Calendar No. 88

105TH CONGRESS
1ST SESSION

S. 936

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 18 (legislative day, JUNE 17), 1997

Read twice and placed on the calendar

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

JUNE 18 (legislative day, 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

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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,*

SECTION 1. SHORT TITLE.

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

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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

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Sec. 111. Army helicopter modernization plan.
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Sec. 123. Exception to cost limitation for Seawolf submarine program.
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Sec. 131. B–2 bomber aircraft program.

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Sec. 141. Prohibition on use of funds for acquisition or alteration of private drydocks.
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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

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Sec. 201. Authorization of appropriations.

Subtitle B—Program Requirements, Restrictions, and Limitations

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Sec. 212. F–22 aircraft program.
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Sec. 221. National Missile Defense program.
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Sec. 233. Eligibility for the Defense Experimental Program to Stimulate Competitive Research.
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TITLE III—OPERATION AND MAINTENANCE

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

Subtitle C—Environmental Provisions

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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.
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Sec. 411. End strengths for Selected Reserve.
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Sec. 556. Technical correction to cross reference in ROPMA provision relating to position vacancy promotion.

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Sec. 702. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.
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TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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Sec. 3522. Post-Canal transfer personnel authorities.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

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

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

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

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

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

SEC. 102. NAVY AND MARINE CORPS.

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

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

(2) For weapons, including missiles and torpedoes, $1,200,393,000.

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

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

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

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

SEC. 103. AIR FORCE.

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

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

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

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

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

SEC. 104. DEFENSE-WIDE ACTIVITIES.

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

SEC. 105. RESERVE COMPONENTS.

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

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

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

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

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

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

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

SEC. 106. DEFENSE INSPECTOR GENERAL.

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

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

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

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

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

SEC. 108. DEFENSE HEALTH PROGRAMS.

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

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

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

Subtitle B—Army Programs

SEC. 111. ARMY HELICOPTER MODERNIZATION PLAN.

(a) LIMITATION.—Not more than 25 percent of the amounts authorized to be appropriated pursuant to section 101(1), 105(1), or 105(3) for modifications or upgrades of helicopters may be obligated before the date that is 30 days after the Secretary of the Army submits to the congressional defense committees a comprehensive plan for the modernization of the Army's helicopter fleet.

(b) CONTENT OF PLAN.—The plan required by subsection (a) shall, at a minimum, contain the following:

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

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

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

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

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

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

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

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR AH–64D LONGBOW APACHE FIRE CONTROL RADAR.

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

Subtitle C—Navy Programs

SEC. 121. NEW ATTACK SUBMARINE PROGRAM.

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

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

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

(A) shall, notwithstanding section 2304(k) of title 10, United States Code, be awarded to one of the two eligible shipbuilders as the prime contractor

on the condition that the prime contractor enter into one or more subcontracts (under such prime contract) with the other of the two eligible shipbuilders as contemplated in the New Attack Submarine Team Agreement; and

(B) shall provide for—

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

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

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

(A) The Electric Boat Corporation.

(B) The Newport News Shipbuilding and Drydock Company.

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

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

total amount appropriated for the New Attack Submarine program.

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

(A) in subsection (a)(1)(B)—

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

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

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

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

(A) in subsection (a)—

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

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

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

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

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

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

SEC. 122. NUCLEAR AIRCRAFT CARRIER PROGRAM.

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

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

SEC. 123. EXCEPTION TO COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

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

SEC. 124. AIRBORNE SELF-PROTECTION JAMMER PROGRAM.

(a) LIMITATION ON RESUMPTION OF SERIAL PRODUCTION.—Serial production of the airborne self-protec-

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

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

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

(3) the deficiencies in the airborne self-protection jammer noted by the Director before the date of the enactment of this Act have been eliminated.

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

Subtitle D—Air Force Programs

SEC. 131. B–2 BOMBER AIRCRAFT PROGRAM.

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

(1) to procure any additional B–2 bomber aircraft; or

(2) to maintain any part of the bomber industrial base solely for the purpose of preserving the option to procure additional B–2 bomber aircraft in the future.

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

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

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

Subtitle E—Other Matters

SEC. 141. PROHIBITION ON USE OF FUNDS FOR ACQUISITION OR ALTERATION OF PRIVATE DRYDOCKS.

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

SEC. 142. REPLACEMENT OF ENGINES ON AIRCRAFT DERIVED FROM BOEING 707 AIRCRAFT.

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

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

(1) The number of aircraft described in subsection (a) that are in the inventory of the Department of Defense and the number of such aircraft that are projected to be in the inventory of the department in 5 years, in 10 years, and in 15 years.

(2) For each type of such aircraft, the estimated cost of operating the aircraft for each fiscal year after fiscal year 1997 and before fiscal year 2015, taking into account historical patterns of usage and projected support costs.

(3) For each type of such aircraft, the estimated costs and the benefits of replacing the engines on the aircraft, analyzed on the basis of the experience under the limited program for replacing the en-

gines on RC–135 aircraft that was undertaken during fiscal years 1995, 1996, and 1997.

(4) The estimated total cost of replacing the engines pursuant to a program that provides for replacement of the engines on all of the aircraft of one type before undertaking the replacement of the engines on the aircraft of another type, with a higher priority being given in turn to each type of aircraft in which the replacement of the engines is expected to yield the anticipated benefits of replacement faster.

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

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

SEC. 143. EXCEPTION TO REQUIREMENT FOR A PARTICULAR DETERMINATION FOR SALES OF MANUFACTURED ARTICLES OR SERVICES OF ARMY INDUSTRIAL FACILITIES OUTSIDE THE UNITED STATES.

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

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

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

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

"(b) EXCEPTION TO REQUIREMENT FOR A PARTICULAR DETERMINATION.—A determination described in subsection (a)(5) is not necessary under the regulations in the case of—

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

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

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

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

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

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

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

(A) $268,183,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $31,384,000 is authorized for the Director of Operational Test and Evaluation.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. JOINT STRIKE FIGHTER PROGRAM.

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

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

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

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

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

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

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

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

SEC. 212. F–22 AIRCRAFT PROGRAM.

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

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

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

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

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

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

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

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

(B) The status of costs, testing, and modifications.

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

(D) A conclusion regarding whether the plan referred to in subparagraph (C) can be successfully carried out consistent with the limitation in subsection (a).

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

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

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

SEC. 213. HIGH ALTITUDE ENDURANCE UNMANNED VEHICLE PROGRAM.

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

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

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

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

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

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

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

(as of such date) for the high altitude endurance unmanned vehicle has been completed.

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

(d) GAO REVIEW.—(1) The Comptroller General shall review the High Altitude Endurance Unmanned Vehicle Program for purposes of making the certification under subsection (c).

(2) The Secretary of Defense and the prime contractors under the High Altitude Endurance Unmanned Vehicle Program shall provide the Comptroller General with such information on the program as the Comptroller considers necessary to make the determinations required for the certification under subsection (c).

SEC. 214. ADVANCED ANTI-RADIATION GUIDED MISSILE PROGRAM.

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

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

SEC. 215. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

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

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

(2) After the submission of the report on allocation of staff years of technical effort under paragraph (1), the Secretary of Defense may not reallocate more than 5 percent of the staff years of technical effort allocated to a

federally funded research and development center for fiscal year 1998 from that center to other federally funded research and development centers until 30 days after the date on which the Secretary has submitted a justification for the reallocation to the congressional defense committees.

(c) FISCAL YEAR 1999 ALLOCATION.—(1) The Secretary of Defense shall submit to the congressional defense committees a report that specifies the number of staff years of technical effort that is to be allocated to each federally funded research and development center for fiscal year 1999 for funding out of the funds authorized to be appropriated for the Department of Defense for that fiscal year.

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

(c) STAFF YEAR DEFINED.—In this section, the term ''staff year of technical effort'' means 1,810 hours of paid effort by direct and consultant labor performing professional-level technical work primarily in the fields of studies and analysis, system engineering and integration, systems planning, program and policy planning and analyses, and basic and applied research.

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

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

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

(A) For fiscal year 1998, 5 percent.

(B) For fiscal year 1999, 7 percent.

(C) For fiscal year 2000, 10 percent.

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

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

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

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

senior official in the Office of the Secretary of Defense to carry out responsibilities for dual-use programs under this subsection. The designated official shall report directly to the Under Secretary of Defense for Acquisition and Technology.

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

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

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

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

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

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

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

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

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

(A) The aggregate value of all contracts, grants, cooperative agreements, or other transactions entered into during the fiscal year for which

funding is counted toward meeting an objective under this section, expressed in relationship to the total amount appropriated for the applied research programs in the Department of Defense for that fiscal year.

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

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

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

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

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

(g) DEFINITIONS.—In this section:

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

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

SEC. 217. TRANSFERS OF AUTHORIZATIONS FOR COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) IN GENERAL.—In addition to the transfer authority provided in section 1001, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 to counterproliferation programs, projects, and activities

identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(b) LIMITATIONS.—(1) The total amount of authorizations transferred under the authority of this section may not exceed $50,000,000.

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

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

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT OF TRANSFERS ON ACCOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

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

SEC. 218. KINETIC ENERGY TACTICAL ANTI-SATELLITE TECHNOLOGY PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated under section 201(4), $80,000,000 shall be available for the kinetic energy tactical anti-satellite technology program.

(b) LIMITATION.—None of the funds authorized to be appropriated to the Department of Defense for fiscal year 1998 for program element 65104D, relating to technical studies and analyses, may be obligated or expended until the funds specified in subsection (a) have been released to the program manager of the tactical kinetic energy anti-satellite technology program for implementation of that program.

SEC. 219. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT PROGRAM.

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

(b) LIMITATION.—Of the funds authorized to be appropriated pursuant to this Act in program element

64480F for the Global Positioning System Block IIF satellite system, not more than $35,000,000 may be obligated until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation the funds appropriated pursuant to subsection (a) for the purpose specified in that subsection.

Subtitle C—Ballistic Missile Defense Programs

SEC. 221. NATIONAL MISSILE DEFENSE PROGRAM.

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

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

(1) An interceptor system that optimizes defensive coverage of the continental United States, Alaska, and Hawaii against limited ballistic missile at-

tack (whether accidental, unauthorized, or deliberate).

(2) Ground-based radars.

(3) Space-based sensors.

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

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

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

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

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

(4) For each activity necessary for the development and deployment of the national missile defense

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

(A) a description of the activity;

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

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

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

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

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

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

SEC. 222. REVERSAL OF DECISION TO TRANSFER PROCUREMENT FUNDS FROM THE BALLISTIC MISSILE DEFENSE ORGANIZATION.

(a) TRANSFERS REQUIRED.—The Secretary of Defense shall—

(1) transfer to appropriations available to the Ballistic Missile Defense Organization for procurement for fiscal year 1998 the amounts that were transferred to accounts of the Army, Navy, Air Force, and Marine Corps pursuant to Program Budget Decision 224C3, signed by the Under Secretary of Defense (Comptroller) on December 23, 1996; and

(2) ensure that, in the future-years defense program, the procurement funding covered by that program budget decision is programmed for appropriations accounts of the Ballistic Missile Defense Organization rather than appropriations accounts of the Armed Forces.

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

Subtitle D—Other Matters

SEC. 231. MANUFACTURING TECHNOLOGY PROGRAM.

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

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

SEC. 232. USE OF MAJOR RANGE AND TEST FACILITY INSTALLATIONS BY COMMERCIAL ENTITIES.

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

(b) ADDITIONAL REPORTING REQUIREMENT.—Subsection (h) of such section is amended—

(1) by striking out ''REPORT.—'' and inserting in lieu thereof ''REPORTS.—(1)''; and

(2) by adding at the end the following:

''(2) Not later than February 15, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report identifying exist-

ing and proposed procedures to ensure that the use of Major Range and Test Facility Installations by commercial entities does not compete with private sector test and evaluation services.''.

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

SEC. 233. ELIGIBILITY FOR THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

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

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

SEC. 234. RESTRUCTURING OF NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM ORGANIZATIONS.

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

(1) in subsection (b)—

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

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

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

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

(b) OCEAN RESEARCH ADVISORY PANEL.—(1) Section 7903(a) of such title is amended by striking out ''government, academia, and industry'' and inserting in lieu thereof ''State governments, academia, and ocean industries''.

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

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

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

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

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

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(22) For Former Soviet Union Threat Reduction programs, $322,000,000.

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

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

SEC. 302. WORKING-CAPITAL FUNDS.

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

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

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

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

SEC. 303. ARMED FORCES RETIREMENT HOME.

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

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

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

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

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

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

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

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

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

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

SEC. 305. FISHER HOUSE TRUST FUNDS.

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

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

(1) The Fisher House Trust Fund, Department of the Army, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Army.

(2) The Fisher House Trust Fund, Department of the Navy, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Navy.

Subtitle B—Depot-Level Activities

SEC. 311. PERCENTAGE LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE OF MATERIEL.

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

''(a) PERCENTAGE LIMITATION.—(1) Except as provided in paragraph (2), not more than 50 percent of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload may be used to contract for the performance of such workload in facilities other than Government-owned, Government-operated facilities.

"(2) In the administration of paragraph (1) for fiscal years ending before October 1, 1998, the percentage specified in that paragraph shall be deemed to be 40 percent.".

(b) TREATMENT OF PERFORMANCE BY PUBLIC-PRIVATE PARTNERSHIP.—Such section is further amended by inserting after subsection (a), as amended by subsection (a), the following:

"(b) TREATMENT OF PERFORMANCE BY PUBLIC-PRIVATE PARTNERSHIP.—For the purposes of subsection (a), any performance of a depot-level maintenance and repair workload by a public-private partnership formed under section 2474(b) of this title shall be treated as performance of the workload in a Government-owned, Government-operated facility.".

SEC. 312. CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE.

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

"§ 2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships

"(a) DESIGNATION.—(1) The Secretary of Defense shall designate each depot-level activity of the military departments and the Defense Agencies (other than facilities

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

"(2) The Secretary shall establish a policy to encourage the Secretary of each military department and the head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their depot-level activities in connection with their core competency requirements, so as to serve as recognized leaders in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 2491(1) of this title).

"(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to form public-private partnerships for the performance of depot-level maintenance and repair at such centers and shall encourage the use of such partnerships to maximize the utilization of the capacity at such Centers.

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

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

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

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

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

SEC. 313. CLARIFICATION OF PROHIBITION ON MANAGEMENT OF DEPOT EMPLOYEES BY CONSTRAINTS ON PERSONNEL LEVELS.

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

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

SEC. 314. ANNUAL REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

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

''(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency—

''(A) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year for performance of depot-level maintenance and repair workloads in Government-owned, Government-operated facilities; and

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

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

tees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives the Comptroller's views on whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.''.

SEC. 315. REPORT ON ALLOCATION OF CORE LOGISTICS ACTIVITIES AMONG DEPARTMENT OF DEFENSE FACILITIES AND PRIVATE SECTOR FACILITIES.

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

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

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

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

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

(B) the base of private sector sources having the capability to perform the workloads includes industry sectors that are vulnerable to work stoppages;

(C) the private sector sources having the capability to perform the workloads have insufficient workforce levels or skills to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

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

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

(E) the market conditions or workloads are insufficient to ensure that the price of private sector performance of the workloads can be controlled through competition or other means;

(F) private sector sources are not adequately responsive to the requirements of the Department for rapid, cost-effective, and flexible response to surge requirements or other contingency situations, including changes in the mix or priority of previously scheduled workloads and reassignment of employees to different workloads without the requirement for additional contractual negotiations;

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

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

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

(A) the work involves facilities, technologies, or equipment that are unique and sufficiently valuable that the facilities, technologies, or equipment must be maintained in the public sector in the national interest;

(B) the private sector sources having the capability to perform the workloads have insufficient facilities, technology, or equipment to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

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

(C) the need for performance of workloads is too infrequent, cyclical, or variable to sustain a reliable base of private sector sources having the facilities, technology, or equipment to perform the workloads.

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

(4) The approximate percentage of the total maintenance and repair workload of the Department of Defense necessary for the systems and equipment identified under subsection (a) that would be performed at Department of Defense facilities, and at private sector facilities, as a result of the determinations made for purposes of paragraphs (1), (2), and (3).

SEC. 316. REVIEW OF USE OF TEMPORARY DUTY ASSIGNMENTS FOR SHIP REPAIR AND MAINTENANCE.

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

(1) In order to reduce the time that the crew of a naval vessel is away from the homeport of the vessel, the Navy seeks to perform ship repair and maintenance of the vessel at the homeport of the vessel whenever it takes six months or less to accomplish the work involved.

(2) At the same time, the Navy seeks to distribute ship repair and maintenance work among the Navy shipyards (known as to ''level load'') in order to more fully utilize personnel resources.

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

workers at the shipyard, on a temporary duty basis, to perform ship repairs and maintenance at a homeport not having a Navy shipyard.

(4) This practice is a more efficient use of civilian employees who might otherwise not be fully employed on work assigned to Navy shipyards.

(b) GAO REVIEW AND REPORT.—(1) The Comptroller General of the United States shall review the Navy's practice of using temporary duty assignments of personnel to perform ship maintenance and repair work at homeports not having Navy shipyards. The review shall include the following:

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

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

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

(2) Not later than May 1, 1998, the Comptroller General shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 317. REPEAL OF A CONDITIONAL REPEAL OF CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR LAWS AND A RELATED REPORTING REQUIREMENT.

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

SEC. 318. EXTENSION OF AUTHORITY FOR NAVAL SHIPYARDS AND AVIATION DEPOTS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684) is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

Subtitle C—Environmental Provisions

SEC. 331. CLARIFICATION OF AUTHORITY RELATING TO STORAGE AND DISPOSAL OF NONDEFENSE TOXIC AND HAZARDOUS MATERIALS ON DEPARTMENT OF DEFENSE PROPERTY.

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

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

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

(1) by striking out ''by a private person'';

(2) by striking out ''by that private person of an industrial-type'' and inserting in lieu thereof ''of a''; and

(3) by striking out ''; and'' and inserting in lieu thereof '', including a space launch facility located on a Department of Defense installation or other land controlled by the United States and a Department of Defense facility for testing materiel or training personnel;''.

(c) TREATMENT AND DISPOSAL OF MATERIALS CONNECTED WITH COMPATIBLE USE.—Subsection (b)(9) of such section is amended—

(1) by striking out ''by a private person'';

(2) by striking out ''commercial use by that person of an industrial-type'' and inserting in lieu thereof ''use of a'';

(3) by striking out ''with that person'' and inserting in lieu thereof ''with the prospective user''; and

(4) in subparagraph (B), by striking out ''for that person's'' and inserting in lieu thereof ''for the prospective user's''.

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

(1) by striking out the period at the end of paragraph (9) and inserting in lieu thereof ''; and''; and

(2) by adding at the end the following:

''(10) the storage of materials that will be used in connection with an activity of the Department of Defense or in connection with a service performed for the benefit of the Department of Defense or the disposal of materials that have been used in such connection.''.

SEC. 332. ANNUAL REPORT ON PAYMENTS AND ACTIVITIES IN RESPONSE TO FINES AND PENALTIES ASSESSED UNDER ENVIRONMENTAL LAWS.

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

''(H) A statement of the fines and penalties imposed or assessed against the Department of Defense under Federal, State, or local environmental law during the fiscal year preced-

ing the fiscal year in which the report is submitted, which statement sets forth—

"(i) each Federal environmental statute under which a fine or penalty was imposed or assessed during the fiscal year;

"(ii) with respect to each such statute—

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

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

"(III) the total amount required to meet commitments to environmental enforcement authorities under agreements entered into by the Department of Defense during the fiscal year for supplemental environmental projects agreed to in lieu of the payment of fines or penalties; and

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

"(aa) $10,000 or less;

"(bb) more than $10,000, but not more than $50,000;

"(cc) more than $50,000, but not more than $100,000; and

"(dd) more than $100,000; and

"(iii) with respect to each fine or penalty set forth under clause (ii)(IV)(dd)—

"(I) the installation or facility to which the fine or penalty applies; and

"(II) the agency that imposed or assessed the fine or penalty.".

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

SEC. 333. ANNUAL REPORT ON ENVIRONMENTAL ACTIVITIES OF THE DEPARTMENT OF DEFENSE OVERSEAS.

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

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

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

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

''(2) Each such report shall include the following:

''(A) A statement of the funding levels and full-time personnel required for the Department of Defense to comply during such fiscal year with each requirement under a treaty, law, contract, or other agreement for environmental restoration or compliance activities.

''(B) A statement of the funds to be expended by the Department of Defense during such fiscal year in carrying out other activities relating to the environment overseas, including conferences, meetings, and studies for pilot programs and travel related to such activities.''.

SEC. 334. MEMBERSHIP TERMS FOR STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM SCIENTIFIC ADVISORY BOARD.

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

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to appointments to the Strategic Environmental Research and Development Program Scientific Advisory Board made before, on, or after the date of enactment of this Act.

SEC. 335. ADDITIONAL INFORMATION ON AGREEMENTS FOR AGENCY SERVICES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY CERTIFICATION.

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

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

"(6) A description of any cost-sharing arrangement under any cooperative agreement entered into under this section.".

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

SEC. 336. RISK ASSESSMENTS UNDER THE DEFENSE ENVIRONMENTAL RESTORATION PROGRAM.

(a) IN GENERAL.—In carrying out risk assessments as part of the evaluation of facilities of the Department of Defense for purposes of allocating funds and establishing priorities for environmental restoration projects at such facilities under the Defense Environmental Restoration Program, the Secretary of Defense shall—

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

(2) ensure the uniform and consistent utilization of the risk assessment method in all evaluations of facilities under the program.

(b) RISK ASSESSMENT METHOD.—The risk assessment method utilized under subsection (a) shall—

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

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

(B) the existence and extent of any population (including human populations and natural populations) potentially affected by the contaminant; and

(C) the existence and nature of any mechanism that would cause the population to be affected by the contaminant; and

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

(c) DEFENSE ENVIRONMENTAL RESTORATION PROGRAM DEFINED.—In this section, the term ''Defense Environmental Restoration Program'' means the program of environmental restoration carried out under chapter 160 of title 10, United States Code.

SEC. 337. RECOVERY AND SHARING OF COSTS OF ENVIRONMENTAL RESTORATION AT DEPARTMENT OF DEFENSE SITES.

(a) GUIDELINES.—

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

(2) COVERED MATTERS.—The guidelines prescribed under paragraph (1) shall—

(A) establish uniform requirements relating to cost-recovery and cost-sharing activities for the military departments and defense agencies;

(B) require the Secretaries of the military departments and the heads of the defense agencies to obtain all appropriate data regarding activities of contractors of the Department or other private parties responsible for environmental contamination at Department sites that is relevant for purposes of cost-recovery and cost-sharing activities;

(C) require the Secretaries of the military departments and the heads of the defense agencies to use consistent methods in estimating the costs of environmental restoration at sites

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

(D) require the Secretaries of the military departments to reduce the amounts requested for environmental restoration activities of such departments for a fiscal year by the amounts anticipated to be recovered in the preceding fiscal year as a result of cost-recovery and cost-sharing activities; and

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

(b) IMPLEMENTATION OF GUIDELINES.—The Secretary shall take appropriate actions to ensure the implementation of the guidelines prescribed under subsection (a), including appropriate requirements to—

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

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

tion for the costs of environmental restoration relating to such contamination or justify the recovery or sharing of costs associated with such restoration;

(3) obtain data as provided for under subsection (a)(2)(B); and

(4) pursue cost-recovery and cost-sharing activities where appropriate.

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

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

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

SEC. 338. PILOT PROGRAM FOR THE SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

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

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

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

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

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

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

incurred in identifying, quantifying, or valuing the economic incentives sold.

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

(ii) To the extent practicable, amounts allocated to the military departments under this subparagraph shall be made available to the facilities that generated the economic incentives providing the basis for the amounts.

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

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

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

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

(d) DEFINITIONS.—In this section:

(1) The term ''base closure law'' means the following:

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

(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(2) The term ''economic incentives for the reduction of emission of air pollutants'' means any transferable economic incentives (including marketable permits and emission rights) necessary or appropriate to meet air quality requirements under the Clean Air Act (42 U.S.C. 7401 et seq.).

SEC. 339. TAGGING SYSTEM FOR IDENTIFICATION OF HYDROCARBON FUELS USED BY THE DEPARTMENT OF DEFENSE.

(a) AUTHORITY TO CONDUCT PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program using existing technology to determine—

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

(2) the deterrent effect of such tagging on the theft and misuse of fuels purchased by the Department; and

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

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

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

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

(A) approved for use under the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(B) substantially similar to the fuel to which added, as determined in accordance with criteria established by the Environmental Protection Agency for the introduction of additives into hydrocarbon fuels.

(3) The tagging system permits a determination if a tag is present and a determination if the concentration of a tag has changed in order to facilitate identification of tagged fuels and detection of dilution of tagged fuels.

(4) The tagging system does not impair or degrade the suitability of tagged fuels for their intended use.

(c) REPORT.—Not later than 30 days after the completion of the pilot program, the Secretary shall submit to Congress a report setting forth the results of the pilot program and including any recommendations for legislation relating to the tagging of hydrocarbon fuels by the Department that the Secretary considers appropriate.

(d) FUNDING.—Of the amounts authorized to be appropriated under section 301(5) for operation and maintenance for defense-wide activities, not more than $5,000,000 shall be available for the pilot program.

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 351. FUNDING SOURCES FOR CONSTRUCTION AND IMPROVEMENT OF COMMISSARY STORE FACILITIES.

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

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

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

''(b) FUNDS FOR CONSTRUCTION AND IMPROVEMENTS.—Revenues received by the Department of Defense from the following sources or activities of commissary store facilities shall be available for the purposes set forth in subsections (c), (d), and (e):

''(1) Adjustments or surcharges authorized by subsection (a).

''(2) Sale of recyclable materials.

''(3) Sale of excess property.

''(4) License fees.

''(5) Royalties.

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

"(7) Products offered for sale in commissaries under consignment with exchanges, as designated by the Secretary of Defense.".

SEC. 352. INTEGRATION OF MILITARY EXCHANGE SERVICES.

(a) INTEGRATION REQUIRED.—The Secretaries of the military departments shall integrate the military exchange services, including the managing organizations of the military exchange services, not later than September 30, 2000.

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

Subtitle E—Other Matters

SEC. 361. ADVANCE BILLINGS FOR WORKING-CAPITAL FUNDS.

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

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection (k):

''(k)(1) An advance billing of a customer for a working-capital fund is prohibited except as provided in paragraph (2).

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

''(A) the Secretary of Defense has submitted to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives a notification of the advance billing; and

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

''(3) A notification of an advance billing of a customer for a working-capital fund that is submitted under paragraph (2) shall include the following:

''(A) The reasons for the advance billing.

''(B) An analysis of the effects of the advance billing on military readiness.

"(C) An analysis of the effects of the advance billing on the customer.

"(4) The Secretary of Defense may waive the applicability of this subsection—

"(A) during a period war or national emergency; or

"(B) to the extent that the Secretary determines necessary to support a contingency operation.

"(5) The Secretary of Defense shall submit to the committees referred to in paragraph (2) a report on advance billings for all working-capital funds whenever the aggregate amount of the advance billings for all working-capital funds not covered by a notification under that paragraph or a report previously submitted under this paragraph exceeds $50,000,000. The report shall be submitted not later than 30 days after the end of the month in which the aggregate amount first reaches $50,000,000. The report shall include, for each customer covered by the report, a discussion of the matters described in paragraph (3).

"(6) In this subsection:

"(A) The term 'advance billing', with respect to a working-capital fund, means a billing of a customer by the fund, or a requirement for a customer to reimburse or otherwise credit the fund, for the

cost of goods or services provided (or for other expenses incurred) on behalf of the customer that is rendered or imposed before the customer receives the goods or before the services have been performed.

"(B) The term 'customer' means a requisitioning component or agency.".

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

(1) in subparagraph (B)(ii), by striking out "$100,000,000" and inserting in lieu thereof "$50,000,000"; and

(2) by adding at the end the following:

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

(c) FISCAL YEAR 1998 LIMITATION.—(1) The total amount of advance billings for Department of Defense working-capital funds and the Defense Business Operations Fund for fiscal year 1998 may not exceed $1,000,000,000.

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

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

SEC. 362. CENTER FOR EXCELLENCE IN DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE.

(a) ESTABLISHMENT.—The Secretary of Defense may operate a Center for Excellence in Disaster Management and Humanitarian Assistance at Tripler Army Medical Center, Hawaii.

(b) MISSIONS.—The Secretary of Defense shall specify the missions of the Center. The missions shall include the following:

(1) To provide and facilitate education, training, and research in civil-military operations, particularly operations that require international disaster management and humanitarian assistance and operations that require interagency coordination.

(2) To make available high-quality disaster management and humanitarian assistance in response to disasters.

(3) To provide and facilitate education, training, interagency coordination, and research on the following additional matters:

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

(B) Management of the consequences of terrorism.

(C) Appropriate roles for the reserve components in the management of such consequences and in disaster management and humanitarian assistance in response to natural disasters.

(D) Meeting requirements for information in connection with regional and global disasters, including use of advanced communications technology as a virtual library.

(E) Tropical medicine, particularly in relation to the medical readiness requirements of the Department of Defense.

(4) To develop a repository of disaster risk indicators for the Asia-Pacific region.

(c) JOINT OPERATION WITH EDUCATIONAL INSTITUTION AUTHORIZED.—The Secretary may enter into an agreement with appropriate officials of an institution of higher education to provide for joint operation of the Center. Any such agreement shall provide for the institution to furnish necessary administrative services for the Center, including administration and allocation of funds.

(d) ACCEPTANCE OF FUNDS.—(1) Except as provided in paragraph (2), the Secretary of Defense may, on behalf of the Center, accept funds for use to defray the costs of the Center or to enhance the operation of the Center from any agency of the Federal Government, any State or local government, any foreign government, any foundation or other charitable organization (including any that is organized or operates under the laws of a foreign country), or any other private source in the United States or a foreign country.

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

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

(ii) the integrity of any program of the Department of Defense or of any official involved in such a program.

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

(3) Funds accepted by the Secretary under paragraph (1) shall be credited to appropriations available to the Department of Defense for the Center. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same purposes and the same period as the appropriations with which merged.

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

SEC. 363. ADMINISTRATIVE ACTIONS ADVERSELY AFFECTING MILITARY TRAINING OR OTHER READINESS ACTIVITIES.

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

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

''(a) CONGRESSIONAL NOTIFICATION.—Whenever an official of an Executive agency takes or proposes to take an administrative action that, as determined by the Secretary of Defense in consultation with the Chairman of the Joint Chiefs of Staff, affects training or any other

readiness activity in a manner that has or would have a significant adverse effect on the military readiness of any of the armed forces or a critical component thereof, the Secretary shall submit a written notification of the action and each significant adverse effect to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives and, at the same time, shall transmit a copy of the notification to the President and to the head of the Executive agency taking or proposing to take the administrative action.

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

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

''(c) EFFECT OF NOTIFICATION ON ADMINISTRATIVE ACTION.—Upon the submission of a notification to committees of Congress under subsection (a), the administrative action covered by the notification shall, notwithstand-

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

''(d) DEFINITIONS.—In this section, the term 'Executive agency' has the meaning given such term in section 105 of title 5 other than the General Accounting Office.''.

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

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

SEC. 364. FINANCIAL ASSISTANCE TO SUPPORT ADDITIONAL DUTIES ASSIGNED TO ARMY NATIONAL GUARD.

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

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

''(a) AUTHORITY.—The Secretary of the Army may provide financial assistance to a State to support activities carried out by the Army National Guard of the State in the performance of duties that the Secretary has assigned, with the consent of the Chief of the National Guard Bureau, to the Army National Guard of the State. The Secretary shall determine the amount of the assistance that is appropriate for the purpose.

''(b) COVERED ACTIVITIES.—Activities supported under this section may include only those activities that are carried out by the Army National Guard in the performance of responsibilities of the Secretary under paragraphs (6), (10), and (11) of section 3013(b) of title 10.

''(c) DISBURSEMENT THROUGH NATIONAL GUARD BUREAU.—The Secretary shall disburse any contribution under this section through the Chief of the National Guard Bureau.

''(d) AVAILABILITY OF FUNDS.—Funds appropriated for the Army for a fiscal year are available for providing financial assistance under this section in support of activities carried out by the Army National Guard during that fiscal year.''.

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

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

SEC. 365. SALE OF EXCESS, OBSOLETE, OR UNSERVICEABLE AMMUNITION AND AMMUNITION COMPONENTS.

(a) AUTHORITY.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition components

"(a) AUTHORITY TO SELL OUTSIDE DOD.—The Secretary of the Army may sell ammunition or ammunition components that are excess, obsolete, or unserviceable and have not been demilitarized to a person eligible under subsection (c) if—

"(1) the purchaser enters into an agreement, in advance, with the Secretary—

"(A) to demilitarize the ammunition or components; and

"(B) to reclaim, recycle, or reuse the component parts or materials; or

"(2) the Secretary, or an official of the Department of the Army designated by the Secretary, ap-

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

"(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell ammunition and ammunition components under this section, except that the Secretary may negotiate a sale in any case in which the Secretary determines that there is only one potential buyer of the items being offered for sale.

"(c) ELIGIBLE PURCHASERS.—A purchaser of excess, obsolete, or unserviceable ammunition or ammunition components under this section shall be a licensed manufacturer (as defined in section 921(10) of title 18) that, as determined by the Secretary, has a capability to modify, reclaim, transport, and either store or sell the ammunition or ammunition components purchased.

"(d) HOLD HARMLESS AGREEMENT.—The Secretary shall require a purchaser of ammunition or ammunition components under this section to agree to hold harmless and indemnify the United States from any claim for damages for death, injury, or other loss resulting from a use of the ammunition or ammunition components, except in a case of willful misconduct or gross negligence of a representative of the United States.

"(e) VERIFICATION OF DEMILITARIZATION.—The Secretary shall establish procedures for ensuring that a purchaser of ammunition or ammunition components under this section demilitarizes the ammunition or ammunition components in accordance with any agreement to do so under subsection (a)(1). The procedures shall include on-site verification of demilitarization activities.

"(f) CONSIDERATION.—The Secretary may accept ammunition, ammunition components, or ammunition demilitarization services as consideration for ammunition or ammunition components sold under this section. The fair market value of any such consideration shall be equal to or exceed the fair market value or, if higher, the sale price of the ammunition or ammunition components sold.

"(g) DISPOSITION OF FUNDS.—Amounts received as proceeds of sale of ammunition or ammunition components under this section in any fiscal year shall—

"(1) be credited to an appropriation available for such fiscal year for the acquisition of ammunition or ammunition components or to an appropriation available for such fiscal year for the demilitarization of excess, obsolete, or unserviceable ammunition or ammunition components; and

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

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

"(i) DEFINITIONS.—In this section:

"(1) The term 'excess, obsolete, or unserviceable', with respect to ammunition or ammunition components, means that the ammunition or ammunition components are no longer necessary for war reserves or for support of training of the Army or production of ammunition or ammunition components.

"(2) The term 'demilitarize', with respect to ammunition or ammunition components—

"(A) means to destroy the military offensive or defensive advantages inherent in the ammunition or ammunition components; and

"(B) includes any mutilation, scrapping, melting, burning, or alteration that prevents the use of the ammunition or ammunition components for the military purposes for which the

ammunition or ammunition components was designed or for a lethal purpose.''.

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

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

SEC. 366. INVENTORY MANAGEMENT.

(a) SCHEDULE FOR IMPLEMENTATION OF BEST INVENTORY PRACTICES AT DEFENSE LOGISTICS AGENCY.—(1) The Director of the Defense Logistics Agency shall develop and submit to Congress a schedule for implementing within the agency, for the supplies and equipment described in paragraph (2), inventory practices identified by the Director as being the best commercial inventory practices for such supplies and equipment consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than three years after date of the enactment of this Act.

(2) The inventory practices shall apply to the acquisition and distribution of medical supplies, subsistence supplies, clothing and textiles, commercially available electronics, construction supplies, and industrial supplies.

(b) TIME FOR SUBMISSION OF SCHEDULE TO CONGRESS.—The schedule required by this section shall be

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

SEC. 367. WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

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

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

(1) Collection services.

(2) Determination of amounts owed the Department of Defense for repair of aircraft engines for conditions covered by warranties.

(3) Identification and location of the sources of information that are relevant to collection of Department of Defense claims under aircraft engine warranties, including electronic data bases and document filing systems maintained by the Department of Defense or by the manufacturers and suppliers of the aircraft engines.

(4) Services to define the elements necessary for an effective training program to enhance and improve the performance of Department of Defense

personnel in collecting and organizing documents and other information that are necessary for efficient filing, processing, and collection of Department of Defense claims under aircraft engine warranties.

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

(d) RETENTION OF RECOVERED FUNDS.—Subject to any obligation to pay a fee under subsection (c), any amount collected for the Department of Defense under the pilot program for a repair of an aircraft engine for a condition covered by a warranty shall be credited to an appropriation available for repair of aircraft engines for the fiscal year in which collected and shall be available for the same purposes and same period as the appropriation to which credited.

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

(f) TERMINATION OF AUTHORITY.—The pilot program shall terminate at the end of September 30, 1999,

and contracts entered into under this section shall terminate not later than that date.

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

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

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

(3) Any additional comments and recommendations that the Secretary considers appropriate regarding use of commercial sources of services for collection of Department of Defense claims under aircraft engine warranties.

SEC. 368. ADJUSTMENT AND DIVERSIFICATION ASSISTANCE TO ENHANCE INCREASED PERFORMANCE OF MILITARY FAMILY SUPPORT SERVICES BY PRIVATE SECTOR SOURCES.

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

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

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

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

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

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

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

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

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

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

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

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

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1998.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1998, as follows:

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

(2) The Army Reserve, 208,000.

(3) The Naval Reserve, 94,294.

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

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

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

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

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1998, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

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

(2) The Army Reserve, 11,500.

(3) The Naval Reserve, 16,136.

