels authorized in subsection (a) shall be subject  
16 to the condition that the County—

17 (1) use the parcels, directly or through an  
18 agreement with a public or private entity, for eco-  
19 nomic redevelopment purposes or such other public  
20 purposes as the County determines appropriate; or

21 (2) convey the parcels to an appropriate public  
22 or private entity for use for such purposes.

23 (c) REVERSIONARY INTEREST.—If during the 5-year  
24 period beginning on the date the Secretary makes the con-  
25 veyance authorized under subsection (a) the Secretary de-

1 terminates that the conveyed real property is not being used  
2 for a purpose specified in subsection (b), all right, title,  
3 and interest in and to the property, including any improve-  
4 ments thereon, shall revert to the United States and the  
5 United States shall have the right of immediate entry onto  
6 the property. Any determination of the Secretary under  
7 this subsection shall be made on the record after an oppor-  
8 tunity for a hearing.

9 (d) INTERIM LEASE.—(1) Until such time as the real  
10 property described in subsection (a) is conveyed by deed,  
11 the Secretary may lease the property, together with im-  
12 provements thereon, to the County.

13 (2) As consideration for the lease under this sub-  
14 section, the County shall provide such security services  
15 and fire protection services for the property covered by  
16 the lease, and carry out such maintenance work with re-  
17 spect to the property, as the Secretary shall specify in the  
18 lease.

19 (e) DESCRIPTION OF PROPERTY.—The exact acreage  
20 and legal description of the real property to be conveyed  
21 under subsection (a) shall be determined by a survey satis-  
22 factory to the Secretary. The cost of the survey shall be  
23 borne by the County.

24 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-  
25 retary may require such additional terms and conditions

1 in connection with the conveyance under subsection (a),  
2 and the lease, if any, under subsection (d), as the Sec-  
3 retary considers appropriate to protect the interests of the  
4 United States.

5 **SEC. 2817. LAND CONVEYANCE, CHARLESTON FAMILY**  
6 **HOUSING COMPLEX, BANGOR, MAINE.**

7 (a) CONVEYANCE AUTHORIZED.—The Secretary of  
8 the Air Force may convey, without consideration, to the  
9 City of Bangor, Maine (in this section referred to as the  
10 “City”), all right, title, and interest of the United States  
11 in and to a parcel of real property consisting of approxi-  
12 mately 19.8 acres, including improvements thereon, lo-  
13 cated in Bangor, Maine, and known as the Charleston  
14 Family Housing Complex.

15 (b) PURPOSE OF CONVEYANCE.—The purpose of the  
16 conveyance under subsection (a) is to facilitate the reuse  
17 of the real property, currently unoccupied, which the City  
18 proposes to use to provide housing opportunities for first-  
19 time home buyers.

20 (c) CONDITION OF CONVEYANCE.—The conveyance  
21 authorized by subsection (a) shall be subject to the condi-  
22 tion that the City, if the City sells any portion of the prop-  
23 erty conveyed under subsection (a) before the end of the  
24 10-year period beginning on the date of enactment of this

1 Act, pay to the United States an amount equal to the less-  
2 er of—

3 (1) the amount of sale of the property sold; or

4 (2) the fair market value of the property sold  
5 as determined without taking into account any im-  
6 provements to such property by the City.

7 (d) DESCRIPTION OF PROPERTY.—The exact acreage  
8 and legal description of the real property conveyed under  
9 subsection (a) shall be determined by a survey satisfactory  
10 to the Secretary. The cost of the survey shall be borne  
11 by the City.

12 (e) ADDITIONAL TERMS AND CONDITIONS.—The  
13 Secretary may require such additional terms and condi-  
14 tions in connection with the conveyance under subsection  
15 (a) as the Secretary considers appropriate to protect the  
16 interests of the United States.

17 **SEC. 2818. LAND CONVEYANCE, ELLSWORTH AIR FORCE**  
18 **BASE, SOUTH DAKOTA.**

19 (a) CONVEYANCE AUTHORIZED.—The Secretary of  
20 the Air Force may convey, without consideration, to the  
21 Greater Box Elder Area Economic Development Corpora-  
22 tion, Box Elder, South Dakota (in this section referred  
23 to as the “Corporation”), all right, title, and interest of  
24 the United States in and to the parcels of real property

1 located at Ellsworth Air Force Base, South Dakota, re-  
2 ferred to in subsection (b).

3 (b) COVERED PROPERTY.—(1) Subject to paragraph  
4 (2), the real property referred to in subsection (a) is the  
5 following:

6 (A) A parcel of real property, together with any  
7 improvements thereon, consisting of approximately  
8 53.32 acres and comprising the Skyway Military  
9 Family Housing Area.

10 (B) A parcel of real property, together with any  
11 improvements thereon, consisting of approximately  
12 137.56 acres and comprising the Renal Heights  
13 Military Family Housing Area.

14 (C) A parcel of real property, together with any  
15 improvements thereon, consisting of approximately  
16 14.92 acres and comprising the East Nike Military  
17 Family Housing Area.

18 (D) A parcel of real property, together with any  
19 improvements thereon, consisting of approximately  
20 14.69 acres and comprising the South Nike Military  
21 Family Housing Area.

22 (E) A parcel of real property, together with any  
23 improvements thereon, consisting of approximately  
24 14.85 acres and comprising the West Nike Military  
25 Family Housing Area.

1           (2) The real property referred to in subsection (a)  
2 does not include the portion of the real property referred  
3 to in paragraph (1)(B) that the Secretary determines to  
4 be required for the construction of an access road between  
5 the main gate of Ellsworth Air Force Base and an inter-  
6 change on Interstate Route 90 located in the vicinity of  
7 mile marker 67 in South Dakota.

8           (c) CONDITIONS OF CONVEYANCE.—The conveyance  
9 of the real property referred to in subsection (b) shall be  
10 subject to the following conditions:

11           (1) That the Corporation, and any person or  
12 entity to which the Corporation transfers the prop-  
13 erty, comply in the use of the property with the ap-  
14 plicable provisions of the Ellsworth Air Force Base  
15 Air Installation Compatible Use Zone Study.

16           (2) That the Corporation convey a portion of  
17 the real property referred to in paragraph (1)(A) of  
18 that subsection, together with any improvements  
19 thereon, consisting of approximately 20 acres to the  
20 Douglas School District, South Dakota, for use for  
21 education purposes.

22           (d) REVERSIONARY INTEREST.—If the Secretary de-  
23 termines that any portion of the real property conveyed  
24 under subsection (a) is not being utilized in accordance  
25 with the applicable provision of subsection (c), all right,

1 title, and interest in and to that portion of the real prop-  
2 erty shall revert to the United States, and the United  
3 States shall have the right of immediate entry thereon.

4 (e) LEGAL DESCRIPTION.—The exact acreage and  
5 legal description of the property conveyed under sub-  
6 section (a) shall be determined by a survey satisfactory  
7 to the Secretary. The cost of the survey shall be borne  
8 by the Corporation.

9 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-  
10 retary may require such additional terms and conditions  
11 in connection with the conveyance under subsection (a) as  
12 the Secretary considers appropriate to protect the inter-  
13 ests of the United States.

## 14 **Subtitle C—Other Matters**

### 15 **SEC. 2831. DISPOSITION OF PROCEEDS OF SALE OF AIR** 16 **FORCE PLANT NO. 78, BRIGHAM CITY, UTAH.**

17 Notwithstanding the provisions of section  
18 204(h)(2)(A) of the Federal Property and Administrative  
19 Services Act of 1949 (40 U.S.C. 485(h)(2)(A)), the entire  
20 amount deposited by the Administrator of General Serv-  
21 ices in the account in the Treasury under section 204 of  
22 that Act as a result of the sale of Air Force Plant No.  
23 78, Brigham City, Utah, shall be available to the Sec-  
24 retary of the Air Force for maintenance and repair of fa-

1 cilities, or environmental restoration, at other industrial  
2 plants of the Air Force.

3 **DIVISION C—DEPARTMENT OF**  
4 **ENERGY NATIONAL SECURITY**  
5 **AUTHORIZATIONS AND**  
6 **OTHER AUTHORIZATIONS**  
7 **TITLE XXXI—DEPARTMENT OF**  
8 **ENERGY NATIONAL SECURITY**  
9 **PROGRAMS**  
10 **Subtitle A—National Security**  
11 **Programs Authorizations**

12 **SEC. 3101. WEAPONS ACTIVITIES.**

13 (a) STOCKPILE STEWARDSHIP.—Funds are hereby  
14 authorized to be appropriated to the Department of En-  
15 ergy for fiscal year 1998 for stockpile stewardship in car-  
16 rying out weapons activities necessary for national secu-  
17 rity programs in the amount of \$1,726,900,000, to be allo-  
18 cated as follows:

19 (1) For core stockpile stewardship,  
20 \$1,243,100,000, to be allocated as follows:

21 (A) For operation and maintenance,  
22 \$1,144,290,000.

23 (B) For the accelerated strategic comput-  
24 ing initiative, \$190,800,000.

1 (C) For plant projects (including mainte-  
2 nance, restoration, planning, construction, ac-  
3 quisition, modification of facilities, and the con-  
4 tinuation of projects authorized in prior years,  
5 and land acquisition related thereto),  
6 \$98,810,000, to be allocated as follows:

7 Project 97–D–102, Dual-Axis Radio-  
8 graphic Hydrodynamic facility, Los Alamos  
9 National Laboratory, Los Alamos, New  
10 Mexico, \$46,300,000.

11 Project 96–D–102, stockpile steward-  
12 ship facilities revitalization, Phase VI, var-  
13 ious locations, \$19,810,000.

14 Project 96–D–103, ATLAS, Los Ala-  
15 mos National Laboratory, Los Alamos,  
16 New Mexico, \$13,400,000.

17 Project 96–D–105, Contained Firing  
18 Facility addition, Lawrence Livermore Na-  
19 tional Laboratory, Livermore, California,  
20 \$19,300,000.

21 (2) For inertial confinement fusion,  
22 \$414,800,000, to be allocated as follows:

23 (A) For operation and maintenance,  
24 \$217,000,000.

1           (B) For the following plant project (includ-  
2           ing maintenance, restoration, planning, con-  
3           struction, acquisition, modification of facilities,  
4           and land acquisition related thereto):

5                   Project 96–D–111, National Ignition  
6           Facility, Lawrence Livermore National  
7           Laboratory, Livermore, California,  
8           \$197,800,000.

9           (3) For technology transfer and education,  
10          \$69,000,000.

11          (b) STOCKPILE MANAGEMENT.—Funds are hereby  
12          authorized to be appropriated to the Department of En-  
13          ergy for fiscal year 1998 for stockpile management in car-  
14          rying out weapons activities necessary for national secu-  
15          rity programs in the amount of \$2,033,050,000, to be allo-  
16          cated as follows:

17               (1) For operation and maintenance,  
18               \$1,861,465,000.

19               (2) For plant projects (including maintenance,  
20               restoration, planning, construction, acquisition,  
21               modification of facilities, and the continuation of  
22               projects authorized in prior years, and land acquisi-  
23               tion related thereto), \$171,585,000, to be allocated  
24               as follows:

1           Project 98–D–123, stockpile management  
2 restructuring initiative, tritium facility mod-  
3 ernization and consolidation, Savannah River  
4 Site, Aiken, South Carolina, \$11,000,000.

5           Project 98–D–124, stockpile management  
6 restructuring initiative, Y–12 consolidation,  
7 Oak Ridge, Tennessee, \$6,450,000.

8           Project 98–D–125, Tritium Extraction Fa-  
9 cility, Savannah River Site, Aiken, South Caro-  
10 lina, \$9,650,000.

11          Project 98–D–126, accelerator production  
12 of tritium, various locations, \$67,865,000.

13          Project 97–D–122, nuclear materials stor-  
14 age facility renovation, Los Alamos National  
15 Laboratory, Los Alamos, New Mexico,  
16 \$9,200,000.

17          Project 97–D–124, steam plant wastewater  
18 treatment facility upgrade, Y–12 Plant, Oak  
19 Ridge, Tennessee, \$1,900,000.

20          Project 96–D–122, sewage treatment qual-  
21 ity upgrade, Pantex Plant, Amarillo, Texas,  
22 \$6,900,000.

23          Project 96–D–123, retrofit heating, ven-  
24 tilation, and air conditioning and chillers for

1 ozone protection, Y-12 Plant, Oak Ridge, Ten-  
2 nessee, \$2,700,000.

3 Project 95-D-102, Chemical and Metal-  
4 lurgy Research Building upgrades project, Los  
5 Alamos National Laboratory, Los Alamos, New  
6 Mexico, \$15,700,000.

7 Project 95-D-122, sanitary sewer up-  
8 grade, Y-12 Plant, Oak Ridge, Tennessee,  
9 \$12,600,000.

10 Project 94-D-124, hydrogen fluoride sup-  
11 ply system, Y-12 Plant, Oak Ridge, Tennessee,  
12 \$1,400,000.

13 Project 94-D-125, upgrade life safety,  
14 Kansas City Plant, Kansas City, Missouri,  
15 \$2,000,000.

16 Project 93-D-122, life safety upgrades,  
17 Y-12 Plant, Oak Ridge, Tennessee,  
18 \$2,100,000.

19 Project 92-D-126, replace emergency noti-  
20 fication systems, various locations, \$3,200,000.

21 Project 88-D-122, facilities capability as-  
22 surance program, various locations,  
23 \$18,920,000.

24 (c) PROGRAM DIRECTION.—Funds are hereby au-  
25 thorized to be appropriated to the Department of Energy

1 for fiscal year 1998 for program direction in carrying out  
2 weapons activities necessary for national security pro-  
3 grams in the amount of \$268,500,000.

4 **SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE**  
5 **MANAGEMENT.**

6 (a) ENVIRONMENTAL RESTORATION.—Funds are  
7 hereby authorized to be appropriated to the Department  
8 of Energy for fiscal year 1998 for environmental restora-  
9 tion in carrying out environmental restoration and waste  
10 management activities necessary for national security pro-  
11 grams in the amount of \$1,748,073,000.

12 (b) WASTE MANAGEMENT.—Funds are hereby au-  
13 thorized to be appropriated to the Department of Energy  
14 for fiscal year 1998 for waste management in carrying out  
15 environmental restoration and waste management activi-  
16 ties necessary for national security programs in the  
17 amount of \$1,559,644,000, to be allocated as follows:

18 (1) For operation and maintenance,  
19 \$1,478,876,000.