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

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

(6) The Air Force Reserve, 963.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1998 a total of $69,264,962,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1998.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Personnel Management

SEC. 501. OFFICERS EXCLUDED FROM CONSIDERATION BY PROMOTION BOARD.

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

"(1) an officer whose name is on—

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

"(B) a list of names of officers recommended for promotion to that grade that is set forth in a report of such a board, while the report is pending action under section 618 of this title".

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

"(1) an officer whose name is on—

"(A) a promotion list for that grade as a result of recommendation for promotion to that grade by an earlier selection board convened under that section or section 14502 of this title or under chapter 36 of this title; or

"(B) a list of names of officers recommended for promotion to that grade that is set forth in a report of such a board, while the report is pending action under section 618, 14110, or 14111 of this title;".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment

of this Act and shall apply with respect to each selection board that is convened under section 611(a), 14101(a), or 14502 of title 10, United States Code, on or after such date.

SEC. 502. INCREASE IN THE MAXIMUM NUMBER OF OFFICERS ALLOWED TO BE FROCKED TO THE GRADE OF O–6.

Paragraph (2) of section 777(d) of title 10, United States Code, is amended to read as follows:

''(2) The number of officers of an armed force on the active-duty list who are authorized as described in subsection (a) to wear the insignia for a grade to which a limitation on total number applies under section 523(a) of this title for a fiscal year may not exceed—

''(A) in the case of the grade of major, lieutenant colonel, lieutenant commander, or commander, 1 percent of the total number provided for the officers in that grade in that armed force in the administration of the limitation under that section for that fiscal year; and

''(B) in the case of the grade of colonel or captain, 2 percent of the total number provided for the officers in that grade in that armed force in the administration of the limitation under that section for that fiscal year.''.

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.

(a) ELIGIBILITY OF OFFICERS ON RETIRED LIST.—(1) Section 5142(b) of title 10, United States Code, is amended by striking out ‘‘, who are not on the retired list,’’ in the second sentence.

(2) Section 5142a of such title is amended by striking out ‘‘, who is not on the retired list,’’.

(b) AUTHORITY TO DEFER RETIREMENT.—(1) Chapter 573 of title 10, United States Code, is amended by adding at the end the following new section:

‘‘§ 6411. Chief and Deputy Chief of Chaplains: deferment of retirement for age

‘‘The Secretary of the Navy may defer the retirement under section 1251(a) of this title of an officer of the Chaplain Corps if during the period of the deferment the officer will be serving as the Chief of Chaplains or the Deputy Chief of Chaplains. A deferment under this subsection may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.’’.

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

‘‘6411. Chief and Deputy Chief of Chaplains: deferment of retirement for age.’’.

SEC. 504. PERIOD OF RECALL SERVICE OF CERTAIN RETIREES.

(a) INAPPLICABILITY OF LIMITATION TO CERTAIN OFFICERS.—Section 688(e) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) In the administration of paragraph (1), the following officers shall not be counted:

''(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

''(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

''(C) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on September 30, 1997, immediately after the amendment made by section 521(a) of Public Law 104–201 (110 Stat. 2515) takes effect.

Subtitle B—Matters Relating to Reserve Components

SEC. 511. TERMINATION OF READY RESERVE MOBILIZATION INCOME INSURANCE PROGRAM.

(a) TERMINATION.—(1) Chapter 1214 of title 10, United States Code, is amended by adding at the end the following;

"§ 12533. Termination of program authority

''(a) BENEFITS NOT TO ACCRUE.—No benefits accrue under the insurance program for active duty performed on or after the program termination date.

''(b) SERVICE NOT INSURED.—The insurance program does not apply with respect to any order of a member of the Ready Reserve into covered service that becomes effective on or after the program termination date.

''(c) CESSATION OF ACTIVITIES.—No person may be enrolled, and no premium may be collected, under the insurance program on or after the program termination date.

''(d) PROGRAM TERMINATION DATE.—For the purposes of this section, the term 'program termination date' is the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.''.

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

"12533. Termination of program authority.".

(b) PAYMENT OF BENEFITS.—The Secretary of Defense shall pay in full all benefits that have accrued to members of the Armed Forces under the Ready Reserve Mobilization Income Insurance Program before the date of the enactment of this Act. A refund of premiums to a beneficiary under subsection (c) may not reduce the benefits payable to the beneficiary under this subsection.

(c) REFUND OF PREMIUMS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall refund premiums paid under the Ready Reserve Mobilization Income Insurance Program to the persons who paid the premiums, as follows:

(1) In the case of a person for whom no payment of benefits has accrued under the program, all premiums.

(2) In the case of a person who has accrued benefits under the program, the premiums (including any portion of a premium) that the person has paid for periods (including any portion of a period) for which no benefits accrued to the person under the program.

(d) STUDY AND REPORT.—Not later than June 1, 1998, the Secretary of Defense shall—

(1) carry out a study to determine—

(A) the reasons for the fiscal deficiencies in the Ready Reserve Mobilization Income Insurance Program that make it necessary to appropriate $72,000,000 or more to pay benefits (including benefits in arrears) and other program costs; and

(B) whether there is a need for such a program; and

(2) submit to Congress a report containing—

(A) the Secretary's determinations; and

(B) if the Secretary determines that there is a need for a Ready Reserve mobilization income insurance program, the Secretary's recommendations for improving the program under chapter 1214 of title 10, United States Code.

SEC. 512. DISCHARGE OR RETIREMENT OF RESERVE OFFICERS IN AN INACTIVE STATUS.

Section 12683(b)(1) of title 10, United States Code, is amended to read as follows:

''(1) to—

''(A) a separation under section 12684, 14901, or 14907 of this title; or

''(B) a separation of a reserve officer in an inactive status in the Standby Reserve who is

not qualified for transfer to the Retired Reserve or, if qualified, does not apply for transfer to the Retired Reserve;''.

SEC. 513. RETENTION OF MILITARY TECHNICIANS IN GRADE OF BRIGADIER GENERAL AFTER MANDATORY SEPARATION DATE.

(a) RETENTION TO AGE 60.—Section 14702(a) of title 10, United States Code, is amended—

(1) by striking out ''section 14506 or 14507'' and inserting in lie thereof ''section 14506, 14507, or 14508(a)''; and

(2) by striking out ''or colonel'' and inserting in lieu thereof ''colonel, or brigadier general''.

(b) RELATIONSHIP TO OTHER RETENTION AUTHORITY.—Section 14508(c) of such title is amended by adding at the end the following: ''For the purposes of the preceding sentence, a retention of a reserve officer under section 14702 of this title shall not be construed as being a retention of that officer under this subsection.''.

SEC. 514. FEDERAL STATUS OF SERVICE BY NATIONAL GUARD MEMBERS AS HONOR GUARDS AT FUNERALS OF VETERANS.

(a) IN GENERAL.—(1) Chapter 1 of title 32, United States Code, as amended by section 364, is further amended by adding at the end the following new section:

"§ 114. Honor guard functions at funerals for veterans

''Subject to such restrictions as may be prescribed by the Secretary concerned, the performance of honor guard functions by members of the National Guard at funerals for veterans of the armed forces may be treated by the Secretary concerned as a Federal function for which appropriated funds may be used. Any such performance of honor guard functions at funerals may not be considered to be a period of drill or training otherwise required.''.

(2) The table of sections at the beginning of such chapter, as amended by section 364, is further amended by adding at the end the following new item:

''114. Honor guard functions at funerals for veterans.''.

(b) FUNDING FOR FISCAL YEAR 1997.—Section 114 of title 32, United States Code, as added by subsection (a), does not authorize additional appropriations for fiscal year 1997. Any expenses of the National Guard that are incurred by reason of such section during fiscal year 1997 may be paid from existing appropriations available for the National Guard.

Subtitle C—Education and Training Programs

SEC. 521. SERVICE ACADEMIES FOREIGN EXCHANGE STUDY PROGRAM.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by inserting after section 4344 the following new section:

"§ 4345. Exchange program with foreign military academies

''(a) AGREEMENT AUTHORIZED.—The Secretary of the Army may enter into an agreement with an official of a foreign government authorized to act for that foreign government to carry out a military academy foreign exchange study program.

''(b) TERMS OF AGREEMENT.—(1) An agreement with a foreign government under this section shall provide for the following:

''(A) That, on an exchange basis, the Secretary provide students of military academies of the foreign government with instruction at the Academy and the foreign government provide cadets of the Academy with instruction at military academies of the foreign government.

''(B) That the number of cadets of the Academy provided instruction under the exchange pro-

gram and the number of students of military academies of the foreign government provided instruction at the Academy under the exchange program during an academic year be equal.

"(C) That the duration of the period of exchange study for each student not exceed one academic semester (or an equivalent academic period of a host foreign military academy).

"(2) An agreement with a foreign government under this section may provide for the Secretary to provide a student of a military academy of the foreign government with quarters, subsistence, transportation, clothing, health care, and other services during the period of the student's exchange study at the Academy to the same extent that the foreign government provides comparable support and services to cadets of the Academy during the period of the cadets' exchange study at a military academy of the foreign government.

"(c) MAXIMUM NUMBER.—Under the exchange program not more than a total of 24 cadets of the Academy may be receiving instruction at military academies of foreign governments under the program at any time, and not more than a total of 24 students of military academies of foreign governments may be receiving instruction at the Academy at any time.

"(d) FOREIGN STUDENTS NOT TO RECEIVE PAY AND ALLOWANCES.—A student of a foreign military academy provided instruction at the Academy under the exchange program is not, by virtue of participation in the exchange program, entitled to the pay, allowances, and emoluments of a cadet appointed from the United States.

"(e) SPECIAL RULES FOR FOREIGN MILITARY ACADEMY STUDENTS.—(1) Foreign military academy students receiving instruction at the Academy under the exchange program are in addition to—

"(A) the number of persons from foreign countries who are receiving instruction at the Academy under section 4344 of this title; and

"(B) the authorized strength of the cadets of the Academy under section 4342 of this title.

"(2) Subsections (c) and (d) of section 9344 of this title apply to students of military academies of foreign governments while the students are participating in the exchange program under this section.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out the military academy foreign exchange study program under this section. The regulations may, subject to subsection (e)(2), include eligibility criteria and methods for selection of students to participate in the exchange program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4344 the following new item:

"4345. Exchange program with foreign military academies.".

(b) UNITED STATES NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by inserting after section 6957 the following new section:

"§ 6957a. Exchange program with foreign military academies

"(a) AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with an official of a foreign government authorized to act for that foreign government to carry out a military academy foreign exchange study program.

"(b) TERMS OF AGREEMENT.—(1) An agreement with a foreign government under this section shall provide for the following:

"(A) That, on an exchange basis, the Secretary provide students of military academies of the foreign government with instruction at the Naval Academy and the foreign government provide midshipmen of the Academy with instruction at military academies of the foreign government.

"(B) That the number of midshipmen of the Naval Academy provided instruction under the exchange program and the number of students of mili-

tary academies of the foreign government provided instruction at the Naval Academy under the exchange program during an academic year be equal.

"(C) That the duration of the period of exchange study for each student not exceed one academic semester (or an equivalent academic period of a host foreign military academy).

"(2) An agreement with a foreign government under this section may provide for the Secretary to provide a student of a military academy of the foreign government with quarters, subsistence, transportation, clothing, health care, and other services during the period of the student's exchange study at the Naval Academy to the same extent that the foreign government provides comparable support and services to midshipmen of the Naval Academy during the period of the cadets' exchange study at a military academy of the foreign government.

"(c) MAXIMUM NUMBER.—Under the exchange program not more than a total of 24 midshipmen of the Naval Academy may be receiving instruction at military academies of foreign governments under the program at any time, and not more than a total of 24 students of military academies of foreign governments may be receiving instruction at the Naval Academy at any time.

"(d) FOREIGN STUDENTS NOT TO RECEIVE PAY AND ALLOWANCES.—A student of a foreign military academy provided instruction at the Naval Academy under the exchange program is not, by virtue of participation in the exchange program, entitled to the pay, allowances, and emoluments of a midshipman appointed from the United States.

"(e) SPECIAL RULES FOR FOREIGN MILITARY ACADEMY STUDENTS.—(1) Foreign military academy students receiving instruction at the Naval Academy under the exchange program are in addition to—

"(A) the number of persons from foreign countries who are receiving instruction at the Naval Academy under section 6957 of this title; and

"(B) the authorized strength of the midshipmen under section 6954 of this title.

"(2) Section 6957(c) of this title applies to students of military academies of foreign governments while the students are participating in the exchange program under this section.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out the military academy foreign exchange study program under this section. The regulations may, subject to subsection (e)(2), include eligibility cri-

teria and methods for selection of students to participate in the exchange program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6957 the following new item:

''6957a. Exchange program with foreign military academies.''.

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Chapter 903 of title 10, United States Code, is amended by inserting after section 9344 the following new section:

''§ 9345. Exchange program with foreign military academies

''(a) AGREEMENT AUTHORIZED.—The Secretary of the Air Force may enter into an agreement with an official of a foreign government authorized to act for that foreign government to carry out a military academy foreign exchange study program.

''(b) TERMS OF AGREEMENT.—(1) An agreement with a foreign government under this section shall provide for the following:

''(A) That, on an exchange basis, the Secretary provide students of military academies of the foreign government with instruction at the Air Force Academy and the foreign government provide Air Force Cadets of the Academy with instruction at military academies of the foreign government.

"(B) That the number of Air Force Cadets of the Academy provided instruction under the exchange program and the number of students of military academies of the foreign government provided instruction at the Academy under the exchange program during an academic year be equal.

"(C) That the duration of the period of exchange study for each student not exceed one academic semester (or an equivalent academic period of a host foreign military academy).

"(2) An agreement with a foreign government under this section may provide for the Secretary to provide a student of a military academy of the foreign government with quarters, subsistence, transportation, clothing, health care, and other services during the period of the student's exchange study at the Academy to the same extent that the foreign government provides comparable support and services to Air Force Cadets of the Academy during the period of the cadets' exchange study at a military academy of the foreign government.

"(c) MAXIMUM NUMBER.—Under the exchange program not more than a total of 24 Air Force Cadets of the Academy may be receiving instruction at military academies of foreign governments under the program at any time, and not more than a total of 24 students of

military academies of foreign governments may be receiving instruction at the Academy at any time.

"(d) FOREIGN STUDENTS NOT TO RECEIVE PAY AND ALLOWANCES.—A student of a foreign military academy provided instruction at the Academy under the exchange program is not, by virtue of participation in the exchange program, entitled to the pay, allowances, and emoluments of a cadet appointed from the United States.

"(e) SPECIAL RULES FOR FOREIGN MILITARY ACADEMY STUDENTS.—(1) Foreign military academy students receiving instruction at the Academy under the exchange program are in addition to—

"(A) the number of persons from foreign countries who are receiving instruction at the Academy under section 9344 of this title; and

"(B) the authorized strength of the Air Force Cadets of the Academy under section 9342 of this title.

"(2) Subsections (c) and (d) of section 9344 of this title apply to students of military academies of foreign governments while the students are participating in the exchange program under this section.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out the military academy foreign exchange study program under this section. The regulations

may, subject to subsection (e)(2), include eligibility criteria and methods for selection of students to participate in the exchange program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9344 the following new item:

''9345. Exchange program with foreign military academies.''.

SEC. 522. PROGRAMS OF HIGHER EDUCATION OF THE COMMUNITY COLLEGE OF THE AIR FORCE.

(a) PROGRAMS FOR INSTRUCTORS AT AIR FORCE TRAINING SCHOOLS.—Section 9315 of title 10, United States Code, is amended—

(1) in subsection (b), by striking out ''(b) Subject to subsection (c)'' and inserting in lieu thereof ''(b) CONFERMENT OF DEGREE.—(1) Subject to paragraph (2)'';

(2) by redesignating subsection (c) as paragraph (2) and in such paragraph, as so redesignated—

(A) by striking out ''(1) the'' and inserting in lieu thereof ''(A) the''; and

(B) by striking out ''(2) the'' and inserting in lieu thereof ''(B) the'';

(3) in subsection (a)—

(A) by inserting after ''(a)'' the following: ''ESTABLISHMENT AND MISSION.—''; and

(B) in paragraph (1), by striking out ''Air Force'' and inserting in lieu thereof ''armed forces described in subsection (b)''; and

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

''(b) MEMBERS ELIGIBLE FOR PROGRAMS.—Subject to such other eligibility requirements as the Secretary concerned may prescribe, the following members of the armed forces are eligible to participate in programs of higher education referred to in subsection (a)(1):

''(1) An enlisted member of the Army, Navy, or Air Force who is serving as an instructor at an Air Force training school.

''(2) Any other enlisted member of the Air Force.''.

(b) RETROACTIVE APPLICABILITY.—Subsection (b) of section 9315 of such title, as added by subsection (a)(4), shall apply with respect to programs of higher education of the Community College of the Air Force as of March 31, 1996.

SEC. 523. PRESERVATION OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE OF MEMBERS OF THE SELECTED RESERVE SERVING ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) PRESERVATION OF EDUCATIONAL ASSISTANCE.—Section 16131(c)(3)(B)(i) of title 10, United States Code, is amended by striking out ", in connection with the Persian Gulf War,".

(b) EXTENSION OF 10-YEAR PERIOD OF AVAILABILITY.—Section 16133(b)(4) of such title is amended—

(1) by striking out "(A)";

(2) by striking out ", during the Persian Gulf War,";

(3) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(4) by striking out "(B) For the purposes" and all that follows through "title 38.".

SEC. 524. REPEAL OF CERTAIN STAFFING AND SAFETY REQUIREMENTS FOR THE ARMY RANGER TRAINING BRIGADE.

(a) IN GENERAL.—(1) Section 4303 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 401 of such title is amended by striking out the item relating to section 4303.

(b) REPEAL OF RELATED PROVISION.—Section 562 of Public Law 104–106 (110 Stat. 323) is repealed.

Subtitle D—Decorations and Awards

SEC. 531. CLARIFICATION OF ELIGIBILITY OF MEMBERS OF READY RESERVE FOR AWARD OF SERVICE MEDAL FOR HEROISM.

(a) SOLDIER'S MEDAL.—Section 3750(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)''; and

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

''(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

(b) NAVY AND MARINE CORPS MEDAL.—Section 6246 of such title is amended—

(1) by designating the text of the section as subsection (a); and

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

''(b) The authority in subsection (a) includes authority to award the medal to a member of the Ready Reserve

who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

(c) AIRMAN'S MEDAL.—Section 8750(a) of such title is amended—

(1) by inserting ''(1)'' after ''(a)''; and

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

''(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

SEC. 532. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations described in subsections (b), (c), and (d), the award of each such decoration having been determined by the Secretary of the military department concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR MEDAL.—Subsection (a) applies to the award of the Silver Star Medal as follows:

(1) To Joseph M. Moll, Jr. of Milford, New Jersey, for service during World War II.

(2) To Philip Yolinsky of Hollywood, Florida, for service during the Korean Conflict.

(c) NAVY AND MARINE CORPS MEDAL.—Subsection (a) applies to the award of the Navy and Marine Corps Medal to Gary A. Gruenwald of Damascus, Maryland, for service in Tunisia in October 1977.

(d) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 533. ONE-YEAR EXTENSION OF PERIOD FOR RECEIPT OF RECOMMENDATIONS FOR DECORATIONS AND AWARDS FOR CERTAIN MILITARY INTELLIGENCE PERSONNEL.

Section 523(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 311; 10 U.S.C. 1130 note) is amended by striking out ''during the one-year period beginning on the date of the enactment of this Act'' and inserting in lieu thereof ''after February 9, 1996, and before February 10, 1998''.

SEC. 534. ELIGIBILITY OF CERTAIN WORLD WAR II MILITARY ORGANIZATIONS FOR AWARD OF UNIT DECORATIONS.

(a) AUTHORITY.—A unit decoration may be awarded for any unit or other organization of the Armed Forces of the United States, such as the Military Intelligence Service of the Army, that (1) supported the planning or execution of combat operations during World War II primarily through unit personnel who were attached to other units of the Armed Forces or of other allied armed forces, and (2) is not otherwise eligible for award of the decoration by reason of not usually having been deployed as a unit in support of such operations.

(b) TIME FOR SUBMISSION OF RECOMMENDATION.—Any recommendation for award of a unit decoration under subsection (a) shall be submitted to the Secretary con-

cerned (as defined in section 101(a)(9) of title 10, United States Code), or to such other official as the Secretary concerned may designate, not later than 2 years after the date of the enactment of this Act.

Subtitle E—Military Personnel Voting Rights

SEC. 541. SHORT TITLE.

This subtitle may be cited as the ''Military Voting Rights Act of 1997''.

SEC. 542. GUARANTEE OF RESIDENCY.

Article VII of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 590 et seq.) is amended by adding at the end the following:

''SEC. 704. (a) For purposes of voting for an office of the United States or of a State, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

''(1) be deemed to have lost a residence or domicile in that State;

''(2) be deemed to have acquired a residence or domicile in any other State; or

''(3) be deemed to have become resident in or a resident of any other State.

''(b) In this section, the term 'State' includes a territory or possession of the United States, a political subdivi-

sion of a State, territory, or possession, and the District of Columbia.''.

SEC. 543. STATE RESPONSIBILITY TO GUARANTEE MILITARY VOTING RIGHTS.

(a) REGISTRATION AND BALLOTING.—Section 102 of the Uniformed and Overseas Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(1) by inserting ''(a) ELECTIONS FOR FEDERAL OFFICES.—'' before ''Each State shall—''; and

(2) by adding at the end the following:

''(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—Each State shall—

''(1) permit absent uniformed services voters to use absentee registration procedures and to vote by absentee ballot in general, special, primary, and run-off elections for State and local offices; and

''(2) accept and process, with respect to any election described in paragraph (1), any otherwise valid voter registration application from an absent uniformed services voter if the application is received by the appropriate State election official not less than 30 days before the election.''.

(b) CONFORMING AMENDMENT.—The heading for title I of such Act is amended by striking out **"FOR FEDERAL OFFICE"**.

Subtitle F—Other Matters

SEC. 551. SENSE OF CONGRESS REGARDING STUDY OF MATTERS RELATING TO GENDER EQUITY IN THE ARMED FORCES.

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

(1) In the all-volunteer force, women play an integral role in the Armed Forces.

(2) With increasing numbers of women in the Armed Forces, questions arise concerning inequalities, and perceived inequalities, between the treatment of men and women in the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Comptroller General should—

(1) conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the Armed Forces that arises out of the statutes and regulations governing the Armed Forces; and

(2) submit to Congress a report on the study not later than one year after the date of enactment of this Act.

SEC. 552. COMMISSION ON GENDER INTEGRATION IN THE MILITARY.

(a) ESTABLISHMENT.—There is established a commission to be known as the Commission on Gender Integration in the Military.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The commission shall be composed of 11 members appointed from among private citizens of the United States who have appropriate and diverse experiences, expertise, and historical perspectives on training, organizational, legal, management, military, and gender integration matters.

(2) SPECIFIC QUALIFICATIONS.—Of the 11 members, at least two shall be appointed from among persons who have superior academic credentials, at least four shall be appointed from among former members and retired members of the Armed Forces, and at least two shall be appointed from among members of the reserve components of the Armed Forces.

(c) APPOINTMENTS.—

(1) AUTHORITY.—The President pro tempore of the Senate shall appoint the members in consultation with the chairman of the Committee on Armed Services, who shall recommend six persons for ap-

pointment, and the ranking member of the Committee on Armed Services, who shall recommend five persons for appointment. The appointments shall be made not later than 45 days after the date of the enactment of this Act.

(2) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the commission.

(3) VACANCIES.—A vacancy in the membership shall not affect the commission's powers, but shall be filled in the same manner as the original appointment.

(d) MEETINGS.—

(1) INITIAL MEETING.—The Commission shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(2) WHEN CALLED.—The Commission shall meet upon the call of the chairman.

(3) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number may hold meetings.

(e) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a chairman and a vice chairman from among its members.

(f) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may,

if authorized, by the Commission, take any action which the Commission is authorized to take under this title.

(g) DUTIES.—The Commission shall—

(1) review the current practices of the Armed Forces, relevant studies, and private sector training concepts pertaining to gender-integrated training;

(2) review the laws, regulations, policies, directives, and practices that govern personal relationships between men and women in the armed forces and personal relationships between members of the armed forces and non-military personnel of the opposite sex;

(3) assess the extent to which the laws, regulations, policies, and directives have been applied consistently throughout the Armed Forces without regard to the armed force, grade, or rank of the individuals involved;

(4) provide an independent assessment of the reports of the independent panel, the Department of Defense task force, and the review of existing guidance on adultery announced by the Secretary of Defense; and

(5) examine the experiences, policies, and practices of the armed forces of other industrialized nations regarding gender-integrated training.

(h) REPORTS.—

(1) INITIAL REPORT.—Not later than April 15, 1998, the Commission shall submit to the Committee on Armed Services of the Senate an initial report setting forth the activities, findings, and recommendations of the Commission. The report shall include any recommendations for congressional action and administrative action that the Commission considers appropriate.

(2) FINAL REPORT.—Not later than September 16, 1998, the Commission shall submit to the Committee on Armed Services a final report setting forth the activities, findings, and recommendations of the Commission, including any recommendations for congressional action and administrative action that the Commission considers appropriate.

(i) POWERS.—

(1) HEARINGS, ET CETERA.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out its duties.

(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from the Department of Defense and any other department or

agency of the Federal Government such information as the Commission considers necessary to carry out its duties. Upon the request of the chairman of the Commission, the head of a department or agency shall furnish the requested information expeditiously to the Commission.

(3) POSTAL SERVICES.— The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(j) ADMINISTRATIVE SUPPORT.—The Secretary of Defense shall, upon the request of the chairman of the Commission, furnish the Commission any administrative and support services that the Commission may require.

(k) COMMISSION PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission may be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the Commission.

(2) TRAVEL ON MILITARY CONVEYANCES.— Members and personnel of the Commission may

travel on aircraft, vehicles, or other conveyances of the Armed Forces when travel is necessary in the performance of a duty of the Commission except when the cost of commercial transportation is less expensive.

(3) TRAVEL EXPENSES.—The members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(4) STAFF.—The chairman of the Commission may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to three additional staff members as necessary to enable the Commission to perform its duties. The chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53, of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the rate payable for

level V of the executive schedule under section 5316 of such title.

(5) DETAIL OF GOVERNMENT EMPLOYEES.—Upon the request of the chairman of the Commission, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the Commission to assist in carrying out its duties. A detail of an employee shall be without interruption or loss of civil service status or privilege.

(6) TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

(l) TERMINATION.—The Commission shall terminate 90 days after the date on which it submits the final report under subsection (h)(2).

(m) FUNDING.—

(1) FROM DEPARTMENT OF DEFENSE APPROPRIATIONS.—Upon the request of the chairman of the Commission, the Secretary of Defense shall

make available to the Commission, out of funds appropriated for the Department of Defense, such amounts as the Commission may require to carry out its duties.

(2) PERIOD OF AVAILABILITY.—Funds made available to the Commission shall remain available, without fiscal year limitation, until the date on which the Commission terminates.

SEC. 553. SEXUAL HARASSMENT INVESTIGATIONS AND REPORTS.

(a) INVESTIGATIONS.—Any commanding officer or officer in charge of a unit, vessel, facility, or area who receives from a member of the command or a civilian employee under the supervision of the officer a complaint alleging sexual harassment by a member of the Armed Forces or a civilian employee of the Department of Defense shall, to the extent practicable—

(1) within 72 hours after receipt of the complaint—

(A) forward the complaint or a detailed description of the allegation to the next superior officer in the chain of command who is authorized to convene a general court-martial;

(B) commence, or cause the commencement of, an investigation of the complaint; and

(C) advise the complainant of the commencement of the investigation;

(2) ensure that the investigation of the complaint is completed not later than 14 days after the investigation is commenced; and

(3) either—

(A) submit a final report on the results of the investigation, including any action taken as a result of the investigation, to the next superior officer referred to in paragraph (1) within 20 days after the investigation is commenced; or

(B) submit a report on the progress made in completing the investigation to the next superior officer referred to in paragraph (1) within 20 days after the investigation is commenced and every 14 days thereafter until the investigation is completed and, upon completion of the investigation, then submit a final report on the results of the investigation, including any action taken as a result of the investigation, to that next superior officer.

(b) REPORTS.—(1) Not later than January 1 of each of 1998 and 1999, each officer receiving any complaint forwarded in accordance with subsection (a) during the

preceding year shall submit to the Secretary of the military department concerned a report on all such complaints and the investigations of such complaints (including the results of the investigations, in cases of investigations completed during such preceding year).

(2)(A) Not later than March 1 of each of 1998 and 1999, each Secretary receiving a report under paragraph (1) for a year shall submit to the Secretary of Defense a report on all such reports so received.

(B) Not later than the April 1 following receipt of a report for a year under subparagraph (A), the Secretary of Defense shall transmit to Congress all such reports received for the year under subparagraph (A) together with the Secretary's assessment of each such report.

(c) SEXUAL HARASSMENT DEFINED.—In this section, the term ''sexual harassment'' means—

(1) a form of sex discrimination that—

(A) involves unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when—

(i) submission to such conduct is made either explicitly or implicitly a term or condition of a person's job, pay, or career;

(ii) submission to or rejection of such conduct by a person is used as a basis for career or employment decisions affecting that person; or

(iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment; and

(B) is so severe or pervasive that a reasonable person would perceive, and the victim does perceive, the work environment as hostile or offensive;

(2) any use or condonation, by any person in a supervisory or command position, of any form of sexual behavior to control, influence, or affect the career, pay, or job of a member of the Armed Forces or a civilian employee of the Department of Defense; and

(3) any deliberate or repeated unwelcome verbal comment, gesture, or physical contact of a sexual nature in the workplace by any member of the Armed Forces or civilian employee of the Department of Defense.

SEC. 554. REQUIREMENT FOR EXEMPLARY CONDUCT BY COMMANDING OFFICERS AND OTHER AUTHORITIES.

(a) ARMY.—(1) Chapter 345 of title 10, United States Code, is amended by adding at the end:

"§ 3583. Requirement of exemplary conduct

''All commanding officers and others in authority in the Army are required to show in themselves a good example of virtue, honor, patriotism, and subordination; to be vigilant in inspecting the conduct of all persons who are placed under their command; to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Army, all persons who are guilty of them; and to take all necessary and proper measures, under the laws, regulations, and customs of the Army, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.''.

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

''3583. Requirement of exemplary conduct.''.

(b) AIR FORCE.—(1) Chapter 845 of title 10, United States Code, is amended by adding at the end the following:

"§ 8583. Requirement of exemplary conduct

''All commanding officers and others in authority in the Air Force are required to show in themselves a good example of virtue, honor, patriotism, and subordination; to be vigilant in inspecting the conduct of all persons who are placed under their command; to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Air Force, all persons who are guilty of them; and to take all necessary and proper measures, under the laws, regulations, and customs of the Air Force, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.''.

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

''8583. Requirement of exemplary conduct.''.

SEC. 555. PARTICIPATION OF DEPARTMENT OF DEFENSE PERSONNEL IN MANAGEMENT OF NON-FEDERAL ENTITIES.

(a) AUTHORITY.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1060a the following new section:

"§ 1060b. Participation in management of non-Federal entities: members of the armed forces; civilian employees

"(a) AUTHORITY TO PERMIT PARTICIPATION.—The Secretary concerned may authorize a member of the armed forces, a civilian officer or employee of the Department of Defense, or a civilian officer or civilian employee of the Coast Guard—

"(1) to serve as a director, officer, or trustee of a military welfare society or other entity described in subsection (c); or

"(2) to participate in any other capacity in the management of such a society or entity.

"(b) COMPENSATION PROHIBITED.—Compensation may not be accepted for service or participation authorized under subsection (a).

"(c) COVERED ENTITIES.—This section applies with respect to the following entities:

"(1) MILITARY WELFARE SOCIETIES.—The following military welfare societies:

"(A) The Army Emergency Relief.

"(B) The Air Force Aid Society.

"(C) The Navy-Marine Corps Relief Society.

"(D) The Coast Guard Mutual Assistance.

"(2) OTHER ENTITIES.—Each of the following additional entities that is not operated for profit:

"(A) Any athletic conference, or other entity, that regulates and supports the athletics programs of the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the United States Coast Guard Academy.

"(B) Any entity that regulates international athletic competitions.

"(C) Any regional educational accrediting agency, or other entity, that accredits the academies referred to in subparagraph (A) or accredits any other school of the armed forces.

"(D) Any health care association, professional society, or other entity that regulates and supports standards and policies applicable to the provision of health care by or for the Department of Defense.

"(d) SECRETARY OF DEFENSE AS SECRETARY CONCERNED.—In this section, the term 'Secretary concerned' includes the Secretary of Defense with respect to civilian officers and employees of the Department of Defense who are not officers or employees of a military department.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1060a the following new item:

"1060b. Participation in management of non-Federal entities: members of the armed forces; civilian employees.".

SEC. 556. TECHNICAL CORRECTION TO CROSS REFERENCE IN ROPMA PROVISION RELATING TO POSITION VACANCY PROMOTION.

Section 14317(d) of title 10, United States Code, is amended by striking out "section 14314" in the first sentence and inserting in lieu thereof "section 14315".

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1998.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1998 shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 1998, the rates of basic pay of members of the uniformed services are increased by 2.8 percent.

Subtitle B—Subsistence, Housing, and Other Allowances

PART I—REFORM OF BASIC ALLOWANCE FOR SUBSISTENCE

SEC. 611. REVISED ENTITLEMENT AND RATES.

(a) UNIVERSAL ENTITLEMENT TO BAS EXCEPT DURING BASIC TRAINING.—

(1) IN GENERAL.—Section 402 of title 37, United States Code, is amended by striking out subsections (b) and (c).

(2) EXCEPTION.—Subsection (a) of such section is amended by adding at the end the following: ''However, an enlisted member is not entitled to the basic allowance for subsistence during basic training.''.

(b) RATES BASED ON FOOD COSTS.—Such section, as amended by subsection (a), is further amended by inserting after subsection (a) the following new subsection (b):

''(b) RATES OF BAS.—(1) The monthly rate of basic allowance for subsistence in effect for an enlisted member for a year (beginning on January 1 of the year) shall be the amount that is halfway between the following amounts that are determined by the Secretary of Agriculture as of October 1 of the preceding year:

"(A) The amount equal to the monthly cost of a moderate-cost food plan for a male in the United States who is between 20 and 50 years of age.

"(B) The amount equal to the monthly cost of a liberal food plan for a male in the United States who is between 20 and 50 years of age.

"(2) The monthly rate of basic allowance for subsistence in effect for an officer for a year (beginning on January 1 of the year) shall be the amount equal to the monthly rate of basic allowance for subsistence in effect for officers for the preceding year, increased by the same percentage by which the rate of basic allowance for subsistence for enlisted members for the preceding year is increased effective on such January 1.".

(c) CONTINUATION OF ADVANCE PAYMENT AUTHORITY.—Such section is further amended by inserting after subsection (b), as added by subsection (b) of this section, the following new subsection (c):

"(c) ADVANCE PAYMENT.—The allowance to an enlisted member may be paid in advance for a period of not more than three months.".

(d) FLEXIBILITY TO MANAGE DEMAND FOR DINING AND MESSING SERVICES.—Such section is further amended by striking out subsection (e) and inserting in lieu thereof the following new subsection (e):

"(e) POLICIES ON USE OF DINING AND MESSING FACILITIES.—The Secretary of Defense, in consultation with the Secretaries concerned, shall prescribe policies regarding use of dining and field messing facilities of the uniformed services.".

(e) REGULATIONS.—Such section is further amended by adding after subsection (e), as added by subsection (d) of this section, the following:

"(f) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations for the administration of this section. Before prescribing the regulations, the Secretary shall consult with each Secretary concerned.

"(2) The regulations shall include the rates of basic allowance for subsistence.".

(f) STYLISTIC AND CONFORMING AMENDMENTS.—

(1) SUBSECTION HEADINGS.—Such section is amended—

(A) in subsection (a), by inserting "ENTITLEMENT.—" after "(a)"; and

(B) in subsection (d), by inserting "COAST GUARD.—" after "(d)".

(2) TRAVEL STATUS EXCEPTION TO ENTITLEMENT.—Section 404 of title 37, United States Code, is amended—

(A) by striking out subsection (g); and

(B) by redesignating subsections (h), (i), (j), and (k) as subsections (g), (h), (i), and (j), respectively.

SEC. 612. TRANSITIONAL BASIC ALLOWANCE FOR SUBSISTENCE.

(a) BAS TRANSITION PERIOD.—For the purposes of this section, the BAS transition period is the period beginning on the effective date of this part and ending on the date that this section ceases to be effective under section 613(b).

(b) TRANSITIONAL AUTHORITY.—Notwithstanding section 402 of title 37, United States Code (as amended by section 611), during the BAS transition period—

(1) the basic allowance for subsistence shall not be paid under that section for that period;

(2) a member of the uniformed services is entitled to the basic allowance for subsistence only as provided in subsection (c);

(3) an enlisted member of the uniformed services may be paid a partial basic allowance for subsistence as provided in subsection (d); and

(4) the rates of the basic allowance for subsistence are those determined under subsection (e).

(c) TRANSITIONAL ENTITLEMENT TO BAS.—

(1) ENLISTED MEMBERS.—

(A) TYPES OF ENTITLEMENT.—An enlisted member is entitled to the basic allowance for subsistence, on a daily basis, of one of the following types—

(i) when rations in kind are not available;

(ii) when permission to mess separately is granted; and

(iii) when assigned to duty under emergency conditions where no messing facilities of the United States are available.

(B) OTHER ENTITLEMENT CIRCUMSTANCES.—An enlisted member is entitled to the allowance while on an authorized leave of absence, while confined in a hospital, or while performing travel under orders away from the member's designated post of duty other than field duty or sea duty (as defined in regulations prescribed by the Secretary of Defense). For purposes of the preceding sentence, a member shall not be considered to be performing travel under orders away from his designated post of duty if such member—

(i) is an enlisted member serving his first tour of active duty;

(ii) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

(iii) is not actually traveling between stations pursuant to orders directing a change of station.