20 (2) For plant projects (including maintenance,  
21 restoration, planning, construction, acquisition,  
22 modification of facilities, and the continuation of  
23 projects authorized in prior years, and land acquisi-  
24 tion related thereto), \$80,768,000, to be allocated as  
25 follows:

1           Project 98–D–401, H-tank farm storm  
2 water systems upgrade, Savannah River Site,  
3 Aiken, South Carolina, \$1,000,000.

4           Project 97–D–402, tank farm restoration  
5 and safe operations, Richland, Washington,  
6 \$13,961,000.

7           Project 96–D–408, waste management up-  
8 grades, various locations, \$8,200,000.

9           Project 95–D–402, install permanent elec-  
10 trical service, Waste Isolation Pilot Plant,  
11 Carlsbad, New Mexico, \$176,000.

12           Project 95–D–405, industrial landfill V  
13 and construction/demolition landfill VII, Y–12  
14 Plant, Oak Ridge, Tennessee, \$3,800,000.

15           Project 95–D–407, 219–S secondary con-  
16 tainment upgrade, Richland, Washington,  
17 \$2,500,000.

18           Project 94–D–404, Melton Valley storage  
19 tank capacity increase, Oak Ridge National  
20 Laboratory, Oak Ridge, Tennessee, \$1,219,000.

21           Project 94–D–407, initial tank retrieval  
22 systems, Richland, Washington, \$15,100,000.

23           Project 93–D–187, high-level waste  
24 removal from filled waste tanks, Savannah  
25 River Site, Aiken, South Carolina, \$17,520,000.

1           Project 92–D–172, hazardous waste treat-  
2           ment and processing facility, Pantex Plant,  
3           Amarillo, Texas, \$5,000,000.

4           Project 89–D–174, replacement high-level  
5           waste evaporator, Savannah River Site, Aiken,  
6           South Carolina, \$1,042,000.

7           Project 86–D–103, decontamination and  
8           waste treatment facility, Lawrence Livermore  
9           National Laboratory, Livermore, California,  
10          \$11,250,000.

11          (c) TECHNOLOGY DEVELOPMENT.—Funds are here-  
12         by authorized to be appropriated to the Department of  
13         Energy for fiscal year 1998 for technology development  
14         in carrying out environmental restoration and waste  
15         management activities necessary for national security pro-  
16         grams in the amount of \$252,881,000.

17          (d) NUCLEAR MATERIAL AND FACILITY STABILIZA-  
18         TION.—Funds are hereby authorized to be appropriated  
19         to the Department of Energy for fiscal year 1998 for nu-  
20         clear material and facility stabilization in carrying out en-  
21         vironmental restoration and waste management activities  
22         necessary for national security programs in the amount  
23         of \$1,265,481,000, to be allocated as follows:

24                 (1) For operation and maintenance,  
25                 \$1,181,114,000.

1           (2) For plant projects (including maintenance,  
2 restoration, planning, construction, acquisition,  
3 modification of facilities, and the continuation of  
4 projects authorized in prior years, and land acquisition  
5 related thereto), \$84,367,000, to be allocated as  
6 follows:

7           Project 98–D–453, plutonium stabilization  
8 and handling system for plutonium finishing  
9 plant, Richland, Washington, \$8,136,000.

10          Project 98–D–700, road rehabilitation,  
11 Idaho National Engineering and Environmental  
12 Laboratory, Idaho, \$500,000.

13          Project 97–D–450, actinide packaging and  
14 storage facility, Savannah River Site, Aiken,  
15 South Carolina, \$18,000,000.

16          Project 97–D–451, B-Plant safety class  
17 ventilation upgrades, Richland, Washington,  
18 \$2,000,000.

19          Project 97–D–470, environmental monitor-  
20 ing laboratory, Savannah River Site, Aiken,  
21 South Carolina, \$5,600,000.

22          Project 97–D–473, health physics site sup-  
23 port facility, Savannah River Site, Aiken, South  
24 Carolina, \$4,200,000.

1           Project 96–D–406, spent nuclear fuels  
2 canister storage and stabilization facility, Rich-  
3 land, Washington, \$16,744,000.

4           Project 96–D–461, electrical distribution  
5 upgrade, Idaho National Engineering and Envi-  
6 ronmental Laboratory, Idaho, \$2,927,000.

7           Project 96–D–464, electrical and utility  
8 systems upgrade, Idaho Chemical Processing  
9 Plant, Idaho National Engineering and Envi-  
10 ronmental Laboratory, Idaho, \$14,985,000.

11          Project 96–D–471, chlorofluorocarbon  
12 heating, ventilation, and air conditioning and  
13 chiller retrofit, Savannah River Site, Aiken,  
14 South Carolina, \$8,500,000.

15          Project 95–D–155, upgrade site road in-  
16 frastructure, Savannah River Site, Aiken, South  
17 Carolina, \$2,173,000.

18          Project 95–D–456, security facilities con-  
19 solidation, Idaho Chemical Processing Plant,  
20 Idaho National Engineering and Environmental  
21 Laboratory, Idaho, \$602,000.

22       (e) POLICY AND MANAGEMENT.—Funds are hereby  
23 authorized to be appropriated to the Department of En-  
24 ergy for fiscal year 1998 for policy and management in  
25 carrying out environmental restoration and waste manage-

1 ment activities necessary for national security programs  
2 in the amount of \$18,104,000.

3 (f) ENVIRONMENTAL MANAGEMENT SCIENCE PRO-  
4 GRAM.—Funds are hereby authorized to be appropriated  
5 to the Department of Energy for fiscal year 1998 for envi-  
6 ronmental science and risk policy in carrying out environ-  
7 mental restoration and waste management activities nec-  
8 essary for national security programs in the amount of  
9 \$40,000,000.

10 (g) PROGRAM DIRECTION.—Funds are hereby au-  
11 thorized to be appropriated to the Department of Energy  
12 for fiscal year 1998 for program direction in carrying out  
13 environmental restoration and waste management activi-  
14 ties necessary for national security programs in the  
15 amount of \$373,251,000.

16 **SEC. 3103. OTHER DEFENSE ACTIVITIES.**

17 Funds are hereby authorized to be appropriated to  
18 the Department of Energy for fiscal year 1998 for other  
19 defense activities in carrying out programs necessary for  
20 national security in the amount of \$1,582,981,000, to be  
21 allocated as follows:

22 (1) For verification and control technology,  
23 \$458,200,000, to be allocated as follows:

24 (A) For nonproliferation and verification  
25 research and development, \$210,000,000.

1 (B) For arms control, \$214,600,000.

2 (C) For intelligence, \$33,600,000.

3 (2) For nuclear safeguards and security,  
4 \$47,200,000.

5 (3) For security investigations, \$20,000,000.

6 (4) For emergency management, \$27,700,000.

7 (5) For program direction, nonproliferation,  
8 and national security, \$84,900,000.

9 (6) For environment, safety and health, de-  
10 fense, \$54,000,000.

11 (7) For worker and community transition as-  
12 sistance:

13 (A) For assistance, \$65,800,000.

14 (B) For program direction, \$4,700,000.

15 (8) For fissile materials disposition:

16 (A) For operation and maintenance,  
17 \$99,451,000.

18 (B) For program direction, \$4,345,000.

19 (9) For naval reactors development,  
20 \$683,000,000, to be allocated as follows:

21 (A) For program direction, \$20,080,000.

22 (B) For plant projects (including mainte-  
23 nance, restoration, planning, construction, ac-  
24 quisition, modification of facilities, and the con-  
25 tinuation of projects authorized in prior years,

1 and land acquisition related thereto),  
2 \$14,000,000, to be allocated as follows:

3 Project 98–D–200, site laboratory/fa-  
4 cility upgrade, various locations,  
5 \$5,700,000.

6 Project 97–D–201, advanced test re-  
7 actor secondary coolant system refurbish-  
8 ment, Idaho National Engineering and En-  
9 vironmental Laboratory, Idaho,  
10 \$4,100,000.

11 Project 95–D–200, laboratory systems  
12 and hot cell upgrades, various locations,  
13 \$1,100,000.

14 Project 90–N–102, expended core fa-  
15 cility dry cell project, Naval Reactors Fa-  
16 cility, Idaho, \$3,100,000.

17 (10) For the Chernobyl shutdown initiative,  
18 \$2,000,000.

19 (11) For nuclear technology research and devel-  
20 opment, \$25,000,000.

21 (12) For nuclear security, \$4,000,000.

22 (13) For the Office of Hearings and Appeals,  
23 \$2,685,000.

1 **SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRI-**  
2 **VATIZATION.**

3 Funds are hereby authorized to be appropriated to  
4 the Department of Energy for fiscal year 1998 to carry  
5 out environmental management privatization projects in  
6 connection with national security programs in the amount  
7 of \$215,000,000, to be allocated as follows:

8 Project 98-PVT-1, contact handled transuranic  
9 waste transportation, Carlsbad, New Mexico,  
10 \$29,000,000.

11 Project 98-PVT-4, spent nuclear fuel dry stor-  
12 age, Idaho Falls, Idaho, \$27,000,000.

13 Project 98-PVT-7, waste pits remedial action,  
14 Fernald, Ohio, \$25,000,000.

15 Project 98-PVT-11, spent nuclear fuel transfer  
16 and storage, Savannah River, South Carolina,  
17 \$25,000,000.

18 Project 97-PVT-1, tank waste remediation sys-  
19 tem phase 1, Hanford, Washington, \$109,000,000.

20 **SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.**

21 Funds are hereby authorized to be appropriated to  
22 the Department of Energy for fiscal year 1998 for pay-  
23 ment to the Nuclear Waste Fund established in section  
24 302(c) of the Nuclear Waste Policy Act of 1982 (42  
25 U.S.C. 10222(c)) in the amount of \$190,000,000.

## 1           **Subtitle B—Recurring General** 2                                   **Provisions**

### 3 **SEC. 3121. REPROGRAMMING.**

4           (a) IN GENERAL.—Until the Secretary of Energy  
5 submits to the congressional defense committees the re-  
6 port referred to in subsection (b) and a period of 30 days  
7 has elapsed after the date on which such committees re-  
8 ceive the report, the Secretary may not use amounts ap-  
9 propriated pursuant to this title for any program—

10                   (1) in amounts that exceed, in a fiscal year—

11                           (A) 110 percent of the amount authorized  
12 for that program by this title; or

13                           (B) \$1,000,000 more than the amount au-  
14 thorized for that program by this title; or

15                   (2) which has not been presented to, or re-  
16 quested of, Congress.

17           (b) REPORT.—(1) The report referred to in sub-  
18 section (a) is a report containing a full and complete state-  
19 ment of the action proposed to be taken and the facts and  
20 circumstances relied upon in support of such proposed ac-  
21 tion.

22                   (2) In the computation of the 30-day period under  
23 subsection (a), there shall be excluded any day on which  
24 either House of Congress is not in session because of an  
25 adjournment of more than 3 days to a day certain.

1 (c) LIMITATIONS.—(1) In no event may the total  
2 amount of funds obligated pursuant to this title exceed  
3 the total amount authorized to be appropriated by this  
4 title.

5 (2) Funds appropriated pursuant to this title may not  
6 be used for an item for which Congress has specifically  
7 denied funds.

8 **SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.**

9 (a) IN GENERAL.—The Secretary of Energy may  
10 carry out any construction project under the general plant  
11 projects authorized by this title if the total estimated cost  
12 of the construction project does not exceed \$2,000,000.

13 (b) REPORT TO CONGRESS.—If, at any time during  
14 the construction of any general plant project authorized  
15 by this title, the estimated cost of the project is revised  
16 because of unforeseen cost variations and the revised cost  
17 of the project exceeds \$2,000,000, the Secretary shall im-  
18 mediately furnish a complete report to the congressional  
19 defense committees explaining the reasons for the cost  
20 variation.

21 **SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.**

22 (a) IN GENERAL.—(1) Except as provided in para-  
23 graph (2), construction on a construction project may not  
24 be started or additional obligations incurred in connection  
25 with the project above the total estimated cost, whenever

1 the current estimated cost of the construction project,  
2 which is authorized by sections 3101, 3102, or 3103, or  
3 which is in support of national security programs of the  
4 Department of Energy and was authorized by any pre-  
5 vious Act, exceeds by more than 25 percent the higher  
6 of—

7 (A) the amount authorized for the project; or

8 (B) the amount of the total estimated cost for  
9 the project as shown in the most recent budget jus-  
10 tification data submitted to Congress.

11 (2) An action described in paragraph (1) may be  
12 taken if—

13 (A) the Secretary of Energy has submitted to  
14 the congressional defense committees a report on the  
15 actions and the circumstances making such action  
16 necessary; and

17 (B) a period of 30 days has elapsed after the  
18 date on which the report is received by the commit-  
19 tees.

20 (3) In the computation of the 30-day period under  
21 paragraph (2), there shall be excluded any day on which  
22 either House of Congress is not in session because of an  
23 adjournment of more than 3 days to a day certain.

1 (b) EXCEPTION.—Subsection (a) shall not apply to  
2 any construction project which has a current estimated  
3 cost of less than \$5,000,000.

4 **SEC. 3124. FUND TRANSFER AUTHORITY.**

5 (a) TRANSFER TO OTHER FEDERAL AGENCIES.—  
6 The Secretary of Energy may transfer funds authorized  
7 to be appropriated to the Department of Energy pursuant  
8 to this title to other Federal agencies for the performance  
9 of work for which the funds were authorized. Funds so  
10 transferred may be merged with and be available for the  
11 same purposes and for the same time period as the author-  
12 izations of the Federal agency to which the amounts are  
13 transferred.

14 (b) TRANSFER WITHIN DEPARTMENT OF ENERGY;  
15 LIMITATIONS.—(1) Subject to paragraph (2), the Sec-  
16 retary of Energy may transfer funds authorized to be ap-  
17 propriated to the Department of Energy pursuant to this  
18 title between any such authorizations. Amounts of author-  
19 izations so transferred may be merged with and be avail-  
20 able for the same purposes and for the same time period  
21 as the authorization to which the amounts are transferred.