(C) ADVANCE PAYMENT.—The allowance to an enlisted member, when authorized, may be paid in advance for a period of not more than three months.

(2) OFFICERS.—An officer of a uniformed service who is entitled to basic pay is, at all times, entitled to the basic allowances for subsistence. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

(d) TRANSITIONAL AUTHORITY FOR PARTIAL BAS.—

(1) ENLISTED MEMBERS FURNISHED SUBSISTENCE IN KIND.—The Secretary of Defense may provide in regulations for an enlisted member of a uniformed service to be paid a partial basic allowance for subsistence when—

(A) rations in kind are available to the member;

(B) the member is not granted permission to mess separately; or

(C) the member is assigned to duty under emergency conditions where messing facilities of the United States are available.

(2) MONTHLY PAYMENT.—Any partial basic allowance for subsistence authorized under paragraph (1) shall be paid on a monthly basis.

(e) TRANSITIONAL RATES.—

(1) FULL BAS FOR OFFICERS.—The rate of basic allowance for subsistence that is payable to officers of the uniformed services for a year shall be the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was payable to officers of the uniformed services for the preceding year.

(2) FULL BAS FOR ENLISTED MEMBERS.—The rate of basic allowance for subsistence that is payable to an enlisted member of the uniformed services for a year shall be the higher of—

(A) the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was in effect for similarly situated en-

listed members of the uniformed services for the preceding year; or

(B) the daily equivalent of what, except for subsection (b), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code (as added by section 611(b)).

(3) PARTIAL BAS FOR ENLISTED MEMBERS.—The rate of any partial basic allowance for subsistence paid under subsection (d) for a member for a year shall be equal to the lower of—

(A) the amount equal to the excess, if any, of—

(i) the amount equal to the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the preceding year for enlisted members of the uniformed services above grade E–1 (when permission to mess separately is granted), increased by the same percent by which the rates of basic pay for members of the uniformed services were increased for the year over those in effect for such preceding year, over

(ii) the amount equal to 101 percent of the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the previous year for enlisted members of the uniformed services above grade E–1 (when permission to mess separately is granted); or

(B) the amount equal to the excess of—

(i) the amount that, except for subsection (b), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code, over

(ii) the amount equal to the monthly equivalent of the value of a daily ration, as determined by the Under Secretary of Defense (Comptroller) as of October 1 of the preceding year.

SEC. 613. EFFECTIVE DATE AND TERMINATION OF TRANSITIONAL AUTHORITY.

(a) EFFECTIVE DATE.—This part and the amendments made by section 611 shall take effect on January 1, 1998.

(b) TERMINATION OF TRANSITIONAL PROVISIONS.—Section 612 shall cease to be effective on the first day of the month immediately following the first month for which the monthly equivalent of the rate of basic allowance for subsistence payable to enlisted members of the uniformed services (when permission to mess separately is granted), as determined under subsection (e)(2) of such section, equals or exceeds the amount that, except for subsection (b) of such section, would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code.

PART II—REFORM OF HOUSING AND RELATED ALLOWANCES

SEC. 616. ENTITLEMENT TO BASIC ALLOWANCE FOR HOUSING.

(a) REDESIGNATION OF BAQ.—Section 403 of title 37, United States Code, is amended by striking out ''basic allowance for quarters'' each place it appears, except in subsections (f) and (m), and inserting in lieu thereof ''basic allowance for housing''.

(b) RATES.—Subsection (a) of such section is amended by striking out ''section 1009'' and inserting in lieu thereof ''section 403a''.

(c) TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS.—Subsection (f) of such section is amended to read as follows:

''(f) TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS.—A member of a uniformed service who is in pay grade above E–4 (four or more years of service) or above is entitled to a temporary housing allowance (at a rate determined under section 403a of this title) while the member is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when the member is not assigned to quarters of the United States.''.

(d) DETERMINATIONS NECESSARY FOR ADMINISTERING AUTHORITY FOR ALL MEMBERS.—Subsection (h) of such section is amended by striking out ''enlisted'' each place it appears.

(e) ENTITLEMENT OF MEMBERS NOT ENTITLED TO PAY.—Subsection (i) of such section is amended by striking out ''enlisted''.

(f) TEMPORARY HOUSING AND ALLOWANCE FOR SURVIVORS OF ACTIVE DUTY MEMBERS.—

(1) CONTINUATION OF OCCUPANCY.—Paragraph (1) of subsection (l) of such section is amended by striking out ''in line of duty'' and inserting in lieu thereof ''on active duty''.

(2) ALLOWANCE.—Paragraph (2) of such subsection is amended to read as follows:

''(2)(A) The Secretary concerned may pay a basic allowance for housing (at the rate determined under section 403a of this title) to the dependents of a member of the uniformed services who dies while on active duty and whose dependents—

''(i) are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death;

''(ii) are occupying such housing on a rental basis on such date; or

''(iii) vacate such housing sooner than 180 days after the date of the member's death.

''(B) The payment of the allowance under this subsection shall terminate 180 days after the date of the member's death.''.

(g) ENTITLEMENT OF MEMBER PAYING CHILD SUPPORT.—Subsection (m) of such section is amended to read as follows:

''(m) MEMBERS PAYING CHILD SUPPORT.—(1) A member of a uniformed service with dependents may not be paid a basic allowance for housing at the with dependents rate solely by reason of the payment of child support by the member if—

"(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service; or

"(B) the member is in a pay grade above E–4, is assigned to sea duty, and elects not to occupy assigned quarters for unaccompanied personnel.

"(2) A member of a uniformed service assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service who is not otherwise authorized a basic allowance for housing and who pays child support is entitled to the basic allowance for housing differential (at the rate applicable under section 403a of this title) to the members' pay grade except for months for which the amount payable for the child support is less than the rate of the differential. Payment of a basic allowance for housing differential does not affect any entitlement of the member to a partial allowance for quarters under subsection (o).".

(h) REPLACEMENT OF VHA BY BASIC ALLOWANCE FOR HOUSING.—

(1) MEMBERS NOT ACCOMPANIED BY DEPENDENTS OUTSIDE CONUS.—Such section is further amended by adding at the end the following:

"(n) MEMBERS NOT ACCOMPANIED BY DEPENDENTS OUTSIDE CONUS.—(1) A member of a uniformed service with dependents who is assigned to an unaccompanied

tour of duty outside the continental United States is eligible for a basic allowance for housing as provided in paragraph (2).

"(2)(A) For any period during which the dependents of a member referred to in paragraph (1) reside in the United States where, if the member were residing with them, the member would be entitled to receive a basic allowance for housing, the member is entitled to a basic allowance for housing at the rate applicable under section 403a of this title to the member's pay grade and the location of the residence of the member's dependents.

"(B) A member referred to in paragraph (1) may be paid a basic allowance for housing at the rate applicable under section 403a of this title to the members's pay grade and location.

"(3) Payment of a basic allowance for housing to a member under paragraph (2)(B) shall be in addition to any allowance or per diem to which the member otherwise may be entitled under this title.".

(2) MEMBERS NOT ACCOMPANIED BY DEPENDENTS INSIDE CONUS.—Paragraph (2) of section 403a(a) of title 37, United States Code, is transferred to the end of section 403 of such title and, as transferred, is amended—

(A) by striking out ''(2)'' and inserting in lieu thereof ''(o) MEMBERS NOT ACCOMPANIED BY DEPENDENTS INSIDE CONUS.—'';

(B) by striking out ''variable housing allowance'' each place it appears and inserting in lieu thereof ''basic allowance for housing'';

(C) by striking out ''(under regulations prescribed under subsection (e))'' in the matter following subparagraph (B) and inserting in lieu thereof ''(under regulations prescribed by the Secretary of Defense)''; and

(D) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(3) REPEAL OF VHA ALLOWANCE.—Section 403a of title 37, United States Code, is repealed.

(i) MEMBERS WITHOUT DEPENDENTS.—Section 403 of such title, as amended by subsection (f), is further amended by adding at the end the following:

''(p) PARTIAL ALLOWANCE FOR MEMBERS WITHOUT DEPENDENTS.—A member of a uniformed service without dependents who is not entitled to receive a basic allowance for housing under subsection (b) or (c) is entitled to a partial allowance for quarters determined under section 403a of this title.''.

(j) STYLISTIC AMENDMENTS.—Section 403 of title 37, United States Code, as amended by this section, is further amended—

(1) in subsection (a), by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) GENERAL ENTITLEMENT.—(1)'';

(2) in subsection (b), by striking out ''(b)(1)'' and inserting in lieu thereof ''(b) MEMBERS ASSIGNED TO QUARTERS.—(1)'';

(3) in subsection (c), by striking out ''(c)(1)'' and inserting in lieu thereof ''(c) INELIGIBILITY DURING INITIAL FIELD DUTY OR SEA DUTY.—(1)'';

(4) in subsection (d), by striking out ''(d)(1)'' and inserting in lieu thereof ''(d) PROHIBITED GROUNDS FOR DENIAL.—(1)'';

(5) in subsection (e), by inserting ''RENTAL OF PUBLIC QUARTERS.—'' after ''(e)'';

(6) in subsection (g), by inserting ''AVIATION CADETS.—'' after ''(g)'';

(7) in subsection (h), by inserting ''NECESSARY DETERMINATIONS.—'' after ''(h)'';

(8) in subsection (i), by inserting ''ENTITLEMENT OF MEMBER NOT ENTITLED TO PAY.—'' after ''(i)'';

(9) in subsection (j), by striking out ''(j)(1)'' and inserting in lieu thereof ''(j) ADMINISTRATIVE AUTHORITY.—(1)'';

(10) in subsection (k), by inserting ''PARKING FACILITIES NOT CONSIDERED QUARTERS.—'' after ''(k)''; and

(11) in subsection (l), by striking out ''(l)(1)'' and inserting in lieu thereof ''(l) DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY.—(1)''.

(k) SECTION HEADING.—The heading of section 403 of title 37, United States Code, is amended to read as follows:

''§ 403. Basic allowance for housing: eligibility''.

SEC. 617. RATES OF BASIC ALLOWANCE FOR HOUSING.

Chapter 7 of title 37, United States Code, is amended by inserting after section 403 the following new section 403a:

''§ 403a. Basic allowance for housing: rates

''(a) RATES PRESCRIBED BY SECRETARY OF DEFENSE.—The Secretary of Defense shall prescribe monthly rates of basic allowance for housing payable under section 403 of this title. The Secretary shall specify the rates, by pay grade and dependency status, for each geographic area defined in accordance with subsection (b).

"(b) GEOGRAPHIC BASIS FOR RATES.—(1) The Secretary shall define the areas within the United States and the areas outside the United States for which rates of basic allowance for housing are separately specified.

"(2) For each area within the United States that is defined under paragraph (1), the Secretary shall determine the costs of housing in that area that the Secretary considers adequate for civilians residents of that area whose relevant circumstances the Secretary considers as being comparable to those of members of the uniformed services.

"(3) For each area outside the United States defined under paragraph (1), the Secretary shall determine the costs of housing in that area that the Secretary considers adequate for members of the uniformed services.

"(c) RATES WITHIN THE UNITED STATES.—(1) Subject to paragraph (2), the monthly rate of basic allowance for housing for members of the uniformed services of a particular grade and dependency status for an area within the United States shall be the amount equal to the excess of—

"(A) the monthly cost of housing determined applicable for members of that grade and dependency status for that area under subsection (b), over

"(B) the amount equal to 15 percent of the average of the monthly costs of housing determined applicable for members of the uniformed services of that grade and dependency status for all areas of the United States under subsection (b).

"(2) The rates of basic allowance for housing determined under paragraph (1) shall be reduced as necessary to comply with subsection (g).

"(d) RATES OUTSIDE THE UNITED STATES.—The monthly rate of basic allowance for housing for members of the uniformed services of a particular grade and dependency status for an area outside the United States shall be an amount appropriate for members of the uniformed services of that grade and dependency status for that area, as determined by the Secretary on the basis of the costs of housing in that area.

"(e) ADJUSTMENTS WHEN RATES OF BASIC PAY INCREASED.—The Secretary of Defense shall periodically redetermine the housing costs for areas under subsection (b) and adjust the rates of basic allowance for housing as appropriate on the basis of the redetermination of costs. The effective date of any adjustment in rates of basic allowance for housing for an area as a result of such a redetermination shall be the same date as the effective date of the

next increase in rates of basic pay for members of the uniformed services after the redetermination.

"(f) SAVINGS OF RATE.—The rate of basic allowance for housing payable to a particular member for an area within the United States may not be reduced during a continuous period of eligibility of the member to receive a basic allowance for housing for that area by reason of—

"(1) a general reduction of rates of basic allowance for housing for members of the same grade and dependency status for the area taking effect during the period; or

"(2) a promotion of the member during the period.

"(g) FISCAL YEAR LIMITATION ON TOTAL ALLOWANCES PAID FOR HOUSING INSIDE THE UNITED STATES.—(1) The total amount that may be paid for a fiscal year for the basic allowance for housing for areas within the United States by authorized members of the uniformed services by section 403 of this title is the product of—

"(A) the total amount authorized to be paid for the allowance for such areas for the preceding fiscal year (as adjusted under paragraph (2)); and

"(B) the fraction—

"(i) the numerator of which is the average of the costs of housing determined by the Secretary under subsection (b)(2) for the areas of the United States for June of the preceding fiscal year; and

"(ii) the denominator of which is the average of the costs of housing determined by the Secretary under subsection (b)(2) for the areas of the United States for June of the fiscal year before the preceding fiscal year.

"(2) In making a determination under paragraph (1) for a fiscal year, the Secretary shall adjust the amount authorized to be paid for the preceding fiscal year for the basic allowance for housing to reflect changes (during the fiscal year for which the determination is made) in the number, grade distribution, and dependency status of members of the uniformed services entitled to the basic allowance for housing from the number of such members during such preceding fiscal year.

"(h) MEMBERS EN ROUTE BETWEEN PERMANENT DUTY STATIONS.—The Secretary of Defense shall prescribe in regulations the rate of the temporary housing allowance to which a member is entitled under section 403(f) of this title while the member is in a travel or leave status between permanent duty stations.

"(i) SURVIVORS OF MEMBERS DYING ON ACTIVE DUTY.— The rate of the basic allowance for housing payable to dependents of a deceased member under section 403(l)(2) of this title shall be the rate that is payable for members of the same grade and dependency status as the deceased member for the area where the dependents are residing.

"(j) MEMBERS PAYING CHILD SUPPORT.—(1) The basic allowance for housing differential to which a member is entitled under section 403(m)(2) of this title is the amount equal to the excess of—

"(A) the rate of the basic allowance for quarters (with dependents) for the member's pay grade, as such rate was in effect on December 31, 1997, under section 403 of this title (as such section was in effect on such date), over

"(B) the rate of the basic allowance for quarters (without dependents) for the member's pay grade, as such rate was in effect on December 31, 1997, under section 403 of this title (as such section was in effect on that date).

"(2) Whenever the rates of basic pay for members of the uniformed services are increased, the monthly amount of the basic allowance for housing differential shall be increased by the average percent increase in the

rates of basic pay. The effective date of the increase shall be the same date as the effective date in the increase in the rates of basic pay.

"(k) PARTIAL ALLOWANCE FOR QUARTERS.—The rate of the partial allowance for quarters to which a member without dependents is entitled under section 403(p) of this title is the partial rate of basic allowance for quarters for the member's pay grade as such partial rate was in effect on December 31, 1997, under section 1009(c)(2) of this title (as such section was in effect on such date).".

SEC. 618. DISLOCATION ALLOWANCE.

(a) AMOUNT.—Section 407 of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "equal to the basic allowance for quarters for two and one-half months as provided for the member's pay grade and dependency status in section 403 of this title" in the matter preceding paragraph (1) and inserting in lieu thereof "determined under subsection (g)";

(2) in subsection (b), by striking out "equal to the basic allowance for quarters for two months as provided for a member's pay grade and dependency status in section 403 of this title" and inserting in lieu thereof "determined under subsection (g)"; and

(3) by adding at the end the following:

"(g) AMOUNT.—(1) The dislocation allowance payable to a member under subsection (a) shall be the amount equal to 160 percent of the monthly national average cost of housing determined for members of the same grade and dependency status as the member.

"(2) The dislocation allowance payable to a member under subsection (b) shall be the amount equal to 130 percent of the monthly national average cost of housing determined for members of the same grade and dependency status as the member.

"(3) In this section, the term 'monthly national average cost of housing', with respect to members of a particular grade and dependency status, means the average of the monthly costs of housing that the Secretary determines adequate for members of that grade and dependency status for all areas in the United States under section 403a(b)(2) of this title.".

(b) STYLISTIC AMENDMENTS.—Such section is amended—

(1) in subsection (a), by inserting "FIRST ALLOWANCE.—" after "(a)";

(2) in subsection (b), by inserting "SECOND ALLOWANCE.—" after "(b)";

(3) in subsection (c), by inserting "ONE ALLOWANCE PER FISCAL YEAR.—" after "(c)";

(4) in subsection (d), by inserting "NO ENTITLEMENT FOR FIRST AND LAST MOVES.—" after "(d)";

(5) in subsection (e), by inserting "WHEN MEMBER WITH DEPENDENTS CONSIDERED MEMBER WITHOUT DEPENDENTS.—" after "(e)"; and

(6) in subsection (f), by inserting "PAYMENT IN ADVANCE.—" after "(f)".

SEC. 619. FAMILY SEPARATION AND STATION ALLOWANCES.

(a) FAMILY SEPARATION ALLOWANCE.—

(1) REPEAL OF AUTHORITY FOR ALLOWANCE EQUAL TO BAQ.—Section 427 of title 37, United States Code, is amended by striking out subsection (a).

(2) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(A) by striking out "(b) ADDITIONAL SEPARATION ALLOWANCE.—";

(B) by redesignating paragraphs (1), (2), (3), (4), and (5), as subsections (a), (b), (c), (d), and (e), respectively;

(C) in subsection (a), as so redesignated—

(i) by inserting "ENTITLEMENT.—" after "(a)";

(ii) by striking out ", including subsection (a),"; and

(iii) by redesignating subparagraphs (A), (B), (C), and (D) as paragraphs (1), (2), (3), and (4), respectively;

(D) in subsection (b), as redesignated by paragraph (2)—

(i) by inserting "EFFECTIVE DATE FOR SEPARATION DUE TO CRUISE OR TEMPORARY DUTY.—" after "(b)";

(ii) by striking out "subsection by virtue of duty described in subparagraph (B) or (C) of paragraph (1)" and inserting in lieu thereof "section by virtue of duty described in paragraph (2) or (3) of subsection (a)";

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

(iv) in paragraph (2), as so redesignated—

(I) by striking out "subsection" and inserting in lieu thereof "section"; and

(II) by striking out ''subparagraphs'' and inserting in lieu thereof ''paragraphs'';

(E) in subsection (c), as redesignated by paragraph (2)—

(i) by inserting ''ENTITLEMENT WHEN NO RESIDENCE OR HOUSEHOLD MAINTAINED FOR DEPENDENTS.—'' after ''(c)''; and

(ii) by striking out ''subsection'' and inserting in lieu thereof ''section'';

(F) in subsection (d), as redesignated by paragraph (2)—

(i) by inserting ''EFFECT OF ELECTION OF UNACCOMPANIED TOUR.—'' after ''(d)''; and

(ii) by striking out ''paragraph (1)(A) of this subsection'' and inserting in lieu thereof ''subsection (a)(1)''; and

(G) in subsection (e), as redesignated by paragraph (2)—

(i) by inserting ''ENTITLEMENT WHILE DEPENDENT ENTITLED TO BASIC PAY.—'' after ''(e)''; and

(ii) by striking out ''paragraph (1)(D)'' each place it appears and inserting in lieu thereof ''subsection (a)(4)''.

(b) STATION ALLOWANCE.—

(1) REPEAL OF AUTHORITY.—Section 405 of title 37, United States Code, is amended by striking out subsection (b).

(2) CONFORMING AMENDMENT.—Such section is further amended by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 620. OTHER CONFORMING AMENDMENTS.

(a) DEFINITION OF REGULAR MILITARY COMPENSATION.—Section 101(25) of title 37, United States Code, is amended by striking out ''basic allowance for quarters (including any variable housing allowance or station allowance)'' and inserting in lieu thereof ''basic allowance for housing.''.

(b) ALLOWANCES WHILE PARTICIPATING IN INTERNATIONAL SPORTS.—Section 420(c) of such title is amended by striking out ''quarters'' and inserting in lieu thereof ''housing''.

(c) PAYMENTS TO MISSING PERSONS.—Section 551(3)(D) of such title is amended by striking out ''quarters'' and inserting in lieu thereof ''housing''.

(d) PAYMENT DATE.—Section 1014(a) of such title is amended by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''.

(e) OCCUPANCY OF SUBSTANDARD FAMILY HOUSING.—Section 2830(a) of title 10, United States Code, is amended by striking out ''basic allowance for quarters'' each place it appears and inserting in lieu thereof ''basic allowance for housing''.

SEC. 621. CLERICAL AMENDMENT.

The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by striking out the items relating to section 403 and 403a and inserting in lieu thereof the following:

''403. Basic allowance for housing: eligibility.
''403a. Basic allowance for housing: rates.''.

SEC. 622. EFFECTIVE DATE.

This part and the amendments made by this part shall take effect on January 1, 1998.

PART III—OTHER AMENDMENTS RELATING TO ALLOWANCES

SEC. 626. REVISION OF AUTHORITY TO ADJUST COMPENSATION NECESSITATED BY REFORM OF SUBSISTENCE AND HOUSING ALLOWANCES.

(a) CONFORMING REPEAL OF AUTHORITY RELATING TO BAS AND BAQ.—

(1) IN GENERAL.—Section 1009 of title 37, United States Code, is amended to read as follows:

"§ 1009. Adjustments of monthly basic pay

''(a) ADJUSTMENT REQUIRED.—Whenever the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5 is adjusted upward, the President shall immediately make an upward adjustment in the monthly basic pay authorized members of the uniformed services by section 203(a) of this title.

''(b) EFFECTIVENESS OF ADJUSTMENT.—An adjustment under this section shall—

''(1) have the force and effect of law; and

''(2) carry the same effective date as that applying to the compensation adjustments provided General Schedule employees.

''(c) EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.—Subject to subsection (d), an adjustment under this section shall provide all eligible members with an increase in the monthly basic pay which is of the same percentage as the overall average percentage increase in the General Schedule rates of basic pay for civilian employees.

''(d) ALLOCATION OF INCREASE AMONG PAY GRADES AND YEARS-OF-SERVICE.—(1) Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, he may allo-

cate the overall percentage increase in the monthly basic pay under subsection (a) among such pay grade and years-of-service categories as he considers appropriate.

"(2) In making any allocation of an overall percentage increase in basic pay under paragraph (1)—

"(A) the amount of the increase in basic pay for any given pay grade and years-of-service category after any allocation made under this subsection may not be less than 75 percent of the amount of the increase in the monthly basic pay that would otherwise have been effective with respect to such pay grade and years-of-service category under subsection (c); and

"(B) the percentage increase in the monthly basic pay in the case of any member of the uniformed services with four years or less service may not exceed the overall percentage increase in the General Schedule rates of basic pay for civilian employees.

"(e) NOTICE OF ALLOCATIONS.—Whenever the President plans to exercise his authority under subsection (d) with respect to any anticipated increase in the monthly basic pay of members of the uniformed services, he shall advise Congress, at the earliest practicable time prior to

the effective date of such increase, regarding the proposed allocation of such increase.

"(f) QUADRENNIAL ASSESSMENT OF ALLOCATIONS.—The allocations of increases made under this section shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b) of this title.".

(2) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 19 of such title is amended to read as follows:

"1009. Adjustments of monthly basic pay.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1998.

SEC. 627. DEADLINE FOR PAYMENT OF READY RESERVE MUSTER DUTY ALLOWANCE.

Section 433(c) of title 37, United States Code, is amended by striking out "and shall" in the first sentence and all that follows in that sentence and inserting in lieu thereof a period and the following: "The allowance shall be paid to the member before, on, or after the date on which the muster duty is performed, but not later than 30 days after that date.".

Subtitle C—Bonuses and Special and Incentive Pays

SEC. 631. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS.—Section 302g(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended

by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

SEC. 632. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is

amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 633. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by

striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

SEC. 634. INCREASED AMOUNTS FOR AVIATION CAREER INCENTIVE PAY.

(a) AMOUNTS.—The table in subsection (b)(1) of section 301a(b)(1) of title 37, United States Code, is amended—

(1) by inserting at the end of phase I of the table the following:

''Over 14	840'';

and

(2) by striking out phase II of the table and inserting in lieu thereof the following:

''PHASE II

''Years of service as an officer:	''Monthly rate
''Over 22	$585
''Over 23	495
''Over 24	385
''Over 25	250''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on October 1, 1998, and shall apply with respect to months beginning on or after that date.

SEC. 635. AVIATION CONTINUATION PAY.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 301b of title 37, United States Code, is amended by striking out ''1998'' and inserting in lieu thereof ''2005''.

(b) BONUS AMOUNTS.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking out ''$12,000'' and inserting in lieu thereof ''$25,000''; and

(2) in paragraph (2), by striking out ''$6,000'' and inserting in lieu thereof ''$12,000''.

(c) DEFINITION OF AVIATION SPECIALTY.—Subsection (j)(2) of such section is amended by inserting ''specific'' before ''community''.

(d) CONTENT OF ANNUAL REPORT.—Subsection (i)(1) of such section is amended—

(1) by inserting ''and'' at the end of subparagraph (A);

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

(3) by striking out subparagraph (C).

(e) EFFECTIVE DATES AND APPLICABILITY.—(1) Except as provided in paragraphs (1) and (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall take effect on October 1, 1997, and shall apply with respect to agreements accepted under subsection (a) of section 301b of title 37, United States Code, on or after that date.

(3) The amendment made by subsection (c) shall take effect as of October 1, 1996, and shall apply with respect to agreements accepted under subsection (a) of section 301b of title 37, United States Code, on or after that date.

SEC. 636. ELIGIBILITY OF DENTAL OFFICERS FOR THE MULTIYEAR RETENTION BONUS PROVIDED FOR MEDICAL OFFICERS.

(a) ADDITION OF DENTAL OFFICERS.—Section 301d of title 37, United States Code, is amended—

(1) in subsection (a)(1), by inserting ''or dental'' after ''medical''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by inserting ''or Dental Corps'' after ''Medical Corps''; and

(ii) by inserting ''or dental'' after ''medical''; and

(B) in paragraph (3), by inserting ''or dental'' after ''medical''.

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

"§ 301d. Multiyear retention bonus: medical and dental officers of the armed forces".

(2) The item relating to such section in the table of sections at the beginning of chapter 5 of title 37, United States Code, is amended to read as follows:

"301d. Multiyear retention bonus: medical and dental officers of the armed forces.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997, and apply to agreements accepted under section 301d of title 37, United States Code, on or after that date.

SEC. 637. INCREASED SPECIAL PAY FOR DENTAL OFFICERS.

(a) VARIABLE SPECIAL PAY FOR OFFICERS BELOW GRADE O–7.—Paragraph (2) of section 302b(a) of title 37, United States Code, is amended by striking out subparagraphs (C), (D), (E), and (F), and inserting in lieu thereof the following:

"(C) $4,000 per year, if the officer has at least six but less than 8 years of creditable service.

"(D) $12,000 per year, if the officer has at least 8 but less than 12 years of creditable service.

"(E) $10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

"(F) $9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(G) $8,000 per year, 18 or more years of creditable service.".

(b) VARIABLE SPECIAL PAY FOR OFFICERS ABOVE GRADE O–6.—Paragraph (3) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$7,000".

(c) ADDITIONAL SPECIAL PAY.—Paragraph (4) of such section is amended—

(1) in subparagraph (B), by striking out "14" and inserting in lieu thereof "10"; and

(2) by striking out subparagraphs (C) and (D) and inserting in lieu thereof the following:

"(C) $15,000 per year, if the officer has 10 or more years of creditable service.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997, and shall apply with respect to months beginning on or after that date.

SEC. 638. MODIFICATION OF SELECTED RESERVE REENLISTMENT BONUS AUTHORITY.

(a) ELIGIBILITY OF MEMBERS WITH UP TO 14 YEARS OF TOTAL SERVICE.—Subsection (a) of section 308b of title 37, United States Code, is amended by strik-

ing out ''ten years'' in paragraph (1) and inserting in lieu thereof ''14 years''.

(b) TWO-BONUS AUTHORITY FOR CONSECUTIVE 3-YEAR ENLISTMENTS.—Such subsection is further amended—

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

(2) by inserting ''AUTHORITY AND ELIGIBILITY REQUIREMENTS.—(1)'' after ''(a)'';

(3) by striking out ''a bonus as provided in subsection (b)'' before the period at the end and inserting in lieu thereof ''a bonus or bonuses in accordance with this section''; and

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

''(2) If a person eligible to receive a bonus under this section by reason of an enlistment for a period of three years so elects on or before the date of the enlistment, the Secretary concerned may pay the person—

''(A) a bonus for that enlistment; and

''(B) an additional bonus for a later voluntary extension of the enlistment, or a subsequent consecutive enlistment, for a period of at least three years if—

"(i) on the date of the expiration of the enlistment for which the first bonus was paid, or the date on which, but for an extension of the enlistment, the enlistment would otherwise expire, as the case may be, the person satisfies the eligibility requirements set forth in paragraph (1) and the eligibility requirements for reenlisting or extending the enlistment; and

"(ii) the extension of the enlistment or the subsequent consecutive enlistment, as the case may be, is in a critical military skill designated for such a bonus by the Secretary concerned.".

(c) BONUS AMOUNTS.—Subsection (b) of such section is amended to read as follows:

"(b) BONUS AMOUNTS.—(1) In the case of a member who enlists for a period of six years, the bonus to be paid under subsection (a) shall be a total amount not to exceed $5,000.

"(2) In the case of a member who enlists for a period of three years, the bonus to be paid under subsection (a) shall be as follows:

"(A) If the member does not make an election authorized under subsection (a)(2), the total amount of the bonus shall be an amount not to exceed $2,500.

"(B) If the member makes an election under subsection (a)(2) to be paid a bonus for the enlistment and an additional bonus for a later extension of the enlistment or for a subsequent consecutive enlistment—

"(i) the total amount of the first bonus shall be an amount not to exceed $2,000; and

"(ii) the total amount of the additional bonus shall be an amount not to exceed $2,500.".

(d) DISBURSEMENT OF BONUS.—Subsection (c) of such section is amended to read as follows:

"(c) DISBURSEMENT OF BONUS.—(1) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.

"(2) Payment of any additional bonus under subsection (a)(2)(B) for an extension of an enlistment or a subsequent consecutive enlistment shall begin on or after the date referred to in clause (i) of that subsection.".

(e) SUBSECTION HEADINGS.—Such section is further amended—

(1) in subsection (d), by inserting ''REFUND FOR UNSATISFACTORY SERVICE.—'' after ''(d)'';

(2) in subsection (e), by inserting ''REGULATIONS.—'' after ''(e)''; and

(3) in subsection (f), by inserting ''TERMINATION OF AUTHORITY.—'' after ''(f)''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997, and apply to enlistments in the Armed Forces on or after that date.

SEC. 639. MODIFICATION OF AUTHORITY TO PAY BONUSES FOR ENLISTMENTS BY PRIOR SERVICE PERSONNEL IN CRITICAL SKILLS IN THE SELECTED RESERVE.

(a) REORGANIZATION OF SECTION.—Section 308i of title 37, United States Code, is amended—

(1) by redesignating subsections (e), (f), and (g) as paragraphs (2), (3), and (4), respectively, of subsection (d);

(2) by redesignating subsections (b), (c), (d), (h), and (i) as subsections (c), (e), (f), (g), and (h), respectively; and

(3) by redesignating paragraph (2) of subsection (a) as subsection (b) and in subsection (b), as so redesignated, by redesignating subparagraphs

(A), (B), (C), and (D) as paragraphs (1), (2), (3), and (4), respectively.

(b) TWO-BONUS AUTHORITY FOR CONSECUTIVE 3-YEAR ENLISTMENTS.—Subsection (a) of such section is amended by inserting after paragraph (1) the following new paragraph (2):

''(2) If a person eligible to receive a bonus under this section by reason of an enlistment for a period of three years so elects on or before the date of the enlistment, the Secretary concerned may pay the person—

''(A) a bonus for that enlistment; and

''(B) an additional bonus for a later extension of the enlistment, or a subsequent consecutive enlistment, for a period of at least three years if—

''(i) on the date of the expiration of the enlistment for which the first bonus was paid, or the date on which, but for an extension of the enlistment, the enlistment would otherwise expire, the person satisfies the eligibility requirements set forth in subsection (b) and the eligibility requirements for reenlisting or extending the enlistment, as the case may be; and

''(ii) the extension of the enlistment or the subsequent consecutive enlistment, as the case

may be, is in a critical military skill designated for such a bonus by the Secretary concerned.''.

(c) ELIGIBILITY OF FORMER MEMBERS WITH UP TO 14 YEARS OF PRIOR SERVICE.—Subsection (b) of such section, as redesignated by subsection (a)(3), is amended by striking out ''10 years'' and inserting in lieu thereof ''14 years''.

(d) BONUS AMOUNTS.—Subsection (c) of such section, as redesignated by subsection (a)(2), is amended to read as follows:

''(c) BONUS AMOUNTS.—(1) In the case of a member who enlists for a period of six years, the bonus to be paid under subsection (a) shall be a total amount not to exceed $5,000.

''(2) In the case of a member who enlists for a period of three years, the bonus to be paid under subsection (a) shall be as follows:

''(A) If the member does not make an election authorized under subsection (a)(2), the total amount of the bonus shall be an amount not to exceed $2,500.

''(B) If the member makes an election under subsection (a)(2) to be paid a bonus for the enlistment and an additional bonus for a later extension

of the enlistment or for a subsequent consecutive enlistment—

"(i) the total amount of the first bonus shall be an amount not to exceed $2,000; and

"(ii) the total amount of the additional bonus shall be an amount not to exceed $2,500.".

(e) DISBURSEMENT OF BONUS.—Such section is amended by inserting after subsection (c), as redesignated by subsection (a)(2) and amended by subsection (d), the following new subsection (d):

"(d) DISBURSEMENT OF BONUS.—(1) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.

"(2) Payment of any additional bonus under subsection (a)(2)(B) for an extension of an enlistment or a subsequent consecutive enlistment shall begin on or after the date referred to in clause (i) of that subsection.".

(f) CONFORMING AMENDMENTS.—(1) Subsection (a)(1) of such section is amended by striking out "paragraph (2) may be paid a bonus as prescribed in subsection

(b)'' and inserting in lieu thereof ''subsection (b) may be paid a bonus or bonuses in accordance with this section''.

(2) Subsection (e) of such section, as redesignated by subsection (a)(2), is amended by striking out ''may not be paid more than one bonus under this section and''.

(3) Subsection (f) of such section, as redesignated by subsection (a)(2), is amended—

(A) by inserting ''REFUND FOR UNSATISFACTORY SERVICE.—(1)'' after ''(f)'';

(B) in paragraphs (2) and (4), as redesignated by subsection (a)(1), by striking out ''subsection (d)'' and inserting in lieu thereof ''paragraph (1)''; and

(C) in paragraph (3), as redesignated by subsection (a)(1)—

(i) by striking out ''subsection (h)'' and inserting in lieu thereof ''subsection (g)''; and

(ii) by striking out ''subsection (d)'' and inserting in lieu thereof ''paragraph (1)''.

(g) SUBSECTION HEADINGS.—Such section, as amended by subsections (a) through (f), is further amended—

(1) in subsection (a), by inserting ''AUTHORITY.—'' after ''(a)'';

(2) in subsection (b), by inserting ''ELIGIBILITY.—'' after ''(b)'';

(3) in subsection (e), by inserting ''LIMITATION.—'' after ''(e)'';

(4) in subsection (g), by inserting ''REGULATIONS.—'' after ''(g)''; and

(5) in subsection (h), by inserting ''TERMINATION OF AUTHORITY.—'' after ''(h)''.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997, and apply to enlistments in the Armed Forces on or after that date.

SEC. 640. INCREASED SPECIAL PAY AND BONUSES FOR NUCLEAR QUALIFIED OFFICERS.

(a) SPECIAL PAY FOR OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Subsection (a) of section 312 of title 37, United States Code, is amended by striking out ''$12,000'' and inserting in lieu thereof ''$15,000''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Subsection (a)(1) of section 312b of title 37, United States Code, is amended by striking out ''$8,000'' and inserting in lieu thereof ''$10,000''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUSES.—Section 312c of title 37, United States Code, is amended—

(1) in subsection (a)(1), by striking out "$10,000" and inserting in lieu thereof "$12,000"; and

(2) in subsection (b)(1), by striking out "$4,500" and inserting in lieu thereof "$5,500".

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

(2) The amendments made by subsections (a) and (b) shall apply with respect to agreements accepted under sections 312(a) and 312b(a), respectively, of title 37, United States Code, on or after the effective date of the amendments.

SEC. 641. AUTHORITY TO PAY BONUSES IN LIEU OF SPECIAL PAY FOR ENLISTED MEMBERS EXTENDING DUTY AT DESIGNATED LOCATIONS OVERSEAS.

(a) PAYMENT FLEXIBILITY.—Section 314 of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "at a rate" and all that follows through "Secretary concerned";

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

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

"(b) PAYMENT SCHEDULE AND RATES.—At the election of the Secretary concerned, the Secretary may pay the special pay to which a member is entitled under subsection (a)—

"(1) in monthly installments in an amount prescribed by the Secretary, but not to exceed $80 each; or

"(2) as an annual bonus in an amount prescribed by the Secretary, but not to exceed $2,000 per year.".