22 (2) Not more than five percent of any such authoriza-  
23 tion may be transferred between authorizations under  
24 paragraph (1). No such authorization may be increased

1 or decreased by more than five percent by a transfer under  
2 such paragraph.

3 (3) The authority provided by this subsection to  
4 transfer authorizations may only be used to provide funds  
5 for items relating to activities necessary for national secu-  
6 rity programs that have a higher priority than the items  
7 from which the funds are transferred.

8 (c) NOTICE TO CONGRESS.—The Secretary of Energy  
9 shall promptly notify the Committee on Armed Services  
10 of the Senate and the Committee on National Security of  
11 the House of Representatives of any transfer of funds to  
12 or from authorizations under this title.

13 **SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUC-**  
14 **TION DESIGN.**

15 (a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1)  
16 Subject to paragraph (2) and except as provided in para-  
17 graph (3), before submitting to Congress a request for  
18 funds for a construction project that is in support of a  
19 national security program of the Department of Energy,  
20 the Secretary of Energy shall complete a conceptual de-  
21 sign report for that project.

22 (2) If the estimated cost of completing a conceptual  
23 design for a construction project exceeds \$3,000,000, the  
24 Secretary shall submit to Congress a request for funds for

1 the conceptual design before submitting a request for  
2 funds for the construction project.

3 (3) The requirement in paragraph (1) does not apply  
4 to a request for funds—

5 (A) for a construction project the total esti-  
6 mated cost of which is less than \$2,000,000; or

7 (B) for emergency planning, design, and con-  
8 struction activities under section 3126.

9 (b) **AUTHORITY FOR CONSTRUCTION DESIGN.**—(1)  
10 Within the amounts authorized by the title, the Secretary  
11 of Energy may carry out construction design (including  
12 architectural and engineering services) in connection with  
13 any proposed construction project if the total estimated  
14 cost for such design does not exceed \$600,000.

15 (2) If the total estimated cost for construction design  
16 in connection with any construction project exceeds  
17 \$600,000, funds for such design must be specifically au-  
18 thorized by law.

19 **SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DE-**  
20 **SIGN, AND CONSTRUCTION ACTIVITIES.**

21 (a) **AUTHORITY.**—The Secretary of Energy may use  
22 any funds available to the Department of Energy, pursu-  
23 ant to an authorization in this title, including those funds  
24 authorized to be appropriated for advance planning and  
25 construction design under sections 3101, 3102, or 3103,

1 to perform planning, design, and construction activities  
2 for any Department of Energy national security program  
3 construction project that, as determined by the Secretary,  
4 must proceed expeditiously in order to protect public  
5 health and safety, to meet the needs of national defense,  
6 or to protect property.

7 (b) LIMITATION.—The Secretary may not exercise  
8 the authority under subsection (a) in the case of any con-  
9 struction project until the Secretary has submitted to the  
10 congressional defense committees a report on the activities  
11 that the Secretary intends to carry out under this section  
12 and the circumstances making such activities necessary.

13 (c) SPECIFIC AUTHORITY.—The requirement of sec-  
14 tion 3125(b)(2) does not apply to emergency planning, de-  
15 sign, and construction activities conducted under this sec-  
16 tion.

17 **SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECU-**  
18 **RITY PROGRAMS OF THE DEPARTMENT OF**  
19 **ENERGY.**

20 Subject to the provisions of appropriation Acts and  
21 section 3121, amounts appropriated pursuant to this title  
22 for management and support activities and for general  
23 plant projects are available for use, when necessary, in  
24 connection with all national security programs of the De-  
25 partment of Energy.

1 **SEC. 3128. AVAILABILITY OF FUNDS.**

2       When so specified in an appropriation Act, amounts  
3 appropriated for operation and maintenance or for plant  
4 projects may remain available until expended.

5 **Subtitle C—Program Authoriza-**  
6 **tions, Restrictions, and Limita-**  
7 **tions**

8 **SEC. 3131. DEFENSE ENVIRONMENTAL MANAGEMENT PRI-**  
9 **VATIZATION PROJECTS.**

10       (a) **LIMITATION ON CONTRACTS.**—Funds authorized  
11 to be appropriated by section 3104 for a project referred  
12 to in that section are available for a contract under the  
13 project only if the contract—

14           (1) is awarded on a competitive basis;

15           (2) requires the contractor to construct or ac-  
16 quire any equipment or facilities required to carry  
17 out the contract before the commencement of the  
18 provision of goods or services under the contract;

19           (3) requires the contractor to bear any of the  
20 costs of the design, construction, acquisition, and op-  
21 eration of such equipment or facilities that arise be-  
22 fore the commencement of the provision of goods or  
23 services under the contract; and

24           (4) provides for payment to the contractor  
25 under the contract only upon the meeting of per-  
26 formance objectives specified in the contract.

1 (b) NOTICE AND WAIT.—The Secretary of Energy  
2 may not enter into a contract or option to enter into a  
3 contract, or otherwise incur any contractual obligation,  
4 under a project authorized by section 3104 until 30 days  
5 after the date which the Secretary submits to the congres-  
6 sional defense committees a report with respect to the con-  
7 tract. The report shall set forth—

8 (1) the anticipated costs and fees of the De-  
9 partment under the contract, including the antici-  
10 pated maximum amount of such costs and fees;

11 (2) any performance objectives specified in the  
12 contract;

13 (3) the anticipated dates of commencement and  
14 completion of the provision of goods or services  
15 under the contract;

16 (4) the allocation between the Department and  
17 the contractor of any financial, regulatory, or envi-  
18 ronmental obligations under the contract;

19 (5) any activities planned or anticipated to be  
20 required with respect to the project after completion  
21 of the contract;

22 (6) the site services or other support to be pro-  
23 vided the contractor by the Department under the  
24 contract;

1           (7) the goods or services to be provided by the  
2 Department or contractor under the contract, in-  
3 cluding any additional obligations to be borne by the  
4 Department or contractor with respect to such goods  
5 or services;

6           (8) the schedule for the contract;

7           (9) the costs the Department would otherwise  
8 have incurred in obtaining the goods or services cov-  
9 ered by the contract if the Department had not pro-  
10 posed to obtain the goods or services under this sec-  
11 tion;

12           (10) an estimate and justification of the cost  
13 savings, if any, to be realized through the contract,  
14 including the assumptions underlying the estimate;

15           (11) the effect of the contract on any ancillary  
16 schedules applicable to the facility concerned, includ-  
17 ing milestones in site compliance agreements; and

18           (12) the plans for maintaining financial and  
19 programmatic accountability for activities under the  
20 contract.

21       (c) COST VARIATIONS.—(1) The Secretary may not  
22 enter into a contract under a project referred to in para-  
23 graph (2), or incur additional obligations attributable to  
24 the capital portion of the cost of such a contract, whenever  
25 the current estimated cost of the project exceeds the

1 amount of the estimated cost of the project as shown in  
2 the most recent budget justification data submitted to  
3 Congress.

4 (2) Paragraph (1) applies to an environmental man-  
5 agement privatization project that is—

6 (A) authorized by section 3104; or

7 (B) carried out under section 3103 of the Na-  
8 tional Defense Authorization Act for Fiscal Year  
9 1997 (Public Law 104–201; 110 Stat. 2824).

10 (d) USE OF FUNDS FOR TERMINATION OF CON-  
11 TRACT.—Not less than 15 days before the Secretary obli-  
12 gates funds available for a project authorized by section  
13 3104 to terminate the contract or contracts under the  
14 project, the Secretary shall notify the congressional de-  
15 fense committees of the Secretary’s intent to obligate the  
16 funds for that purpose.

17 (e) ANNUAL REPORT ON CONTRACTS.—Not later  
18 than February 28 of each year, the Secretary shall submit  
19 to the congressional defense committees a report on the  
20 activities, if any, carried out under each contract under  
21 a project authorized by section 3104 during the preceding  
22 year. The report shall include an update with respect to  
23 each such contract of the matters specified under sub-  
24 section (b)(1) as of the date of the report.

1 (f) REPORT ON CONTRACTING WITHOUT SUFFICIENT  
2 APPROPRIATIONS.—Not later than 90 days after the date  
3 of enactment of this Act, the Secretary shall submit to  
4 the congressional defense committees a report assessing  
5 whether, and under what circumstances, the Secretary  
6 could enter into contracts under defense environmental  
7 management privatization projects in the absence of suffi-  
8 cient appropriations to meet obligations under such con-  
9 tracts without thereby violating the provisions of section  
10 1341 of title 31, United States Code.

11 **SEC. 3132. INTERNATIONAL COOPERATIVE STOCKPILE**  
12 **STEWARDSHIP PROGRAMS.**

13 (a) FUNDING PROHIBITION.—No funds authorized to  
14 be appropriated or otherwise available to the Department  
15 of Energy for fiscal year 1998 may be obligated or ex-  
16 pended to conduct any activities associated with inter-  
17 national cooperative stockpile stewardship.

18 (b) EXCEPTIONS.—Subsection (a) does not apply to  
19 the following:

20 (1) Activities conducted between the United  
21 States and the United Kingdom.

22 (2) Activities conducted between the United  
23 States and France.



1 of Energy pursuant to section 3101, \$262,000,000 shall  
2 be available for activities related to tritium production.

3 (b) ACCELERATION OF TRITIUM PRODUCTION.—(1)

4 Not later than June 30, 1998, the Secretary of Energy  
5 shall make a final decision on the technologies to be uti-  
6 lized, and the accelerated schedule to be adopted, for trit-  
7 ium production in order to meet the requirements in the  
8 Nuclear Weapons Stockpile Memorandum relating to trit-  
9 ium production, including the tritium production date of  
10 2005 specified in the Nuclear Weapons Stockpile Memo-  
11 randum.

12 (2) In making the final decision, the Secretary shall  
13 take into account the following:

14 (A) The requirements for tritium production  
15 specified in the Nuclear Weapons Stockpile Memo-  
16 randum, including, in particular, the requirements  
17 for the so-called “upload hedge” component of the  
18 nuclear weapons stockpile.

19 (B) The ongoing activities of the Department of  
20 Energy relating to the evaluation and demonstration  
21 of technologies under the accelerator program and  
22 the commercial light water reactor program.

23 (C) The potential liabilities and benefits of each  
24 potential technology for tritium production, includ-  
25 ing—

1           (i) regulatory and other barriers that  
2           might prevent the production of tritium using  
3           the technology by the production date referred  
4           to in subsection (a);

5           (ii) potential difficulties, if any, in licensing  
6           the technology;

7           (iii) the variability, if any, in tritium pro-  
8           duction rates using the technology; and

9           (iv) any other benefits (including scientific  
10          or research benefits or the generation of reve-  
11          nue) associated with the technology.

12       (c) REPORT.—If the Secretary determines that it is  
13       not possible to make the final decision by the date speci-  
14       fied in subsection (b), the Secretary shall submit to the  
15       congressional defense committees on that date a report  
16       that explains in detail why the final decision cannot be  
17       made by that date.

18       (d) LIMITATION ON AVAILABILITY OF FUNDS.—The  
19       Secretary may not obligate or expend any funds author-  
20       ized to be appropriated or otherwise made available for  
21       the Department of Energy by this Act for the purpose of  
22       evaluating or utilizing any technology for the production  
23       of tritium other than a commercial light water reactor or  
24       an accelerator until the later of—

25               (1) July 30, 1998; or

1           (2) the date that is 30 days after the date on  
2           which the Secretary makes a final decision under  
3           subsection (b).

4 **SEC. 3135. PROCESSING, TREATMENT, AND DISPOSITION OF**  
5           **SPENT NUCLEAR FUEL RODS AND OTHER**  
6           **LEGACY NUCLEAR MATERIALS AT THE SA-**  
7           **VANNAH RIVER SITE.**

8           (a) FUNDING.—Of the funds authorized to be appro-  
9           priated pursuant to section 3102(d), not more than  
10          \$47,000,000 shall be available for the implementation of  
11          a program to accelerate the receipt, processing (including  
12          the H-canyon restart operations), reprocessing, separa-  
13          tion, reduction, deactivation, stabilization, isolation, and  
14          interim storage of high level nuclear waste associated with  
15          Department of Energy spent fuel rods, foreign spent fuel  
16          rods, and other nuclear materials that are located at the  
17          Savannah River Site.

18          (b) REQUIREMENT FOR CONTINUING OPERATIONS  
19          AT SAVANNAH RIVER SITE.—The Secretary of Energy  
20          shall continue operations and maintain a high state of  
21          readiness at the F-canyon and H-canyon facilities at the  
22          Savannah River Site and shall provide technical staff nec-  
23          essary to operate and maintain such facilities at that state  
24          of readiness.

1 **SEC. 3136. LIMITATIONS ON USE OF FUNDS FOR LABORA-**  
2 **TORY DIRECTED RESEARCH AND DEVELOP-**  
3 **MENT PURPOSES.**

4 (a) GENERAL LIMITATIONS.—(1) No funds author-  
5 ized to be appropriated or otherwise made available to the  
6 Department of Energy in any fiscal year after fiscal year  
7 1997 for weapons activities may be obligated or expended  
8 for activities under the Department of Energy Laboratory  
9 Directed Research and Development Program, or under  
10 any Department of Energy technology transfer program  
11 or cooperative research and development agreement, un-  
12 less such activities under such program or agreement sup-  
13 port the national security mission of the Department of  
14 Energy.

15 (2) No funds authorized to be appropriated or other-  
16 wise made available to the Department of Energy in any  
17 fiscal year after fiscal year 1997 for environmental res-  
18 toration, waste management, or nuclear materials and fa-  
19 cilities stabilization may be obligated or expended for ac-  
20 tivities under the Department of Energy Laboratory Di-  
21 rected Research and Development Program, or under any  
22 Department of Energy technology transfer program or co-  
23 operative research and development agreement, unless  
24 such activities support the environmental restoration mis-  
25 sion, waste management mission, or materials stabilization  
26 mission, as the case may be, of the Department of Energy.

1 (b) LIMITATION IN FISCAL YEAR 1998 PENDING  
2 SUBMITTAL OF ANNUAL REPORT.—Not more than 30  
3 percent of the funds authorized to be appropriated or oth-  
4 erwise made available to the Department of Energy in fis-  
5 cal year 1998 for laboratory directed research and devel-  
6 opment may be obligated or expended for such research  
7 and development until the Secretary of Energy submits  
8 to the congressional defense committees the report re-  
9 quired by section 3136(b) of the National Defense Author-  
10 ization Act for Fiscal Year 1997 (Public Law 104–201;  
11 110 Stat. 2831; 42 U.S.C. 7257b) in 1998.

12 (c) SUBMITTAL DATE FOR ANNUAL REPORT ON LAB-  
13 ORATORY DIRECTED RESEARCH AND DEVELOPMENT  
14 PROGRAM.—Section 3136(b)(1) of the National Defense  
15 Authorization Act for Fiscal Year 1997 (42 U.S.C.  
16 7257b(1)) is amended by striking out “The Secretary of  
17 Energy shall annually submit” and inserting in lieu there-  
18 of “Not later than February 1 each year, the Secretary  
19 of Energy shall submit”.

20 (d) ASSESSMENT OF FUNDING LEVEL FOR LABORA-  
21 TORY DIRECTED RESEARCH AND DEVELOPMENT.—The  
22 Secretary shall include in the report submitted under such  
23 section 3136(b)(1) in 1998 an assessment of the funding  
24 required to carry out laboratory directed research and de-  
25 velopment, including a recommendation for the percentage

1 of the funds provided to Government-owned, contractor-  
2 operated laboratories for national security activities that  
3 should be made available for such research and develop-  
4 ment under section 3132(e) of the National Defense Au-  
5 thorization Act for Fiscal Year 1991 (Public Law 101-  
6 510; 104 Stat. 1832; 42 U.S.C. 7257a(e)).

7 (e) DEFINITION.—In this section, the term “labora-  
8 tory directed research and development” has the meaning  
9 given that term in section 3132(d) of the National Defense  
10 Authorization Act for Fiscal Year 1991 (42 U.S.C.  
11 7257a(d)).

12 **SEC. 3137. PERMANENT AUTHORITY FOR TRANSFERS OF**  
13 **DEFENSE ENVIRONMENTAL MANAGEMENT**  
14 **FUNDS.**

15 (a) PERMANENT AUTHORITY.—Section 3139 of the  
16 National Defense Authorization Act for Fiscal Year 1997  
17 (Public Law 104-201; 110 Stat. 2832) is amended—

18 (1) by striking out subsection (g); and

19 (2) by redesignating subsection (h) as sub-  
20 section (g).

21 (b) EXEMPTION FROM REPROGRAMMING REQUIRE-  
22 MENTS.—Subsection (c) of that section is amended by  
23 striking out “The requirements of section 3121” and in-  
24 serting in lieu thereof “No recurring limitation on re-

1 programming of Department of Energy funds contained  
2 in an annual authorization Act for national defense”.

3 (c) DEFINITIONS.—Subsection (f)(1) of that section  
4 is amended by striking out “any of the following:” and  
5 all that follows and inserting in lieu thereof “any program  
6 or project of the Department of Energy relating to envi-  
7 ronmental restoration and waste management activities  
8 necessary for national security programs of the Depart-  
9 ment.”.

10 (d) REPORT.—Subsection (g) of that section, as re-  
11 designated by subsection (a)(2), is amended—

12 (1) by striking out “September 1, 1997,” and  
13 inserting in lieu thereof “November 1 each year”;

14 (2) by inserting “during the preceding fiscal  
15 year” after “in subsection (b)”; and

16 (3) by striking out the second sentence.

17 (e) CONFORMING AMENDMENT.—The section head-  
18 ing of that section is amended by striking out “**TEM-**  
19 **PORARY AUTHORITY RELATING TO**” and inserting in  
20 lieu thereof “**AUTHORITY FOR**”.

1 **SEC. 3138. PROHIBITION ON RECOVERY OF CERTAIN ADDI-**  
 2 **TIONAL COSTS FOR ENVIRONMENTAL RE-**  
 3 **SPONSE ACTIONS ASSOCIATED WITH THE**  
 4 **FORMERLY UTILIZED SITE REMEDIAL AC-**  
 5 **TION PROJECT PROGRAM.**

6 (a) PROHIBITION.—The Department of Energy may  
 7 not recover from a party described in subsection (b) any  
 8 costs of response actions, for an actual or threatened re-  
 9 lease of hazardous substances that occurred before the  
 10 date of enactment of this Act, at a site included in the  
 11 Formerly Utilized Site Remedial Action Project program  
 12 other than the costs stipulated in a written, legally binding  
 13 agreement with the party with respect to the site as re-  
 14 ferred to in that subsection.

15 (b) COVERED PARTIES.—A party referred to in sub-  
 16 section (a) is any party that has entered into a written,  
 17 legally binding agreement with the Department before Au-  
 18 gust 28, 1996, which agreement stipulates a formula for  
 19 the sharing by the party and the Department of the costs  
 20 of response actions at a site referred to in that subsection.

21 **Subtitle D—Other Matters**

22 **SEC. 3151. ADMINISTRATION OF CERTAIN DEPARTMENT OF**  
 23 **ENERGY ACTIVITIES.**

24 (a) PROCEDURES FOR PRESCRIBING REGULA-  
 25 TIONS.—Section 501 of the Department of Energy Orga-  
 26 nization Act (42 U.S.C. 7191) is amended—

1 (1) by striking out subsections (b) and (d);

2 (2) by redesignating subsections (c), (e), (f),  
3 and (g) as subsections (b), (c), (d), and (e), respec-  
4 tively; and

5 (3) in subsection (c), as so redesignated, by  
6 striking out “subsections (b), (c), and (d)” and in-  
7 serting in lieu thereof “subsection (b)”.

8 (b) ADVISORY COMMITTEES.—(1) Section 624 of the  
9 Department of Energy Organization Act (42 U.S.C. 7234)  
10 is amended—

11 (A) by striking out “(a)”; and

12 (B) by striking out subsection (b).

13 (2) Section 17 of the Federal Energy Administration  
14 Act of 1974 (15 U.S.C. 776) is repealed.

15 **SEC. 3152. MODIFICATION AND EXTENSION OF AUTHORITY**  
16 **RELATING TO APPOINTMENT OF CERTAIN**  
17 **SCIENTIFIC, ENGINEERING, AND TECHNICAL**  
18 **PERSONNEL.**

19 (a) REPEAL OF REQUIREMENT FOR EPA STUDY.—  
20 Section 3161 of the National Defense Authorization Act  
21 for Fiscal Year 1995 (Public Law 103–337; 108 Stat.  
22 3095; 42 U.S.C. 7231 note) is amended—

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

24 (2) by redesignating subsection (d) as sub-  
25 section (c).

1 (b) EXTENSION OF AUTHORITY.—Paragraph (1) of  
2 subsection (c) of such section, as so redesignated, is  
3 amended by striking out “September 30, 1997” and in-  
4 serting in lieu thereof “September 30, 1999”.

5 **SEC. 3153. ANNUAL REPORT ON PLAN AND PROGRAM FOR**  
6 **STEWARDSHIP, MANAGEMENT, AND CERTIFI-**  
7 **CATION OF WARHEADS IN THE NUCLEAR**  
8 **WEAPONS STOCKPILE.**

9 (a) IN GENERAL.—(1) Not later than March 15,  
10 1998, the Secretary of Energy shall submit to the congres-  
11 sional defense committees a plan and program for main-  
12 taining the warheads in the nuclear weapons stockpile (in-  
13 cluding stockpile stewardship, stockpile management, and  
14 program direction).

15 (2) Not later than March 15 of each year after 1998,  
16 the Secretary shall submit to the congressional defense  
17 committees an update of the plan and program submitted  
18 under paragraph (1) current as of the date of submittal  
19 of the updated plan and program.

20 (3) The plan and program, and each update of the  
21 plan and program, shall be consistent with the pro-  
22 grammatic and technical requirements of the Nuclear  
23 Weapons Stockpile Memorandum current as of the date  
24 of submittal of the plan and program or update.

1 (b) ELEMENTS.—The plan and program, and each  
2 update of the plan and program, shall set forth the follow-  
3 ing:

4 (1) The numbers of warheads (including active  
5 and inactive warheads) for each type of warhead in  
6 the nuclear stockpile.

7 (2) The current age of each warhead type and  
8 any plans for stockpile life extensions and modifica-  
9 tions or replacement of each warhead type.

10 (3) The process by which the Secretary is as-  
11 sessing the lifetime and requirements for life exten-  
12 sion or replacement of the nuclear and non-nuclear  
13 components of the warheads (including active and  
14 inactive warheads) in the nuclear stockpile.

15 (4) The process used in recertifying the safety,  
16 reliability, and performance of each warhead type  
17 (including active and inactive warheads) in the nu-  
18 clear weapons stockpile.

19 (5) Any concerns which would affect the recer-  
20 tification of the safety, security, or reliability of war-  
21 heads (including active and inactive warheads) in the  
22 nuclear stockpile.

23 (c) FORM.—The Secretary shall submit the plan and  
24 program, and each update of the plan and program, in  
25 unclassified form, but may include a classified annex.

1 **SEC. 3154. SUBMITTAL OF BIENNIAL WASTE MANAGEMENT**  
2 **REPORTS.**

3 Section 3153(b)(2)(B) of the National Defense Au-  
4 thorization Act for Fiscal Year 1994 (42 U.S.C.  
5 7274k(b)(2)(B)) is amended by striking out “odd-num-  
6 bered year after 1995” and inserting in lieu thereof “odd-  
7 numbered year after 1997”.

8 **SEC. 3155. REPEAL OF OBSOLETE REPORTING REQUIRE-**  
9 **MENTS.**

10 (a) ANNUAL REPORT ON ACTIVITIES OF THE ATOMIC  
11 ENERGY COMMISSION.—(1) Section 251 of the Atomic  
12 Energy Act of 1954 (42 U.S.C. 2016) is repealed.

13 (2) The table of sections at the beginning of that Act  
14 is amended by striking out the item relating to section  
15 251.

16 (b) ANNUAL REPORT ON WEAPONS ACTIVITIES  
17 BUDGETS.—Section 3156 of the National Defense Au-  
18 thorization Act for Fiscal Year 1997 (Public Law 104-  
19 201; 110 Stat. 2841; 42 U.S.C. 7271c) is repealed.

20 (c) ANNUAL UPDATE OF MASTER PLAN FOR NU-  
21 CLEAR WEAPONS STOCKPILE.—Section 3153 of the Na-  
22 tional Defense Authorization Act for Fiscal Year 1996  
23 (Public Law 104-106; 110 Stat. 624; 42 U.S.C. 2121  
24 note) is repealed.

25 (d) ANNUAL REPORT ON WEAPONS ACTIVITIES  
26 BUDGETS.—Section 3159 of the National Defense Au-

1 thORIZATION Act for Fiscal Year 1996 (Public Law 104–  
2 106; 110 Stat. 626; 42 U.S.C. 7271b note) is repealed.

3 (e) ANNUAL REPORT ON STOCKPILE STEWARDSHIP  
4 PROGRAM.—Section 3138 of the National Defense Au-  
5 thorization Act for Fiscal Year 1994 (Public Law 103–  
6 160; 107 Stat. 1946; 42 U.S.C. 2121 note) is amended—

7 (1) by striking out subsections (d) and (e);

8 (2) by redesignating subsections (f), (g), and  
9 (h) as subsections (d), (e), and (f), respectively; and

10 (3) in subsection (e), as so redesignated, by  
11 striking out “and the 60-day period referred to in  
12 subsection (e)(2)(A)(ii)”.

13 (f) ANNUAL REPORT ON DEVELOPMENT OF TRITIUM  
14 PRODUCTION CAPACITY.—Section 3134 of the National  
15 Defense Authorization Act for Fiscal Year 1993 (Public  
16 Law 102–484; 106 Stat. 2639) is repealed.

17 (g) ANNUAL REPORT ON RESEARCH RELATING TO  
18 DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—  
19 Section 3141 of the National Defense Authorization Act  
20 for Fiscal Years 1990 and 1991 (Public Law 101–189;  
21 103 Stat. 1679; 42 U.S.C. 7274a) is amended—

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

23 (2) by redesignating subsection (d) as sub-  
24 section (c).

1 (h) QUARTERLY REPORT ON MAJOR DOE NATIONAL  
2 SECURITY PROGRAMS.—Section 3143 of the National De-  
3 fense Authorization Act for Fiscal Years 1990 and 1991  
4 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271a)  
5 is repealed.

6 (i) ANNUAL REPORT ON NUCLEAR TEST BAN READI-  
7 NESS PROGRAM.—Section 1436 of the National Defense  
8 Authorization Act, Fiscal Year 1989 (Public Law 100–  
9 456; 102 Stat. 2075; 42 U.S.C. 2121 note) is amended  
10 by striking out subsection (e).

11 **SEC. 3156. COMMISSION ON SAFEGUARDING AND SECURITY**  
12 **OF NUCLEAR WEAPONS AND MATERIALS AT**  
13 **DEPARTMENT OF ENERGY FACILITIES.**

14 (a) ESTABLISHMENT.—There is hereby established a  
15 commission to be known as the Commission on Safeguards  
16 and Security at Department of Energy Facilities (in this  
17 section referred to as the “Commission”).

18 (b) ORGANIZATIONAL MATTERS.—(1)(A) The Com-  
19 mission shall be composed of eight members appointed  
20 from among individuals in the public and private sectors  
21 who have significant experience in matters relating to the  
22 safeguarding and security of nuclear weapons and mate-  
23 rials, as follows:

24 (i) Two shall be appointed by the chairman of  
25 the Committee on Armed Services of the Senate, in

1       consultation with the ranking member of the com-  
2       mittee.

3           (ii) One shall be appointed by the ranking  
4       member of the Committee on Armed Services of the  
5       Senate, in consultation with the chairman of the  
6       committee.

7           (iii) Two shall be appointed by the chairman of  
8       the Committee on National Security of the House of  
9       Representatives, in consultation with the ranking  
10      member of the committee.

11          (iv) One shall be appointed by the ranking  
12      member of the Committee on National Security of  
13      the House of Representatives, in consultation with  
14      the chairman of the committee.

15          (v) Two shall be appointed by the Secretary of  
16      Energy.

17      (B) Members shall be appointed for the life of the  
18      Commission. Any vacancy in the Commission shall not af-  
19      fect its powers, but shall be filled in the same manner as  
20      the original appointment.