(b) PROHIBITION OF CONCURRENT RECEIPT WITH REST AND RECUPERATIVE ABSENCE OR TRANSPORTATION.—Subsection (c) of such section, as redesignated by subsection (a)(2), is amended—

(1) by inserting "CONCURRENT RECEIPT OF BENEFITS PROHIBITED.—(1)" after "(c)"; and

(2) by adding at the end the following:

"(2)(A) In the case of a member entitled to an annual bonus for a 12-month period under subsection (b)(2), the amount of the annual bonus shall be reduced by the percent determined by dividing 12 into the number of months in the period that the member is authorized rest and recuperative absence or transportation. For the purposes of the preceding sentence, a member shall be treated as having been authorized rest and recuperative absence or

transportation for a full month if rest and recuperative absence or transportation is authorized for the member for any part of the month.

''(B) The Secretary concerned shall recoup by collection from a member any amount of an annual bonus paid under subsection (b)(2) to the member for a 12-month period that exceeds the amount of the bonus to which the member is entitled for the period by reason of an authorization of rest and recuperative absence or transportation for the member during that period that was not taken into account in computing the amount of the entitlement.''.

(c) REPAYMENT.—Such section is further amended by adding at the end the following:

''(d) REFUND FOR FAILURE TO COMPLETE TOUR OF DUTY.—(1) A member who, having entered into a written agreement to extend a tour of duty for a period under subsection (a), receives a bonus payment under subsection (b)(2) for a 12-month period covered by the agreement and ceases during that 12-month period to perform the agreed tour of duty shall refund to the United States the unearned portion of the bonus. The unearned portion of the bonus is the amount by which the amount of the bonus paid to the member exceeds the amount determined by multiplying the amount of the bonus paid by the percent determined by dividing 12 into the number of full months

during which the member performed the duty in the 12-month period.

"(2) The Secretary concerned may waive the obligation of a member to reimburse the United States under paragraph (1) if the Secretary determines that conditions and circumstances warrant the waiver.

"(e) TREATMENT OF REIMBURSEMENT OBLIGATIONS.—(1) An obligation to reimburse the United States imposed under subsection (c)(2)(B) or (d) is for all purposes a debt owed to the United States.

"(2) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of a written agreement entered into under subsection (a) does not discharge the member signing the agreement from a debt referred to in paragraph (1). This paragraph applies to any case commenced under title 11 on or after October 1, 1997.".

(d) STYLISTIC AMENDMENT.—Subsection (a) of such section is amended by inserting "AUTHORITY.—" after "(a)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997, and apply to agreements accepted under section 314 of title 37, United States Code, on or after that date.

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

SEC. 651. ONE-YEAR OPPORTUNITY TO DISCONTINUE PARTICIPATION IN SURVIVOR BENEFIT PLAN.

(a) ELECTION TO DISCONTINUE WITHIN ONE YEAR AFTER SECOND ANNIVERSARY OF COMMENCEMENT OF PAYMENT OF RETIRED PAY.—(1) Subchapter II of chapter 73 of title 10, United States Code, is amended by inserting after section 1448 the following:

"§ 1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay

"(a) AUTHORITY.—A participant in the Plan may, subject to the provisions of this section, elect to discontinue participation in the Plan at any time during the 1-year period beginning on the second anniversary of the date on which payment of retired pay to the participant commences.

"(b) CONCURRENCE OF SPOUSE.—(1) A married participant may not make an election under subsection (a) without the concurrence of the participant's spouse, except that the participant may make such an election without the concurrence of the person's spouse if the person establishes to the satisfaction of the Secretary concerned that

one of the conditions described in section 1448(a)(3)(C) of this title exists.

"(2) The concurrence of a spouse under paragraph (1) shall be made in such written form and shall contain such information as may be required under regulations prescribed by the Secretary of Defense.

"(c) LIMITATION ON ELECTION WHEN FORMER SPOUSE COVERAGE IN EFFECT.—The limitation set forth in section 1450(f)(2) of this title shall apply to an election to discontinue participation in the Plan under subsection (a).

"(d) WITHDRAWAL OF ELECTION TO DISCONTINUE.—Section 1448(b)(1)(D) of this title shall apply to an election under subsection (a).

"(e) CONSEQUENCES OF DISCONTINUATION.—Section 1448(b)(1)(E) of this title shall apply to an election under subsection (a).

"(f) NOTICE TO EFFECTED BENEFICIARIES.—The Secretary concerned shall notify any former spouse or other natural person previously designated under section 1448(b) of this title of any election to discontinue participation under subsection (a).

"(g) EFFECTIVE DATE OF ELECTION.—An election authorized under this section is effective as of the first

day of the first calendar month following the month in which the election is received by the Secretary concerned.

"(h) INAPPLICABILITY OF IRREVOCABILITY PROVISIONS.—Paragraphs (4)(B) and (5)(C) of section 1448(a) of this title do not apply to prevent an election under subsection (a).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1448 the following:

"1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay.".

(b) TRANSITION PROVISION.—Notwithstanding the limitation on the time for making an election under section 1448a of title 10, United States Code (as added by subsection (a)), that is specified in subsection (a) of such section, a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of such title may make an election in accordance with that section within one year after the effective date of the section if the second anniversary of the commencement of payment of retired pay to the participant precedes that effective date.

(c) EFFECTIVE DATE.—Section 1448a of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

SEC. 652. TIME FOR CHANGING SURVIVOR BENEFIT COVERAGE FROM FORMER SPOUSE TO SPOUSE.

Section 1450(f)(1)(C) of title 10, United States Code, is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a change of election under this subsection to provide an annuity to a spouse instead of a former spouse may (subject to paragraph (2)) be made at any time without regard to the time limitation in section 1448(a)(5)(B) of this title.''.

SEC. 653. PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(j) COVERAGE PAID UP AT 30 YEARS OR AGE 70.—(1) Coverage of a survivor of a member under the Plan shall be considered paid up as of the end of the earlier of—

''(A) the 360th month in which the member's retired pay has been reduced under this section; or

''(B) the month in which the member attains 70 years of age.

''(2) The retired pay of a member shall not be reduced under this section to provide coverage of a survivor under the Plan after the month when the coverage is considered paid up under paragraph (1).''.

SEC. 654. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving

spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms ''uniformed services'' and ''Secretary concerned'' have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term ''surviving spouse'' has the meaning given the terms ''widow'' and ''widower'' in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month that begins after the month in which this Act is enacted.

(f) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

Subtitle E—Other Matters

SEC. 661. ELIGIBILITY OF RESERVES FOR BENEFITS FOR ILLNESS, INJURY, OR DEATH INCURRED OR AGGRAVATED IN LINE OF DUTY.

(a) PAY AND ALLOWANCES.—(1) Section 204 of title 37, United States Code, is amended—

(A) in subsection (g)(1)(D), by inserting after ''while remaining overnight,'' the following: ''immediately before the commencement of inactive-duty training or''; and

(B) in subsection (h)(1)(D), by inserting after ''while remaining overnight,'' the following: ''immediately before the commencement of inactive-duty training or''.

(2) Section 206(a)(3)(C) of such title is amended by inserting after ''while remaining overnight,'' the following: ''immediately before the commencement of inactive-duty training or''.

(b) MEDICAL AND DENTAL CARE.—(1) Section 1074a(a)(3) of title 10, United States Code, is amended by inserting after ''while remaining overnight,'' the following: ''immediately before the commencement of inactive-duty training or''.

(2) Section 1076(a)(2) of title 10, United States Code, is amended—

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

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

(C) by adding at the end the following:

''(C) who incurs or aggravates an injury, illness, or disease in the line of duty while serving on active duty under a call or order to active duty for a period of 30 days or less, if the call or order is modified to extend the period of active duty of the member to be more than 30 days.''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2) of title 10, United States Code, is amended to read as follows:

''(2) the disability is a result of an injury, illness, or disease incurred or aggravated—

"(A) in line of duty while performing active duty or inactive-duty training;

"(B) while traveling directly to or from the place at which such duty is performed; or

"(C) while remaining overnight, immediately before the commencement of inactive-duty training or between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence;".

(2) Section 1206 of title 10, United States Code, is amended—

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

(B) by inserting after paragraph (1) the following new paragraph:

"(2) the disability is a result of an injury, illness, or disease incurred or aggravated—

"(A) in line of duty while performing active duty or inactive-duty training;

"(B) while traveling directly to or from the place at which such duty is performed; or

"(C) while remaining overnight, immediately before the commencement of inactive-duty training or between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence;".

(d) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of title 10, United States Code, is amended by inserting after "while remaining overnight," the following: "immediately before the commencement of inactive-duty training or".

(e) CONFORMING AMENDMENTS AND RELATED CLERICAL AMENDMENTS.—(1) The heading of section 1204 of title 10, United States Code, is amended to read as follows:

"§ 1204. Members on active duty for 30 days or less or on inactive-duty training: retirement".

(2) The heading of section 1206 of such title is amended to read as follows:

"§ 1206. Members on active duty for 30 days or less or on inactive-duty training: separation".

(3) The table of sections at the beginning of chapter 61 of such title is amended—

(A) by striking out the item relating to section 1204 and inserting in lieu thereof the following:

"1204. Members on active duty for 30 days or less or on inactive-duty training: retirement.";

and

(B) by striking out the item relating to section 1206 and inserting in lieu thereof the following:

"1206. Members on active duty for 30 days or less or on inactive-duty training: separation.".

(f) PROSPECTIVE APPLICABILITY.—No benefit shall accrue under an amendment made by this section for any period before the date of the enactment of this Act.

SEC. 662. TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS BEFORE APPROVAL OF A MEMBER'S COURT-MARTIAL SENTENCE.

Section 406(h)(2)(C) of title 37, United States Code, is amended by inserting before the period at the end of the matter following clause (iii) the following: "or action on the sentence is pending under that section".

SEC. 663. ELIGIBILITY OF MEMBERS OF THE UNIFORMED SERVICES FOR REIMBURSEMENT OF ADOPTION EXPENSES.

(a) PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following:

"(16) Section 1052, Reimbursement for adoption expenses.".

(b) NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act entitled ''An Act to revise, codify, and enact into law, title 10 of the United States Code, entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard' '', approved August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following:

''(16) Section 1052, Reimbursement for adoption expenses.''.

(c) PROSPECTIVE APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and apply to adoptions completed on or after such date.

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.

(a) AUTHORITY.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following:

"§ 1107. Waiver of deductibles, copayments, and annual fees for members assigned to certain duty locations far from sources of care

''(a) AUTHORITY.—The administering Secretaries shall prescribe in regulations—

''(1) authority for members of the armed forces referred to in subsection (b) to receive care under the Civilian Health and Medical Program of the Uniformed Services; and

''(2) policies and procedures for waiving an obligation for such members to pay a deductible, copayment, or annual fee that would otherwise be applicable under that program for care provided to the members under the program.

''(b) ELIGIBILITY.—The regulations may be applied to a member of the uniformed services on active duty who—

''(1) is assigned to—

''(A) permanent duty as a recruiter;

''(B) permanent duty at an educational institution to instruct, administer a program of instruction, or provide administrative services in support of a program of instruction for the Reserve Officers' Training Corps;

"(C) permanent duty as a full-time adviser to a unit of a reserve component of the armed forces; or

"(D) any other permanent duty designated by the administering Secretary concerned for purposes of the regulations; and

"(2) pursuant to such assignment, resides at a location that is more than 50 miles, or one hour of driving time, from—

"(A) the nearest health care facility of the uniformed services adequate to provide the needed care under this chapter; and

"(B) the nearest source of the needed care that is available to the member under the TRICARE Prime plan.

"(c) PAYMENT OF COSTS.—Deductibles, copayments, and annual fees not payable by a member by reason of a waiver granted under the regulations shall be paid out of funds available to the Department of Defense for the defense health program.

"(d) DEFINITIONS.—In this section:

"(1) The term 'TRICARE Prime plan' means a plan under the TRICARE program that provides for voluntary enrollment for health care to be furnished in a manner similar to the manner in which

health care is furnished by health maintenance organizations.

"(2) The term 'TRICARE program' means the managed health care program that is established by the Secretary of Defense under the authority of this chapter, principally section 1097 of this title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.".

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

"1107. 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.

(a) PAYMENT OF COSTS.—The Secretary of Defense may pay the costs of any emergency health care that—

(1) is needed by a member of the Armed Forces, civilian employee of the Department of Defense, or civilian employee of a contractor while the person is performing temporary or permanent duty with the On-Site Inspection Agency outside the United States; and

(2) is furnished to such person during fiscal year 1998 by a source outside the United States.

(b) FUNDING.—Funds authorized to be appropriated for the expenses of the On-Site Inspection Agency for fiscal year 1998 by this Act shall be available to cover payments for emergency health care under subsection (a).

SEC. 703. DISCLOSURES OF CAUTIONARY INFORMATION ON PRESCRIPTION MEDICATIONS.

(a) REQUIREMENT FOR REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the administering Secretaries referred to in section 1073(3) of title 10, United States Code, shall prescribe regulations that require each source dispensing a prescription medication to a person under chapter 55 of such title to furnish to that person, with the medication, written cautionary information on the medication.

(b) INFORMATION TO BE DISCLOSED.—Information required to be disclosed about a medication under the regulations shall include appropriate cautions about usage of the medication, including possible side effects and potentially hazardous interactions with foods.

(c) FORM OF INFORMATION.—The regulations shall require that information be furnished in a form that, to the maximum extent practicable, is easily read and understood.

(d) COVERED SOURCES.—The regulations shall apply to the following:

(1) Pharmacies and any other dispensers of prescription medications in medical facilities of the uniformed services.

(2) Sources of prescription medications under any mail order pharmaceuticals program provided by any of the administering Secretaries under chapter 55 of title 10, United States Code.

(3) Pharmacies paid under the Civilian Health and Medical Program of the Uniformed Services (including the TRICARE program).

(4) Pharmacies, and any other pharmaceutical dispensers, of designated providers referred to in section 721(5) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2593; 10 U.S.C. 1073 note).

SEC. 704. HEALTH CARE SERVICES FOR CERTAIN RESERVES WHO SERVED IN SOUTHWEST ASIA DURING THE PERSIAN GULF WAR.

(a) REQUIREMENT.—A member of the Armed Forces described in subsection (b) shall be entitled to medical and dental care under chapter 55 of title 10, United States Code, for a symptom or illness described in subsection (b)(2) to the same extent and under the same conditions

(other than the requirement to be on active duty) as is a member of a uniformed service who is entitled under section 1074(a) of such title to medical and dental care under such chapter. The Secretary shall provide such care free of charge to the member.

(b) COVERED MEMBERS.—Subsection (a) applies to any member of a reserve component of the Armed Forces who—

(1) is a Persian Gulf veteran;

(2) registers a symptom or illness in the Persian Gulf War Veterans Health Surveillance System of the Department of Defense that is presumed under section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2805; 10 U.S.C. 1074 note) to be a result of such service; and

(3) is not otherwise entitled to medical and dental care under section 1074(a) of title 10, United States Code.

(c) DEFINITION.—In this section, the term ''Persian Gulf veteran'' has the same meaning as in section 721(i) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2807; 10 U.S.C. 1074 note).

SEC. 705. COLLECTION OF DENTAL INSURANCE PREMIUMS.

(a) SELECTED RESERVE DENTAL INSURANCE.—Paragraph (3) of section 1076b(b) of title 10, United States Code, is amended to read as follows:

''(3) The Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage by the dental insurance plan. To the extent that the Secretary determines practicable, a member's share may be deducted and withheld from the basic pay payable to the member for inactive duty training and from the basic pay payable to the member for active duty.''.

(b) RETIREE DENTAL INSURANCE.—Paragraph (2) of section 1076c(c) of title 10, United States Code, is amended by striking out ''(2) The amount of the premiums'' and inserting in lieu thereof ''(2) The Secretary of Defense shall establish procedures for the collection of the premiums charged for coverage by the dental insurance plan. To the extent that the Secretary determines practicable, the premiums''.

SEC. 706. DENTAL INSURANCE PLAN COVERAGE FOR RETIREES OF UNIFORMED SERVICE IN THE PUBLIC HEALTH SERVICE AND NOAA.

(a) OFFICIALS RESPONSIBLE.—Subsection (a) of section 1076c of title 10, United States Code, is amended

by striking out ''Secretary of Defense'' and inserting in lieu thereof ''administering Secretaries''.

(b) ELIGIBILITY.—Subsection (b)(1) of such section is amended by striking out ''Armed Forces'' and inserting in lieu thereof ''uniformed services''.

SEC. 707. PROSTHETIC DEVICES FOR DEPENDENTS.

(a) EXPANDED AUTHORITY.—Section 1077(a) of title 10, United States Code, is amended by adding at the end the following:

''(15) Artificial limbs, voice prostheses, and artificial eyes.

''(16) Any prosthetic device not named in paragraph (15) that is determined under regulations prescribed by the Secretary of Defense to be necessary because of one or more significant impairments resulting from trauma, congenital anomaly, or disease.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of subsection (b) of such section is amended to read as follows:

''(2) Hearing aids, orthopedic footwear, and spectacles, except that such items may be sold, at the cost to the United States, to dependents outside the United States and at stations inside the United

States where adequate civilian facilities are unavailable.''.

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.

Section 2304(f)(2)(E) of title 10, United States Code, is amended by striking out ''and such document is approved by the competition advocate for the procuring activity''.

SEC. 802. RESTRICTION ON UNDEFINITIZED CONTRACT ACTIONS.

(a) APPLICABILITY OF WAIVER AUTHORITY TO HUMANITARIAN OR PEACEKEEPING OPERATIONS.—Section 2326(b)(4) of title 10, United States Code, is amended to read as follows:

''(4) The head of an agency may waive the provisions of this subsection with respect to a contract of that agency if that head of an agency determines that the waiver is

necessary in order to support any of the following operations:

"(A) A contingency operation.

"(B) A humanitarian or peacekeeping operation.".

(b) HUMANITARIAN OR PEACEKEEPING OPERATION DEFINED.—Section 2302(7) of such title is amended—

(1) by striking out "(7)(A)" and inserting in lieu thereof "(7)"; and

(2) by striking out "(B) In subparagraph (A), the" and inserting in lieu thereof "(8) The".

SEC. 803. EXPANSION OF AUTHORITY TO CROSS FISCAL YEARS TO ALL SEVERABLE SERVICE CONTRACTS NOT EXCEEDING A YEAR.

(a) EXPANDED AUTHORITY.—Section 2410a of title 10, United States Code, is amended to read as follows:

"§ 2410a. Severable service contracts for periods crossing fiscal years

"(a) AUTHORITY.—The Secretary of Defense or the Secretary of a military department may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

"(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2410a. Severable service contracts for periods crossing fiscal years.".

SEC. 804. LIMITATION ON ALLOWABILITY OF COMPENSATION FOR CERTAIN CONTRACTOR PERSONNEL.

(a) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 2324 of title 10, United States Code, is amended by adding at the end the following:

"(P) Costs of compensation of senior executives of contractors for a fiscal year, to the extent that such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).".

(2) Subsection (l) of such section is amended by adding at the end the following:

"(4) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses

and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

"(5) The term 'senior executive', with respect to a contractor, means—

"(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

"(B) the five most highly compensated employees in management positions of the contractor other than the chief executive officer; and

"(C) in the case of a contractor that has components managed by personnel who report on the operations of the components directly to officers of the contractor, the five most highly compensated individuals in management positions at each such component.".

(b) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER NON-DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 306 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256) is amended by adding at the end the following:

"(P) Costs of compensation of senior executives of contractors for a fiscal year, to the extent that

such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).''.

(2) Such section is further amended by adding at the end the following:

''(m) OTHER DEFINITIONS.—In this section:

''(1) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

''(2) The term 'senior executive', with respect to a contractor, means—

''(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

''(B) the five most highly compensated employees in management positions of the contractor other than the chief executive officer; and

''(C) in the case of a contractor that has components managed by personnel who report on the operations of the components directly to

officers of the contractor, the five most highly compensated individuals in management positions at each such component.''.

(c) LEVELS OF COMPENSATION NOT ALLOWABLE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

''SEC. 39. LEVELS OF COMPENSATION OF CERTAIN CONTRACTOR PERSONNEL NOT ALLOWABLE AS COSTS UNDER CERTAIN CONTRACTS.

''(a) DETERMINATION REQUIRED.—For purposes of section 2324(e)(1)(P) of title 10, United States Code, and section 306(e)(1)(P) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)(P)), the Administrator shall review commercially available surveys of executive compensation and, on the basis of the results of the review, determine a benchmark compensation amount to apply for each fiscal year. In making determinations under this subsection the Administrator shall consult with the Director of the Defense Contract Audit Agency and such other officials of executive agencies as the Administrator considers appropriate.

''(b) BENCHMARK COMPENSATION AMOUNT.—The benchmark compensation amount applicable for a fiscal year is the median amount of the compensation provided

for all senior executives of all benchmark corporations for the most recent year for which data is available at the time the determination under subsection (a) is made.

"(c) DEFINITIONS.—In this section:

"(1) The term 'compensation', for a year, means the total amount of wages, salary, bonuses and deferred compensation for the year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the year.

"(2) The term 'senior executive', with respect to a corporation, means—

"(A) the chief executive officer of the corporation or any individual acting in a similar capacity for the corporation;

"(B) the five most highly compensated employees in management positions of the corporation other than the chief executive officer; and

"(C) in the case of a corporation that has components managed by personnel who report on the operations of the components directly to officers of the corporation, the five most highly compensated individuals in management positions at each such component.

"(3) The term 'benchmark corporation', with respect to a year, means a publicly-owned United

States corporation that has annual sales in excess of $50,000,000 for the year.

"(4) The term 'publicly-owned United States corporation' means a corporation organized under the laws of a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States the voting stock of which is publicly traded.".

(2) The table of sections in section 1(b) of such Act is amended by adding at the end the following:

"Sec. 39. Levels of compensation of certain contractor personnel not allowable as costs under certain contracts.".

(d) REGULATIONS.—Regulations implementing the amendments made by this section shall be published in the Federal Register not later than the effective date of the amendments under subsection (e).

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act and shall apply with respect to payments that become due from the United States after that date under covered contracts entered into before, on, or after that date.

(2) In paragraph (1), the term "covered contract" has the meaning given such term in section 2324(l) of title 10, United States Code, and section 306(l) of the Federal

Property and Administrative Services Act of 1949 (41 U.S.C. 256(l)).

SEC. 805. INCREASED PRICE LIMITATION ON PURCHASES OF RIGHT-HAND DRIVE VEHICLES.

Section 2253(a)(2) of title 10, United States Code, is amended by striking out ''$12,000'' and inserting in lieu thereof ''$30,000''.

SEC. 806. CONVERSION OF DEFENSE CAPABILITY PRESERVATION AUTHORITY TO NAVY SHIPBUILDING CAPABILITY PRESERVATION AUTHORITY.

(a) AUTHORITY OF SECRETARY OF THE NAVY.—Section 808 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 393; 10 U.S.C. 2501) is amended—

(1) in subsection (a), by striking out ''Secretary of Defense'' and inserting in lieu thereof ''Secretary of the Navy''; and

(2) in subsection (b)(2), by striking out ''Secretary of Defense if the Secretary of Defense'' and inserting in lieu thereof ''Secretary of the Navy if the Secretary''.

(b) NAME OF AGREEMENTS.—Subsection (a) of such section is amended—

(1) by striking out ''DEFENSE CAPABILITY PRESERVATION AGREEMENT.—'' and inserting in

lieu thereof "SHIPBUILDING CAPABILITY PRESERVATION AGREEMENT.—"; and

(2) by striking out "'defense capability preservation agreement'" and inserting in lieu thereof "'shipbuilding capability preservation agreement'".

(c) SCOPE OF AUTHORITY.—(1) The first sentence of subsection (a) of such section is amended—

(A) by striking out "defense contractor" and inserting in lieu thereof "shipbuilder"; and

(B) by adding at the end the following "to the shipbuilder under a Navy contract for the construction of a ship".

(2) Subsection (b)(1)(A) of such section is amended by striking out "defense contract" and inserting in lieu thereof "contract for the construction of a ship for the Navy".

(d) MAXIMUM AMOUNT OF ALLOCABLE INDIRECT COSTS.—Subsection (b)(1)(C) of such section is amended—

(1) by striking out "in any year of" and inserting in lieu thereof "covered by"; and

(2) by striking out "that year" and inserting in lieu thereof "the period covered by the agreement".

(e) APPLICABILITY.—Such section is further amended by striking out subsections (c), (d), and (e) and inserting in lieu thereof the following:

"(c) APPLICABILITY.—(1) An agreement entered into with a shipbuilder under subsection (a) shall apply to each of the following Navy contracts with the shipbuilder:

"(A) A contract that is in effect on the date on which the agreement is entered into.

"(B) A contract that is awarded during the term of the agreement.

"(2) In a shipbuilding capability preservation agreement applicable to a shipbuilder, the Secretary may agree to apply the cost reimbursement rules set forth in subsection (b) to allocations of indirect costs to private sector work performed by the shipbuilder only with respect to costs that the shipbuilder incurred on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under a contract between the shipbuilder and a private sector customer of the shipbuilder that became effective on or after January 26, 1996.".

(f) IMPLEMENTATION AND REPORT.—Such section is further amended adding at the end the following:

"(d) IMPLEMENTATION.—Not later than 30 days after the date of the enactment of the National Defense

Authorization Act for Fiscal Year 1998, the Secretary of the Navy shall establish application procedures and procedures for expeditious consideration of shipbuilding capability preservation agreements as authorized by this section.

''(e) REPORT.—Not later than February 15, 1998, the Secretary of the Navy shall submit to the congressional defense committees a report on applications for shipbuilding capability preservation agreements. The report shall contain the number of the applications received, the number of the applications approved, and a discussion of the reasons for disapproval of any applications disapproved.''.

(g) SECTION HEADING.—The heading for such section is amended by striking out ''**DEFENSE**'' and inserting in lieu thereof ''**CERTAIN**''.

SEC. 807. ELIMINATION OF CERTIFICATION REQUIREMENT FOR GRANTS.

Section 5153 of the Drug-Free Workplace Act of 1988 (Public Law 100–690; 102 Stat. 4306; 41 U.S.C. 702) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking out ''has certified to the granting agency that it will'' and inserting in lieu thereof ''agrees to''; and

(B) in paragraph (2), by striking out ''certifies to the agency'' and inserting in lieu thereof ''agrees''; and

(2) in subsection (b)(1)—

(A) by striking out subparagraph (A);

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(C) in subparagraph (A), as so redesignated, by striking out ''such certification by failing to carry out''.

SEC. 808. REPEAL OF LIMITATION ON ADJUSTMENT OF SHIPBUILDING CONTRACTS.

(a) REPEAL.—(1) Section 2405 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2405.

(b) APPLICABILITY.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to claims, requests for equitable adjustment, and demands for payment under shipbuilding contracts that have been or are submitted before, on, or after the date of the enactment of this Act.

(2) Section 2405 of title 10, United States Code, as in effect immediately before the date of the enactment of this Act, shall continue to apply to a contractor's claim, request for equitable adjustment, or demand for payment under a shipbuilding contract that was submitted before such date if—

(A) a contracting officer denied the claim, request, or demand, and the period for appealing the decision to a court or board under the Contract Disputes Act of 1978 expired before such date;

(B) a court or board of contract appeals considering the claim, request, or demand (including any appeal of a decision of a contracting officer to deny or dismiss the claim, request, or demand) denied the claim, request, or demand (or the appeal), and the action of the court or board became final and unappealable before such date; or

(C) the contractor released or releases the claim, request, or demand.

Subtitle B—Contract Provisions

SEC. 811. CONTRACTOR GUARANTEES OF MAJOR SYSTEMS.

(a) REVISION OF REQUIREMENT.—Section 2403 of title 10, United States Code, is amended to read as follows:

"§ 2403. Major systems: contractor guarantees

''(a) GUARANTEE REQUIRED.—In any case in which the head of an agency determines that it is appropriate and cost effective to do so in entering into a contract for the production of a major system, the head of an agency shall, except as provided in subsection (b), require the prime contractor to provide the United States with a written guarantee that—

''(1) the item provided under the contract will conform to the design and manufacturing requirements specifically delineated in the production contract (or in any amendment to that contract);

''(2) the item provided under the contract will be free from all defects in materials and workmanship at the time it is delivered to the United States;

''(3) the item provided under the contract will conform to the essential performance requirements of the item as specifically delineated in the production contract (or in any amendment to that contract); and

''(4) if the item provided under the contract fails to meet a guarantee required under paragraph (1), (2), or (3), the contractor will, at the election of the Secretary of Defense or as otherwise provided in the contract—

"(A) promptly take such corrective action as may be necessary to correct the failure at no additional cost to the United States; or

"(B) pay costs reasonably incurred by the United States in taking such corrective action.

"(b) EXCEPTION.—The head of an agency may not require a prime contractor under subsection (a) to provide a guarantee for a major system, or for a component of a major system, that is furnished by the United States.

"(c) DEFINITIONS.—In this section:

"(1) The term 'prime contractor' means a party that enters into an agreement directly with the United States to furnish part or all of a major system.

"(2) The term 'design and manufacturing requirements' means structural and engineering plans and manufacturing particulars, including precise measurements, tolerances, materials, and finished product tests for the major system being produced.

"(3) The term 'essential performance requirements', with respect to a major system, means the operating capabilities or maintenance and reliability characteristics of the system that are determined by the Secretary of Defense to be necessary for the system to fulfill the military requirement for which the system is designed.

"(4) The term 'component' means any constituent element of a major system.

"(5) The term 'head of an agency' has the meaning given that term in section 2302 of this title.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2403. Major systems: contractor guarantees.".

SEC. 812. VESTING OF TITLE IN THE UNITED STATES UNDER CONTRACTS PAID UNDER PROGRESS PAYMENT ARRANGEMENTS OR SIMILAR ARRANGEMENTS.

Section 2307 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) VESTING OF TITLE IN THE UNITED STATES.—If a contract paid by a method authorized under subsection (a)(1) provides for title to property to vest in the United States, the title to the property shall vest in accordance with the terms of the contract, regardless of any security interest in the property that is asserted before or after the contract is entered into.".

Subtitle C—Acquisition Assistance Programs

SEC. 821. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

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

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1998 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 822. ONE-YEAR EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out ''1998'' and inserting in lieu thereof ''1999'';

(2) in paragraph (2), by striking out ''1999'' and inserting in lieu thereof ''2000''; and

(3) in paragraph (3), by striking out ''1999'' and inserting in lieu thereof ''2000''.

SEC. 823. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) CONTENT OF SUBCONTRACTING PLANS.—Subsection (b)(2) of section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 15 U.S.C. 637 note) is amended—

(1) by striking out ''plan—'' and inserting in lieu thereof ''plan of a contractor—'';

(2) by striking out subparagraph (A);

(3) by redesignating subparagraph (B) as subparagraph (A) and by striking out the period at the end of such subparagraph and inserting in lieu thereof ''; and''; and

(4) by adding at the end the following:

"(B) shall cover each Department of Defense contract that is entered into by the contractor and each subcontract that is entered into by the contractor as the subcontractor under a Department of Defense contract.".

(b) EXTENSION OF PROGRAM.—Subsection (e) of such section is amended by striking out "September 30, 1998" in the second sentence and inserting in lieu thereof "September 30, 2000.".

SEC. 824. PRICE PREFERENCE FOR SMALL AND DISADVANTAGED BUSINESSES.

Section 2323(e)(3) of title 10, United States Code, is amended by—

(1) inserting "(A)" after "(3)";

(2) inserting ", except as provided in (B)," after "the head of an agency may" in the first sentence; and

(3) adding at the end the following:

"(B) The Secretary of Defense may not exercise the authority under subparagraph (A) to enter into a contract for a price exceeding fair market cost in any fiscal year following a fiscal year in which the Department of Defense attained the 5 percent goal required by subsection (a).".

Subtitle D—Administrative Provisions

SEC. 831. RETENTION OF EXPIRED FUNDS DURING THE PENDENCY OF CONTRACT LITIGATION.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410m. Retention of amounts collected from contractor during the pendency of contract dispute

''(a) RETENTION OF FUNDS.—Notwithstanding sections 1552(a) and 3302(b) of title 31, any amount, including interest, collected from a contractor as a result of a claim made by an executive agency under the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), shall remain available in accordance with this section to pay—

''(1) any settlement of the claim by the parties;

''(2) any judgment rendered in the contractor's favor on an appeal of the decision on that claim to the Armed Services Board of Contract Appeals under section 7 of such Act (41 U.S.C. 606); or

''(3) any judgment rendered in the contractor's favor in an action on that claim in a court of the United States.

"(b) PERIOD OF AVAILABILITY.—(1) The period of availability of an amount under subsection (a), in connection with a claim—

"(A) expires 180 days after the expiration of the period for bringing an action on that claim in the United States Court of Federal Claims under section 10(a) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)) if, within that 180-day period—

"(i) no appeal on the claim is commenced at the Armed Services Board of Contract Appeals under section 7 of the Contract Disputes Act of 1978; and

"(ii) no action on the claim is commenced in a court of the United States; or

"(B) if not expiring under subparagraph (A), expires—

"(i) in the case of a settlement of the claim, 180 days after the date of the settlement; or

"(ii) in the case of a judgment rendered on the claim in an appeal to the Armed Services Board of Contract Appeals under section 7 of the Contract Disputes Act of 1978 or an action in a court of the United States, 180 days after

the date on which the judgment becomes final and not appealable.

"(2) While available under this section, an amount may be obligated or expended only for the purpose described in subsection (a).

"(3) Upon the expiration of the period of availability of an amount under paragraph (1), the amount shall be deposited in the Treasury as miscellaneous receipts.

"(c) REPORTING REQUIREMENT.—Each year, the Under Secretary of Defense (Comptroller) shall submit to Congress a report on the amounts, if any, that are available for obligation pursuant to this section. The report shall include, at a minimum, the following:

"(1) The total amount available for obligation.

"(2) The total amount collected from contractors during the year preceding the year in which the report is submitted.

"(3) The total amount disbursed in such preceding year and a description of the purpose for each disbursement.

"(4) The total amount returned to the Treasury in such preceding year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of title 10, United States

Code, is amended by adding at the end the following new item:

"2410m. Retention of amounts collected from contractor during the pendency of contract dispute.".

SEC. 832. PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.

Section 2371 of title 10, United States Code, is amended by inserting after subsection (h) the following:

"(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

"(2)(A) Paragraph (1) applies to information described in subparagraph (B) that is in the records of the Department of Defense if the information was submitted to the department in a competitive or noncompetitive process having the potential for resulting in an award, to the party submitting the information, of a cooperative agreement that includes a clause described in subsection (d) or another transaction authorized under subsection (a).

"(B) The information referred to in subparagraph (A) is the following:

"(i) A proposal, proposal abstract, and supporting documents.

"(ii) A business plan submitted on a confidential basis.

"(iii) Technical information submitted on a confidential basis.".

SEC. 833. CONTENT OF LIMITED SELECTED ACQUISITION REPORTS.

Section 2432(h)(2) of title 10, United States Code, is amended—

(1) by striking out subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

SEC. 834. UNIT COST REPORTS.

(a) IMMEDIATE REPORT REQUIRED ONLY FOR PREVIOUSLY UNREPORTED INCREASED COSTS.—Subsection (c) of section 2433 of title 10, United States Code, is amended by striking out "during the current fiscal year (other than the last quarterly unit cost report under subsection (b) for the preceding fiscal year)" in the matter following paragraph (3).

(b) IMMEDIATE REPORT NOT REQUIRED FOR COST VARIANCES OR SCHEDULE VARIANCES OF MAJOR CONTRACTS.—Subsection (c) of such section is further amended—

(1) by inserting "or" at the end of paragraph (1);

(2) by striking out ''or'' at the end of paragraph (2); and

(3) by striking out paragraph (3).

(c) CONGRESSIONAL NOTIFICATION OF INCREASED COST NOT CONDITIONED ON DISCOVERY SINCE BEGINNING OF FISCAL YEAR.—Subsection (d)(3) of such section is amended by striking out ''(for the first time since the beginning of the current fiscal year)'' in the first sentence.

SEC. 835. CENTRAL DEPARTMENT OF DEFENSE POINT OF CONTACT FOR CONTRACTING INFORMATION.

(a) DESIGNATION OF OFFICIAL.—The Under Secretary of Defense for Acquisition and Technology shall designate an official within the Office of the Under Secretary of Defense for Acquisition and Technology to serve as a central point of contact for persons seeking information described in subsection (b).

(b) AVAILABLE INFORMATION.—Upon request, the official designated under subsection (a) shall provide information on the following:

(1) How and where to submit unsolicited proposals for research, development, test, and evaluation or for furnishing property or services to the Department of Defense.

(2) Department of Defense solicitations for offers that are open for response and the procedures for responding to the solicitations.

(3) Procedures for being included on any list of approved suppliers used by the Department of Defense.

(c) AVAILABILITY OF INFORMATION.—The official designated under subsection (a) shall use a variety of means for making the information described in subsection (b) readily available to potential contractors for the Department of Defense. The means shall include the establishment of one or more toll-free automated telephone lines, posting of information about the services of the official on generally accessible computer communications networks, and advertising.

Subtitle E—Other Matters

SEC. 841. DEFENSE BUSINESS COMBINATIONS.

(a) EXTENSION OF REQUIREMENT FOR REPORTS ON PAYMENT OF RESTRUCTURING COSTS.—Section 818(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 1821; 10 U.S.C. 2324 note) is amended by striking out ''1995, 1996, and 1997'' and inserting in lieu thereof ''1997, 1998, and 1999''.

(b) SECRETARY OF DEFENSE REPORTS.—Not later than March 1 in each of the years 1998, 1999, and 2000, the Secretary of Defense shall submit to the congressional defense committees a report on effects on competition resulting from any business combinations of major defense contractors that took place during the year preceding the year of the report. The report shall include, for each business combination reviewed by the Department pursuant to Department of Defense Directive 5000.62, the following:

(1) An assessment of any potentially adverse effects that the business combination could have on competition for Department of Defense contracts (including potential horizontal effects, vertical effects, and organizational conflicts of interest), the national technology and industrial base, or innovation in the defense industry.