21      (C) The chairman of the Commission shall be des-  
22      ignated from among the members of the Commission by  
23      the chairman of the Committee on Armed Services of the  
24      Senate, in consultation with the chairman of the Commit-  
25      tee on National Security of the House of Representatives,

1 the ranking member of the committee on Armed Services  
2 of the Senate, and the ranking member of the Committee  
3 on National Security of the House of Representatives.

4 (D) Members shall be appointed not later than 60  
5 days after the date of enactment of this Act.

6 (2) The members of the Commission shall establish  
7 procedures for the activities of the Commission, including  
8 procedures for calling meetings, requirements for  
9 quorums, and the manner of taking votes.

10 (c) DUTIES.—(1) The Commission shall—

11 (A) conduct a review of the specifications in the  
12 document entitled “Design Threat Basis” relating to  
13 the safeguarding and security of nuclear weapons  
14 and materials in order to determine whether or not  
15 the specifications establish procedures adequate for  
16 the safeguarding and security of such weapons and  
17 materials at Department of Energy facilities; and

18 (B) determine whether or not the document  
19 takes into account all relevant guidelines for the  
20 safeguarding and security of such weapons and ma-  
21 terials at such facilities, including Presidential Deci-  
22 sion Directive 39, relating to United States policy on  
23 counterterrorism.

24 (2) In conducting the review, the Commission shall—

1           (A) visit various Department facilities, includ-  
2           ing the Rocky Flats Plant, Colorado, Los Alamos  
3           National Laboratory, New Mexico, the Savannah  
4           River Site, South Carolina, the Pantex Plant, Texas,  
5           Oak Ridge National Laboratory, Tennessee, and the  
6           Hanford Reservation, Washington, in order to assess  
7           the adequacy of safeguards and security with respect  
8           to nuclear weapons and materials at such facilities;

9           (B) evaluate the specific concerns with respect  
10          to the safeguarding and security of nuclear weapons  
11          and materials raised in the report of the Office of  
12          Safeguards and Security of the Department of En-  
13          ergy entitled “Status of Safeguards and Security for  
14          1996”; and

15          (C) review applicable orders and other require-  
16          ments governing the safeguarding and security of  
17          nuclear weapons and materials at Department facili-  
18          ties.

19          (d) REPORT.—(1) Not later than February 15, 1998,  
20          the Commission shall submit to the Secretary and to the  
21          congressional defense committees a report on the review  
22          conducted under subsection (c).

23          (2) The report may include—

24                (A) recommendations regarding any modifica-  
25                tions of policy or procedures applicable to Depart-

1       ment facilities that the Commission considers appro-  
2       priate to provide adequate safeguards and security  
3       for nuclear weapons and materials at such facilities  
4       without impairing the mission of such facilities;

5           (B) recommendations for modifications in fund-  
6       ing priorities necessary to ensure basic funding for  
7       the safeguarding and security of such weapons and  
8       materials at such facilities; and

9           (C) such other recommendations for additional  
10       legislation or administrative action as the Commis-  
11       sion considers appropriate.

12       (e) PERSONNEL MATTERS.—(1)(A) Each member of  
13       the Commission who is not an officer or employee of the  
14       Federal Government shall be compensated at a rate equal  
15       to the daily equivalent of the annual rate of basic pay pre-  
16       scribed for Level IV of the Executive Schedule under sec-  
17       tion 53115 of title 5, United States Code, for each day  
18       (including travel time) during which such member is en-  
19       gaged in the performance of the duties of the Commission.

20           (B) All members of the Commission who are officers  
21       or employees of the United States shall serve without com-  
22       pensation in addition to that received for their services as  
23       officers or employees of the United States.

24           (2) The members of the Commission shall be allowed  
25       travel expenses, including per diem in lieu of subsistence,

1 at rates authorized for employees of agencies under sub-  
2 chapter I of chapter 57 of title 5, United States Code,  
3 while away from their homes or regular places of business  
4 in the performance of services for the Commission.

5 (3)(A) The Commission may, without regard to the  
6 civil service laws and regulations, appoint and terminate  
7 such personnel as may be necessary to enable the Commis-  
8 sion to perform its duties.

9 (B) The Commission may fix the compensation of the  
10 personnel of the Commission without regard to the provi-  
11 sions of chapter 51 and subchapter III of chapter 53 of  
12 title 5, United States Code, relating to classification of  
13 positions and General Schedule pay rates.

14 (4) Any Federal Government employee may be de-  
15 tailed to the Commission without reimbursement, and  
16 such detail shall be without interruption or loss of civil  
17 status or privilege.

18 (f) APPLICABILITY OF FACA.—The provisions of the  
19 Federal Advisory Committee Act (5 U.S.C. App.) shall not  
20 apply to the activities of the Commission.

21 (g) TERMINATION.—The Commission shall terminate  
22 30 days after the date on which the Commission submits  
23 its report under subsection (d).

24 (h) FUNDING.—Of the amounts authorized to be ap-  
25 propriated pursuant to section 3101, not more than

1 \$500,000 shall be available for the activities of the Com-  
2 mission under this section. Funds made available to the  
3 Commission under this section shall remain available until  
4 expended.

5 **SEC. 3157. MODIFICATION OF AUTHORITY ON COMMISSION**  
6 **ON MAINTAINING UNITED STATES NUCLEAR**  
7 **WEAPONS EXPERTISE.**

8 (a) COMMENCEMENT OF ACTIVITIES.—Subsection  
9 (b)(1) of section 3162 of the National Defense Authoriza-  
10 tion Act for Fiscal Year 1997 (Public Law 104–201; 110  
11 Stat. 2844; 42 U.S.C. 2121 note) is amended—

12 (1) in subparagraph (C), by adding at the end  
13 the following new sentence: “The chairman may be  
14 designated once five members of the Commission  
15 have been appointed under subparagraph (A).”; and

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

17 “(E) The Commission may commence its activities  
18 under this section upon the designation of the chairman  
19 of the Commission under subparagraph (C).”.

20 (b) DEADLINE FOR REPORT.—Subsection (d) of that  
21 section is amended by striking out “March 15, 1998,” and  
22 inserting in lieu thereof “March 15, 1999.”.

1 **SEC. 3158. LAND TRANSFER, BANDELIER NATIONAL MONU-**  
2 **MENT.**

3 (a) **TRANSFER OF ADMINISTRATIVE JURISDIC-**  
4 **TION.**—The Secretary of Energy shall transfer to the Sec-  
5 retary of the Interior administrative jurisdiction over a  
6 parcel of real property consisting of approximately 4.47  
7 acres as depicted on the map entitled “Boundary Map,  
8 Bandelier National Monument”, No. 315/80,051, dated  
9 March 1995.

10 (b) **BOUNDARY MODIFICATION.**—The boundary of  
11 the Bandelier National Monument established by Procla-  
12 mation No. 1322 (16 U.S.C. 431 note) is modified to in-  
13 clude the real property transferred under subsection (a).

14 (c) **PUBLIC AVAILABILITY OF MAP.**—The map de-  
15 scribed in subsection (a) shall be on file and available for  
16 public inspection in the Lands Office at the Southwest  
17 System Support Office of the National Park Service,  
18 Santa Fe, New Mexico, and in the office of the Super-  
19 intendent of Bandelier National Monument.

20 (d) **ADMINISTRATION.**—The real property and inter-  
21 ests in real property transferred under subsection (a) shall  
22 be—

23 (1) administered as part of Bandelier National  
24 Monument; and

1           (2) subject to all laws applicable to the Ban-  
2           delier National Monument and all laws generally ap-  
3           plicable to units of the National Park System.

4 **TITLE       XXXII—DEFENSE       NU-**  
5 **CLEAR   FACILITIES   SAFETY**  
6 **BOARD**

7 **SEC. 3201. AUTHORIZATION.**

8           There are authorized to be appropriated for fiscal  
9           year 1998, \$17,500,000 for the operation of the Defense  
10          Nuclear Facilities Safety Board under chapter 21 of the  
11          Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

12 **TITLE XXXIII—NATIONAL**  
13 **DEFENSE STOCKPILE**

14 **SEC. 3301. DEFINITIONS.**

15          In this title:

16           (1) The term “National Defense Stockpile”  
17           means the stockpile provided for in section 4 of the  
18           Strategic and Critical Materials Stock Piling Act (50  
19           U.S.C. 98e).

20           (2) The term “National Defense Stockpile  
21           Transaction Fund” means the fund in the Treasury  
22           of the United States established under section 9(a)  
23           of the Strategic and Critical Materials Stock Piling  
24           Act (50 U.S.C. 98h(a)).

1 **SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.**

2 (a) OBLIGATIONS AUTHORIZED.—During fiscal year  
3 1998, the National Defense Stockpile Manager may obli-  
4 gate up to \$60,000,000 of the funds in the National De-  
5 fense Stockpile Transaction Fund established under sub-  
6 section (a) of section 9 of the Strategic and Critical Mate-  
7 rials Stock Piling Act (50 U.S.C. 98h) for the authorized  
8 uses of such funds under subsection (b)(2) of such section.

9 (b) ADDITIONAL OBLIGATIONS.—The National De-  
10 fense Stockpile Manager may obligate amounts in excess  
11 of the amount specified in subsection (a) if the National  
12 Defense Stockpile Manager notifies Congress that extraor-  
13 dinary or emergency conditions necessitate the additional  
14 obligations. The National Defense Stockpile Manager may  
15 make the additional obligations described in the notifica-  
16 tion after the end of the 45-day period beginning on the  
17 date Congress receives the notification.

18 (c) LIMITATIONS.—The authorities provided by this  
19 section shall be subject to such limitations as may be pro-  
20 vided in appropriations Acts.

21 **SEC. 3303. AUTHORITY TO DISPOSE OF CERTAIN MATE-**  
22 **RIALS IN NATIONAL DEFENSE STOCKPILE.**

23 (a) DISPOSAL REQUIRED.—Subject to subsection (c),  
24 the President shall dispose of materials contained in the  
25 National Defense Stockpile and specified in the table in

1 subsection (b) so as to result in receipts to the United  
2 States in amounts equal to—

3 (1) \$9,222,000 by the end of fiscal year 1998;

4 (2) \$134,840,000 by the end of fiscal year  
5 2002; and

6 (3) \$295,886,000 by the end of fiscal year  
7 2007.

8 (b) LIMITATION ON DISPOSAL QUANTITY.—The total  
9 quantities of materials authorized for disposal by the  
10 President under subsection (a) may not exceed the  
11 amounts set forth in the following table:

**Authorized Stockpile Disposals**

Material for disposal	Quantity
Beryllium Copper Master Alloy .....	7,387 short tons
Chromium Metal .....	8,511 short tons
Cobalt .....	14,058,014 pounds
Columbium Carbide .....	21,372 pounds
Columbium Ferro .....	249,395 pounds
Diamond, Bort .....	61,543 carats
Diamond, Dies .....	25,473 pieces
Diamond, Stone .....	3,047,900 carats
Germanium .....	28,200 kilograms
Indium .....	14,248 troy ounces
Palladium .....	1,249,485 troy ounces
Platinum .....	442,641 troy ounces
Tantalum, Carbide Powder .....	22,688 pounds contained
Tantalum, Minerals .....	1,751,364 pounds con- tained
Tantalum, Oxide .....	123,691 pounds contained
Titanium Sponge .....	34,831 short tons
Tungsten, Ores & Concentrate .....	76,358,235 pounds
Tungsten, Carbide .....	2,032,954 pounds
Tungsten, Metal Powder .....	1,899,283 pounds
Tungsten, Ferro .....	2,024,143 pounds

12 (c) MINIMIZATION OF DISRUPTION AND LOSS.—The  
13 President may not dispose of materials under subsection  
14 (a) to the extent that the disposal will result in—

1           (1) undue disruption of the usual markets of  
2           producers, processors, and consumers of the mate-  
3           rials proposed for disposal; or

4           (2) avoidable loss to the United States.

5           (d) RELATIONSHIP TO OTHER DISPOSAL AUTHOR-  
6           ITY.—The disposal authority provided in subsection (a) is  
7           new disposal authority and is in addition to, and shall not  
8           affect, any other disposal authority provided by law re-  
9           garding the materials specified in such subsection.

10   **SEC. 3304. RETURN OF SURPLUS PLATINUM FROM THE DE-**  
11                           **PARTMENT OF THE TREASURY.**

12           (a) RETURN OF PLATINUM TO STOCKPILE.—Subject  
13           to subsection (b), the Secretary of the Treasury, upon the  
14           request of the Secretary of Defense, shall return to the  
15           Secretary of Defense for sale or other disposition platinum  
16           of the National Defense Stockpile that has been loaned  
17           to the Department of the Treasury by the Secretary of  
18           Defense, acting as the stockpile manager. The quantity  
19           requested and transferred shall be any quantity that the  
20           Secretary of Defense determines appropriate for sale or  
21           other disposition.

22           (b) ALTERNATIVE TRANSFER OF FUNDS.—The Sec-  
23           retary of the Treasury, with the concurrence of the Sec-  
24           retary of Defense, may transfer to the Secretary of De-  
25           fense funds in a total amount that is equal to the fair

1 market value of any platinum requested under subsection  
2 (a) and not returned. A transfer of funds under this sub-  
3 section shall be a substitute for a return of platinum under  
4 subsection (a). Upon a transfer of funds as a substitute  
5 for a return of platinum, the platinum shall cease to be  
6 part of the National Defense Stockpile. A transfer of  
7 funds under this subsection shall be charged to any appro-  
8 priation for the Department of the Treasury and shall be  
9 credited to the National Defense Stockpile Transaction  
10 Fund.

11 **TITLE XXXIV—NAVAL**  
12 **PETROLEUM RESERVES**

13 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

14 There is hereby authorized to be appropriated to the  
15 Secretary of Energy \$117,000,000 for fiscal year 1998 for  
16 the purpose of carrying out activities under chapter 641  
17 of title 10, United States Code, relating to the naval petro-  
18 leum reserves (as defined in section 7420(2) of such title).  
19 Funds appropriated pursuant to such authorization shall  
20 remain available until expended.

21 **SEC. 3402. LEASING OF CERTAIN OIL SHALE RESERVES.**

22 (a) **REQUIREMENT TO LEASE.**—The Secretary of  
23 Energy may lease, subject to valid existing rights, the  
24 United States interest in Oil Shale Reserves Numbered  
25 1, 2, and 3 to one or more private entities for the purpose

1 of providing for the exploration of such reserves for, and  
2 the development and production of, petroleum.

3 (b) MAXIMIZATION OF FINANCIAL RETURN TO THE  
4 UNITED STATES.—A lease under this section shall be  
5 made under terms that result in the maximum practicable  
6 financial return to the United States, without regard to  
7 production limitations provided under chapter 641 of title  
8 10, United States Code.

9 (c) DISPOSITION OF WELLS, GATHERING LINES, AND  
10 EQUIPMENT.—A lease of a reserve under subsection (a)  
11 may include the sale or other disposition, at fair market  
12 value, of any well, gathering line, or related equipment  
13 owned by the United States that is located at the reserve  
14 and is suitable for use in the exploration, development,  
15 or production of petroleum on the reserve.

16 (d) DISPOSITION OF ROYALTIES AND OTHER PRO-  
17 CEEDS.—All royalties and other proceeds accruing to the  
18 United States from a lease under this section shall be dis-  
19 posed of in accordance with section 7433 of title 10, Unit-  
20 ed States Code.

21 (e) INAPPLICABILITY OF CERTAIN SECTIONS OF  
22 TITLE 10, UNITED STATES CODE.—The following provi-  
23 sions of chapter 641 of title 10, United States Code, do  
24 not apply to the leasing of a reserve under this section  
25 nor to a reserve while under a lease entered into under

1 this section: section 7422(b), subsections (d), (e), (g), and  
2 (k) of section 7430, section 7431, and section 7438(c)(1).

3 (f) DEFINITIONS.—In this section:

4 (1) The term “Oil Shale Reserves Numbered 1,  
5 2, and 3” means the oil shale reserves identified in  
6 section 7420(2) of title 10, United States Code, as  
7 Oil Shale Reserve Numbered 1, Oil Shale Reserve  
8 Numbered 2, and Oil Shale Reserve Numbered 3.

9 (2) The term “petroleum” has the meaning  
10 given such term in section 7420(3) of such title.

11 **SEC. 3403. REPEAL OF REQUIREMENT TO ASSIGN NAVY OF-**  
12 **FICERS TO OFFICE OF NAVAL PETROLEUM**  
13 **AND OIL SHALE RESERVES.**

14 Section 2 of Public Law 96–137 (42 U.S.C. 7156a)  
15 is repealed.

16 **TITLE XXXV—PANAMA CANAL**  
17 **COMMISSION**  
18 **Subtitle A—Authorization of Ex-**  
19 **penditures From Revolving**  
20 **Fund**

21 **SEC. 3501. SHORT TITLE.**

22 This subtitle may be cited as the “Panama Canal  
23 Commission Authorization Act for Fiscal Year 1998”.

1 **SEC. 3502. AUTHORIZATION OF EXPENDITURES.**

2 (a) IN GENERAL.—Subject to subsection (b), the  
3 Panama Canal Commission is authorized to use amounts  
4 in the Panama Canal Revolving Fund to make such ex-  
5 penditures within the limits of funds and borrowing au-  
6 thority available to it in accordance with law, and to make  
7 such contracts and commitments, as may be necessary  
8 under the Panama Canal Act of 1979 (22 U.S.C. 3601  
9 et seq.) for the operation, maintenance, improvement, and  
10 administration of the Panama Canal for fiscal year 1998.

11 (b) LIMITATIONS.—For fiscal year 1998, the Panama  
12 Canal Commission may expend from funds in the Panama  
13 Canal Revolving Fund not more than \$85,000 for official  
14 reception and representation expenses, of which—

15 (1) not more than \$23,000 may be used for of-  
16 ficial reception and representation expenses of the  
17 Supervisory Board of the Commission;

18 (2) not more than \$12,000 may be used for of-  
19 ficial reception and representation expenses of the  
20 Secretary of the Commission; and

21 (3) not more than \$50,000 may be used for of-  
22 ficial reception and representation expenses of the  
23 Administrator of the Commission.

24 **SEC. 3503. PURCHASE OF VEHICLES.**

25 Notwithstanding any other provision of law, the  
26 funds available to the Commission shall be available for

1 the purchase and transportation to the Republic of Pan-  
2 ama of passenger motor vehicles, the purchase price of  
3 which shall not exceed \$22,000 per vehicle.

4 **SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH**  
5 **TREATIES.**

6 Expenditures authorized under this subtitle may be  
7 made only in accordance with the Panama Canal Treaties  
8 of 1977 and any law of the United States implementing  
9 those treaties.

10 **Subtitle B—Facilitation of Panama**  
11 **Canal Transition**

12 **SEC. 3511. SHORT TITLE; REFERENCES.**

13 (a) **SHORT TITLE.**—This subtitle may be cited as the  
14 “Panama Canal Transition Facilitation Act of 1997”.

15 (b) **REFERENCES.**—Except as otherwise expressly  
16 provided, whenever in this subtitle an amendment or re-  
17 peal is expressed in terms of an amendment to, or repeal  
18 of, a section or other provision, the reference shall be con-  
19 sidered to be made to a section or other provision of the  
20 Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

21 **SEC. 3512. DEFINITIONS RELATING TO CANAL TRANSITION.**

22 Section 3 (22 U.S.C. 3602) is amended by adding  
23 at the end the following new subsection:

24 “(d) For purposes of this Act:

1           “(1) The term ‘Canal Transfer Date’ means  
2           December 31, 1999, such date being the date speci-  
3           fied in the Panama Canal Treaty of 1977 for the  
4           transfer of the Panama Canal from the United  
5           States of America to the Republic of Panama.

6           “(2) The term ‘Panama Canal Authority’  
7           means the entity created by the Republic of Panama  
8           to succeed the Panama Canal Commission as of the  
9           Canal Transfer Date.”.

10       **PART I—TRANSITION MATTERS RELATING TO**  
11       **COMMISSION OFFICERS AND EMPLOYEES**

12       **SEC. 3521. AUTHORITY FOR THE ADMINISTRATOR OF THE**  
13               **COMMISSION TO ACCEPT APPOINTMENT AS**  
14               **THE ADMINISTRATOR OF THE PANAMA**  
15               **CANAL AUTHORITY.**

16       (a) **AUTHORITY FOR DUAL ROLE.**—Section 1103 (22  
17       U.S.C. 3613) is amended by adding at the end the follow-  
18       ing new subsection:

19           “(c) The Congress consents, for purposes of the 8th  
20       clause of article I, section 9 of the Constitution of the  
21       United States, to the acceptance by the individual serving  
22       as Administrator of the Commission of appointment by  
23       the Republic of Panama to the position of Administrator  
24       of the Panama Canal Authority. Such consent is effective  
25       only if that individual, while serving in both such posi-

1 tions, serves as Administrator of the Panama Canal Au-  
2 thority without compensation, except for payments by the  
3 Republic of Panama of travel and entertainment expenses,  
4 including per diem payments.”.

5 (b) WAIVER OF CERTAIN CONFLICT-OF-INTEREST  
6 STATUTES.—Such section is further amended by adding  
7 at the end the following new subsections:

8 “(d) The Administrator, with respect to participation  
9 in any matter as Administrator of the Panama Canal  
10 Commission (whether such participation is before, on, or  
11 after the date of the enactment of the Panama Canal  
12 Transition Facilitation Act of 1997), shall not be subject  
13 to section 208 of title 18, United States Code, insofar as  
14 the matter relates to prospective employment as Adminis-  
15 trator of the Panama Canal Authority.

16 “(e) If the Republic of Panama appoints as the Ad-  
17 ministrator of the Panama Canal Authority the individual  
18 serving as the Administrator of the Commission and if  
19 that individual accepts the appointment—

20 “(1) the Foreign Agents Registration Act of  
21 1938, as amended (22 U.S.C. 611 et seq.), shall not  
22 apply to that individual with respect to service as  
23 the Administrator of the Panama Canal Authority;

24 “(2) that individual, with respect to participa-  
25 tion in any matter as the Administrator of the Pan-

1       ama Canal Commission, is not subject to section 208  
2       of title 18, United States Code, insofar as the mat-  
3       ter relates to service as, or performance of the duties  
4       of, the Administrator of the Panama Canal Author-  
5       ity; and

6               “(3) that individual, with respect to official acts  
7       performed as the Administrator of the Panama  
8       Canal Authority, is not subject to the following:

9               “(A) Sections 203 and 205 of title 18,  
10       United States Code.

11              “(B) Effective upon termination of the in-  
12       dividual’s appointment as Administrator of the  
13       Panama Canal Commission at noon on the  
14       Canal Transfer Date, section 207 of title 18,  
15       United States Code.

16              “(C) Sections 501(a) and 502(a)(4) of the  
17       Ethics in Government Act of 1978 (5 U.S.C.  
18       App.), with respect to compensation received  
19       for, and service in, the position of Adminis-  
20       trator of the Panama Canal Authority.”.

21 **SEC. 3522. POST-CANAL TRANSFER PERSONNEL AUTHORI-**  
22 **TIES.**

23       (a) WAIVER OF CERTAIN POST-EMPLOYMENT RE-  
24       STRICTIONS FOR COMMISSION PERSONNEL BECOMING  
25       EMPLOYEES OF THE PANAMA CANAL AUTHORITY.—Sec-

1 tion 1112 (22 U.S.C. 3622) is amended by adding at the  
2 end the following new subsection:

3       “(e) Effective as of the Canal Transfer Date, section  
4 207 of title 18, United States Code, shall not apply to  
5 an individual who is an officer or employee of the Panama  
6 Canal Authority, but only with respect to official acts of  
7 that individual as an officer or employee of the Authority  
8 and only in the case of an individual who was an officer  
9 or employee of the Commission and whose employment  
10 with the Commission was terminated at noon on the Canal  
11 Transfer Date.”.

12       (b) CONSENT OF CONGRESS FOR ACCEPTANCE BY  
13 RESERVE AND RETIRED MEMBERS OF THE ARMED  
14 FORCES OF EMPLOYMENT BY PANAMA CANAL AUTHOR-  
15 ITY.—Such section is further amended by adding after  
16 subsection (e), as added by subsection (a), the following  
17 new subsection:

18       “(f)(1) The Congress consents to the following per-  
19 sons accepting civil employment (and compensation for  
20 that employment) with the Panama Canal Authority for  
21 which the consent of the Congress is required by the last  
22 paragraph of section 9 of article I of the Constitution of  
23 the United States, relating to acceptance of emoluments,  
24 offices, or titles from a foreign government:

1           “(A) Retired members of the uniformed serv-  
2           ices.

3           “(B) Members of a reserve component of the  
4           armed forces.

5           “(C) Members of the Commissioned Reserve  
6           Corps of the Public Health Service.

7           “(2) The consent of the Congress under paragraph  
8 (1) is effective without regard to subsection (b) of section  
9 908 of title 37, United States Code (relating to approval  
10 required for employment of Reserve and retired members  
11 by foreign governments).”.

12 **SEC. 3523. ENHANCED AUTHORITY OF COMMISSION TO ES-**  
13 **TABLISH COMPENSATION OF COMMISSION**  
14 **OFFICERS AND EMPLOYEES.**

15           (a) REPEAL OF LIMITATIONS ON COMMISSION AU-  
16 THORITY.—The following provisions are repealed:

17           (1) Section 1215 (22 U.S.C. 3655), relating to  
18           basic pay.

19           (2) Section 1219 (22 U.S.C. 3659), relating to  
20           salary protection upon conversion of pay rate.

21           (3) Section 1225 (22 U.S.C. 3665), relating to  
22           minimum level of pay and minimum annual in-  
23           creases.

1           (b) SAVINGS PROVISION.—Section 1202 (22 U.S.C.  
2 3642) is amended by adding at the end the following new  
3 subsection:

4           “(c) In the case of an individual who is an officer  
5 or employee of the Commission on the day before the date  
6 of the enactment of the Panama Canal Transition Facili-  
7 tation Act of 1997 and who has not had a break in service  
8 with the Commission since that date, the rate of basic pay  
9 for that officer or employee on or after that date may not  
10 be less than the rate in effect for that officer or employee  
11 on the day before that date of enactment except—

12                   “(1) as provided in a collective bargaining  
13 agreement;

14                   “(2) as a result of an adverse action against the  
15 officer or employee; or

16                   “(3) pursuant to a voluntary demotion.”.

17           (c) CROSS-REFERENCE AMENDMENTS.—(1) Section  
18 1216 (22 U.S.C. 3656) is amended by striking out “1215”  
19 and inserting in lieu thereof “1202”.

20           (2) Section 1218 (22 U.S.C. 3658) is amended by  
21 striking out “1215” and “1217” and inserting in lieu  
22 thereof “1202” and “1217(a)”, respectively.

1 **SEC. 3524. TRAVEL, TRANSPORTATION, AND SUBSISTENCE**  
2 **EXPENSES FOR COMMISSION PERSONNEL NO**  
3 **LONGER SUBJECT TO FEDERAL TRAVEL REG-**  
4 **ULATION.**

5 (a) REPEAL OF APPLICABILITY OF TITLE 5 PROVI-  
6 SIONS.—(1) Section 1210 (22 U.S.C. 3650) is amended  
7 by striking out subsections (a), (b), and (c).

8 (2) Section 1224 (22 U.S.C. 3664) is amended—

9 (A) by striking out paragraph (10); and

10 (B) by redesignating paragraphs (11) through  
11 (20) as paragraphs (10) through (19), respectively.

12 (b) CONFORMING AMENDMENTS.—(1) Section 1210  
13 is further amended—

14 (A) by redesignating subsection (d)(1) as sub-  
15 section (a) and in that subsection striking out  
16 “paragraph (2)” and inserting in lieu thereof “sub-  
17 section (b)”;

18 (B) by redesignating subsection (d)(2) as sub-  
19 section (b) and in that subsection—

20 (i) striking out “Notwithstanding para-  
21 graph (1), an” and inserting in lieu thereof  
22 “An”; and

23 (ii) striking out “referred to in paragraph  
24 (1)” and inserting in lieu thereof “who is a citi-  
25 zen of the Republic of Panama”.

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

3                                   “AIR TRANSPORTATION”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect on January 1, 1999.