(2) The actions taken to mitigate the potentially adverse effects.

(c) GAO REPORTS.—(1) Not later than December 1, 1997, the Comptroller General shall—

(A) in consultation with appropriate officials in the Department of Defense—

(i) identify major market areas adversely affected by business combinations of defense contractors since January 1, 1990; and

(ii) develop a methodology for determining the beneficial impact of business combinations of defense contractors on the prices paid on particular defense contracts; and

(B) submit to the congressional defense committees a report describing, for each major market area identified pursuant to subparagraph (A)(i), the changes in numbers of businesses competing for major defense contracts since January 1, 1990.

(2) Not later than December 1, 1998, the Comptroller General shall submit to the congressional defense committees a report containing the following:

(A) Updated information on—

(i) restructuring costs of business combinations paid by the Department of Defense pursuant to certifications under section 818 of the National Defense Authorization Act for Fiscal Year 1995, and

(ii) savings realized by the Department of Defense as a result of the business combinations for which the payment of restructuring costs was so certified.

(B) An assessment of the beneficial impact of business combinations of defense contractors on the prices paid on a meaningful sample of defense contracts, determined in accordance with the methodology developed pursuant to paragraph (1)(A)(ii).

(C) Any recommendations that the Comptroller General considers appropriate.

(d) BUSINESS COMBINATION DEFINED.—In this section, the term ''business combination'' has the meaning given that term in section 818(f) of the National Defense Authorization Act for Fiscal Year 1995 (108 Stat. 2822; 10 U.S.C. 2324 note).

SEC. 842. LEASE OF NONEXCESS PROPERTY OF DEFENSE AGENCIES.

(a) AUTHORITY.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2667 the following:

''§ 2667a. Leases: non-excess property of Defense Agencies

''(a) AUTHORITY.—Whenever the Director of a Defense Agency considers it advantageous to the United States, he may lease to such lessee and upon such terms as he considers will promote the national defense or to be in the public interest, personal property that is—

''(1) under the control of the Defense Agency;

"(2) not for the time needed for public use; and

"(3) not excess property, as defined by section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

"(b) LIMITATION, TERMS, AND CONDITIONS.—A lease under subsection (a)—

"(1) may not be for more than five years unless the Director of the Defense Agency concerned determines that a lease for a longer period will promote the national defense or be in the public interest;

"(2) may give the lessee the first right to buy the property if the lease is revoked to allow the United States to sell the property under any other provision of law;

"(3) shall permit the Director to revoke the lease at any time, unless he determines that the omission of such a provision will promote the national defense or be in the public interest; and

"(4) may provide, notwithstanding any other provision of law, for the improvement, maintenance, protection, repair, restoration, or replacement by the lessee, of the property leased as the payment of part or all of the consideration for the lease.

"(c) DISPOSITION OF MONEY RENT.—Money rentals received pursuant to leases entered into by the Director

of a Defense Agency under subsection (a) shall be deposited in a special account in the Treasury established for such Defense Agency. Amounts in a Defense Agency's special account shall be available, to the extent provided in appropriations Acts, solely for the maintenance, repair, restoration, or replacement of the leased property.''.

(b) CONFORMING AMENDMENT.—The heading of section 2667 of such title is amended to read as follows:

''§ 2667. Leases: non-excess property of military departments''.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by striking out the item relating to section 2667 and inserting in lieu thereof the following:

''2667. Leases: non-excess property of military departments.
''2667a. Leases: non-excess property of Defense Agencies.''.

SEC. 843. PROMOTION RATE FOR OFFICERS IN AN ACQUISITION CORPS.

(a) REVIEW OF ACQUISITION CORPS PROMOTION SELECTIONS.—Upon the approval of the President or his designee of the report of a selection board convened under section 611(a) of title 10, United States Code, which considered members of an Acquisition Corps of a military department for promotion to a grade above O–4, the Secretary of the military department shall submit a copy of

the report to the Under Secretary of Defense for Acquisition and Technology for review.

(b) REPORTING REQUIREMENT.—Not later than January 31 of each year, the Under Secretary of Defense for Acquisition and Technology shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the Under Secretary's assessment of the extent to which each military department is complying with the requirement set forth in section 1731(b) of title 10, United States Code.

(c) TERMINATION OF REQUIREMENTS.—This section shall cease to be effective on October 1, 2000.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. PRINCIPAL DUTY OF ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT.

Section 138(b)(4) of title 10, United States Code, is amended by striking out ''of special operations activities (as defined in section 167(j) of this title) and'' and inserting in lieu thereof ''of the performance of the responsibilities of the commander of the special operations command

under subsections (e)(4) and (f) of section 167 of this title and of''.

SEC. 902. PROFESSIONAL MILITARY EDUCATION SCHOOLS.

(a) COMPONENT INSTITUTIONS OF THE NATIONAL DEFENSE UNIVERSITY.—(1) Chapter 108 of title 10, United States Code, is amended by adding at the end the following:

"§ 2165. National Defense University

''(a) IN GENERAL.—There is a National Defense University in the Department of Defense.

''(b) COMPONENT INSTITUTIONS.—The university includes the following institutions:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Armed Forces Staff College.

''(4) The Institute for National Strategic Studies.

''(5) The Information Resources Management College.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following: ''2165. National Defense University.''.

(b) MARINE CORPS UNIVERSITY AS PROFESSIONAL MILITARY EDUCATION SCHOOL.—Subsection (d) of section 2162 of such title is amended to read as follows:

"(d) PROFESSIONAL MILITARY EDUCATION SCHOOLS.—This section applies to the following professional military education schools:

"(1) The National Defense University.

"(2) The Army War College.

"(3) The College of Naval Warfare.

"(4) The Air War College.

"(5) The United States Army Command and General Staff College.

"(6) The College of Naval Command and Staff.

"(7) The Air Command and Staff College.

"(8) The Marine Corps University.".

(c) REPEAL OF DUPLICATIVE DEFINITION.—Section 1595(d) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "(1)"; and

(2) by striking out paragraph (2).

SEC. 903. USE OF CINC INITIATIVE FUND FOR FORCE PROTECTION.

Section 166a(b) of title 10, United States Code, is amended by adding at the end the following:

"(9) Force protection.".

SEC. 904. TRANSFER OF TIARA PROGRAMS.

(a) TRANSFER OF FUNCTIONS.—The Secretary of Defense shall transfer—

(1) the responsibilities of the Tactical Intelligence and Related Activities (TIARA) aggregation for the conduct of programs referred to in subsection (b) to officials of elements of the military departments not in the intelligence community; and

(2) the funds available within the Tactical Intelligence and Related Activities aggregation for such programs to accounts of the military departments that are available for non-intelligence programs of the military departments.

(b) COVERED PROGRAMS.—Subsection (a) applies to the following programs:

(1) Targeting or target acquisition programs, including the Joint Surveillance and Target Attack Radar System, and the Advanced Deployable System.

(2) Tactical Warning and Attack Assessment programs, including the Defense Support Program, the Space-Based Infrared Program, and early warning radars.

(3) Tactical communications systems, including the Joint Tactical Terminal.

(c) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term ''intelligence community'' has the mean-

ing given the term in section 3 of the National Security Act of 1947 (50 U.S.C. 401a).

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,500,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1997 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1997 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1997 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1997 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1997 in the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208).

(2) FISCAL YEAR 1997 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1997 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1997.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the 1997 Emergency Supplemental

Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105–18).

SEC. 1004. INCREASED TRANSFER AUTHORITY FOR FISCAL YEAR 1996 AUTHORIZATIONS.

Section 1001(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 414) is amended by striking out ''$2,000,000,000'' and inserting in lieu thereof ''$3,100,000,000''.

SEC. 1005. BIENNIAL FINANCIAL MANAGEMENT STRATEGIC PLAN.

(a) BIENNIAL PLAN.—(1) Chapter 23 of title 10, United States Code, is amended by adding at the end the following:

''§ 483. Biennial financial management strategic plan

''(a) PLAN REQUIRED.—Not later than September 30 of each even-numbered year, the Secretary of Defense shall submit to Congress a strategic plan to improve the financial management within the Department of Defense. The strategic plan shall address all aspects of financial management within the Department of Defense, including the finance systems, accounting systems, and feeder systems that support financial functions.

''(b) DEFINITIONS.—In this section, the term 'feeder system' means an automated or manual system that pro-

vides input to a financial management or accounting system.''.

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

''483. Biennial financial management strategic plan.''.

(b) FIRST SUBMISSION.—The Secretary of Defense shall submit the first financial management strategic plan under section 483 of title 10, United States Code (as added by subsection (a)), not later than September 30, 1998.

(c) CONTENT OF FIRST PLAN.—(1) At a minimum, the first financial management strategic plan shall include the following:

(A) The costs and benefits of integrating the finance and accounting systems of the Department of Defense, and the feasibility of doing so.

(B) Problems with the accuracy of data included in the finance systems, accounting systems, or feeder systems that support financial functions of the Department of Defense and the actions that can be taken to address the problems.

(C) Weaknesses in the internal controls of the systems and the actions that can be taken to address the weaknesses.

(D) Actions that can be taken to eliminate negative unliquidated obligations, unmatched disburse-

ments, and in-transit disbursements, and to avoid such disbursements in the future.

(E) The status of the efforts being undertaken in the department to consolidate and eliminate—

(i) redundant or unneeded finance systems; and

(ii) redundant or unneeded accounting systems.

(F) The consolidation or elimination of redundant personnel systems, acquisition systems, asset accounting systems, time and attendance systems, and other feeder systems of the department.

(G) The integration of the feeder systems of the department with the finance and accounting systems of the department.

(H) Problems with the organization or performance of the Operating Locations and Service Centers of the Defense Finance and Accounting Service, and the actions that can be taken to address those problems.

(I) The costs and benefits of reorganizing the Operating Locations and Service Centers of the Defense Finance and Accounting Service according to function, and the feasibility of doing so.

(J) The costs and benefits of contracting for private sector performance of specific functions performed by the Defense Finance and Accounting Service, and the feasibility of doing so.

(K) The costs and benefits of increasing the use of electronic fund transfer as a method of payment, and the feasibility of doing so.

(L) Any other changes in the financial management structure of the department or revisions of the department's financial processes and business practices that the Secretary of Defense considers necessary to improve financial management in the department.

(2) For the problems and actions identified in the plan, the Secretary shall include in the plan statements of objectives, performance measures, and schedules, and shall specify the individual and organizational responsibilities.

(3) In this subsection, the term ''feeder system'' has the meaning given the term in section 483(b) of title 10, United States Code, as added by subsection (a).

SEC. 1006. REVISION OF AUTHORITY FOR FISHER HOUSE TRUST FUNDS.

(a) CORRECTION TO ELIMINATE USE OF TERM ASSOCIATED WITH FUNDING AUTHORITIES.—Section

2221(c) of title 10, United States Code, is amended by striking out ''or maintenance'' each place it appears.

(b) CORPUS OF AIR FORCE TRUST FUND.—Section 914(b) of Public Law 104–106 (110 Stat. 412) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) The Secretary of the Air Force shall deposit in the Fisher House Trust Fund, Department of the Air Force, an amount that the Secretary determines appropriate to establish the corpus of the fund.''.

SEC. 1007. AVAILABILITY OF CERTAIN FISCAL YEAR 1991 FUNDS FOR PAYMENT OF CONTRACT CLAIM.

(a) AUTHORITY.—The Secretary of the Army may reimburse the fund provided by section 1304 of title 31, United States Code, out of funds appropriated for the Army for fiscal year 1991 for other procurement (BLIN 105125 (Special Programs)), for any judgment against the United States that is rendered in the case *Appeal of McDonnell Douglas Company,* Armed Services Board of Contract Appeals Number 48029.

(b) CONDITIONS FOR PAYMENT.—(1) Subject to paragraph (2), any reimbursement out of funds referred to in subsection (a) shall be made before October 1, 1998.

(2) No reimbursement out of funds referred to in subsection (a) may be made before the date that is 30

days after the date on which the Secretary of the Army submits to the congressional defense committees a notification of the intent to make the reimbursement.

SEC. 1008. ESTIMATES AND REQUESTS FOR PROCUREMENT AND MILITARY CONSTRUCTION FOR THE RESERVE COMPONENTS.

(a) DETAILED PRESENTATION IN FUTURE-YEARS DEFENSE PROGRAM.—Section 10543 of title 10, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The Secretary of Defense''; and

(2) by adding at the end the following:

''(b) ASSOCIATED ANNEXES.—The associated annexes of the future-years defense program shall specify, at the same level of detail as is set forth in the annexes for the active components, the amount requested for—

''(1) procurement of each item of equipment to be procured for each reserve component; and

''(2) each military construction project to be carried out for each reserve component, together with the location of the project.

''(c) REPORT.—(1) If the aggregate of the amounts specified in paragraphs (1) and (2) of subsection (b) for a fiscal year is less than the amount equal to 90 percent of the average authorized amount applicable for that fiscal

year under paragraph (2), the Secretary of Defense shall submit to Congress a report specifying for each reserve component the additional items of equipment that would be procured, and the additional military construction projects that would be carried out, if that aggregate amount were an amount equal to such average authorized amount. The report shall be at the same level of detail as is required by subsection (b).

''(2) In this subsection, the term 'average authorized amount', with respect to a fiscal year, means the average of—

''(A) the aggregate of the amounts authorized to be appropriated for the preceding fiscal year for the procurement of items of equipment, and for military construction, for the reserve components; and

''(B) the aggregate of the amounts authorized to be appropriated for the fiscal year preceding the fiscal year referred to in subparagraph (A) for the procurement of items of equipment, and for military construction, for the reserve components.''.

(b) PROHIBITION.—The level of detail provided for procurement and military construction in the future-years defense programs for fiscal years after fiscal year 1998 may not be less than the level of detail provided for pro-

curement and military construction in the future-years defense program for fiscal year 1998.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. LONG-TERM CHARTER OF VESSEL FOR SURVEILLANCE TOWED ARRAY SENSOR PROGRAM.

The Secretary of the Navy is authorized to enter into a long-term charter, in accordance with section 2401 of title 10, United States Code, for a vessel to support the Surveillance Towed Array Sensor (SURTASS) Program through fiscal year 2004.

SEC. 1012. PROCEDURES FOR SALE OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER.

Section 7305(c) of title 10, United States Code, is amended to read as follows:

''(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

''(2) In such a case, the Secretary may—

''(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

''(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who

submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

"(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).".

SEC. 1013. TRANSFERS OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) TRANSFERS BY SALE.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the submarine tender Holland (AS 32) of the Hunley class.

(2) To the Government of Chile, the oiler Isherwood (T–AO 191) of the Kaiser class.

(3) To the Government of Egypt:

(A) The following frigates of the Knox class:

(i) The Paul (FF 1080).

(ii) The Miller (FF 1091).

(iii) The Jesse L. Brown (FFT 1089).

(iv) The Moinester (FFT 1097).

(B) The following frigates of the Oliver Hazard Perry class:

(i) The Fahrion (FFG 22).

(ii) The Lewis B. Puller (FFG 23).

(4) To the Government of Israel, the tank landing ship Peoria (LST 1183) of the Newport class.

(5) To the Government of Malaysia, the tank landing ship Barbour County (LST 1195) of the Newport class.

(6) To the Government of Mexico, the frigate Roark (FF 1053) of the Knox class.

(7) To the Taipei Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act), the following frigates of the Knox class:

(A) The Whipple (FF 1062).

(B) The Downes (FF 1070).

(8) To the Government of Thailand, the tank landing ship Schenectady (LST 1185) of the Newport class.

(b) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(c) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

Subtitle C—Counter-Drug Activities

SEC. 1021. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 1031 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2637), is amended by striking out ''fiscal year 1997'' and inserting in lieu thereof ''fiscal years 1997 and 1998''.

(b) EXTENSION OF FUNDING AUTHORIZATION.—Subsection (d) of such section is amended by inserting ''for fiscal years 1997 and 1998'' after ''shall be available''.

SEC. 1022. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF PERU AND COLOMBIA.

(a) AUTHORITY TO PROVIDE ADDITIONAL SUPPORT.—Subject to subsection (f), during fiscal years 1998 through 2002, the Secretary of Defense may provide either or both of the governments named in subsection (b) with the support described in subsection (c) for the counter-drug activities of that government. The support provided to a government under the authority of this subsection shall be in addition to support provided to that government under any other provision of law.

(b) GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—The governments referred to in subsection (a) are as follows:

(1) The Government of Peru.

(2) The Government of Colombia.

(c) TYPES OF SUPPORT.—The authority under subsection (a) is limited to the provision of the following types of support:

(1) The transfer of nonlethal protective and utility personnel equipment.

(2) The transfer of the following nonlethal specialized equipment:

(A) Navigation equipment.

(B) Secure and nonsecure communications equipment.

(C) Photo equipment.

(D) Radar equipment.

(E) Night vision systems.

(F) Repair equipment and parts for equipment referred to in subparagraphs (A), (B), (C), (D), and (E).

(3) The transfer of nonlethal components, accessories, attachments, parts (including ground support equipment), firmware, and software for aircraft or patrol boats, and related repair equipment.

(4) The transfer of riverine patrol boats.

(5) The maintenance and repair of equipment of a government named in subsection (b) that is used for counter-narcotics activities.

(d) APPLICABILITY OF OTHER SUPPORT AUTHORITIES.—Except as otherwise provided in this section, the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) shall apply to the provision of support to a government under this section.

(e) FUNDING.—Of the amounts authorized to be appropriated under section 301(20) for fiscal year 1998 for drug interdiction and counter-drug activities, not more than $30,000,000 shall be available in that fiscal year for the provision of support under this section.

(f) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide a government with support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (2) a written certification of the following:

(A) That the provision of support to that government under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and materiel provided as support will be used only by officials and employees of that government who have undergone background investigations by that government and have been approved by that government to perform counter-drug activities on the basis of the background investigations.

(C) That such government has certified to the Secretary that—

(i) the equipment and material provided as support will be used only by the officials and employees referred to in subparagraph (B);

(ii) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(iii) the equipment and materiel will be used only for the purposes intended by the United States Government.

(D) That the government to receive the support has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of that government will grant United States Government personnel access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(F) That the government to receive the support will provide security with respect to the equipment and materiel provided as support that is substantially the same degree of security that the United States Government would provide with respect to such equipment and materiel.

(G) That the government to receive the support will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(2) The committees referred to in this paragraph are the following:

(A) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

(B) The Committee on National Security and the Committee on International Relations of the House of Representatives.

Subtitle D—Reports and Studies

SEC. 1031. REPEAL OF REPORTING REQUIREMENTS.

(a) REPORTS REQUIRED BY TITLE 10.—

(1) ACHIEVEMENT OF COST, PERFORMANCE, AND SCHEDULE GOALS FOR NONMAJOR ACQUISITION PROGRAMS.—Section 2220(b) of title 10, United States Code, is amended by striking out ''and nonmajor'' in the first sentence.

(2) CONVERSION OF CERTAIN HEATING SYSTEMS.—Section 2690(b) of title 10, United States Code, is amended by striking out ''unless the Secretary—'' and all that follows and inserting in lieu thereof the following: ''unless the Secretary determines that the conversion (1) is required by the government of the country in which the facility is located, or (2) is cost effective over the life cycle of the facility.''.

(3) AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING.—Section 2823 of title 10, United States Code, is amended—

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

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) REPORTS REQUIRED BY DEFENSE AUTHORIZATION AND APPROPRIATIONS ACTS.—

(1) OVERSEAS BASING COSTS.—Section 8125 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–41; 10 U.S.C. 113 note) is amended—

(A) by striking out subsection (g); and

(B) in subsection (h), by striking out ''subsections (f) and (g)'' and inserting in lieu thereof ''subsection (f)''.

(2) STRETCHOUT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 117 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 1933; 10 U.S.C. 2431 note) is repealed.

(c) REPORTS REQUIRED BY OTHER LAW.—Section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) is amended by striking out subsection (g), relating to the annual report on development of procurement regulations.

SEC. 1032. COMMON MEASUREMENT OF OPERATIONS TEMPOS AND PERSONNEL TEMPOS.

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

(b) PERSTEMPO MEASUREMENT.—The measurement of personnel tempo shall include a means of identifying the rate of deployment for individuals in addition to the rate of deployment for units.

SEC. 1033. REPORT ON OVERSEAS DEPLOYMENT.

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

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

(1) The number of personnel who were deployed overseas pursuant to a permanent duty assignment on each date specified in that subsection in aggregate and by country or ocean to which deployed.

(2) The number of personnel who were deployed overseas pursuant to a temporary duty assignment on each date, including—

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

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

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

(3) The number of personnel deployed overseas on each date who were engaged in contingency operations (including peacekeeping or humanitarian assistance missions) or other activities.

SEC. 1034. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT FOR REPORT.—Not later than January 31, 1998, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units) prepared by the officers referred to in subsection (b). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it

will be required to respond to a military conflict and the time in which it will be required to respond.

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

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

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

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

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

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

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

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

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

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

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

(B) Combat-ready follow-on forces, or ''Tier II'' forces, that can be mobilized and deployed to a thea-

ter within approximately 60 days after receipt of orders.

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

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

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

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

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

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

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

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

(2) could be made available for force modernization.

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

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

SEC. 1035. ASSESSMENT OF CYCLICAL READINESS POSTURE OF THE ARMED FORCES.

(a) REQUIREMENT.—(1) Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the readiness posture of the Armed Forces described in subsection (b).

(2) The Secretary shall prepare the report required under paragraph (1) with the assistance of the Joint Chiefs of Staff. In providing such assistance, the Chair-

man of the Joint Chiefs of Staff shall consult with the Chief of the National Guard Bureau.

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

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

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

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

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

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

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

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

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

(iii) six aircraft carrier battle groups;

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

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

(vi) one active Marine Corps expeditionary force.

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

the evaluation or are subject to the rotation on a modified basis.

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

(E) That the state of readiness of each force alternates between a state of high readiness and a state of low readiness on a frequency determined by the Secretary (but not more often than once every 6 months) and with only one force at a given state of readiness at any one time.

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

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

(H) That, during the period of high readiness of a force, the operational war plans for the force incorporate the divisions (or division equivalents) of

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

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

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

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

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

(2) An assessment of the potential risks associated with a lower readiness status for units assigned to a force in a state of low readiness under the readiness posture, including the risks associated with the

delayed availability of such units overseas in the event of two nearly simultaneous major theater wars.

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

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

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

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

(e) DEFINITIONS.—In this section:

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

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

SEC. 1036. OVERSEAS INFRASTRUCTURE REQUIREMENTS.

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

(1) United States military forces have been withdrawn from the Philippines.

(2) United States military forces are to be withdrawn from Panama by 2000.

(3) There continues to be local opposition to the continued presence of United States military forces in Okinawa.

(4) The Quadrennial Defense Review lists ''the loss of U.S. access to critical facilities and lines of communication in key regions'' as one of the so-called ''wild card'' scenarios covered in the review.

(5) The National Defense Panel states that ''U.S. forces' long-term access to forward bases, to

include air bases, ports, and logistics facilities, cannot be assumed''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should develop alternatives to the current arrangement for forward basing of the Armed Forces outside the United States, including alternatives to the existing infrastructure for forward basing of forces and alternatives to the existing international agreements that provide for basing of United States forces in foreign countries; and

(2) because the Pacific Rim continues to emerge as a region of significant economic and military importance to the United States, a continued presence of the Armed Forces in that region is vital to the capability of the United States to timely protect its interests in the region.

(c) REPORT REQUIRED.—Not later than March 31, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the overseas infrastructure requirements of the Armed Forces.

(d) CONTENT.—The report shall contain the following:

(1) The quantity and types of forces that the United States must station in each region of the world in order to support the current national military strategy of the United States.

(2) The quantity and types of forces that the United States will need to station in each region of the world in order to meet the expected or potential future threats to the national security interests of the United States.

(3) The requirements for access to, and use of, air space and ground maneuver areas in each such region for training for the quantity and types of forces identified for the region pursuant to paragraphs (1) and (2).

(4) A list of the international agreements, currently in force, that the United States has entered into with foreign countries regarding the basing of United States forces in those countries and the dates on which the agreements expire.

(5) A discussion of any anticipated political opposition or other opposition to the renewal of any of those international agreements.

(6) A discussion of future overseas basing requirements for United States forces, taking into ac-

count expected changes in national security strategy, national security environment, and weapons systems.

(7) The expected costs of maintaining the overseas infrastructure for foreign based forces of the United States, including the costs of constructing any new facilities that will be necessary overseas to meet emerging requirements relating to the national security interests of the United States.

(e) FORM OF REPORT.—The report may be submitted in a classified or unclassified form.

SEC. 1037. REPORT ON AIRCRAFT INVENTORY.

(a) REPORT.—Not later than January 30, 1998, the Under Secretary of Defense (Comptroller) shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the aircraft in the inventory of the Department of Defense.

(b) CONTENT.—The report shall set forth, for each type of aircraft provided for in the future-years defense program submitted to Congress in 1998, the following information:

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

(2) The total number of the aircraft in the inventory that are active, stated in the following categories:

(A) Primary aircraft (with a subcategory for mission aircraft, a subcategory for training aircraft, a subcategory for dedicated test aircraft, and other appropriate subcategories).

(B) Backup aircraft.

(C) Attrition and reconstitution reserve aircraft.

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

(A) Bailment aircraft.

(B) Drone aircraft.

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

(D) Leased or loaned aircraft.

(E) Aircraft for maintenance training.

(F) Aircraft for reclamation.

(G) Aircraft in storage.

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

SEC. 1038. DISPOSAL OF EXCESS MATERIALS.

(a) REPORT.—Not later than January 31, 1998, the Secretary shall submit to Congress a report on the actions that have been taken or are planned to be taken within the Department of Defense to address problems with the sale or other disposal of excess materials.

(b) REQUIRED CONTENT.— At a minimum, the report shall address the following issues:

(1) Whether any change is needed in the process of coding military equipment for demilitarization during the acquisition process.

(2) Whether any change is needed to improve methods used for the demilitarization of specific types of military equipment.

(3) Whether any change is needed in the penalties that are applicable to Federal Government employees or contractor employees who fail to comply with rules or procedures applicable to the demilitarization of excess materials.

(4) Whether provision has been made for sufficient supervision and oversight of the demilitarization of excess materials by purchasers of the materials.

(5) Whether any additional controls are needed to prevent the inappropriate transfer of excess materials overseas.

(6) Whether the Department should—

(A) identify categories of materials that are particularly vulnerable to improper use; and

(B) provide for enhanced review of the sale or other disposal of such materials.

(7) Whether legislation is necessary to establish appropriate mechanisms, including repurchase, for the recovery of equipment that is sold or otherwise disposed of without appropriate action having been taken to demilitarize the equipment or to provide for demilitarization of the equipment.

SEC. 1039. REVIEW OF FORMER SPOUSE PROTECTIONS.

(a) REQUIREMENT.—The Secretary of Defense shall carry out a comprehensive review and comparison of—

(1) the protections and benefits afforded under Federal law to former spouses of members and former members of the uniformed services by reason of their status as former spouses of such personnel; and

(2) the protections and benefits afforded under Federal law to former spouses of employees and former employees of the Federal Government by reason of their status as former spouses of such personnel.

(b) MATTERS TO BE REVIEWED.—The review under subsection (a) shall include the following:

(1) In the case of former spouses of members and former members of the uniformed services, the following:

(A) All provisions of law (principally those originally enacted in the Uniformed Services Former Spouses' Protection Act (title X of Public Law 97–252)) that—

(i) establish, provide for the enforcement of, or otherwise protect interests of former spouses of members and former members of the uniformed services in retired or retainer pay of members and former members; and

(ii) provide other benefits for former spouses of members and former members.

(B) The experience of the uniformed services in administering such provisions of law.

(C) The experience of former spouses and members and former members of the uniformed services in the administration of such provisions of law.

(2) In the case of former spouses of employees and former employees of the Federal Government, the following:

(A) All provisions of law that—

(i) establish, provide for the enforcement of, or otherwise protect interests of former spouses of employees and former employees of the Federal Government in annuities of employees and former employees under Federal employees' retirement systems; and

(ii) provide other benefits for former spouses of employees and former employees.

(B) The experience of the Office of Personnel Management and other agencies of the Federal Government in administering such provisions of law.

(C) The experience of former spouses and employees and former employees of the Federal Government in the administration of such provisions of law.

(c) SAMPLING AUTHORIZED.—The Secretary may use sampling in carrying out the review under this section.

(d) REPORT.—Not later than September 30, 1999, the Secretary shall submit a report on the results of the review and comparison to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The report shall include any recommendation for legislation that the Secretary considers appropriate.

SEC. 1040. COMPLETION OF GAO REPORTS FOR CONGRESS.

(a) PRIORITY.—(1) Subchapter II of chapter 7 of title 31, United States Code, is amended by adding at the end the following:

"§ 721. Priority for completion of certain audits, evaluations, other reviews, and reports

''(a) PRIORITY.—The Comptroller General may commence an audit, evaluation, other review, or report in a fiscal year only after the Comptroller General certifies in writing to Congress during such fiscal year that the General Accounting Office has completed all audits, evaluations, other reviews, and reports that were requested of that office by Congress before the date of the certification.

''(b) EXCEPTIONS.—The restriction in subsection (a) does not apply to the commencement of an audit, evaluation, other review, or report that is required by law or requested by Congress.

"(c) SOURCE, FORM, AND DATE OF CONGRESSIONAL REQUESTS.—For the purposes of this section—

"(1) an audit, evaluation, other review, or report is requested by Congress if the request for the audit, evaluation, other review, or report is made in writing by the Chairman of a committee of Congress, the Chairman of a subcommittee of such a committee, or any other member of Congress; and

"(2) the date on which the General Accounting Office receives such a request shall be considered the date of the request.".

(2) The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 720 the following:

"721. Priority for completion of certain audits, evaluations, other reviews, and reports.".

(b) ANNUAL REPORT ON CONGRESSIONAL AND NONCONGRESSIONAL ACTIVITIES.—(1) Section 719(b) of title 31, United States Code, is amended by adding at the end the following:

"(3)(A) The report under subsection (a) shall include, for the latest fiscal year ending before the date of the report, the amount and cost of the work that the General Accounting Office performed during the fiscal year for the following:

"(i) Audits, evaluations, other reviews, and reports requested by the Chairman of a committee of Congress, the Chairman of a subcommittee of such a committee, or any other member of Congress.

"(ii) Audits, evaluations, other reviews, and reports not described in clause (i) and not required by law to be performed by the General Accounting Office.

"(B) In the report, amounts of work referred to in subparagraph (A) shall be expressed as hours of labor.".

(2) Paragraph (1) of such section is amended—

(A) by striking out "and" at the end of subparagraph (B);

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

(C) by adding at the end the following:

"(D) the matters required by paragraph (3).".

(c) APPLICABILITY.—(1) Section 721 of title 31, United States Code (as added by subsection (a)), shall apply to the commencement of audits, evaluations, other reviews, and reports by the General Accounting Office after the later of—

(A) September 30, 1997; or

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

(2) The amendments made by subsection (b) shall apply with respect to reports submitted under section 719(a) of title 31, United States Code, after December 31, 1997.

Subtitle E—Other Matters

SEC. 1051. PSYCHOTHERAPIST-PATIENT PRIVILEGE IN THE MILITARY RULES OF EVIDENCE.

(a) REQUIREMENT FOR PROPOSED RULE.—The Secretary of Defense shall submit to the President, for consideration for promulgation under article 36 of the Uniform Code of Military Justice (10 U.S.C. 836), a recommended amendment to the Military Rules of Evidence that recognizes an evidentiary privilege regarding disclosure by a psychotherapist of confidential communications between a patient and the psychotherapist.

(b) APPLICABILITY OF PRIVILEGE.—The recommended amendment shall include a provision that applies the privilege to—

(1) patients who are not subject to the Uniform Code of Military Justice; and

(2) any patients subject to the Uniform Code of Military Justice that the Secretary determines it appropriate for the privilege to cover.

(c) SCOPE OF PRIVILEGE.—The evidentiary privilege recommended pursuant to subsection (a) shall be similar

in scope to the psychotherapist-patient privilege recognized under Rule 501 of the Federal Rules of Evidence, subject to such exceptions and limitations as the Secretary determines appropriate on the bases of law, public policy, and military necessity.

(d) DEADLINE FOR RECOMMENDATION.—The Secretary shall submit the recommendation under subsection (a) on or before the later of the following dates:

(1) The date that is 90 days after the date of the enactment of this Act.

(2) January 1, 1998.

SEC. 1052. NATIONAL GUARD CIVILIAN YOUTH OPPORTUNITIES PILOT PROGRAM.

(a) EXTENSION OF PILOT PROGRAM AUTHORITY FOR CURRENT NUMBER OF PROGRAMS.—Subsection (a) of section 1091 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 32 U.S.C. 501 note) is amended—

(1) by striking out ''During fiscal years 1993 through 1995'' and inserting in lieu thereof ''(1) During fiscal years 1993 through 1998''; and

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

''(2) In fiscal years after fiscal year 1995, the number of programs carried out under subsection (d) as part of

the pilot program may not exceed the number of such programs as of September 30, 1995.''.

(b) FISCAL RESTRICTIONS.—(1) Section 1091 of such Act is amended by striking out subsection (k) and inserting in lieu thereof the following:

''(k) FISCAL RESTRICTIONS.—(1) The Federal Government's share of the total cost of carrying out a program in a State as part of the pilot program in any fiscal year after fiscal year 1997 may not exceed 50 percent of that total cost.

''(2) The total amount expended for carrying out the program during a fiscal year may not exceed $20,000,000.''.

(2) Subsection (d)(3) of such section is amended by inserting '', subject to subsection (k)(1),'' after ''provide funds''.

(c) CONFORMING REPEAL.—Section 573 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 355; 32 U.S.C. 501 note) is repealed.

SEC. 1053. PROTECTION OF ARMED FORCES PERSONNEL DURING PEACE OPERATIONS.

(a) PROTECTION OF PERSONNEL.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to ensure that units of

the Armed Forces (including Army units, Marine Corps units, Air Force units, and support units for such units) engaged in peace operations have adequate troop protection equipment for such operations.

(2) SPECIFIC ACTIONS.—In taking such actions, the Secretary shall—

(A) identify the additional troop protection equipment, if any, required to equip a division equivalent with adequate troop protection equipment for peace operations;

(B) establish procedures to facilitate the exchange of troop protection equipment among the units of the Armed Forces; and

(C) designate within the Department of Defense an individual responsible for—

(i) ensuring the proper allocation of troop protection equipment among the units of the Armed Forces engaged in peace operations; and

(ii) monitoring the availability, status or condition, and location of such equipment.

(b) REPORT.—Not later than March 1, 1998, the Secretary shall submit to Congress a report on the actions taken by the Secretary under subsection (a).

(c) TROOP PROTECTION EQUIPMENT DEFINED.—In this section, the term ''troop protection equipment'' means the equipment required by units of the Armed Forces to defend against any hostile threat that is likely during a peace operation, including an attack by a hostile crowd, small arms fire, mines, and a terrorist bombing attack.

SEC. 1054. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1998 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems below the specified levels:

(1) 71 B–52H bomber aircraft.

(2) 18 Trident ballistic missile submarines.

(3) 500 Minuteman III intercontinental ballistic missiles.

(4) 50 Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1997 or fiscal year

1998, the Secretary of Defense may waive the application of the limitation under subsection (a) to the extent that the Secretary determines necessary in order to implement the treaty.

(c) FUNDING LIMITATION ON EARLY DEACTIVATION.—(1) If the limitation under subsection (a) ceases to apply by reason of a waiver under subsection (b), funds available to the Department of Defense may nevertheless not be obligated or expended during fiscal year 1998 to implement any agreement or understanding to undertake substantial early deactivation of a strategic nuclear delivery system specified in subsection (a) until 30 days after the date on which the President submits to Congress a report concerning such actions.

(2) For purposes of this subsection, a substantial early deactivation is an action during fiscal year 1998 to deactivate a substantial number of strategic nuclear delivery systems specified in subsection (a) by—

(A) removing nuclear warheads from those systems; or

(B) taking other steps to remove those systems from combat status.

(3) A report under this subsection shall include the following:

(A) The text of any understanding or agreement between the United States and the Russian Federation concerning substantial early deactivation of strategic nuclear delivery systems under the START II Treaty.

(B) The plan of the Department of Defense for implementing the agreement.

(C) An assessment of the Secretary of Defense of the adequacy of the provisions contained in the agreement for monitoring and verifying compliance of Russia with the terms of the agreement.

(D) A determination by the President as to whether the deactivations to occur under the agreement will be carried out in a symmetrical, reciprocal, or equivalent manner.

(E) An assessment by the President of the effect of the proposed early deactivation on the stability of the strategic balance and relative strategic nuclear capabilities of the United States and the Russian Federation at various stages during deactivation and upon completion.

(d) CONTINGENCY PLAN FOR SUSTAINMENT OF SYSTEMS.—(1) Not later then February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan for the sustainment beyond October 1,

1999, of United States strategic nuclear delivery systems and alternative Strategic Arms Reduction Treaty force structures in the event that a strategic arms reduction agreement subsequent to the Strategic Arms Reduction Treaty does not enter into force before 2004.

(2) The plan shall include a discussion of the following matters:

(A) The actions that are necessary to sustain the United States strategic nuclear delivery systems, distinguishing between the actions that are planned for and funded in the future-years defense program and the actions that are not planned for and funded in the future-years defense program.

(B) The funding necessary to implement the plan, indicating the extent to which the necessary funding is provided for in the future-years defense program and the extent to which the necessary funding is not provided for in the future-years defense program.

(e) START TREATIES DEFINED.—In this section:

(1) The term ''Strategic Arms Reduction Treaty'' means the Treaty Between the United States of America and the United Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms (START), signed at Moscow on July 31,

1991, including related annexes on agreed statements and definitions, protocols, and memorandum of understanding.

(2) The term ''START II Treaty'' means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the ''START II Treaty'' (contained in Treaty Document 103–1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Elimination and Conversion Protocol'').

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and

Limitation of Strategic Offensive Arms (also known as the ''Exhibitions and Inspections Protocol'').