6 **SEC. 3525. ENHANCED RECRUITMENT AND RETENTION AU-**  
7 **THORITIES.**

8           (a) RECRUITMENT, RELOCATION, AND RETENTION  
9 BONUSES.—Section 1217 (22 U.S.C. 3657) is amended—

10                   (1) by redesignating subsection (c) as sub-  
11 section (e);

12                   (2) in subsection (e) (as so redesignated), by  
13 striking out “for the same or similar work per-  
14 formed in the United States by individuals employed  
15 by the Government of the United States” and insert-  
16 ing in lieu thereof “of the individual to whom the  
17 compensation is paid”; and

18                   (3) by inserting after subsection (b) the follow-  
19 ing new subsections:

20           “(c)(1) The Commission may pay a recruitment  
21 bonus to an individual who is newly appointed to a posi-  
22 tion with the Commission, or a relocation bonus to an em-  
23 ployee of the Commission who must relocate to accept a  
24 position, if the Commission determines that the Commis-

1 sion would be likely, in the absence of such a bonus, to  
2 have difficulty in filling the position.

3       “(2) A recruitment or relocation bonus may be paid  
4 to an employee under this subsection only if the employee  
5 enters into an agreement with the Commission to complete  
6 a period of employment with the Commission established  
7 by the Commission. If the employee voluntarily fails to  
8 complete such period of employment or is separated from  
9 service in such employment as a result of an adverse ac-  
10 tion before the completion of such period, the employee  
11 shall repay the entire amount of the bonus received by  
12 the employee.

13       “(3) A relocation bonus under this subsection may  
14 be paid as a lump sum. A recruitment bonus under this  
15 subsection shall be paid on a pro rata basis over the period  
16 of employment covered by the agreement under paragraph  
17 (2). A bonus under this subsection may not be considered  
18 to be part of the basic pay of an employee.

19       “(d)(1) The Commission may pay a retention bonus  
20 to an employee of the Commission if the Commission de-  
21 termines that—

22               “(A) the employee has unusually high or unique  
23 qualifications and those qualifications make it essen-  
24 tial for the Commission to retain the employee for  
25 a period specified by the Commission ending not

1 later than the Canal Transfer Date, or the Commis-  
2 sion otherwise has a special need for the services of  
3 the employee making it essential for the Commission  
4 to retain the employee for a period specified by the  
5 Commission ending not later than the Canal Trans-  
6 fer Date; and

7 “(B) the employee would be likely to leave em-  
8 ployment with the Commission before the end of  
9 that period if the retention bonus is not paid.

10 “(2) A retention bonus under this subsection—

11 “(A) shall be in a fixed amount;

12 “(B) shall be paid on a pro rata basis (over the  
13 period specified by the Commission as essential for  
14 the retention of the employee), with such payments  
15 to be made at the same time and in the same man-  
16 ner as basic pay; and

17 “(C) may not be considered to be part of the  
18 basic pay of an employee.

19 “(3) A decision by the Commission to exercise or to  
20 not exercise the authority to pay a bonus under this sub-  
21 section shall not be subject to review under any statutory  
22 procedure or any agency or negotiated grievance procedure  
23 except under any of the laws referred to in section 2302(d)  
24 of title 5, United States Code.”.

1 (b) EDUCATIONAL SERVICES.—Section 1321(e)(2)  
2 (22 U.S.C. 3731(e)(2)) is amended by striking out “and  
3 persons” and inserting in lieu thereof “, to other Commis-  
4 sion employees when determined by the Commission to be  
5 necessary for their recruitment or retention, and to other  
6 persons”.

7 **SEC. 3526. TRANSITION SEPARATION INCENTIVE PAY-**  
8 **MENTS.**

9 Chapter 2 of title I (22 U.S.C. 3641 et seq.) is  
10 amended by adding at the end of subchapter III the fol-  
11 lowing new section:

12 “TRANSITION SEPARATION INCENTIVE PAYMENTS

13 “SEC. 1233. (a) In applying to the Commission and  
14 employees of the Commission the provisions of section 663  
15 of the Treasury, Postal Service, and General Government  
16 Appropriations Act, 1997 (as contained in section 101(f)  
17 of division A of Public Law 104–208; 110 Stat. 3009–  
18 383), relating to voluntary separation incentives for em-  
19 ployees of certain Federal agencies (in this section re-  
20 ferred to as ‘section 663’)—

21 “(1) the term ‘employee’ shall mean an em-  
22 ployee of the Commission who has served in the Re-  
23 public of Panama in a position with the Commission  
24 for a continuous period of at least three years imme-  
25 diately before the employee’s separation under an

1 appointment without time limitation and who is cov-  
2 ered under the Civil Service Retirement System or  
3 the Federal Employees' Retirement System under  
4 subchapter III of chapter 83 or chapter 84, respec-  
5 tively, of title 5, United States Code, other than—

6 “(A) an employee described in any of sub-  
7 paragraphs (A) through (F) of subsection  
8 (a)(2) of section 663; or

9 “(B) an employee of the Commission who,  
10 during the 24-month period preceding the date  
11 of separation, has received a recruitment or re-  
12 location bonus under section 1217(c) of this Act  
13 or who, within the 12-month period preceding  
14 the date of separation, received a retention  
15 bonus under section 1217(d) of this Act;

16 “(2) the strategic plan under subsection (b) of  
17 section 663 shall include (in lieu of the matter speci-  
18 fied in subsection (b)(2) of that section)—

19 “(A) the positions to be affected, identified  
20 by occupational category and grade level;

21 “(B) the number and amounts of separa-  
22 tion incentive payments to be offered; and

23 “(C) a description of how such incentive  
24 payments will facilitate the successful transfer

1 of the Panama Canal to the Republic of Pan-  
2 ama;

3 “(3) a separation incentive payment under sec-  
4 tion 663 may be paid to a Commission employee  
5 only to the extent necessary to facilitate the success-  
6 ful transfer of the Panama Canal by the United  
7 States of America to the Republic of Panama as re-  
8 quired by the Panama Canal Treaty of 1977;

9 “(4) such a payment—

10 “(A) may be in an amount determined by  
11 the Commission not to exceed \$25,000; and

12 “(B) may be made (notwithstanding the  
13 limitation specified in subsection (c)(2)(D) of  
14 section 663) in the case of an eligible employee  
15 who voluntarily separates (whether by retire-  
16 ment or resignation) during the 90-day period  
17 beginning on the date of the enactment of this  
18 section or during the period beginning on Octo-  
19 ber 1, 1998, and ending on December 31, 1998;

20 “(5) in the case of not more than 15 employees  
21 who (as determined by the Commission) are unwill-  
22 ing to work for the Panama Canal Authority after  
23 the Canal Transfer Date and who occupy critical po-  
24 sitions for which (as determined by the Commission)  
25 at least two years of experience is necessary to en-

1 sure that seasoned managers are in place on and  
2 after the Canal Transfer Date, such a payment (not-  
3 withstanding paragraph (4))—

4 “(A) may be in an amount determined by  
5 the Commission not to exceed 50 percent of the  
6 basic pay of the employee; and

7 “(B) may be made (notwithstanding the  
8 limitation specified in subsection (c)(2)(D) of  
9 section 663) in the case of such an employee  
10 who voluntarily separates (whether by retire-  
11 ment or resignation) during the 90-day period  
12 beginning on the date of the enactment of this  
13 section; and

14 “(6) the provisions of subsection (f) of section  
15 663 shall not apply.

16 “(b) A decision by the Commission to exercise or to  
17 not exercise the authority to pay a transition separation  
18 incentive under this section shall not be subject to review  
19 under any statutory procedure or any agency or negotiated  
20 grievance procedure except under any of the laws referred  
21 to in section 2302(d) of title 5, United States Code.”.

22 **SEC. 3527. LABOR-MANAGEMENT RELATIONS.**

23 Section 1271 (22 U.S.C. 3701) is amended by adding  
24 at the end the following new subsection:

1       “(c)(1) This subsection applies to any matter that be-  
2 comes the subject of collective bargaining between the  
3 Commission and the exclusive representative for any bar-  
4 gaining unit of employees of the Commission during the  
5 period beginning on the date of the enactment of this sub-  
6 section and ending on the Canal Transfer Date.

7       “(2)(A) The resolution of impasses resulting from  
8 collective bargaining between the Commission and any  
9 such exclusive representative during that period shall be  
10 conducted in accordance with such procedures as may be  
11 mutually agreed upon between the Commission and the  
12 exclusive representative (without regard to any otherwise  
13 applicable provisions of chapter 71 of title 5, United  
14 States Code). Such mutually agreed upon procedures shall  
15 become effective upon transmittal by the Chairman of the  
16 Commission to the Congress of notice of the agreement  
17 to use those procedures and a description of those proce-  
18 dures.

19       “(B) The Federal Services Impasses Panel shall not  
20 have jurisdiction to resolve any impasse between the Com-  
21 mission and any such exclusive representative in negotia-  
22 tions over a procedure for resolving impasses.

23       “(3) If the Commission and such an exclusive rep-  
24 resentative do not reach an agreement concerning a proce-  
25 dure for resolving impasses with respect to a bargaining

1 unit and transmit notice of the agreement under para-  
2 graph (2) on or before July 1, 1998, the following shall  
3 be the procedure by which collective bargaining impasses  
4 between the Commission and the exclusive representative  
5 for that bargaining unit shall be resolved:

6           “(A) If bargaining efforts do not result in an  
7 agreement, the parties shall request the Federal Me-  
8 diation and Conciliation Service to assist in achiev-  
9 ing an agreement.

10           “(B) If an agreement is not reached within 45  
11 days after the date on which either party requests  
12 the assistance of the Federal Mediation and Concil-  
13 iation Service in writing (or within such shorter pe-  
14 riod as may be mutually agreed upon by the par-  
15 ties), the parties shall be considered to be at an im-  
16 passe and shall request the Federal Services Im-  
17 passes Panel of the Federal Labor Relations Author-  
18 ity to decide the impasse.

19           “(C) If the Federal Services Impasses Panel  
20 fails to issue a decision within 90 days after the date  
21 on which its services are requested (or within such  
22 shorter period as may be mutually agreed upon by  
23 the parties), the efforts of the Panel shall be termi-  
24 nated.

1           “(D) In such a case, the Chairman of the Panel  
2           (or another member in the absence of the Chairman)  
3           shall immediately determine the matter by a drawing  
4           (conducted in such manner as the Chairman (or, in  
5           the absence of the Chairman, such other member)  
6           determines appropriate) between the last offer of the  
7           Commission and the last offer of the exclusive rep-  
8           resentative, with the offer chosen through such  
9           drawing becoming the binding resolution of the mat-  
10          ter.

11          “(4) In the case of a notice of agreement described  
12         in paragraph (2)(A) that is transmitted to the Congress  
13         as described in the second sentence of that paragraph  
14         after July 1, 1998, the impasse resolution procedures cov-  
15         ered by that notice shall apply to any impasse between  
16         the Commission and the other party to the agreement that  
17         is unresolved on the date on which that notice is transmit-  
18         ted to the Congress.”.

19         **SEC. 3528. AVAILABILITY OF PANAMA CANAL REVOLVING**  
20                         **FUND FOR SEVERANCE PAY FOR CERTAIN**  
21                         **EMPLOYEES SEPARATED BY PANAMA CANAL**  
22                         **AUTHORITY AFTER CANAL TRANSFER DATE.**

23           (a) AVAILABILITY OF REVOLVING FUND.—Section  
24         1302(a) (22 U.S.C. 3712(a)) is amended by adding at the  
25         end the following new paragraph:

1           “(10) Payment to the Panama Canal Authority,  
2           not later than the Canal Transfer Date, of such  
3           amount as is computed by the Commission to be the  
4           future amount of severance pay to be paid by the  
5           Panama Canal Authority to employees whose em-  
6           ployment with the Authority is terminated, to the  
7           extent that such severance pay is attributable to pe-  
8           riods of service performed with the Commission be-  
9           fore the Canal Transfer Date (and assuming for  
10          purposes of such computation that the Panama  
11          Canal Authority, in paying severance pay to termi-  
12          nated employees, will provide for crediting of periods  
13          of service with the Commission).”.

14          (b) *STYLISTIC AMENDMENTS.*—Such section is fur-  
15          ther amended—

16                 (1) by striking out “for—” in the matter pre-  
17                 ceding paragraph (1) and inserting in lieu thereof  
18                 “for the following purposes:”;

19                 (2) by capitalizing the initial letter of the first  
20                 word in each of paragraphs (1) through (9);

21                 (3) by striking out the semicolon at the end of  
22                 each of paragraphs (1) through (7) and inserting in  
23                 lieu thereof a period; and

24                 (4) by striking out “; and” at the end of para-  
25                 graph (8) and inserting in lieu thereof a period.

1    **PART II—TRANSITION MATTERS RELATING TO**  
2    **OPERATION AND ADMINISTRATION OF CANAL**  
3    **SEC. 3541. ESTABLISHMENT OF PROCUREMENT SYSTEM**  
4                   **AND BOARD OF CONTRACT APPEALS.**

5           Title III of the Panama Canal Act of 1979 (22  
6 U.S.C. 3601 et seq.) is amended by inserting after the  
7 title heading the following new chapter:

8                           “CHAPTER 1—PROCUREMENT

9                                   “PROCUREMENT SYSTEM

10           “SEC. 3101. (a) PANAMA CANAL ACQUISITION REGU-  
11 LATION.—(1) The Commission shall establish by regula-  
12 tion a comprehensive procurement system. The regulation  
13 shall be known as the ‘Panama Canal Acquisition Regula-  
14 tion’ (in this section referred to as the ‘Regulation’) and  
15 shall provide for the procurement of goods and services  
16 by the Commission in a manner that—

17                   “(A) applies the fundamental operating prin-  
18 ciples and procedures in the Federal Acquisition  
19 Regulation;

20                   “(B) uses efficient commercial standards of  
21 practice; and

22                   “(C) is suitable for adoption and uninterrupted  
23 use by the Republic of Panama after the Canal  
24 Transfer Date.

1       “(2) The Regulation shall contain provisions regard-  
2 ing the establishment of the Panama Canal Board of Con-  
3 tract Appeals described in section 3102.

4       “(b) SUPPLEMENT TO REGULATION.—The Commis-  
5 sion shall develop a Supplement to the Regulation (in this  
6 section referred to as the ‘Supplement’) that identifies  
7 both the provisions of Federal law applicable to procure-  
8 ment of goods and services by the Commission and the  
9 provisions of Federal law waived by the Commission under  
10 subsection (c).

11       “(c) WAIVER AUTHORITY.—(1) Subject to paragraph  
12 (2), the Commission shall determine which provisions of  
13 Federal law should not apply to procurement by the Com-  
14 mission and may waive those laws for purposes of the Reg-  
15 ulation and Supplement.

16       “(2) For purposes of paragraph (1), the Commission  
17 may not waive—

18               “(A) section 27 of the Office of Federal Pro-  
19 curement Policy Act (41 U.S.C. 423);

20               “(B) the Contract Disputes Act of 1978 (41  
21 U.S.C. 601 et seq.), other than section 10(a) of such  
22 Act (41 U.S.C. 609(a)); or

23               “(C) civil rights, environmental, or labor laws.

24       “(d) CONSULTATION WITH ADMINISTRATOR FOR  
25 FEDERAL PROCUREMENT POLICY.—In establishing the

1 Regulation and developing the Supplement, the Commis-  
2 sion shall consult with the Administrator for Federal Pro-  
3 curement Policy.

4 “(e) EFFECTIVE DATE.—The Regulation and the  
5 Supplement shall take effect on the date of publication  
6 in the Federal Register, or January 1, 1999, whichever  
7 is earlier.

8 “PANAMA CANAL BOARD OF CONTRACT APPEALS

9 “SEC. 3102. (a) ESTABLISHMENT.—(1) The Sec-  
10 retary of Defense, in consultation with the Commission,  
11 shall establish a board of contract appeals, to be known  
12 as the Panama Canal Board of Contract Appeals, in ac-  
13 cordance with section 8 of the Contract Disputes Act of  
14 1978 (41 U.S.C. 607). Except as otherwise provided by  
15 this section, the Panama Canal Board of Contract Appeals  
16 (in this section referred to as the ‘Board’) shall be subject  
17 to the Contract Disputes Act of 1978 (41 U.S.C. 601 et  
18 seq.) in the same manner as any other agency board of  
19 contract appeals established under that Act.

20 “(2) The Board shall consist of three members. At  
21 least one member of the Board shall be licensed to practice  
22 law in the Republic of Panama. Individuals appointed to  
23 the Board shall take an oath of office, the form of which  
24 shall be prescribed by the Secretary of Defense.

25 “(b) EXCLUSIVE JURISDICTION TO DECIDE AP-  
26 PEALS.—Notwithstanding section 10(a)(1) of the Contract

1 Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other  
2 provision of law, the Board shall have exclusive jurisdic-  
3 tion to decide an appeal from a decision of a contracting  
4 officer under section 8(d) of such Act (41 U.S.C. 607(d)).

5       “(c) EXCLUSIVE JURISDICTION TO DECIDE PRO-  
6 TESTS.—The Board shall decide protests submitted to it  
7 under this subsection by interested parties in accordance  
8 with subchapter V of title 31, United States Code. Not-  
9 withstanding section 3556 of that title, section 1491(b)  
10 of title 28, United States Code, and any other provision  
11 of law, the Board shall have exclusive jurisdiction to decide  
12 such protests. For purposes of this subsection—

13               “(1) except as provided in paragraph (2), each  
14 reference to the Comptroller General in sections  
15 3551 through 3555 of title 31, United States Code,  
16 is deemed to be a reference to the Board;

17               “(2) the reference to the Comptroller General  
18 in section 3553(d)(3)(C)(ii) of such title is deemed  
19 to be a reference to both the Board and the Comp-  
20 troller General;

21               “(3) the report required by paragraph (1) of  
22 section 3554(e) of such title shall be submitted to  
23 the Comptroller General as well as the committees  
24 listed in such paragraph;

1           “(4) the report required by paragraph (2) of  
2           such section shall be submitted to the Comptroller  
3           General as well as Congress; and

4           “(5) section 3556 of such title shall not apply  
5           to the Board, but nothing in this subsection shall af-  
6           fect the right of an interested party to file a protest  
7           with the appropriate contracting officer.

8           “(d) PROCEDURES.—The Board shall prescribe such  
9           procedures as may be necessary for the expeditious deci-  
10          sion of appeals and protests under subsections (b) and (c).

11          “(e) COMMENCEMENT.—The Board shall begin to  
12          function as soon as it has been established and has pre-  
13          scribed procedures under subsection (d), but not later  
14          than January 1, 1999.

15          “(f) TRANSITION.—The Board shall have jurisdiction  
16          under subsection (b) and (c) over any appeals and protests  
17          filed on or after the date on which the Board begins to  
18          function. Any appeals and protests filed before such date  
19          shall remain before the forum in which they were filed.

20          “(g) OTHER FUNCTIONS.—The Board may perform  
21          functions similar to those described in this section for such  
22          other matters or activities of the Commission as the Com-  
23          mission may determine and in accordance with regulations  
24          prescribed by the Commission.”.

1 **SEC. 3542. TRANSACTIONS WITH THE PANAMA CANAL AU-**  
2 **THORITY.**

3 Section 1342 (22 U.S.C. 3752) is amended—

4 (1) by designating the text of the section as  
5 subsection (a); and

6 (2) by adding at the end the following new sub-  
7 sections:

8 “(b) The Commission may provide office space,  
9 equipment, supplies, personnel, and other in-kind services  
10 to the Panama Canal Authority on a nonreimbursable  
11 basis.

12 “(c) Any executive department or agency of the Unit-  
13 ed States may, on a reimbursable basis, provide to the  
14 Panama Canal Authority materials, supplies, equipment,  
15 work, or services requested by the Panama Canal Author-  
16 ity, at such rates as may be agreed upon by that depart-  
17 ment or agency and the Panama Canal Authority.”.

18 **SEC. 3543. TIME LIMITATIONS ON FILING OF CLAIMS FOR**  
19 **DAMAGES.**

20 (a) **FILING OF ADMINISTRATIVE CLAIMS WITH COM-**  
21 **MISSION.**—Sections 1411(a) (22 U.S.C. 3771(a)) and  
22 1412 (22 U.S.C. 3772) are each amended in the last sen-  
23 tence by striking out “within 2 years after” and all that  
24 follows through “of 1985,” and inserting in lieu thereof  
25 “within one year after the date of the injury or the date

1 of the enactment of the Panama Canal Transition Facili-  
2 tation Act of 1997.”.

3 (b) FILING OF JUDICIAL ACTIONS.—The penultimate  
4 sentence of section 1416 (22 U.S.C. 3776) is amended—

5 (1) by striking out “one year” the first place it  
6 appears and inserting in lieu thereof “180 days”;  
7 and

8 (2) by striking out “claim, or” and all that fol-  
9 lows through “of 1985,” and inserting in lieu there-  
10 of “claim or the date of the enactment of the Pan-  
11 ama Canal Transition Facilitation Act of 1997.”.

12 **SEC. 3544. TOLLS FOR SMALL VESSELS.**

13 Section 1602(a) (22 U.S.C. 3792(a)) is amended—

14 (1) in the first sentence, by striking out “supply  
15 ships, and yachts” and inserting in lieu thereof “and  
16 supply ships”; and

17 (2) by adding at the end the following new sen-  
18 tence: “Tolls for small vessels (including yachts), as  
19 defined by the Commission, may be set at rates de-  
20 termined by the Commission without regard to the  
21 preceding provisions of this subsection.”.

22 **SEC. 3545. DATE OF ACTUARIAL EVALUATION OF FECA LI-**  
23 **ABILITY.**

24 Section 5(a) of the Panama Canal Commission Com-  
25 pensation Fund Act of 1988 (22 U.S.C. 3715c(a)) is

1 amended by striking out “Upon the termination of the  
2 Panama Canal Commission” and inserting in lieu thereof  
3 “By March 31, 1998”.

4 **SEC. 3546. APPOINTMENT OF NOTARIES PUBLIC.**

5 Section 1102a (22 U.S.C. 3612a) is amended—

6 (1) by redesignating subsection (g) as sub-  
7 section (h); and

8 (2) by inserting after subsection (f) the follow-  
9 ing new subsection:

10 “(g)(1) The Commission may appoint any United  
11 States citizen to have the general powers of a notary pub-  
12 lic to perform, on behalf of Commission employees and  
13 their dependents outside the United States, any notarial  
14 act that a notary public is required or authorized to per-  
15 form within the United States. Unless an earlier expira-  
16 tion is provided by the terms of the appointment, any such  
17 appointment shall expire three months after the Canal  
18 Transfer Date.

19 “(2) Every notarial act performed by a person acting  
20 as a notary under paragraph (1) shall be as valid, and  
21 of like force and effect within the United States, as if exe-  
22 cuted by or before a duly authorized and competent notary  
23 public in the United States.

24 “(3) The signature of any person acting as a notary  
25 under paragraph (1), when it appears with the title of that

1 person's office, is prima facie evidence that the signature  
2 is genuine, that the person holds the designated title, and  
3 that the person is authorized to perform a notarial act.”.

4 **SEC. 3547. COMMERCIAL SERVICES.**

5 Section 1102b (22 U.S.C. 3612b) is amended by add-  
6 ing at the end the following new subsection:

7 “(e) The Commission may conduct and promote com-  
8 mercial activities related to the management, operation,  
9 or maintenance of the Panama Canal. Any such commer-  
10 cial activity shall be carried out consistent with the Pan-  
11 ama Canal Treaty of 1977 and related agreements.”.

12 **SEC. 3548. TRANSFER FROM PRESIDENT TO COMMISSION**  
13 **OF CERTAIN REGULATORY FUNCTIONS RE-**  
14 **LATING TO EMPLOYMENT CLASSIFICATION**  
15 **APPEALS.**

16 Sections 1221(a) and 1222(a) (22 U.S.C. 3661(a),  
17 3662(a)) are amended by striking out “President” and in-  
18 serting in lieu thereof “Commission”.

19 **SEC. 3549. ENHANCED PRINTING AUTHORITY.**

20 Section 1306 (22 U.S.C. 3714b) is amended by strik-  
21 ing out “Section 501” and inserting in lieu thereof “Sec-  
22 tions 501 through 517 and 1101 through 1123”.

23 **SEC. 3550. TECHNICAL AND CONFORMING AMENDMENTS.**

24 (a) CLERICAL AMENDMENTS.—The table of contents  
25 in section 1 is amended—

1           (1) by striking out the item relating to section  
2           1210 and inserting in lieu thereof the following:

“Sec. 1210. Air transportation.”;

3           (2) by striking out the items relating to sections  
4           1215, 1219, and 1225;

5           (3) by inserting after the item relating to sec-  
6           tion 1232 the following new item:

“Sec. 1233. Transition separation incentive payments.”;

7           and

8           (4) by inserting after the item relating to the  
9           heading of title III the following:

“CHAPTER 1—PROCUREMENT

“Sec. 3101. Procurement system.

“Sec. 3102. Panama Canal Board of Contract Appeals.”.

10           (b) AMENDMENT TO REFLECT PRIOR CHANGE IN  
11           COMPENSATION OF ADMINISTRATOR.—Section 5315 of  
12           title 5, United States Code, is amended by striking out  
13           the following:

14           “Administrator of the Panama Canal Commis-  
15           sion.”.

16           (c) AMENDMENTS TO REFLECT CHANGE IN TRAVEL  
17           AND TRANSPORTATION EXPENSES AUTHORITY.—(1) Sec-  
18           tion 5724(a)(3) of title 5, United States Code, is amended  
19           by striking out “, the Commonwealth of Puerto Rico,” and  
20           all that follows through “Panama Canal Act of 1979” and  
21           inserting in lieu thereof “or the Commonwealth of Puerto  
22           Rico”.

1 (2) Section 5724a(j) of such title is amended—

2 (A) by inserting “and” after “Northern Mari-  
3 ana Islands,”; and

4 (B) by striking out “United States, and” and  
5 all that follows through the period at the end and  
6 inserting in lieu thereof “United States.”.

7 (3) The amendments made by this subsection shall  
8 take effect on January 1, 1999.

9 (d) MISCELLANEOUS TECHNICAL AMENDMENTS.—

10 (1) Section 3(b) (22 U.S.C. 3602(b)) is amend-  
11 ed by striking out “the Canal Zone Code” and all  
12 that follows through “other laws” and inserting in  
13 lieu thereof “laws of the United States and regula-  
14 tions issued pursuant to such laws”.

15 (2)(A) The following provisions are each  
16 amended by striking out “the effective date of this  
17 Act” and inserting in lieu thereof “October 1,  
18 1979”: sections 3(b), 3(c), 1112(b), and 1321(c)(1).

19 (B) Section 1321(c)(2) is amended by striking  
20 out “such effective date” and inserting in lieu there-  
21 of “October 1, 1979”.

22 (C) Section 1231(c)(3)(A) (22 U.S.C.  
23 3671(c)(3)(A)) is amended by striking out “the day  
24 before the effective date of this Act” and inserting  
25 in lieu thereof “September 30, 1979”.

1           (3) Section 1102a(h), as redesignated by sec-  
2           tion 3546(a)(1), is amended by striking out “section  
3           1102B” and inserting in lieu thereof “section  
4           1102b”.

5           (4) Section 1110(b)(2) (22 U.S.C. 3620(b)(2))  
6           is amended by striking out “section 16 of the Act  
7           of August 1, 1956 (22 U.S.C. 2680a),” and insert-  
8           ing in lieu thereof “section 207 of the Foreign Serv-  
9           ice Act of 1980 (22 U.S.C. 3927)”.

10          (5) Section 1212(b)(3) (22 U.S.C. 3652(b)(3))  
11          is amended by striking out “as last in effect before  
12          the effective date of section 3530 of the Panama  
13          Canal Act Amendments of 1996” and inserting in  
14          lieu thereof “as in effect on September 22, 1996”.

15          (6) Section 1243(c)(2) (22 U.S.C. 3681(c)(2))  
16          is amended by striking out “retroactivity” and in-  
17          serting in lieu thereof “retroactively”.

18          (7) Section 1341(f) (22 U.S.C. 3751(f)) is  
19          amended by striking out “sections 1302(c)” and in-  
20          serting in lieu thereof “sections 1302(b)”.