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Memorandum on Attribution'').

SEC. 1055. ACCEPTANCE AND USE OF LANDING FEES FOR USE OF OVERSEAS MILITARY AIRFIELDS BY CIVIL AIRCRAFT.

(a) AUTHORITY.—Section 2350j of title 10, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) PAYMENTS FOR CIVIL USE OF MILITARY AIRFIELDS.—The authority under subsection (a) includes authority for the Secretary of a military department to accept payments of landing fees for use of a military airfield by civil aircraft that are prescribed pursuant to an agreement that is entered into with the government of the coun-

try in which the airfield is located. Payments received under this subsection in a fiscal year shall be credited to the appropriation that is available for the fiscal year for the operation and maintenance of the military airfield, shall be merged with amounts in the appropriation to which credited, and shall be available for the same period and purposes as the appropriation is available.''.

(b) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is amended by striking out ''Any'' at the beginning of the second sentence and inserting in lieu thereof ''Except as provided in subsection (f), any''.

(2) Subsection (c) of such section is amended by striking out ''Contributions'' in the matter preceding paragraph (1), and inserting in lieu thereof ''Except as provided in subsection (f), contributions''.

SEC. 1056. ONE-YEAR EXTENSION OF INTERNATIONAL NON-PROLIFERATION INITIATIVE.

(a) ONE-YEAR EXTENSION.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of the National Defense Authorization Act for Fiscal Year 1993; 22 U.S.C. 5859a) is amended by striking out ''1997'' and inserting in lieu thereof ''1998''.

(b) LIMITATIONS ON AMOUNT OF ASSISTANCE FOR ADDITIONAL FISCAL YEARS.—Subsection (d)(3) of such

section is amended by striking out ''or $15,000,000 for fiscal year 1997'' and inserting in lieu thereof ''$15,000,000 for fiscal year 1997, or $15,000,000 for fiscal year 1998''.

SEC. 1057. ARMS CONTROL IMPLEMENTATION AND ASSISTANCE FOR FACILITIES SUBJECT TO INSPECTION UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) ASSISTANCE AUTHORIZED.—The On-Site Inspection Agency of the Department of Defense may provide technical assistance, on a reimbursable basis (in accordance with subsection (b)), to a facility that is subject to a routine or challenge inspection under the Chemical Weapons Convention upon the request of the owner or operator of the facility.

(b) REIMBURSEMENT REQUIREMENT.—The United States National Authority shall reimburse the On-Site Inspection Agency for costs incurred by the agency in providing assistance under subsection (a).

(c) DEFINITIONS.—In this section:

(1) The terms ''Chemical Weapons Convention'' and ''Convention'' mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their De-

struction, opened for signature on January 13, 1993.

(2) The term ''facility that is subject to a routine inspection'' means a declared facility, as defined in paragraph 15 of part X of the Annex on Implementation and Verification of the Convention.

(3) The term ''challenge inspection'' means an inspection conducted under Article IX of the Convention.

(4) The term ''United States National Authority'' means the United States National Authority established or designated pursuant to Article VII, paragraph 4, of the Chemical Weapons Convention.

SEC. 1058. SENSE OF SENATE REGARDING THE RELATIONSHIP BETWEEN ENVIRONMENTAL LAWS AND UNITED STATES' OBLIGATIONS UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Chemical Weapons Convention requires the destruction of the United States' stockpile of lethal chemical agents and munitions within 10 years after the Convention's entry into force (or 2007).

(2) The President possesses substantial powers under existing law to ensure that the technologies

necessary to destroy the stockpile are developed, that the facilities necessary to destroy the stockpile are constructed, and that Federal, State, and local environmental laws and regulations do not impair the ability of the United States to comply with its obligations under the Convention.

(b) SENSE OF SENATE.—It is the sense of the Senate that the President—

(1) should use the authority granted the President under existing law to ensure that the United States is able to construct and operate the facilities necessary to destroy the United States' stockpile of lethal chemical agents and munitions within the time allowed by the Chemical Weapons Convention; and

(2) while carrying out the United States' obligations under the Convention, should encourage negotiations between appropriate Federal Government officials and officials of the State and local governments concerned to attempt to meet their concerns about the actions being taken to carry out those obligations.

(c) CHEMICAL WEAPONS CONVENTION DEFINED.—In this section, the terms ''Chemical Weapons Convention'' and ''Convention'' mean the Convention on the Prohibition of the Development, Production, Stockpiling and

Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

SEC. 1059. SENSE OF CONGRESS REGARDING FUNDING FOR RESERVE COMPONENT MODERNIZATION NOT REQUESTED IN THE ANNUAL BUDGET REQUEST.

(a) LIMITATION.—It is the sense of Congress that, to the maximum extent practicable, Congress should consider authorizing appropriations for reserve component modernization activities not included in the budget request of the Department of Defense for a fiscal year only if—

(1) there is a Joint Requirements Oversight Council validated requirement for the equipment;

(2) the equipment is included for reserve component modernization in the modernization plan of the military department concerned and is incorporated into the future-years defense program;

(3) the equipment is consistent with the use of reserve component forces;

(4) the equipment is necessary in the national security interests of the United States; and

(5) the funds can be obligated in the fiscal year.

(b) VIEWS OF THE CHAIRMAN, JOINT CHIEFS OF STAFF.—It is further the sense of Congress that, in applying the criteria set forth in subsection (a), Congress

should obtain the views of the Chairman of the Joint Chiefs of Staff, including views on whether funds for equipment not included in the budget request are appropriate for the employment of reserve component forces in Department of Defense warfighting plans.

SEC. 1060. AUTHORITY OF SECRETARY OF DEFENSE TO SETTLE CLAIMS RELATING TO PAY, ALLOWANCES, AND OTHER BENEFITS.

(a) AUTHORITY TO WAIVE TIME LIMITATIONS.—Paragraph (1) of section 3702(e) of title 31, United States Code, is amended by striking out ''Comptroller General'' and inserting in lieu thereof ''Secretary of Defense''.

(b) APPROPRIATION TO BE CHARGED.—Paragraph (2) of such section is amended by striking out ''shall be subject to the availability of appropriations for payment of that particular claim'' and inserting in lieu thereof ''shall be made from an appropriation that is available, for the fiscal year in which the payment is made, for the same purpose as the appropriation to which the obligation claimed would have been charged if the obligation had been timely paid''.

SEC. 1061. COORDINATION OF ACCESS OF COMMANDERS AND DEPLOYED UNITS TO INTELLIGENCE COLLECTED AND ANALYZED BY THE INTELLIGENCE COMMUNITY.

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

(1) Coordination of operational intelligence support for the commanders of the combatant commands and deployed units of the Armed Forces has proven to be inadequate.

(2) Procedures used to reconcile information among various intelligence community and Department of Defense data bases proved to be inadequate and, being inadequate, diminished the usefulness of that information and preclude commanders and planners within the Armed Forces from fully benefiting from key information that should have been available to them.

(3) Excessive compartmentalization of responsibilities and information within the Department of Defense and the other elements of the intelligence community resulted in inaccurate analysis of important intelligence material.

(4) Excessive restrictions on the distribution of information within the executive branch disadvan-

taged units of the Armed Forces that would have benefited most from the information.

(5) Procedures used in the Department of Defense to ensure that critical intelligence information is provided to the right combat units in a timely manner failed during the Persian Gulf War and, as a result, information about potential chemical weapons storage locations did not reach the units that eventually destroyed those storage areas.

(6) A recent, detailed review of the events leading to and following the destruction of chemical weapons by members of the Armed Forces at Khamisiyah, Iraq, during the Persian Gulf War has revealed a number of inadequacies in the way the Department of Defense and the other elements of the intelligence community handled, distributed, recorded, and stored intelligence information about the threat of exposure of United States forces to chemical weapons and the toxic agents in those weapons.

(7) The inadequacy of procedures for recording the receipt of, and reaction to, intelligence reports provided by the intelligence community to combat units of the Armed Forces during the Persian Gulf War has caused it to be impossible to analyze the failures in transmission of intelligence-related infor-

mation on the location of chemical weapons at Khamisiyah, Iraq, that resulted in the demolition of chemical weapons by members of the Armed Forces unaware of the hazards to which they were exposed.

(b) REPORTING REQUIREMENT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report that identifies the specific actions that have been taken or are being taken to ensure that there is adequate coordination of operational intelligence support for the commanders of the combatant commands and deployed units of the Armed Forces.

(c) DEFINITION OF INTELLIGENCE COMMUNITY.—In this section, the term ''intelligence community'' has the meaning given the term in section 3 of the National Security Act of 1947 (50 U.S.C. 401a).

SEC. 1062. PROTECTION OF IMAGERY, IMAGERY INTELLIGENCE, AND GEOSPATIAL INFORMATION AND DATA.

(a) PROTECTION OF INFORMATION ON CAPABILITIES.—Paragraph (1)(B) of section 455(b) of title 10, United States Code, is amended by inserting '', or capabilities,'' after ''methods''.

(b) PRODUCTS PROTECTED.—(1) Paragraph (2) of such section is amended to read as follows:

"(2) In this subsection, the term 'geodetic product' means imagery, imagery intelligence, or geospatial information, as those terms are defined in section 467 of this title.".

(2) Section 467(4)(C) of title 10, United States Code, is amended to read as follows:

"(C) maps, charts, geodetic data, and related products.".

SEC. 1063. PROTECTION OF AIR SAFETY INFORMATION VOLUNTARILY PROVIDED BY A CHARTER AIR CARRIER.

Section 2640 of title 10, United States Code, is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) PROTECTION OF VOLUNTARILY SUBMITTED AIR SAFETY INFORMATION.—(1) Subject to paragraph (2), the appropriate official may deny a request made under any other provision of law for public disclosure of safety-related information that has been provided voluntarily by an air carrier to the Secretary of Defense for the purposes of this section, notwithstanding the provision of law under which the request is made.

"(2) The appropriate official may exercise authority to deny a request for disclosure of information under paragraph (1) if the official first determines that—

"(A) the disclosure of the information as requested would inhibit an air carrier from voluntarily disclosing, in the future, safety-related information for the purposes of this section or for other air safety purposes involving the Department of Defense or another Federal agency; and

"(B) the receipt of such information generally enhances the fulfillment of responsibilities under this section or other air safety responsibilities involving the Department of Defense or another Federal agency.

"(3) For the purposes of this section, the appropriate official for exercising authority under paragraph (1) is—

"(A) the Secretary of Defense, in the case of a request for disclosure of information that is directed to the Department of Defense; or

"(B) the head of another Federal agency, in the case of a request that is directed to that Federal agency regarding information described in paragraph (1) that the Federal agency has received from the Department of Defense.".

SEC. 1064. SUSTAINMENT AND OPERATION OF GLOBAL POSITIONING SYSTEM.

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

(1) The Global Positioning System, with its multiple uses, makes significant contributions to the attainment of the national security and foreign policy goals of the United States, the safety and efficiency of international transportation, and the economic growth, trade, and productivity of the United States.

(2) The infrastructure for the Global Positioning System, including both space and ground segments of the infrastructure, is vital to the effectiveness of United States and allied military forces and to the protection of the national security interests of the United States.

(3) In addition to having military uses, the Global Positioning System has essential civil, commercial, and scientific uses.

(4) Driven by the increasing demand of civil, commercial, and scientific users of the Global Positioning System—

(A) there has emerged in the United States a new commercial industry to provide Global Positioning System equipment and relat-

ed services to the many and varied users of the system; and

(B) there have been rapid technical advancements in Global Positioning System equipment and services that have contributed significantly to reductions in the cost of the Global Positioning System and increases in the technical capabilities and availability of the system for military uses.

(5) It is in the national interest of the United States for the United States—

(A) to support continuation of the multiple-use character of the Global Positioning System;

(B) to promote broader acceptance and use of the Global Positioning System and the technological standards that facilitate expanded use of the system for civil purposes;

(C) to coordinate with other countries to ensure—

(i) efficient management of the electromagnetic spectrum utilized for the Global Positioning System; and

(ii) protection of that spectrum in order to prevent disruption of, and interference with, signals from the system; and

(D) to encourage open access in all international markets to the Global Positioning System and supporting equipment, services, and techniques.

(b) SUSTAINMENT AND OPERATION FOR MILITARY PURPOSES.—The Secretary of Defense shall—

(1) provide for the sustainment of the Global Positioning System capabilities, and the operation of basic Global Positioning System services, that are beneficial for the national security interests of United States;

(2) develop appropriate measures for preventing hostile use of the Global Positioning System that make it unnecessary to use the selective availability feature of the system continuously and do not hinder the use of the Global Positioning System by the United States and its allies for military purposes; and

(3) ensure that United States military forces have the capability to use the Global Positioning System effectively despite hostile attempts to prevent the use of the system by such forces.

(c) SUSTAINMENT AND OPERATION FOR CIVILIAN PURPOSES.—The Secretary of Defense shall—

(1) provide for the sustainment and operation of basic Global Positioning System services for peaceful civil, commercial, and scientific uses on a continuous worldwide basis free of direct user fees;

(2) provide for the sustainment and operation of basic Global Positioning System services in order to meet the performance requirements of the Federal Radionavigation Plan jointly issued by the Secretary of Defense and the Secretary of Transportation;

(3) coordinate with the Secretary of Transportation regarding the development and implementation by the Federal Government of augmentations to the basic Global Positioning System that achieve or enhance uses of the system in support of transportation;

(4) coordinate with the Secretary of Commerce, the United States Trade Representative, and other appropriate officials to facilitate the development of new and expanded civil uses for the Global Positioning System; and

(5) develop measures for preventing hostile use of the Global Positioning System in a particular area

without hindering peaceful civil use of the system elsewhere.

(d) FEDERAL RADIONAVIGATION PLAN.—The Secretary of Defense and the Secretary of Transportation shall continue to prepare the Federal Radionavigation Plan every two years as originally provided for in the International Maritime Satellite Telecommunications Act (title V of the Communications Satellite Act of 1962; 47 U.S.C. 751 et seq.).

(e) INTERNATIONAL COOPERATION.—Congress urges the President to promote the security of the United States and its allies, the public safety, and commercial interests by—

(1) undertaking a coordinated effort within the executive branch to seek to establish the Global Positioning System, and augmentations to the system, as a worldwide resource;

(2) seeking to enter into international agreements to establish signal and service standards that protect the Global Positioning System from disruption and interference; and

(3) undertaking efforts to eliminate any barriers to, and other restrictions of foreign governments on, peaceful uses of the Global Positioning System.

(f) PROHIBITION OF SUPPORT OF FOREIGN SYSTEM.—None of the funds authorized to be appropriated under this Act may be used to support the operation and maintenance or enhancement of any satellite navigation system operated by a foreign country.

(g) REPORT.—(1) Not later than 30 days after the end of each even numbered fiscal year (beginning with fiscal year 1998), the Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations on the Senate and the Committees on National Security and on Appropriations of the House of Representatives a report on the Global Positioning System. The report shall include a discussion of the following matters:

(A) The operational status of the Global Positioning System.

(B) The capability of the system to satisfy effectively—

(i) the military requirements for the system that are current as of the date of the report; and

(ii) the performance requirements of the Federal Radionavigation Plan.

(C) The most recent determination by the President regarding continued use of the selective availability feature of the Global Positioning System

and the expected date of any change or elimination of use of that feature.

(D) The status of cooperative activities undertaken by the United States with the governments of other countries concerning the capability of the Global Positioning System or any augmentation of the system to satisfy civil, commercial, scientific, and military requirements, including a discussion of the status and results of activities undertaken under any regional international agreement.

(E) Any progress made toward establishing the Global Positioning System as an international standard for consistency of navigational service.

(F) Any progress made toward protecting the Global Positioning System from disruption and interference.

(G) The effects of use of the Global Positioning System on national security, regional security, and the economic competitiveness of United States industry, including the Global Positioning System equipment and service industry and user industries.

(2) In preparing the parts of the report required under subparagraphs (D), (E), (F), and (G) of paragraph (1), the Secretary of Defense shall consult with the Sec-

retary of Commerce, Secretary of Transportation, and Secretary of Labor.

(h) BASIC GLOBAL POSITIONING SYSTEM SERVICES DEFINED.—In this section, the term ''basic global positioning system services'' means the following components of the Global Positioning System that are operated and maintained by the Department of Defense:

(1) The constellation of satellites.

(2) The navigation payloads that produce the Global Positioning System signals.

(3) The ground stations, data links, and associated command and control facilities.

SEC. 1065. LAW ENFORCEMENT AUTHORITY FOR SPECIAL AGENTS OF THE DEFENSE CRIMINAL INVESTIGATIVE SERVICE.

(a) AUTHORITY.—Chapter 81 of title 10, United States Code, is amended by inserting after section 1585 the following new section:

"§ 1585a. Special agents of the Defense Criminal Investigative Service: law enforcement authority

''(a) AUTHORITY.—A special agent of the Defense Criminal Investigative Service designated under subsection (b) has the following authority:

''(1) To carry firearms.

"(2) To execute and serve any warrant or other process issued under the authority of the United States.

"(3) To make arrests without warrant for—

"(A) any offense against the United States committed in the agent's presence; or

"(B) any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing the felony.

"(b) DESIGNATION OF AGENTS TO HAVE AUTHORITY.—The Secretary of Defense may designate to have the authority provided under subsection (a) any special agent of the Defense Criminal Investigative Service whose duties include conducting, supervising, or coordinating investigations of criminal activity in programs and operations of the Department of Defense.

"(c) GUIDELINES ON EXERCISE OF AUTHORITY.—The authority provided under subsection (a) shall be exercised in accordance with guidelines prescribed by the Inspector General of the Department of Defense and approved by the Attorney General, and any other applicable guidelines prescribed by the Secretary of Defense or the Attorney General.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1585 the following:

"1585a. Special agents of the Defense Criminal Investigative Service: law enforcement authority.".

SEC. 1066. REPEAL OF REQUIREMENT FOR CONTINUED OPERATION OF THE NAVAL ACADEMY DAIRY FARM.

(a) REPEAL.—Section 810 of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 309) is amended—

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

(2) in subsection (b), by striking out "nor shall" and all that follows through "Act of Congress".

(b) CONFORMING AMENDMENTS.—(1) Section 6971(b)(5) of title 10, United States Code, is amended by inserting "(if any)" before the period at the end.

(2) Section 2105(b) of title 5, United States Code, is amended by inserting "(if any)" after "Academy dairy".

SEC. 1067. POW/MIA INTELLIGENCE ANALYSIS CELL.

(a) ESTABLISHMENT OF INTELLIGENCE CELL.—The Director of Central Intelligence, in consultation with the Secretary of Defense, shall establish a POW/MIA Intelligence Analysis Cell to provide analytical support on

POW/MIA matters to all departments and agencies of the Federal Government involved with such matters. The Director of Central Intelligence shall oversee the functions of the POW/MIA Intelligence Analysis Cell and determine its structure and location.

(b) PREPARATION OF NATIONAL INTELLIGENCE ESTIMATE.—The POW/MIA Intelligence Analysis Cell shall be the primary source of support for the Director in the preparation of the Special National Intelligence Estimate on POW/MIA matters that was directed by the Assistant to the President for National Security Affairs in accordance with the letter on that subject that the Assistant to the President transmitted to the Majority Leader of the Senate on April 10, 1997.

(c) CONSOLIDATION OF INTELLIGENCE COLLECTION REQUIREMENTS.—All intelligence collection requirements for the intelligence community regarding POW/MIA matters shall be consolidated within the POW/MIA Intelligence Analysis Cell.

(d) DEFINITIONS.—In this section:

(1) The term ''POW/MIA matters'' means matters concerning prisoners of war and members of the Armed Forces who are missing in action.

(2) The term ''intelligence community'' has the meaning given the term in section 3 of the National Security Act of 1947 (50 U.S.C. 401a).

SEC. 1068. PROTECTION OF EMPLOYEES FROM RETALIATION FOR CERTAIN DISCLOSURES OF CLASSIFIED INFORMATION.

(a) DISCLOSURES TO OFFICIALS CLEARED FOR ACCESS.—Section 2302(b) of title 5, United States Code, is amended—

(1) in paragraph (8)—

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

(B) by inserting ''or'' at the end of subparagraph (B)(ii); and

(C) by adding at the end the following:

''(C) a disclosure by an employee or applicant of information required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs which the employee or applicant reasonably believes to provide direct and specific evidence of—

''(i) a violation of any law, rule, or regulation,

"(ii) gross mismanagement, a gross waste of funds, abuse of authority, or a substantial and specific danger to public health or safety, or

"(iii) a false statement to Congress on an issue of material fact,

if the disclosure is made to a member of a committee of Congress having a primary responsibility for oversight of a department, agency, or element of the Federal Government to which the disclosed information relates, to any other Member of Congress who is authorized to receive information of the type disclosed, or to an employee of the executive branch or Congress who has the appropriate security clearance for access to the information disclosed;"; and

(2) by striking out the matter following paragraph (11).

(b) DISSEMINATION OF INFORMATION ON NEW PROTECTION.—Not later than 30 days after the date of the enactment of this Act, the President shall—

(1) take such action as is necessary to ensure that employees of the executive branch having access to classified information receive notice that the disclosure of such information to Congress is not pro-

hibited by law, executive order, or regulation, and is not otherwise contrary to public policy when the information is disclosed under the circumstances described in subparagraph (C) of section 2302(b)(8) of title 5, United States Code (as added by subsection (a)); and

(2) submit to Congress a report on the actions taken to carry out paragraph (1).

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on October 1, 1998, and shall apply to a taking, failing to take, or threat to take or fail to take a personnel action on or after such date because of a disclosure described in subparagraph (C) of section 2302(b)(8) of title 5, United States Code (as added by subsection (a)), that is made before, on, or after such date.

SEC. 1069. APPLICABILITY OF CERTAIN PAY AUTHORITIES TO MEMBERS OF THE COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE.

(a) APPLICABILITY.—Section 705(a) of the Veterans' Benefits Improvements Act of 1996 (Public Law 104–275; 110 Stat. 3349; 38 U.S.C. 545 note) is amended—

(1) by inserting ''(1)'' before ''Each member''; and

(2) by adding at the end the following:

''(2)(A) A member of the Commission who is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the Commission shall not be subject to the provisions of such section with respect to such membership.

''(B) A member of the Commission who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the Commission.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the provisions of section 705(a) of the Veterans' Benefits Improvements Act of 1996 to which such amendments relate.

SEC. 1070. TRANSFER OF B–17 AIRCRAFT TO MUSEUM.

(a) AUTHORITY.—The Secretary of the Air Force may convey, without consideration, to the Planes of Fame Museum, Chino, California (hereafter in this section referred to as the ''museum''), all right, title, and interest of the United States in and to the B–17 aircraft known as the ''Picadilly Lilly'', an aircraft that has been in the possession of the museum since 1959.

(b) CONDITION OF AIRCRAFT.—Before conveying ownership of the aircraft, the Secretary shall alter the air-

craft as necessary to ensure that the aircraft does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have. The Secretary is not required to repair or alter the condition of the aircraft in any other way before conveying the ownership.

(c) CONDITION FOR CONVEYANCE.—A conveyance of ownership of the aircraft under this section shall be subject to the condition that the museum not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the advance approval of the Secretary of the Air Force.

(d) REVERSION.—If the Secretary of the Air Force determines at any time that the museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the advance approval of the Secretary, all right, title, and interest in and to the aircraft, including any repairs or alterations of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance

under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) CLARIFICATION OF LIABILITY.—Notwithstanding any other provision of law, the United States shall not be liable for any death, injury, loss, or damages that result from any use of the aircraft conveyed under this section by any person other than the United States after the conveyance is complete.

SEC. 1071. FIVE-YEAR EXTENSION OF AVIATION INSURANCE PROGRAM.

(a) EXTENSION.—Section 44310 of title 49, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 2002''.

(b) EFFECTIVE DATE.—This section shall take effect as of September 30, 1997.

SEC. 1072. TREATMENT OF MILITARY FLIGHT OPERATIONS.

No military flight operation (including a military training flight), or designation of airspace for such an operation, may be treated as a transportation program or project for purposes of section 303(c) of title 49, United States Code.

SEC. 1073. NATURALIZATION OF FOREIGN NATIONALS WHO SERVED HONORABLY IN THE ARMED FORCES OF THE UNITED STATES.

(a) IN GENERAL.—Section 329 of the Immigration and Nationality Act (8 U.S.C. 1440) is amended—

(1) in subsection (a)(1)—

(A) by inserting ", reenlistment, extension of enlistment," after "at the time of enlistment"; and

(B) by inserting "or on board a public vessel owned or operated by the United States for noncommercial service," after "United States, the Canal Zone, American Samoa, or Swains Island,"; and

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

"(d) WAIVER.—(1) For purposes of the naturalization of natives of the Philippines under section 405 of the Immigration Act of 1990 (8 U.S.C. 1440 note), notwithstanding any other provision of law—

"(A) the processing of applications for naturalization, filed in accordance with the provisions of Section 405 of the Immigration Act of 1990 (Public Law 101–649; 104 Stat. 5039), including necessary interviews, may be conducted in the Philippines by

employees of the Service designated pursuant to section 335(b) of this Act; and

"(B) oaths of allegiance for applications under this subsection may be administered in the Philippines by employees of the Service designated pursuant to section 335(b) of this Act.

"(2) Paragraph (1) shall be effective only during the period beginning February 3, 1996, and ending at the end of February 2, 2006.".

(b) EFFECTIVE DATES.—The amendments made by subsection (a)(1) shall be effective for all enlistments, reenlistments, extensions of enlistment, or inductions of persons occurring on or after January 1, 1990.

SEC. 1074. DESIGNATION OF BOB HOPE AS HONORARY VETERAN.

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

(1) The United States has never in its more than 200 years of existence conferred honorary veteran status on any person.

(2) Honorary veteran status is and should remain an extraordinary honor not lightly conferred nor frequently granted.

(3) It is fitting and proper to confer that status on Bob Hope.

(4) Bob Hope attempted to enlist in the Armed Forces to serve his country during World War II but was informed that the greatest service he could provide his country was as a civilian entertainer for the troops.

(5) Since then, Bob Hope has travelled to visit and entertain millions of members of the Armed Forces of the United States throughout World War II, the Korean Conflict, the Vietnam War, the Persian Gulf War, and the Cold War, in Europe, Africa, England, Wales, Ireland, Scotland, Sicily, the Aleutian Islands, Pearl Harbor, Kwajalein Island, Guam, Japan, Korea, Vietnam, Saudi Arabia, and many other locations.

(6) Bob Hope frequently elected to stage his shows in forward combat areas.

(7) Bob Hope richly deserves the more than 100 awards and citations that he has received from government, military, and civic groups.

(8) Those awards include the American Congressional Gold Medal, the Medal of Freedom, the People to People Award, the Peabody Award, the Jean Hersholdt Humanitarian Award, the Al Jolson Award of the Veterans of Foreign Wars, the Medal

of Liberty, and the Distinguished Service Medals of each of the Armed Forces.

(9) Bob Hope has given unselfishly of himself for over half a century to be with American service members on foreign shores, has worked tirelessly to bring a spirit of humor and cheer to millions of military members during their loneliest moments, and has, thereby, extended to them for the American people a touch of home away from home.

(b) HONORARY DESIGNATION.—The elected representatives of the American people, expressing the gratitude of the American people to Bob Hope for his years of unselfish service to the members of the Armed Forces of the United States, designate Bob Hope as an honorary veteran of the Armed Forces of the United States.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

SEC. 1101. USE OF PROHIBITED CONSTRAINTS TO MANAGE DEPARTMENT OF DEFENSE PERSONNEL.

Section 129 of title 10, United States Code, is amended by adding at the end the following:

''(f)(1) Not later than February 1 and August 1 of each year, the Secretary of each military department and the head of each Defense Agency shall submit to the Committee on Armed Services of the Senate and the Commit-

tee on National Security of the House of Representative a report on the management of the civilian workforce under the jurisdiction of that official.

"(2) Each report of an official under paragraph (1) shall contain the following:

"(A) The official's certification that the civilian workforce under the jurisdiction of the official is not subject to any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees, and that, during the six months preceding the date on which the report is due, such workforce has not been subject to any such constraint or limitation.

"(B) A description of how the civilian workforce is managed.

"(C) A detailed description of the analytical tools used to determine civilian workforce requirements during the six-month period referred to in subparagraph (A).".

SEC. 1102. EMPLOYMENT OF CIVILIAN FACULTY AT THE MARINE CORPS UNIVERSITY.

(a) EXPANDED AUTHORITY.—Subsections (a) and (c) of section 7478 of title 10, United States Code, are amended by striking out "the Marine Corps Command

and Staff College'' and inserting in lieu thereof ''a school of the Marine Corps University''.

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

''§ 7478. Naval War College and Marine Corps University: civilian faculty members''.

(2) The table of sections at the beginning of chapter 643 of such title is amended by striking out the item relating to section 7478 and inserting in lieu thereof the following new item:

''7478. Naval War College and Marine Corps University: civilian faculty members.''.

SEC. 1103. EXTENSION AND REVISION OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY.

(a) REMITTANCE TO CSRS FUND.—Section 5597 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) In addition to any other payment that it is required to make under subchapter III of chapter 83 or chapter 84 of this title, the Department of Defense shall remit to the Office of Personnel Management an amount equal to 15 percent of the final basic pay of each covered employee. The remittance shall be in place of any remittance with respect to the employee that is otherwise required under section 4(a) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note).

"(2) Amounts remitted under paragraph (1) shall be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund.

"(3) For the purposes of this subsection—

"(A) the term 'covered employee' means an employee who is subject to subchapter III of chapter 83 or chapter 84 of this title and to whom a voluntary separation incentive has been paid under this section on the basis of a separation on or after October 1, 1997; and

"(B) the term 'final basic pay' has the meaning given such term in section 4(a)(2) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note).".

(b) EXTENSION OF AUTHORITY.—(1) Subsection (e) of such section is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(2) Section 4436(d)(2) of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (5 U.S.C. 8348 note) is amended by striking "January 1, 2000" and inserting in lieu thereof "January 1, 2002".

SEC. 1104. REPEAL OF DEADLINE FOR PLACEMENT CONSIDERATION OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

Section 3329(b) of title 5, United States Code, is amended by striking out ''a position described in subsection (c) not later than 6 months after the date of the application''.

SEC. 1105. RATE OF PAY OF DEPARTMENT OF DEFENSE OVERSEAS TEACHER UPON TRANSFER TO GENERAL SCHEDULE POSITION.

(a) PREVENTION OF EXCESSIVE INCREASES.—Section 5334(d) of title 5, United States Code, is amended by striking out ''20 percent'' and all that follows and inserting in lieu thereof ''an amount determined under regulations which the Secretary of Defense shall prescribe for the determination of the yearly rate of pay of the position. The amount by which a rate of pay is increased under the regulations may not exceed the amount equal to 20 percent of that rate of pay.''.

(b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendment made by subsection (a) shall take effect 180 days after the date of the enactment of this Act.

(2) In the case of a person who is employed in a teaching position referred to in section 5334(d) of title 5, United States Code, on the day before the effective date determined under paragraph (1), the rate of pay deter-

mined under such section (as in effect on that day) shall not be reduced by reason of the amendment made by subsection (a) for so long as the person continues to serve in that position or another such position without a break in service on or after that day.

SEC. 1106. NATURALIZATION OF EMPLOYEES OF THE GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

(a) ELIGIBILITY WITHOUT PERMANENT RESIDENCE.—Subsection (a) of section 506 of the Intelligence Authorization Act, Fiscal Year 1990 (Public Law 101–193; 103 Stat. 1709; 8 U.S.C. 1430 note) is amended to read as follows:

''(a) For purposes of subsection (c) of section 319 of the Immigration and Nationality Act (8 U.S.C. 1430), the George C. Marshall European Center for Security Studies, located in Garmisch, Federal Republic of Germany, shall be considered to be an organization described in clause (1) of such subsection. Notwithstanding clauses (2) and (4) of such subsection and any other provision of title III of the Immigration and Nationality Act, neither prior admission to the United States for permanent residence nor presence in the United States at the time of naturalization is required as a condition for the natu-

ralization (under the authority of such subsection) of a person employed by the Center.''.

(b) REFERENCE CORRECTION.—The section heading of such section is amended to read as follows:

''REQUIREMENTS FOR CITIZENSHIP FOR STAFF OF GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES''.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1998''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$27,000,000
Arizona	Fort Huachuca	$20,000,000
California	Naval Weapons Station, Concord	$23,000,000

Army: Inside the United States—Continued

State	Installation or location	Amount
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

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	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

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of ap-

propriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or location	Purpose	Amount
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 improvements.	$8,500,000
Maryland	Fort Meade	56 Units	$7,900,000
New York	United States Military Academy, West Point.	Whole neighborhood revitalization.	$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

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $11,665,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military

family housing units in an amount not to exceed $44,800,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,957,129,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $360,500,000.

(2) For the military construction projects outside the United States authorized by section 2101(b), $174,265,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $6,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $50,512,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $176,915,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,148,937,000.

(6) For the construction of the National Range Control Center, White Sands Missile Range, New Mexico, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $18,000,000.

(7) For the construction of the whole barracks complex renewal, Fort Knox, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (110 Stat. 2763), $22,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $26,500,000 (the balance of the amount authorized under section 2101(a) for the construction of the United States Disciplinary Barracks, Fort Leavenworth, Kansas).

SEC. 2105. AUTHORITY TO USE CERTAIN PRIOR YEAR FUNDS TO CONSTRUCT A HELIPORT AT FORT IRWIN, CALIFORNIA.

(a) AUTHORITY TO USE FUNDS.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of the Army may carry out a project to construct a heliport at Fort Irwin, California, using the following amounts:

(1) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3029) for the military construction project at Fort Irwin authorized by section 2101(a) of that Act (108 Stat. 3027).

(2) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 524) for the military construction

project at Fort Irwin authorized by section 2101(a) of that Act (110 Stat. 523).

(b) LIMITATION ON AVAILABILITY.—Unless funds available under subsection (a) are obligated for the project covered by that subsection by the later of the dates set forth in section 2701(a) of this Act, the authority in that subsection to use funds for the project shall expire on the later of such dates.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	$11,426,000
	Marine Corps Air Station, Yuma	$14,700,000
California	Marine Corps Air Station, Camp Pendleton.	$14,020,000
	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms.	$3,810,000
	Marine Corps Base, Camp Pendleton	$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

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Administrative Support Unit, Bahrain	$30,100,000
Guam	Naval 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

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
California	Marine Corps 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

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $15,850,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $173,780,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,916,887,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $448,637,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $75,620,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,960,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $47,597,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $329,769,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $976,504,000.

(6) For construction of a large anachoic chamber facility at Patuxent River Naval Warfare Center, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $9,000,000.

(7) For construction of a bachelor enlisted quarters at Naval Hospital, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766), $5,200,000.

(8) For construction of a bachelor enlisted quarters at Naval Station, Roosevelt Roads, Puerto Rico, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 1997 (110 Stat. 2767), $14,600,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $32,620,000 (the balance of the amount authorized under section 2101(a) for the replacement of the Berthing Pier at Naval Station, Norfolk, Virginia.

(c) ADJUSTMENT.—The total amount authorized to be appropriated under paragraph (5) of subsection (a) is the sum of the amounts authorized to be appropriated under such paragraph, reduced by $8,463,000 (the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes).

SEC. 2205. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT PASCAGOULA NAVAL STATION, MISSISSIPPI, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766) is amended by striking out the item relating to Navy Project, Stennis Space Center, Mississippi, and inserting in lieu thereof the following:

Mississippi	Naval Station Pascagoula	$4,990,000
	Navy Project, Stennis Space Center	$7,960,000

(b) CONFORMING AMENDMENTS.—Section 2204(a) of such Act (110 Stat. 2769) is amended—

(1) in the matter preceding paragraph (1), by striking out ''$2,213,731,000'' and inserting in lieu thereof ''$2,218,721,000''; and

(2) in paragraph (1), by striking out ''$579,312,000'' and inserting in lieu thereof ''$584,302,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of 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	Fairchild Air Force Base	$24,016,000
	McChord Air Force Base	$9,655,000
CONUS Classified	Classified Location	$6,175,000
	Total:	$540,920,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	$18,500,000
Italy	Aviano Air Base	$15,220,000
Korea	Kunsan Air Base	$10,325,000
Portugal	Lajes Field, Azores	$4,800,000
United Kingdom	Royal Air Force, Lakenheath	$11,400,000
Overseas Classified	Classified Location	$29,100,000
	Total:	$89,345,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or location	Purpose	Amount
California	Edwards Air Force Base.	51 units	$8,500,000
	Travis Air Force Base	70 units	$9,714,000
	Vandenberg Air Force Base.	108 units	$17,100,000
Delaware	Dover Air Force Base	Ancillary Facility.	$831,000
District of Columbia	Bolling Air Force Base	46 units	$5,100,000
Florida	MacDill Air Force Base	58 units	$10,000,000
	Tyndall Air Force Base	32 units	$4,200,000

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
	Keesler Air Force Base	40 units	$5,000,000
Montana	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

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $13,021,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing mili-

tary family housing units in an amount not to exceed $102,195,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,793,949,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $540,920,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $89,345,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,545,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $51,080,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, planning improvement of mili-

tary family housing and facilities, $297,683,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $830,234,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $23,858,000 (the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes).

SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT MCCONNELL AIR FORCE BASE, KANSAS, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2771) is amended in the item relating to McConnell Air Force Base, Kansas, by striking out ''$19,130,000'' in the amount column and inserting in lieu thereof ''$25,830,000''.

(b) CONFORMING AMENDMENT.—Section 2304 of such Act (110 Stat. 2774) is amended—

(1) in the matter preceding paragraph (1), by striking out ''$1,894,594,000'' and inserting in lieu thereof ''$1,901,294,000''; and

(2) in paragraph (1), by striking out ''$603,834,000'' and inserting in lieu thereof ''$610,534,000''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations 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	Fort Lee, Virginia	$9,300,000
Defense Finance & Accounting Service.	Naval Station, Pearl Harbor, Hawaii	$10,000,000
	Columbus Center, Ohio	$9,722,000
	Naval Air Station, Millington, Tennessee	$6,906,000
	Naval Station, Norfolk, Virginia	$12,800,000
Defense Intelligence Agency	Redstone Arsenal, Alabama	$32,700,000
	Bolling Air Force Base, District of Columbia	$7,000,000
Defense Logistics Agency	Elmendorf Air Force Base, Alaska	$21,700,000
	Naval Air Station, Jacksonville, Florida	$9,800,000
	Westover Air Reserve Base, Massachusetts	$4,700,000
	Defense Distribution New Cumberland—DDSP, Pennsylvania	$15,500,000
	Defense Distribution Depot—DDNV, Virginia	$16,656,000
	Defense Fuel Support Point, Craney Island, Virginia	$22,100,000
	Defense General Supply Center, Richmond, Virginia	$5,200,000
	Defense Fuel Support Center, Truax Field, Wisconsin	$4,500,000
	CONUS Various, CONUS Various	$11,275,000
Defense Medical Facility Office.	Naval Station, San Diego, California	$2,100,000
	Naval Submarine Base, New London, Connecticut	$2,300,000
	Naval Air Station, Pensacola, Florida	$2,750,000
	Robins Air Force Base, Georgia	$19,000,000
	Fort Campbell, Kentucky	$13,600,000
	Fort Detrick, Maryland	$4,650,000
	McGuire Air Force Base, New Jersey	$35,217,000
	Holloman Air Force Base, New Mexico	$3,000,000
	Wright-Patterson Air Force Base, Ohio	$2,750,000
	Lackland Air Force Base, Texas	$3,000,000
	Hill Air Force Base, Utah	$3,100,000
	Marine Corps Combat Development Command, Quantico, Virginia	$19,000,000
	Naval Station, Everett, Washington	$7,500,000
National Security Agency	Fort Meade, Maryland	$29,800,000
Special Operations Command	Naval Amphibious Base, North Island, California	$7,400,000
	Eglin Auxiliary Field 3, Florida	$11,200,000
	Hurlburt Field, Florida	$2,450,000
	Fort Benning, Georgia	$9,814,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
	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

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
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

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $50,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(13)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $4,950,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $2,778,531,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $408,090,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $34,965,000.

(3) For military construction projects at Anniston Army Depot, Alabama, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2587), $9,900,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2599), $20,000,000.

(5) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539) and section 2408(2) of this Act, $57,427,000.

(6) For military construction projects at the Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military

Construction Authorization Act of Fiscal Year 1996 (110 Stat. 535), $14,200,000.

(7) For military construction projects at Portsmouth Naval Hospital, Virginia authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $34,600,000.

(8) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $9,844,000.

(9) For unspecified minor construction projects under section 2805 of title 10, United States Code, $34,457,000.

(10) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $31,520,000.

(11) For energy conservation projects authorized by section 2404 of this Act, $25,000,000.

(12) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,060,854,000.

(13) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,950,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $32,724,000, of which not more than $27,673,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2406. CLARIFICATION OF AUTHORITY RELATING TO FISCAL YEAR 1997 PROJECT AT NAVAL STATION, PEARL HARBOR, HAWAII.

The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775) is amended in the item relating to Special Operations Command, Naval Station, Ford Island, Pearl Harbor, Hawaii, in the installation or location column by striking out ''Naval Station, Ford Island, Pearl Harbor, Hawaii'' and inserting in lieu

thereof ''Naval Station, Pearl City Peninsula, Pearl Harbor, Hawaii''.

SEC. 2407. AUTHORITY TO USE PRIOR YEAR FUNDS TO CARRY OUT CERTAIN DEFENSE AGENCY MILITARY CONSTRUCTION PROJECTS.

(a) AUTHORITY TO USE FUNDS.—Notwithstanding any other provision of law and subject to subsection (c), the Secretary of Defense may carry out the military construction projects referred to in subsection (b), in the amounts specified in that subsection, using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3042) for the military construction project authorized at McClellan Air Force Base, California, by section 2401 of that Act (108 Stat. 3041).

(b) COVERED PROJECTS.—Funds available under subsection (a) may be used for military construction projects as follows:

(1) Construction of an addition to the Aeromedical Clinic at Anderson Air Base, Guam, $3,700,000.

(2) Construction of an occupational health clinic facility at Tinker Air Force Base, Oklahoma, $6,500,000.

(c) LIMITATION ON AVAILABILITY.—Unless funds available under subsection (a) are obligated for a project referred to in subsection (b) by the later of the dates set forth in section 2701(a), the authority in subsection (a) to use such funds for the project shall expire on the later of such dates.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out "$115,000,000" in the amount column and inserting in lieu thereof "$134,000,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$186,000,000" in the amount column and inserting in lieu thereof "$187,000,000".

SEC. 2409. AVAILABILITY OF FUNDS FOR FISCAL YEAR 1995 PROJECT RELATING TO RELOCATABLE OVER-THE-HORIZON RADAR, NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.

(a) AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law and except as provided in subsection (b), funds appropriated under the heading ''DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE'' in title VI of the Department of Defense Appropriations Act, 1995 (Public Law 103–335; 108 Stat. 2615) for the construction of a relocatable over-the-horizon radar at Naval Station Roosevelt Roads, Puerto Rico, shall be available for that purpose until the later of—

(1) October 1, 1998; or

(2) the date of enactment of an Act authorizing funds for military construction for fiscal year 1999.

(b) EXCEPTION.—Subsection (a) shall not apply to the use of funds covered by that subsection for the purpose specified in that subsection if such funds are obligated before the later of the dates specified in that subsection.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $152,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1997, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $155,416,000; and

(B) for the Army Reserve, $87,640,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $21,213,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $193,269,000; and

(B) for the Air Force Reserve, $34,580,000.

SEC. 2602. AUTHORIZATION OF ARMY NATIONAL GUARD CONSTRUCTION PROJECT, AVIATION SUPPORT FACILITY, HILO, HAWAII, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

Section 2601(1)(A) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2780) is amended by striking out ''$59,194,000'' and inserting in lieu thereof ''$65,094,000''.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2000; or

(2) the date for the enactment of an Act authorizing funds for military construction for fiscal year 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2001 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1995 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3046), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2201, 2202, 2301, 2302, 2401, or 2601 of 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

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1880), authorizations for the projects set forth in the table in subsection (b), as provided in section 2201 of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2783), shall remain in

effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) 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

SEC. 2704. EXTENSION OF AUTHORIZATION OF FISCAL YEAR 1993 PROJECT.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), the authorization for the project set forth in the table in subsection (b), as provided in section 2101 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541) and section 2703 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2784), shall remain in effect until October 1, 1998, or the date of enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000

SEC. 2705. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), section 2703 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), and section 2704 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2785), shall remain in effect until October 1, 1998, or the date of enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot.	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Army Depot.	Ammunition Demilitarization Utilities.	$7,500,000

SEC. 2706. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1997; or

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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN CEILING FOR MINOR LAND ACQUISITION PROJECTS.

(a) INCREASE.—Section 2672 of title 10, United States Code, is amended by striking out ''$200,000'' each place it appears in subsection (a) and inserting in lieu thereof ''$500,000''.

(b) CONFORMING AMENDMENTS.—(1) The section heading for such section is amended by striking out ''**$200,000**'' and inserting in lieu thereof ''**$500,000**''.

(2) The table of sections at the beginning of chapter 159 of such title is amended in the item relating to section 2672 by striking out ''$200,000'' and inserting in lieu thereof ''$500,000''.

SEC. 2802. SALE OF UTILITY SYSTEMS OF THE MILITARY DEPARTMENTS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following:

''§ 2695. Sale of utility systems

''(a) AUTHORITY.—The Secretary of the military department concerned may convey all right, title, and interest of the United States, or any lesser estate thereof, in and to all or part of a utility system located on or adjacent to a military installation under the jurisdiction of the Secretary to a municipal utility, private utility, regional or district utility, or cooperative utility or other appropriate entity.

''(b) SELECTION OF PURCHASER.—If more than one utility or entity referred to in subsection (a) notifies the Secretary concerned of an interest in a conveyance under that subsection, the Secretary shall carry out the conveyance through the use of competitive procedures.

''(c) CONSIDERATION.—

"(1) IN GENERAL.—The Secretary concerned shall accept as consideration for a conveyance under subsection (a) an amount equal to the fair market value (as determined by the Secretary) of the right, title, or interest conveyed.

"(2) FORM OF CONSIDERATION.—Consideration under this subsection may take the form of—

"(A) a lump sum payment; or

"(B) a reduction in charges for utility services provided the military installation concerned by the utility or entity concerned.

"(3) TREATMENT OF PAYMENTS.—

"(A) CREDITING.—A lump sum payment received under paragraph (2)(A) shall be credited, at the election of the Secretary—

"(i) to an appropriation of the military department concerned available for the procurement of the same utility services as are provided by the utility system conveyed under this section;

"(ii) to an appropriation of the military department available for carrying out energy savings projects or water conservation projects; or

"(iii) to an appropriation of the military department available for improvements to other utility systems on the installation concerned.

"(B) AVAILABILITY.—Amounts so credited shall be merged with funds in the appropriation to which credited and shall be available for the same purposes, and subject to the same conditions and limitations, as the appropriation with which merged.

"(d) INAPPLICABILITY OF CERTAIN CONTRACTING REQUIREMENTS.—Sections 2461, 2467, and 2468 of this title shall not apply to the conveyance of a utility system under subsection (a).

"(e) NOTICE AND WAIT REQUIREMENT.—The Secretary concerned may not make a conveyance under subsection (a) until—

"(1) the Secretary submits to the Committees on Armed Services and Appropriations of the Senate and the Committees on National Security and Appropriations of the House of Representatives an economic analysis (based upon accepted life-cycle costing procedures) demonstrating that—

"(A) the long-term economic benefit of the conveyance to the United States exceeds the

long-term economic cost of the conveyance to the United States; and

"(B) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned; and

"(2) a period of 21 days has elapsed after the date on which the economic analysis is received by the committees.

"(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with a conveyance under subsection (a) as such Secretary considers appropriate to protect the interests of the United States.

"(g) UTILITY SYSTEM DEFINED.—For purposes of this section:

"(1) IN GENERAL.—The term 'utility system' means the following:

"(A) A system for the generation and supply of electric power.

"(B) A system for the treatment or supply of water.

"(C) A system for the collection or treatment of wastewater.

"(D) A system for the generation and supply of steam, hot water, and chilled water.

"(E) A system for the supply of natural gas.

"(2) INCLUSIONS.—The term 'utility system' includes the following:

"(A) Equipment, fixtures, structures, and other improvements utilized in connection with a system referred to in paragraph (1).

"(B) Easements and rights-of-ways associated with a system referred to in that paragraph.".

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

"2695. Sale of utility systems.".

SEC. 2803. ADMINISTRATIVE EXPENSES FOR CERTAIN REAL PROPERTY TRANSACTIONS.

(a) IN GENERAL.—(1) Chapter 159 of title 10, United States Code, as amended by section 2802 of this Act, is further amended by adding at the end the following:

"§ 2696. Administrative expenses relating to certain real property transactions

"(a) AUTHORITY TO COLLECT.—Upon entering into a transaction referred to in subsection (b) with a non-Federal person or entity, the Secretary of a military depart-

ment may collect from the person or entity an amount equal to the administrative expenses incurred by the Secretary in entering into the transaction.

"(b) COVERED TRANSACTIONS.—Subsection (a) applies to the following transactions:

"(1) The exchange of real property.

"(2) The grant of an easement over, in, or upon real property of the United States.

"(3) The lease or license of real property of the United States.

"(c) USE OF AMOUNTS COLLECTED.—Amounts collected under subsection (a) for administrative expenses shall be credited to the appropriation, fund, or account from which such expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.".

(2) The table of sections at the beginning of chapter 159 of such title, as so amended, is further amended by adding at the end the following:

"2696. Administrative expenses relating to certain real property transactions.".

(b) CONFORMING AMENDMENT.—Section 2667(d)(4) of such title is amended by striking out "to cover the administrative expenses of leasing for such purposes and".

SEC. 2804. USE OF FINANCIAL INCENTIVES FOR ENERGY SAVINGS AND WATER COST SAVINGS.

(a) IN GENERAL.—Section 2865(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out ''and financial incentives described in subsection (d)(2)'';

(2) in paragraph (2)—

(A) by striking out ''section 2866(b)'' in the matter preceding subparagraph (A) and inserting in lieu thereof ''section 2866(b)(2)''; and

(B) by striking out ''section 2866(b)'' in subparagraph (A) and inserting in lieu thereof ''section 2866(b)(2)''; and

(3) by adding at the end the following:

''(3)(A) Financial incentives received from gas or electric utilities under subsection (d)(2), and from utilities for water demand or conservation under section 2866(b)(1) of this title, shall be credited to an appropriation designated by the Secretary of Defense. Amounts so credited shall be merged with the appropriation to which credited and shall be available for the same purposes and the same period as the appropriation with which merged.

''(B) The Secretary shall include in the annual report under subsection (f) the amounts of financial incentives credited under this paragraph during the year of the re-

port and the purposes for which such amounts were utilized in that year.''.

(b) CONFORMING AMENDMENT.—Section 2866(b) of such title is amended to read as follows:

''(b) USE OF FINANCIAL INCENTIVES AND WATER COST SAVINGS.—(1) Financial incentives received under subsection (a)(2) shall be used as provided in paragraph (3) of section 2865(b) of this title.

''(2) Water cost savings realized under subsection (a)(3) shall be used as provided in paragraph (2) of that section.''.

Subtitle B—Land Conveyances

SEC. 2811. MODIFICATION OF AUTHORITY FOR DISPOSAL OF CERTAIN REAL PROPERTY, FORT BELVOIR, VIRGINIA.

(a) REPEAL OF AUTHORITY TO CONVEY.—Section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658), as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 568), is repealed.

(b) TREATMENT AS SURPLUS PROPERTY.—(1) Notwithstanding any other provision of law, the real property described in paragraph (2) shall be deemed to be surplus

property for purposes of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484).

(2) Paragraph (1) applies to a parcel of real property, including improvements thereon, at Fort Belvoir, Virginia, consisting of approximately 820 acres and known as the Engineer Proving Ground.

SEC. 2812. CORRECTION OF LAND CONVEYANCE AUTHORITY, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) CORRECTION OF CONVEYEE.—Subsection (a) of section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2793) is amended by striking out ''County of Anderson, South Carolina (in this section referred to as the 'County')'' and inserting in lieu thereof ''Board of Education, Anderson County, South Carolina (in this section referred to as the 'Board')''.

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are each amended by striking out ''County'' and inserting in lieu thereof ''Board''.

SEC. 2813. LAND CONVEYANCE, HAWTHORNE ARMY AMMUNITION DEPOT, MINERAL COUNTY, NEVADA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Mineral

County, Nevada (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, consisting of approximately 33.1 acres located at Hawthorne Army Ammunition Depot, Mineral County, Nevada, and commonly referred to as the Schweer Drive Housing Area.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the County accept the conveyed property subject to such easements and rights of way in favor of the United States as the Secretary considers appropriate.

(2) That the County, if the County sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this Act, pay to the United States an amount equal to the lesser of—

(A) the amount of sale of the property sold; or

(B) the fair market value of the property sold as determined without taking into account any improvements to such property by the County.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easement or right of way granted under subsection (b)(1), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and any easement or right of way granted under subsection (b)(1), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2814. LONG-TERM LEASE OF PROPERTY, NAPLES, ITALY.

(a) AUTHORITY.—The Secretary of the Navy may acquire by long-term lease structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvement Initiative.

(b) LEASE TERM.—Notwithstanding section 2675 of title 10, United States Code, the lease authorized by subsection (a) shall be for a term of not more than 20 years.

(c) EXPIRATION OF AUTHORITY.—The authority of the Secretary to enter into a lease under subsection (a) shall expire on September 30, 2002.

SEC. 2815. LAND CONVEYANCE, TOPSHAM ANNEX, NAVAL AIR STATION, BRUNSWICK, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Maine School Administrative District No. 75, Topsham, Maine (in this section referred to as the ''District''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 40 acres located at the Topsham Annex, Naval Air Station, Brunswick, Maine.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the District use the property conveyed for educational purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed pursuant to this section is not being used for the purpose specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with the improvements thereon, to the District.

(2) As consideration for the lease under this subsection, the District shall provide such security services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The District shall bear the cost of the survey.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2816. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT NO. 464, OYSTER BAY, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the County of Nassau, New York (in this section referred to as the ''County''), all right, title, and interest of the United States in and to parcels of real property consisting of approximately 110 acres and comprising the Naval Weap-

ons Industrial Reserve Plant No. 464, Oyster Bay, New York.

(2)(A) As part of the conveyance authorized in paragraph (1), the Secretary may convey to the County such improvements, equipment, fixtures, and other personal property (including special tooling equipment and special test equipment) located on the parcels as the Secretary determines to be not required by the Navy for other purposes.

(B) The Secretary may permit the County to review and inspect the improvements, equipment, fixtures, and other personal property located on the parcels for purposes of the conveyance authorized by this paragraph.

(b) CONDITION OF CONVEYANCE.—The conveyance of the parcels authorized in subsection (a) shall be subject to the condition that the County—

(1) use the parcels, directly or through an agreement with a public or private entity, for economic redevelopment purposes or such other public purposes as the County determines appropriate; or

(2) convey the parcels to an appropriate public or private entity for use for such purposes.

(c) REVERSIONARY INTEREST.—If during the 5-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a) the Secretary de-

termines that the conveyed real property is not being used for a purpose specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with improvements thereon, to the County.

(2) As consideration for the lease under this subsection, the County shall provide such security services and fire protection services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions

in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2817. LAND CONVEYANCE, CHARLESTON FAMILY HOUSING COMPLEX, BANGOR, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the City of Bangor, Maine (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 19.8 acres, including improvements thereon, located in Bangor, Maine, and known as the Charleston Family Housing Complex.

(b) PURPOSE OF CONVEYANCE.—The purpose of the conveyance under subsection (a) is to facilitate the reuse of the real property, currently unoccupied, which the City proposes to use to provide housing opportunities for first-time home buyers.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the condition that the City, if the City sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this

Act, pay to the United States an amount equal to the lesser of—

(1) the amount of sale of the property sold; or

(2) the fair market value of the property sold as determined without taking into account any improvements to such property by the City.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2818. LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to the parcels of real property

located at Ellsworth Air Force Base, South Dakota, referred to in subsection (b).

(b) COVERED PROPERTY.—(1) Subject to paragraph (2), the real property referred to in subsection (a) is the following:

(A) A parcel of real property, together with any improvements thereon, consisting of approximately 53.32 acres and comprising the Skyway Military Family Housing Area.

(B) A parcel of real property, together with any improvements thereon, consisting of approximately 137.56 acres and comprising the Renal Heights Military Family Housing Area.

(C) A parcel of real property, together with any improvements thereon, consisting of approximately 14.92 acres and comprising the East Nike Military Family Housing Area.

(D) A parcel of real property, together with any improvements thereon, consisting of approximately 14.69 acres and comprising the South Nike Military Family Housing Area.

(E) A parcel of real property, together with any improvements thereon, consisting of approximately 14.85 acres and comprising the West Nike Military Family Housing Area.

(2) The real property referred to in subsection (a) does not include the portion of the real property referred to in paragraph (1)(B) that the Secretary determines to be required for the construction of an access road between the main gate of Ellsworth Air Force Base and an interchange on Interstate Route 90 located in the vicinity of mile marker 67 in South Dakota.

(c) CONDITIONS OF CONVEYANCE.—The conveyance of the real property referred to in subsection (b) shall be subject to the following conditions:

(1) That the Corporation, and any person or entity to which the Corporation transfers the property, comply in the use of the property with the applicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study.

(2) That the Corporation convey a portion of the real property referred to in paragraph (1)(A) of that subsection, together with any improvements thereon, consisting of approximately 20 acres to the Douglas School District, South Dakota, for use for education purposes.

(d) REVERSIONARY INTEREST.—If the Secretary determines that any portion of the real property conveyed under subsection (a) is not being utilized in accordance with the applicable provision of subsection (c), all right,

title, and interest in and to that portion of the real property shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle C—Other Matters

SEC. 2831. DISPOSITION OF PROCEEDS OF SALE OF AIR FORCE PLANT NO. 78, BRIGHAM CITY, UTAH.

Notwithstanding the provisions of section 204(h)(2)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)(A)), the entire amount deposited by the Administrator of General Services in the account in the Treasury under section 204 of that Act as a result of the sale of Air Force Plant No. 78, Brigham City, Utah, shall be available to the Secretary of the Air Force for maintenance and repair of fa-

cilities, or environmental restoration, at other industrial plants of the Air Force.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,726,900,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,243,100,000, to be allocated as follows:

(A) For operation and maintenance, $1,144,290,000.

(B) For the accelerated strategic computing initiative, $190,800,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $98,810,000, to be allocated as follows:

Project 97–D–102, Dual-Axis Radiographic Hydrodynamic facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $46,300,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,810,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $13,400,000.

Project 96–D–105, Contained Firing Facility addition, Lawrence Livermore National Laboratory, Livermore, California, $19,300,000.

(2) For inertial confinement fusion, $414,800,000, to be allocated as follows:

(A) For operation and maintenance, $217,000,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 96–D–111, National Ignition Facility, Lawrence Livermore National Laboratory, Livermore, California, $197,800,000.

(3) For technology transfer and education, $69,000,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,033,050,000, to be allocated as follows:

(1) For operation and maintenance, $1,861,465,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $171,585,000, to be allocated as follows:

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Site, Aiken, South Carolina, $11,000,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 consolidation, Oak Ridge, Tennessee, $6,450,000.

Project 98–D–125, Tritium Extraction Facility, Savannah River Site, Aiken, South Carolina, $9,650,000.

Project 98–D–126, accelerator production of tritium, various locations, $67,865,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,200,000.

Project 97–D–124, steam plant wastewater treatment facility upgrade, Y–12 Plant, Oak Ridge, Tennessee, $1,900,000.

Project 96–D–122, sewage treatment quality upgrade, Pantex Plant, Amarillo, Texas, $6,900,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for

ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $2,700,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,700,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $12,600,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $1,400,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $2,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $2,100,000.

Project 92–D–126, replace emergency notification systems, various locations, $3,200,000.

Project 88–D–122, facilities capability assurance program, various locations, $18,920,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy

for fiscal year 1998 for program direction in carrying out weapons activities necessary for national security programs in the amount of $268,500,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,748,073,000.

(b) WASTE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,559,644,000, to be allocated as follows:

(1) For operation and maintenance, $1,478,876,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,768,000, to be allocated as follows:

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $1,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $13,961,000.

Project 96–D–408, waste management upgrades, various locations, $8,200,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $176,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $3,800,000.

Project 95–D–407, 219–S secondary containment upgrade, Richland, Washington, $2,500,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,219,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $15,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $17,520,000.

Project 92–D–172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas, $5,000,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $1,042,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $11,250,000.

(c) TECHNOLOGY DEVELOPMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $252,881,000.

(d) NUCLEAR MATERIAL AND FACILITY STABILIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for nuclear material and facility stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,265,481,000, to be allocated as follows:

(1) For operation and maintenance, $1,181,114,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $84,367,000, to be allocated as follows:

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $8,136,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering and Environmental Laboratory, Idaho, $500,000.

Project 97–D–450, actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $18,000,000.

Project 97–D–451, B-Plant safety class ventilation upgrades, Richland, Washington, $2,000,000.

Project 97–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $5,600,000.

Project 97–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $4,200,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $16,744,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering and Environmental Laboratory, Idaho, $2,927,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering and Environmental Laboratory, Idaho, $14,985,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,500,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River Site, Aiken, South Carolina, $2,173,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering and Environmental Laboratory, Idaho, $602,000.

(e) POLICY AND MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for policy and management in carrying out environmental restoration and waste manage-

ment activities necessary for national security programs in the amount of $18,104,000.

(f) ENVIRONMENTAL MANAGEMENT SCIENCE PROGRAM.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental science and risk policy in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $40,000,000.

(g) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $373,251,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for other defense activities in carrying out programs necessary for national security in the amount of $1,582,981,000, to be allocated as follows:

(1) For verification and control technology, $458,200,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $210,000,000.

(B) For arms control, $214,600,000.

(C) For intelligence, $33,600,000.

(2) For nuclear safeguards and security, $47,200,000.

(3) For security investigations, $20,000,000.

(4) For emergency management, $27,700,000.

(5) For program direction, nonproliferation, and national security, $84,900,000.

(6) For environment, safety and health, defense, $54,000,000.

(7) For worker and community transition assistance:

(A) For assistance, $65,800,000.

(B) For program direction, $4,700,000.

(8) For fissile materials disposition:

(A) For operation and maintenance, $99,451,000.

(B) For program direction, $4,345,000.

(9) For naval reactors development, $683,000,000, to be allocated as follows:

(A) For program direction, $20,080,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years,

and land acquisition related thereto), $14,000,000, to be allocated as follows:

Project 98–D–200, site laboratory/facility upgrade, various locations, $5,700,000.

Project 97–D–201, advanced test reactor secondary coolant system refurbishment, Idaho National Engineering and Environmental Laboratory, Idaho, $4,100,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $1,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,100,000.

(10) For the Chernobyl shutdown initiative, $2,000,000.

(11) For nuclear technology research and development, $25,000,000.

(12) For nuclear security, $4,000,000.

(13) For the Office of Hearings and Appeals, $2,685,000.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 to carry out environmental management privatization projects in connection with national security programs in the amount of $215,000,000, to be allocated as follows:

Project 98–PVT–1, contact handled transuranic waste transportation, Carlsbad, New Mexico, $29,000,000.

Project 98–PVT–4, spent nuclear fuel dry storage, Idaho Falls, Idaho, $27,000,000.

Project 98–PVT–7, waste pits remedial action, Fernald, Ohio, $25,000,000.

Project 98–PVT–11, spent nuclear fuel transfer and storage, Savannah River, South Carolina, $25,000,000.

Project 97–PVT–1, tank waste remediation system phase 1, Hanford, Washington, $109,000,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $190,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever

the current estimated cost of the construction project, which is authorized by sections 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same time period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased

or decreased by more than five percent by a transfer under such paragraph.

(3) The authority provided by this subsection to transfer authorizations may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design report for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for

the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by the title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy, pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, or 3103,

to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.

(a) LIMITATION ON CONTRACTS.—Funds authorized to be appropriated by section 3104 for a project referred to in that section are available for a contract under the project only if the contract—

(1) is awarded on a competitive basis;

(2) requires the contractor to construct or acquire any equipment or facilities required to carry out the contract before the commencement of the provision of goods or services under the contract;

(3) requires the contractor to bear any of the costs of the design, construction, acquisition, and operation of such equipment or facilities that arise before the commencement of the provision of goods or services under the contract; and

(4) provides for payment to the contractor under the contract only upon the meeting of performance objectives specified in the contract.

(b) NOTICE AND WAIT.—The Secretary of Energy may not enter into a contract or option to enter into a contract, or otherwise incur any contractual obligation, under a project authorized by section 3104 until 30 days after the date which the Secretary submits to the congressional defense committees a report with respect to the contract. The report shall set forth—

(1) the anticipated costs and fees of the Department under the contract, including the anticipated maximum amount of such costs and fees;

(2) any performance objectives specified in the contract;

(3) the anticipated dates of commencement and completion of the provision of goods or services under the contract;

(4) the allocation between the Department and the contractor of any financial, regulatory, or environmental obligations under the contract;

(5) any activities planned or anticipated to be required with respect to the project after completion of the contract;

(6) the site services or other support to be provided the contractor by the Department under the contract;

(7) the goods or services to be provided by the Department or contractor under the contract, including any additional obligations to be borne by the Department or contractor with respect to such goods or services;

(8) the schedule for the contract;

(9) the costs the Department would otherwise have incurred in obtaining the goods or services covered by the contract if the Department had not proposed to obtain the goods or services under this section;

(10) an estimate and justification of the cost savings, if any, to be realized through the contract, including the assumptions underlying the estimate;

(11) the effect of the contract on any ancillary schedules applicable to the facility concerned, including milestones in site compliance agreements; and

(12) the plans for maintaining financial and programmatic accountability for activities under the contract.

(c) COST VARIATIONS.—(1) The Secretary may not enter into a contract under a project referred to in paragraph (2), or incur additional obligations attributable to the capital portion of the cost of such a contract, whenever the current estimated cost of the project exceeds the

amount of the estimated cost of the project as shown in the most recent budget justification data submitted to Congress.

(2) Paragraph (1) applies to an environmental management privatization project that is—

(A) authorized by section 3104; or

(B) carried out under section 3103 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2824).

(d) USE OF FUNDS FOR TERMINATION OF CONTRACT.—Not less than 15 days before the Secretary obligates funds available for a project authorized by section 3104 to terminate the contract or contracts under the project, the Secretary shall notify the congressional defense committees of the Secretary's intent to obligate the funds for that purpose.

(e) ANNUAL REPORT ON CONTRACTS.—Not later than February 28 of each year, the Secretary shall submit to the congressional defense committees a report on the activities, if any, carried out under each contract under a project authorized by section 3104 during the preceding year. The report shall include an update with respect to each such contract of the matters specified under subsection (b)(1) as of the date of the report.

(f) REPORT ON CONTRACTING WITHOUT SUFFICIENT APPROPRIATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the congressional defense committees a report assessing whether, and under what circumstances, the Secretary could enter into contracts under defense environmental management privatization projects in the absence of sufficient appropriations to meet obligations under such contracts without thereby violating the provisions of section 1341 of title 31, United States Code.

SEC. 3132. INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP PROGRAMS.

(a) FUNDING PROHIBITION.—No funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1998 may be obligated or expended to conduct any activities associated with international cooperative stockpile stewardship.

(b) EXCEPTIONS.—Subsection (a) does not apply to the following:

(1) Activities conducted between the United States and the United Kingdom.

(2) Activities conducted between the United States and France.

(3) Activities carried out under title III of this Act relating to cooperative threat reduction with states of the former Soviet Union.

SEC. 3133. MODERNIZATION OF ENDURING NUCLEAR WEAPONS COMPLEX.

(a) FUNDING.—Subject to subsection (b), of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, $15,000,000 shall be available for carrying out the program described in section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note).

(b) LIMITATION ON AVAILABILITY.—None of the funds available under subsection (a) for carrying out the program referred to in that subsection may be obligated or expended until 30 days after the date of the receipt by Congress of the report required under subsection (c).

(c) REPORT ON ALLOCATION OF FUNDS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report setting forth the proposed allocation among specific Department of Energy sites of the funds available under subsection (a).

SEC. 3134. TRITIUM PRODUCTION.

(a) FUNDING.—Subject to subsection (c), of the funds authorized to be appropriated to the Department

of Energy pursuant to section 3101, $262,000,000 shall be available for activities related to tritium production.

(b) ACCELERATION OF TRITIUM PRODUCTION.—(1) Not later than June 30, 1998, the Secretary of Energy shall make a final decision on the technologies to be utilized, and the accelerated schedule to be adopted, for tritium production in order to meet the requirements in the Nuclear Weapons Stockpile Memorandum relating to tritium production, including the tritium production date of 2005 specified in the Nuclear Weapons Stockpile Memorandum.

(2) In making the final decision, the Secretary shall take into account the following:

(A) The requirements for tritium production specified in the Nuclear Weapons Stockpile Memorandum, including, in particular, the requirements for the so-called ''upload hedge'' component of the nuclear weapons stockpile.

(B) The ongoing activities of the Department of Energy relating to the evaluation and demonstration of technologies under the accelerator program and the commercial light water reactor program.

(C) The potential liabilities and benefits of each potential technology for tritium production, including—

(i) regulatory and other barriers that might prevent the production of tritium using the technology by the production date referred to in subsection (a);

(ii) potential difficulties, if any, in licensing the technology;

(iii) the variability, if any, in tritium production rates using the technology; and

(iv) any other benefits (including scientific or research benefits or the generation of revenue) associated with the technology.

(c) REPORT.—If the Secretary determines that it is not possible to make the final decision by the date specified in subsection (b), the Secretary shall submit to the congressional defense committees on that date a report that explains in detail why the final decision cannot be made by that date.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—The Secretary may not obligate or expend any funds authorized to be appropriated or otherwise made available for the Department of Energy by this Act for the purpose of evaluating or utilizing any technology for the production of tritium other than a commercial light water reactor or an accelerator until the later of—

(1) July 30, 1998; or

(2) the date that is 30 days after the date on which the Secretary makes a final decision under subsection (b).

SEC. 3135. PROCESSING, TREATMENT, AND DISPOSITION OF SPENT NUCLEAR FUEL RODS AND OTHER LEGACY NUCLEAR MATERIALS AT THE SAVANNAH RIVER SITE.

(a) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3102(d), not more than $47,000,000 shall be available for the implementation of a program to accelerate the receipt, processing (including the H-canyon restart operations), reprocessing, separation, reduction, deactivation, stabilization, isolation, and interim storage of high level nuclear waste associated with Department of Energy spent fuel rods, foreign spent fuel rods, and other nuclear materials that are located at the Savannah River Site.

(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Secretary of Energy shall continue operations and maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site and shall provide technical staff necessary to operate and maintain such facilities at that state of readiness.

SEC. 3136. LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PURPOSES.

(a) GENERAL LIMITATIONS.—(1) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for weapons activities may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities under such program or agreement support the national security mission of the Department of Energy.

(2) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for environmental restoration, waste management, or nuclear materials and facilities stabilization may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the environmental restoration mission, waste management mission, or materials stabilization mission, as the case may be, of the Department of Energy.

(b) LIMITATION IN FISCAL YEAR 1998 PENDING SUBMITTAL OF ANNUAL REPORT.—Not more than 30 percent of the funds authorized to be appropriated or otherwise made available to the Department of Energy in fiscal year 1998 for laboratory directed research and development may be obligated or expended for such research and development until the Secretary of Energy submits to the congressional defense committees the report required by section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b) in 1998.

(c) SUBMITTAL DATE FOR ANNUAL REPORT ON LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PROGRAM.—Section 3136(b)(1) of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7257b(1)) is amended by striking out ''The Secretary of Energy shall annually submit'' and inserting in lieu thereof ''Not later than February 1 each year, the Secretary of Energy shall submit''.

(d) ASSESSMENT OF FUNDING LEVEL FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—The Secretary shall include in the report submitted under such section 3136(b)(1) in 1998 an assessment of the funding required to carry out laboratory directed research and development, including a recommendation for the percentage

of the funds provided to Government-owned, contractor-operated laboratories for national security activities that should be made available for such research and development under section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1832; 42 U.S.C. 7257a(c)).

(e) DEFINITION.—In this section, the term ''laboratory directed research and development'' has the meaning given that term in section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d)).

SEC. 3137. PERMANENT AUTHORITY FOR TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) PERMANENT AUTHORITY.—Section 3139 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2832) is amended—

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

(2) by redesignating subsection (h) as subsection (g).

(b) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—Subsection (c) of that section is amended by striking out ''The requirements of section 3121'' and inserting in lieu thereof ''No recurring limitation on re-

programming of Department of Energy funds contained in an annual authorization Act for national defense''.

(c) DEFINITIONS.—Subsection (f)(1) of that section is amended by striking out ''any of the following:'' and all that follows and inserting in lieu thereof ''any program or project of the Department of Energy relating to environmental restoration and waste management activities necessary for national security programs of the Department.''.

(d) REPORT.—Subsection (g) of that section, as redesignated by subsection (a)(2), is amended—

(1) by striking out ''September 1, 1997,'' and inserting in lieu thereof ''November 1 each year'';

(2) by inserting ''during the preceding fiscal year'' after ''in subsection (b)''; and

(3) by striking out the second sentence.

(e) CONFORMING AMENDMENT.—The section heading of that section is amended by striking out ''**TEMPORARY AUTHORITY RELATING TO**'' and inserting in lieu thereof ''**AUTHORITY FOR**''.

SEC. 3138. PROHIBITION ON RECOVERY OF CERTAIN ADDITIONAL COSTS FOR ENVIRONMENTAL RESPONSE ACTIONS ASSOCIATED WITH THE FORMERLY UTILIZED SITE REMEDIAL ACTION PROJECT PROGRAM.

(a) PROHIBITION.—The Department of Energy may not recover from a party described in subsection (b) any costs of response actions, for an actual or threatened release of hazardous substances that occurred before the date of enactment of this Act, at a site included in the Formerly Utilized Site Remedial Action Project program other than the costs stipulated in a written, legally binding agreement with the party with respect to the site as referred to in that subsection.

(b) COVERED PARTIES.—A party referred to in subsection (a) is any party that has entered into a written, legally binding agreement with the Department before August 28, 1996, which agreement stipulates a formula for the sharing by the party and the Department of the costs of response actions at a site referred to in that subsection.

Subtitle D—Other Matters

SEC. 3151. ADMINISTRATION OF CERTAIN DEPARTMENT OF ENERGY ACTIVITIES.

(a) PROCEDURES FOR PRESCRIBING REGULATIONS.—Section 501 of the Department of Energy Organization Act (42 U.S.C. 7191) is amended—

(1) by striking out subsections (b) and (d);

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

(3) in subsection (c), as so redesignated, by striking out ''subsections (b), (c), and (d)'' and inserting in lieu thereof ''subsection (b)''.

(b) ADVISORY COMMITTEES.—(1) Section 624 of the Department of Energy Organization Act (42 U.S.C. 7234) is amended—

(A) by striking out ''(a)''; and

(B) by striking out subsection (b).

(2) Section 17 of the Federal Energy Administration Act of 1974 (15 U.S.C. 776) is repealed.

SEC. 3152. MODIFICATION AND EXTENSION OF AUTHORITY RELATING TO APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

(a) REPEAL OF REQUIREMENT FOR EPA STUDY.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095; 42 U.S.C. 7231 note) is amended—

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

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

(b) EXTENSION OF AUTHORITY.—Paragraph (1) of subsection (c) of such section, as so redesignated, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 3153. ANNUAL REPORT ON PLAN AND PROGRAM FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

(a) IN GENERAL.—(1) Not later than March 15, 1998, the Secretary of Energy shall submit to the congressional defense committees a plan and program for maintaining the warheads in the nuclear weapons stockpile (including stockpile stewardship, stockpile management, and program direction).

(2) Not later than March 15 of each year after 1998, the Secretary shall submit to the congressional defense committees an update of the plan and program submitted under paragraph (1) current as of the date of submittal of the updated plan and program.

(3) The plan and program, and each update of the plan and program, shall be consistent with the programmatic and technical requirements of the Nuclear Weapons Stockpile Memorandum current as of the date of submittal of the plan and program or update.

(b) ELEMENTS.—The plan and program, and each update of the plan and program, shall set forth the following:

(1) The numbers of warheads (including active and inactive warheads) for each type of warhead in the nuclear stockpile.

(2) The current age of each warhead type and any plans for stockpile life extensions and modifications or replacement of each warhead type.

(3) The process by which the Secretary is assessing the lifetime and requirements for life extension or replacement of the nuclear and non-nuclear components of the warheads (including active and inactive warheads) in the nuclear stockpile.

(4) The process used in recertifying the safety, reliability, and performance of each warhead type (including active and inactive warheads) in the nuclear weapons stockpile.

(5) Any concerns which would affect the recertification of the safety, security, or reliability of warheads (including active and inactive warheads) in the nuclear stockpile.

(c) FORM.—The Secretary shall submit the plan and program, and each update of the plan and program, in unclassified form, but may include a classified annex.

SEC. 3154. SUBMITTAL OF BIENNIAL WASTE MANAGEMENT REPORTS.

Section 3153(b)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 7274k(b)(2)(B)) is amended by striking out ''odd-numbered year after 1995'' and inserting in lieu thereof ''odd-numbered year after 1997''.

SEC. 3155. REPEAL OF OBSOLETE REPORTING REQUIREMENTS.

(a) ANNUAL REPORT ON ACTIVITIES OF THE ATOMIC ENERGY COMMISSION.—(1) Section 251 of the Atomic Energy Act of 1954 (42 U.S.C. 2016) is repealed.

(2) The table of sections at the beginning of that Act is amended by striking out the item relating to section 251.

(b) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3156 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2841; 42 U.S.C. 7271c) is repealed.

(c) ANNUAL UPDATE OF MASTER PLAN FOR NUCLEAR WEAPONS STOCKPILE.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624; 42 U.S.C. 2121 note) is repealed.

(d) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3159 of the National Defense Au-

thorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626; 42 U.S.C. 7271b note) is repealed.

(e) ANNUAL REPORT ON STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is amended—

(1) by striking out subsections (d) and (e);

(2) by redesignating subsections (f), (g), and (h) as subsections (d), (e), and (f), respectively; and

(3) in subsection (e), as so redesignated, by striking out ''and the 60-day period referred to in subsection (e)(2)(A)(ii)''.

(f) ANNUAL REPORT ON DEVELOPMENT OF TRITIUM PRODUCTION CAPACITY.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2639) is repealed.

(g) ANNUAL REPORT ON RESEARCH RELATING TO DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679; 42 U.S.C. 7274a) is amended—

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

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

(h) QUARTERLY REPORT ON MAJOR DOE NATIONAL SECURITY PROGRAMS.—Section 3143 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271a) is repealed.

(i) ANNUAL REPORT ON NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075; 42 U.S.C. 2121 note) is amended by striking out subsection (e).

SEC. 3156. COMMISSION ON SAFEGUARDING AND SECURITY OF NUCLEAR WEAPONS AND MATERIALS AT DEPARTMENT OF ENERGY FACILITIES.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the Commission on Safeguards and Security at Department of Energy Facilities (in this section referred to as the ''Commission'').

(b) ORGANIZATIONAL MATTERS.—(1)(A) The Commission shall be composed of eight members appointed from among individuals in the public and private sectors who have significant experience in matters relating to the safeguarding and security of nuclear weapons and materials, as follows:

(i) Two shall be appointed by the chairman of the Committee on Armed Services of the Senate, in

consultation with the ranking member of the committee.

(ii) One shall be appointed by the ranking member of the Committee on Armed Services of the Senate, in consultation with the chairman of the committee.

(iii) Two shall be appointed by the chairman of the Committee on National Security of the House of Representatives, in consultation with the ranking member of the committee.

(iv) One shall be appointed by the ranking member of the Committee on National Security of the House of Representatives, in consultation with the chairman of the committee.

(v) Two shall be appointed by the Secretary of Energy.

(B) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(C) The chairman of the Commission shall be designated from among the members of the Commission by the chairman of the Committee on Armed Services of the Senate, in consultation with the chairman of the Committee on National Security of the House of Representatives,

the ranking member of the committee on Armed Services of the Senate, and the ranking member of the Committee on National Security of the House of Representatives.

(D) Members shall be appointed not later than 60 days after the date of enactment of this Act.

(2) The members of the Commission shall establish procedures for the activities of the Commission, including procedures for calling meetings, requirements for quorums, and the manner of taking votes.

(c) DUTIES.—(1) The Commission shall—

(A) conduct a review of the specifications in the document entitled ''Design Threat Basis'' relating to the safeguarding and security of nuclear weapons and materials in order to determine whether or not the specifications establish procedures adequate for the safeguarding and security of such weapons and materials at Department of Energy facilities; and

(B) determine whether or not the document takes into account all relevant guidelines for the safeguarding and security of such weapons and materials at such facilities, including Presidential Decision Directive 39, relating to United States policy on counterterrorism.

(2) In conducting the review, the Commission shall—

(A) visit various Department facilities, including the Rocky Flats Plant, Colorado, Los Alamos National Laboratory, New Mexico, the Savannah River Site, South Carolina, the Pantex Plant, Texas, Oak Ridge National Laboratory, Tennessee, and the Hanford Reservation, Washington, in order to assess the adequacy of safeguards and security with respect to nuclear weapons and materials at such facilities;

(B) evaluate the specific concerns with respect to the safeguarding and security of nuclear weapons and materials raised in the report of the Office of Safeguards and Security of the Department of Energy entitled ''Status of Safeguards and Security for 1996''; and

(C) review applicable orders and other requirements governing the safeguarding and security of nuclear weapons and materials at Department facilities.

(d) REPORT.—(1) Not later than February 15, 1998, the Commission shall submit to the Secretary and to the congressional defense committees a report on the review conducted under subsection (c).

(2) The report may include—

(A) recommendations regarding any modifications of policy or procedures applicable to Depart-

ment facilities that the Commission considers appropriate to provide adequate safeguards and security for nuclear weapons and materials at such facilities without impairing the mission of such facilities;

(B) recommendations for modifications in funding priorities necessary to ensure basic funding for the safeguarding and security of such weapons and materials at such facilities; and

(C) such other recommendations for additional legislation or administrative action as the Commission considers appropriate.

(e) PERSONNEL MATTERS.—(1)(A) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for Level IV of the Executive Schedule under section 53115 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(B) All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence,

at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3)(A) The Commission may, without regard to the civil service laws and regulations, appoint and terminate such personnel as may be necessary to enable the Commission to perform its duties.

(B) The Commission may fix the compensation of the personnel of the Commission without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(4) Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil status or privilege.

(f) APPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission.

(g) TERMINATION.—The Commission shall terminate 30 days after the date on which the Commission submits its report under subsection (d).

(h) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 3101, not more that

$500,000 shall be available for the activities of the Commission under this section. Funds made available to the Commission under this section shall remain available until expended.

SEC. 3157. MODIFICATION OF AUTHORITY ON COMMISSION ON MAINTAINING UNITED STATES NUCLEAR WEAPONS EXPERTISE.

(a) COMMENCEMENT OF ACTIVITIES.—Subsection (b)(1) of section 3162 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2844; 42 U.S.C. 2121 note) is amended—

(1) in subparagraph (C), by adding at the end the following new sentence: ''The chairman may be designated once five members of the Commission have been appointed under subparagraph (A).''; and

(2) by adding at the end the following:

''(E) The Commission may commence its activities under this section upon the designation of the chairman of the Commission under subparagraph (C).''.

(b) DEADLINE FOR REPORT.—Subsection (d) of that section is amended by striking out ''March 15, 1998,'' and inserting in lieu thereof ''March 15, 1999,''.

SEC. 3158. LAND TRANSFER, BANDELIER NATIONAL MONUMENT.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—The Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over a parcel of real property consisting of approximately 4.47 acres as depicted on the map entitled ''Boundary Map, Bandelier National Monument'', No. 315/80,051, dated March 1995.

(b) BOUNDARY MODIFICATION.—The boundary of the Bandelier National Monument established by Proclamation No. 1322 (16 U.S.C. 431 note) is modified to include the real property transferred under subsection (a).

(c) PUBLIC AVAILABILITY OF MAP.—The map described in subsection (a) shall be on file and available for public inspection in the Lands Office at the Southwest System Support Office of the National Park Service, Santa Fe, New Mexico, and in the office of the Superintendent of Bandelier National Monument.

(d) ADMINISTRATION.—The real property and interests in real property transferred under subsection (a) shall be—

(1) administered as part of Bandelier National Monument; and

(2) subject to all laws applicable to the Bandelier National Monument and all laws generally applicable to units of the National Park System.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1998, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. DEFINITIONS.

In this title:

(1) The term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term ''National Defense Stockpile Transaction Fund'' means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1998, the National Defense Stockpile Manager may obligate up to $60,000,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3303. AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in

subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $9,222,000 by the end of fiscal year 1998;

(2) $134,840,000 by the end of fiscal year 2002; and

(3) $295,886,000 by the end of fiscal year 2007.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Berylium 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 contained
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

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

SEC. 3304. RETURN OF SURPLUS PLATINUM FROM THE DEPARTMENT OF THE TREASURY.

(a) RETURN OF PLATINUM TO STOCKPILE.—Subject to subsection (b), the Secretary of the Treasury, upon the request of the Secretary of Defense, shall return to the Secretary of Defense for sale or other disposition platinum of the National Defense Stockpile that has been loaned to the Department of the Treasury by the Secretary of Defense, acting as the stockpile manager. The quantity requested and transferred shall be any quantity that the Secretary of Defense determines appropriate for sale or other disposition.

(b) ALTERNATIVE TRANSFER OF FUNDS.—The Secretary of the Treasury, with the concurrence of the Secretary of Defense, may transfer to the Secretary of Defense funds in a total amount that is equal to the fair

market value of any platinum requested under subsection (a) and not returned. A transfer of funds under this subsection shall be a substitute for a return of platinum under subsection (a). Upon a transfer of funds as a substitute for a return of platinum, the platinum shall cease to be part of the National Defense Stockpile. A transfer of funds under this subsection shall be charged to any appropriation for the Department of the Treasury and shall be credited to the National Defense Stockpile Transaction Fund.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $117,000,000 for fiscal year 1998 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. LEASING OF CERTAIN OIL SHALE RESERVES.

(a) REQUIREMENT TO LEASE.—The Secretary of Energy may lease, subject to valid existing rights, the United States interest in Oil Shale Reserves Numbered 1, 2, and 3 to one or more private entities for the purpose

of providing for the exploration of such reserves for, and the development and production of, petroleum.

(b) MAXIMIZATION OF FINANCIAL RETURN TO THE UNITED STATES.—A lease under this section shall be made under terms that result in the maximum practicable financial return to the United States, without regard to production limitations provided under chapter 641 of title 10, United States Code.

(c) DISPOSITION OF WELLS, GATHERING LINES, AND EQUIPMENT.—A lease of a reserve under subsection (a) may include the sale or other disposition, at fair market value, of any well, gathering line, or related equipment owned by the United States that is located at the reserve and is suitable for use in the exploration, development, or production of petroleum on the reserve.

(d) DISPOSITION OF ROYALTIES AND OTHER PROCEEDS.—All royalties and other proceeds accruing to the United States from a lease under this section shall be disposed of in accordance with section 7433 of title 10, United States Code.

(e) INAPPLICABILITY OF CERTAIN SECTIONS OF TITLE 10, UNITED STATES CODE.—The following provisions of chapter 641 of title 10, United States Code, do not apply to the leasing of a reserve under this section nor to a reserve while under a lease entered into under

this section: section 7422(b), subsections (d), (e), (g), and (k) of section 7430, section 7431, and section 7438(c)(1).

(f) DEFINITIONS.—In this section:

(1) The term ''Oil Shale Reserves Numbered 1, 2, and 3'' means the oil shale reserves identified in section 7420(2) of title 10, United States Code, as Oil Shale Reserve Numbered 1, Oil Shale Reserve Numbered 2, and Oil Shale Reserve Numbered 3.

(2) The term ''petroleum'' has the meaning given such term in section 7420(3) of such title.

SEC. 3403. REPEAL OF REQUIREMENT TO ASSIGN NAVY OFFICERS TO OFFICE OF NAVAL PETROLEUM AND OIL SHALE RESERVES.

Section 2 of Public Law 96–137 (42 U.S.C. 7156a) is repealed.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Expenditures From Revolving Fund

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1998''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1998.

(b) LIMITATIONS.—For fiscal year 1998, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $85,000 for official reception and representation expenses, of which—

(1) not more than $23,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $12,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $50,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Commission shall be available for

the purchase and transportation to the Republic of Panama of passenger motor vehicles, the purchase price of which shall not exceed $22,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Facilitation of Panama Canal Transition

SEC. 3511. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the ''Panama Canal Transition Facilitation Act of 1997''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3512. DEFINITIONS RELATING TO CANAL TRANSITION.

Section 3 (22 U.S.C. 3602) is amended by adding at the end the following new subsection:

''(d) For purposes of this Act:

"(1) The term 'Canal Transfer Date' means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

"(2) The term 'Panama Canal Authority' means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.".

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

SEC. 3521. AUTHORITY FOR THE ADMINISTRATOR OF THE COMMISSION TO ACCEPT APPOINTMENT AS THE ADMINISTRATOR OF THE PANAMA CANAL AUTHORITY.

(a) AUTHORITY FOR DUAL ROLE.—Section 1103 (22 U.S.C. 3613) is amended by adding at the end the following new subsection:

"(c) The Congress consents, for purposes of the 8th clause of article I, section 9 of the Constitution of the United States, to the acceptance by the individual serving as Administrator of the Commission of appointment by the Republic of Panama to the position of Administrator of the Panama Canal Authority. Such consent is effective only if that individual, while serving in both such posi-

tions, serves as Administrator of the Panama Canal Authority without compensation, except for payments by the Republic of Panama of travel and entertainment expenses, including per diem payments.''.

(b) WAIVER OF CERTAIN CONFLICT-OF-INTEREST STATUTES.—Such section is further amended by adding at the end the following new subsections:

''(d) The Administrator, with respect to participation in any matter as Administrator of the Panama Canal Commission (whether such participation is before, on, or after the date of the enactment of the Panama Canal Transition Facilitation Act of 1997), shall not be subject to section 208 of title 18, United States Code, insofar as the matter relates to prospective employment as Administrator of the Panama Canal Authority.

''(e) If the Republic of Panama appoints as the Administrator of the Panama Canal Authority the individual serving as the Administrator of the Commission and if that individual accepts the appointment—

''(1) the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), shall not apply to that individual with respect to service as the Administrator of the Panama Canal Authority;

''(2) that individual, with respect to participation in any matter as the Administrator of the Pan-

ama Canal Commission, is not subject to section 208 of title 18, United States Code, insofar as the matter relates to service as, or performance of the duties of, the Administrator of the Panama Canal Authority; and

"(3) that individual, with respect to official acts performed as the Administrator of the Panama Canal Authority, is not subject to the following:

"(A) Sections 203 and 205 of title 18, United States Code.

"(B) Effective upon termination of the individual's appointment as Administrator of the Panama Canal Commission at noon on the Canal Transfer Date, section 207 of title 18, United States Code.

"(C) Sections 501(a) and 502(a)(4) of the Ethics in Government Act of 1978 (5 U.S.C. App.), with respect to compensation received for, and service in, the position of Administrator of the Panama Canal Authority.".

SEC. 3522. POST-CANAL TRANSFER PERSONNEL AUTHORITIES.

(a) WAIVER OF CERTAIN POST-EMPLOYMENT RESTRICTIONS FOR COMMISSION PERSONNEL BECOMING EMPLOYEES OF THE PANAMA CANAL AUTHORITY.—Sec-

tion 1112 (22 U.S.C. 3622) is amended by adding at the end the following new subsection:

"(e) Effective as of the Canal Transfer Date, section 207 of title 18, United States Code, shall not apply to an individual who is an officer or employee of the Panama Canal Authority, but only with respect to official acts of that individual as an officer or employee of the Authority and only in the case of an individual who was an officer or employee of the Commission and whose employment with the Commission was terminated at noon on the Canal Transfer Date.".

(b) CONSENT OF CONGRESS FOR ACCEPTANCE BY RESERVE AND RETIRED MEMBERS OF THE ARMED FORCES OF EMPLOYMENT BY PANAMA CANAL AUTHORITY.—Such section is further amended by adding after subsection (e), as added by subsection (a), the following new subsection:

"(f)(1) The Congress consents to the following persons accepting civil employment (and compensation for that employment) with the Panama Canal Authority for which the consent of the Congress is required by the last paragraph of section 9 of article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government:

"(A) Retired members of the uniformed services.

"(B) Members of a reserve component of the armed forces.

"(C) Members of the Commissioned Reserve Corps of the Public Health Service.

"(2) The consent of the Congress under paragraph (1) is effective without regard to subsection (b) of section 908 of title 37, United States Code (relating to approval required for employment of Reserve and retired members by foreign governments).".

SEC. 3523. ENHANCED AUTHORITY OF COMMISSION TO ESTABLISH COMPENSATION OF COMMISSION OFFICERS AND EMPLOYEES.

(a) REPEAL OF LIMITATIONS ON COMMISSION AUTHORITY.—The following provisions are repealed:

(1) Section 1215 (22 U.S.C. 3655), relating to basic pay.

(2) Section 1219 (22 U.S.C. 3659), relating to salary protection upon conversion of pay rate.

(3) Section 1225 (22 U.S.C. 3665), relating to minimum level of pay and minimum annual increases.

(b) SAVINGS PROVISION.—Section 1202 (22 U.S.C. 3642) is amended by adding at the end the following new subsection:

''(c) In the case of an individual who is an officer or employee of the Commission on the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997 and who has not had a break in service with the Commission since that date, the rate of basic pay for that officer or employee on or after that date may not be less than the rate in effect for that officer or employee on the day before that date of enactment except—

''(1) as provided in a collective bargaining agreement;

''(2) as a result of an adverse action against the officer or employee; or

''(3) pursuant to a voluntary demotion.''.

(c) CROSS-REFERENCE AMENDMENTS.—(1) Section 1216 (22 U.S.C. 3656) is amended by striking out ''1215'' and inserting in lieu thereof ''1202''.

(2) Section 1218 (22 U.S.C. 3658) is amended by striking out ''1215'' and ''1217'' and inserting in lieu thereof ''1202'' and ''1217(a)'', respectively.

SEC. 3524. TRAVEL, TRANSPORTATION, AND SUBSISTENCE EXPENSES FOR COMMISSION PERSONNEL NO LONGER SUBJECT TO FEDERAL TRAVEL REGULATION.

(a) REPEAL OF APPLICABILITY OF TITLE 5 PROVISIONS.—(1) Section 1210 (22 U.S.C. 3650) is amended by striking out subsections (a), (b), and (c).

(2) Section 1224 (22 U.S.C. 3664) is amended—

(A) by striking out paragraph (10); and

(B) by redesignating paragraphs (11) through (20) as paragraphs (10) through (19), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1210 is further amended—

(A) by redesignating subsection (d)(1) as subsection (a) and in that subsection striking out ''paragraph (2)'' and inserting in lieu thereof ''subsection (b)''; and

(B) by redesignating subsection (d)(2) as subsection (b) and in that subsection—

(i) striking out ''Notwithstanding paragraph (1), an'' and inserting in lieu thereof ''An''; and

(ii) striking out ''referred to in paragraph (1)'' and inserting in lieu thereof ''who is a citizen of the Republic of Panama''.

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

"AIR TRANSPORTATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 3525. ENHANCED RECRUITMENT AND RETENTION AUTHORITIES.

(a) RECRUITMENT, RELOCATION, AND RETENTION BONUSES.—Section 1217 (22 U.S.C. 3657) is amended—

(1) by redesignating subsection (c) as subsection (e);

(2) in subsection (e) (as so redesignated), by striking out "for the same or similar work performed in the United States by individuals employed by the Government of the United States" and inserting in lieu thereof "of the individual to whom the compensation is paid"; and

(3) by inserting after subsection (b) the following new subsections:

"(c)(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the Commission determines that the Commis-

sion would be likely, in the absence of such a bonus, to have difficulty in filling the position.

"(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment with the Commission established by the Commission. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus received by the employee.

"(3) A relocation bonus under this subsection may be paid as a lump sum. A recruitment bonus under this subsection shall be paid on a pro rata basis over the period of employment covered by the agreement under paragraph (2). A bonus under this subsection may not be considered to be part of the basic pay of an employee.

"(d)(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

"(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not

later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

''(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

''(2) A retention bonus under this subsection—

''(A) shall be in a fixed amount;

''(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

''(C) may not be considered to be part of the basic pay of an employee.

''(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.''.

(b) EDUCATIONAL SERVICES.—Section 1321(e)(2) (22 U.S.C. 3731(e)(2)) is amended by striking out ''and persons'' and inserting in lieu thereof '', to other Commission employees when determined by the Commission to be necessary for their recruitment or retention, and to other persons''.

SEC. 3526. TRANSITION SEPARATION INCENTIVE PAYMENTS.

Chapter 2 of title I (22 U.S.C. 3641 et seq.) is amended by adding at the end of subchapter III the following new section:

''TRANSITION SEPARATION INCENTIVE PAYMENTS

''SEC. 1233. (a) In applying to the Commission and employees of the Commission the provisions of section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208; 110 Stat. 3009–383), relating to voluntary separation incentives for employees of certain Federal agencies (in this section referred to as 'section 663')—

''(1) the term 'employee' shall mean an employee of the Commission who has served in the Republic of Panama in a position with the Commission for a continuous period of at least three years immediately before the employee's separation under an

appointment without time limitation and who is covered under the Civil Service Retirement System or the Federal Employees' Retirement System under subchapter III of chapter 83 or chapter 84, respectively, of title 5, United States Code, other than—

"(A) an employee described in any of subparagraphs (A) through (F) of subsection (a)(2) of section 663; or

"(B) an employee of the Commission who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 1217(c) of this Act or who, within the 12-month period preceding the date of separation, received a retention bonus under section 1217(d) of this Act;

"(2) the strategic plan under subsection (b) of section 663 shall include (in lieu of the matter specified in subsection (b)(2) of that section)—

"(A) the positions to be affected, identified by occupational category and grade level;

"(B) the number and amounts of separation incentive payments to be offered; and

"(C) a description of how such incentive payments will facilitate the successful transfer

of the Panama Canal to the Republic of Panama;

''(3) a separation incentive payment under section 663 may be paid to a Commission employee only to the extent necessary to facilitate the successful transfer of the Panama Canal by the United States of America to the Republic of Panama as required by the Panama Canal Treaty of 1977;

''(4) such a payment—

''(A) may be in an amount determined by the Commission not to exceed $25,000; and

''(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of an eligible employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section or during the period beginning on October 1, 1998, and ending on December 31, 1998;

''(5) in the case of not more than 15 employees who (as determined by the Commission) are unwilling to work for the Panama Canal Authority after the Canal Transfer Date and who occupy critical positions for which (as determined by the Commission) at least two years of experience is necessary to en-

sure that seasoned managers are in place on and after the Canal Transfer Date, such a payment (notwithstanding paragraph (4))—

"(A) may be in an amount determined by the Commission not to exceed 50 percent of the basic pay of the employee; and

"(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of such an employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section; and

"(6) the provisions of subsection (f) of section 663 shall not apply.

"(b) A decision by the Commission to exercise or to not exercise the authority to pay a transition separation incentive under this section shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.".

SEC. 3527. LABOR-MANAGEMENT RELATIONS.

Section 1271 (22 U.S.C. 3701) is amended by adding at the end the following new subsection:

"(c)(1) This subsection applies to any matter that becomes the subject of collective bargaining between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this subsection and ending on the Canal Transfer Date.

"(2)(A) The resolution of impasses resulting from collective bargaining between the Commission and any such exclusive representative during that period shall be conducted in accordance with such procedures as may be mutually agreed upon between the Commission and the exclusive representative (without regard to any otherwise applicable provisions of chapter 71 of title 5, United States Code). Such mutually agreed upon procedures shall become effective upon transmittal by the Chairman of the Commission to the Congress of notice of the agreement to use those procedures and a description of those procedures.

"(B) The Federal Services Impasses Panel shall not have jurisdiction to resolve any impasse between the Commission and any such exclusive representative in negotiations over a procedure for resolving impasses.

"(3) If the Commission and such an exclusive representative do not reach an agreement concerning a procedure for resolving impasses with respect to a bargaining

unit and transmit notice of the agreement under paragraph (2) on or before July 1, 1998, the following shall be the procedure by which collective bargaining impasses between the Commission and the exclusive representative for that bargaining unit shall be resolved:

"(A) If bargaining efforts do not result in an agreement, the parties shall request the Federal Mediation and Conciliation Service to assist in achieving an agreement.

"(B) If an agreement is not reached within 45 days after the date on which either party requests the assistance of the Federal Mediation and Conciliation Service in writing (or within such shorter period as may be mutually agreed upon by the parties), the parties shall be considered to be at an impasse and shall request the Federal Services Impasses Panel of the Federal Labor Relations Authority to decide the impasse.

"(C) If the Federal Services Impasses Panel fails to issue a decision within 90 days after the date on which its services are requested (or within such shorter period as may be mutually agreed upon by the parties), the efforts of the Panel shall be terminated.

"(D) In such a case, the Chairman of the Panel (or another member in the absence of the Chairman) shall immediately determine the matter by a drawing (conducted in such manner as the Chairman (or, in the absence of the Chairman, such other member) determines appropriate) between the last offer of the Commission and the last offer of the exclusive representative, with the offer chosen through such drawing becoming the binding resolution of the matter.

"(4) In the case of a notice of agreement described in paragraph (2)(A) that is transmitted to the Congress as described in the second sentence of that paragraph after July 1, 1998, the impasse resolution procedures covered by that notice shall apply to any impasse between the Commission and the other party to the agreement that is unresolved on the date on which that notice is transmitted to the Congress.".

SEC. 3528. AVAILABILITY OF PANAMA CANAL REVOLVING FUND FOR SEVERANCE PAY FOR CERTAIN EMPLOYEES SEPARATED BY PANAMA CANAL AUTHORITY AFTER CANAL TRANSFER DATE.

(a) AVAILABILITY OF REVOLVING FUND.—Section 1302(a) (22 U.S.C. 3712(a)) is amended by adding at the end the following new paragraph:

"(10) Payment to the Panama Canal Authority, not later than the Canal Transfer Date, of such amount as is computed by the Commission to be the future amount of severance pay to be paid by the Panama Canal Authority to employees whose employment with the Authority is terminated, to the extent that such severance pay is attributable to periods of service performed with the Commission before the Canal Transfer Date (and assuming for purposes of such computation that the Panama Canal Authority, in paying severance pay to terminated employees, will provide for crediting of periods of service with the Commission).".

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking out "for—" in the matter preceding paragraph (1) and inserting in lieu thereof "for the following purposes:";

(2) by capitalizing the initial letter of the first word in each of paragraphs (1) through (9);

(3) by striking out the semicolon at the end of each of paragraphs (1) through (7) and inserting in lieu thereof a period; and

(4) by striking out "; and" at the end of paragraph (8) and inserting in lieu thereof a period.

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

SEC. 3541. ESTABLISHMENT OF PROCUREMENT SYSTEM AND BOARD OF CONTRACT APPEALS.

Title III of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after the title heading the following new chapter:

"CHAPTER 1—PROCUREMENT

"PROCUREMENT SYSTEM

"SEC. 3101. (a) PANAMA CANAL ACQUISITION REGULATION.—(1) The Commission shall establish by regulation a comprehensive procurement system. The regulation shall be known as the 'Panama Canal Acquisition Regulation' (in this section referred to as the 'Regulation') and shall provide for the procurement of goods and services by the Commission in a manner that—

"(A) applies the fundamental operating principles and procedures in the Federal Acquisition Regulation;

"(B) uses efficient commercial standards of practice; and

"(C) is suitable for adoption and uninterrupted use by the Republic of Panama after the Canal Transfer Date.

"(2) The Regulation shall contain provisions regarding the establishment of the Panama Canal Board of Contract Appeals described in section 3102.

"(b) SUPPLEMENT TO REGULATION.—The Commission shall develop a Supplement to the Regulation (in this section referred to as the 'Supplement') that identifies both the provisions of Federal law applicable to procurement of goods and services by the Commission and the provisions of Federal law waived by the Commission under subsection (c).

"(c) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the Commission shall determine which provisions of Federal law should not apply to procurement by the Commission and may waive those laws for purposes of the Regulation and Supplement.

"(2) For purposes of paragraph (1), the Commission may not waive—

"(A) section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423);

"(B) the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), other than section 10(a) of such Act (41 U.S.C 609(a)); or

"(C) civil rights, environmental, or labor laws.

"(d) CONSULTATION WITH ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.—In establishing the

Regulation and developing the Supplement, the Commission shall consult with the Administrator for Federal Procurement Policy.

"(e) EFFECTIVE DATE.—The Regulation and the Supplement shall take effect on the date of publication in the Federal Register, or January 1, 1999, whichever is earlier.

"PANAMA CANAL BOARD OF CONTRACT APPEALS

"SEC. 3102. (a) ESTABLISHMENT.—(1) The Secretary of Defense, in consultation with the Commission, shall establish a board of contract appeals, to be known as the Panama Canal Board of Contract Appeals, in accordance with section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607). Except as otherwise provided by this section, the Panama Canal Board of Contract Appeals (in this section referred to as the 'Board') shall be subject to the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) in the same manner as any other agency board of contract appeals established under that Act.

"(2) The Board shall consist of three members. At least one member of the Board shall be licensed to practice law in the Republic of Panama. Individuals appointed to the Board shall take an oath of office, the form of which shall be prescribed by the Secretary of Defense.

"(b) EXCLUSIVE JURISDICTION TO DECIDE APPEALS.—Notwithstanding section 10(a)(1) of the Contract

Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other provision of law, the Board shall have exclusive jurisdiction to decide an appeal from a decision of a contracting officer under section 8(d) of such Act (41 U.S.C. 607(d)).

"(c) EXCLUSIVE JURISDICTION TO DECIDE PROTESTS.—The Board shall decide protests submitted to it under this subsection by interested parties in accordance with subchapter V of title 31, United States Code. Notwithstanding section 3556 of that title, section 1491(b) of title 28, United States Code, and any other provision of law, the Board shall have exclusive jurisdiction to decide such protests. For purposes of this subsection—

"(1) except as provided in paragraph (2), each reference to the Comptroller General in sections 3551 through 3555 of title 31, United States Code, is deemed to be a reference to the Board;

"(2) the reference to the Comptroller General in section 3553(d)(3)(C)(ii) of such title is deemed to be a reference to both the Board and the Comptroller General;

"(3) the report required by paragraph (1) of section 3554(e) of such title shall be submitted to the Comptroller General as well as the committees listed in such paragraph;

"(4) the report required by paragraph (2) of such section shall be submitted to the Comptroller General as well as Congress; and

"(5) section 3556 of such title shall not apply to the Board, but nothing in this subsection shall affect the right of an interested party to file a protest with the appropriate contracting officer.

"(d) PROCEDURES.—The Board shall prescribe such procedures as may be necessary for the expeditious decision of appeals and protests under subsections (b) and (c).

"(e) COMMENCEMENT.—The Board shall begin to function as soon as it has been established and has prescribed procedures under subsection (d), but not later than January 1, 1999.

"(f) TRANSITION.—The Board shall have jurisdiction under subsection (b) and (c) over any appeals and protests filed on or after the date on which the Board begins to function. Any appeals and protests filed before such date shall remain before the forum in which they were filed.

"(g) OTHER FUNCTIONS.—The Board may perform functions similar to those described in this section for such other matters or activities of the Commission as the Commission may determine and in accordance with regulations prescribed by the Commission.".

SEC. 3542. TRANSACTIONS WITH THE PANAMA CANAL AUTHORITY.

Section 1342 (22 U.S.C. 3752) is amended—

(1) by designating the text of the section as subsection (a); and

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

''(b) The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.

''(c) Any executive department or agency of the United States may, on a reimbursable basis, provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Authority, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.''.

SEC. 3543. TIME LIMITATIONS ON FILING OF CLAIMS FOR DAMAGES.

(a) FILING OF ADMINISTRATIVE CLAIMS WITH COMMISSION.—Sections 1411(a) (22 U.S.C. 3771(a)) and 1412 (22 U.S.C. 3772) are each amended in the last sentence by striking out ''within 2 years after'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''within one year after the date of the injury or the date

of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

(b) FILING OF JUDICIAL ACTIONS.—The penultimate sentence of section 1416 (22 U.S.C. 3776) is amended—

(1) by striking out ''one year'' the first place it appears and inserting in lieu thereof ''180 days''; and

(2) by striking out ''claim, or'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''claim or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

SEC. 3544. TOLLS FOR SMALL VESSELS.

Section 1602(a) (22 U.S.C. 3792(a)) is amended—

(1) in the first sentence, by striking out ''supply ships, and yachts'' and inserting in lieu thereof ''and supply ships''; and

(2) by adding at the end the following new sentence: ''Tolls for small vessels (including yachts), as defined by the Commission, may be set at rates determined by the Commission without regard to the preceding provisions of this subsection.''.

SEC. 3545. DATE OF ACTUARIAL EVALUATION OF FECA LIABILITY.

Section 5(a) of the Panama Canal Commission Compensation Fund Act of 1988 (22 U.S.C. 3715c(a)) is

amended by striking out ''Upon the termination of the Panama Canal Commission'' and inserting in lieu thereof ''By March 31, 1998''.

SEC. 3546. APPOINTMENT OF NOTARIES PUBLIC.

Section 1102a (22 U.S.C. 3612a) is amended—

(1) by redesignating subsection (g) as subsection (h); and

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

''(g)(1) The Commission may appoint any United States citizen to have the general powers of a notary public to perform, on behalf of Commission employees and their dependents outside the United States, any notarial act that a notary public is required or authorized to perform within the United States. Unless an earlier expiration is provided by the terms of the appointment, any such appointment shall expire three months after the Canal Transfer Date.

''(2) Every notarial act performed by a person acting as a notary under paragraph (1) shall be as valid, and of like force and effect within the United States, as if executed by or before a duly authorized and competent notary public in the United States.

''(3) The signature of any person acting as a notary under paragraph (1), when it appears with the title of that

person's office, is prima facie evidence that the signature is genuine, that the person holds the designated title, and that the person is authorized to perform a notarial act.''.

SEC. 3547. COMMERCIAL SERVICES.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

''(e) The Commission may conduct and promote commercial activities related to the management, operation, or maintenance of the Panama Canal. Any such commercial activity shall be carried out consistent with the Panama Canal Treaty of 1977 and related agreements.''.

SEC. 3548. TRANSFER FROM PRESIDENT TO COMMISSION OF CERTAIN REGULATORY FUNCTIONS RELATING TO EMPLOYMENT CLASSIFICATION APPEALS.

Sections 1221(a) and 1222(a) (22 U.S.C. 3661(a), 3662(a)) are amended by striking out ''President'' and inserting in lieu thereof ''Commission''.

SEC. 3549. ENHANCED PRINTING AUTHORITY.

Section 1306 (22 U.S.C. 3714b) is amended by striking out ''Section 501'' and inserting in lieu thereof ''Sections 501 through 517 and 1101 through 1123''.

SEC. 3550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CLERICAL AMENDMENTS.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 1210 and inserting in lieu thereof the following:

"Sec. 1210. Air transportation.";

(2) by striking out the items relating to sections 1215, 1219, and 1225;

(3) by inserting after the item relating to section 1232 the following new item:

"Sec. 1233. Transition separation incentive payments.";

and

(4) by inserting after the item relating to the heading of title III the following:

"CHAPTER 1—PROCUREMENT

"Sec. 3101. Procurement system.
"Sec. 3102. Panama Canal Board of Contract Appeals.".

(b) AMENDMENT TO REFLECT PRIOR CHANGE IN COMPENSATION OF ADMINISTRATOR.—Section 5315 of title 5, United States Code, is amended by striking out the following:

"Administrator of the Panama Canal Commission.".

(c) AMENDMENTS TO REFLECT CHANGE IN TRAVEL AND TRANSPORTATION EXPENSES AUTHORITY.—(1) Section 5724(a)(3) of title 5, United States Code, is amended by striking out ", the Commonwealth of Puerto Rico," and all that follows through "Panama Canal Act of 1979" and inserting in lieu thereof "or the Commonwealth of Puerto Rico".

(2) Section 5724a(j) of such title is amended—

(A) by inserting ''and'' after ''Northern Mariana Islands,''; and

(B) by striking out ''United States, and'' and all that follows through the period at the end and inserting in lieu thereof ''United States.''.

(3) The amendments made by this subsection shall take effect on January 1, 1999.

(d) MISCELLANEOUS TECHNICAL AMENDMENTS.—

(1) Section 3(b) (22 U.S.C. 3602(b)) is amended by striking out ''the Canal Zone Code'' and all that follows through ''other laws'' and inserting in lieu thereof ''laws of the United States and regulations issued pursuant to such laws''.

(2)(A) The following provisions are each amended by striking out ''the effective date of this Act'' and inserting in lieu thereof ''October 1, 1979'': sections 3(b), 3(c), 1112(b), and 1321(c)(1).

(B) Section 1321(c)(2) is amended by striking out ''such effective date'' and inserting in lieu thereof ''October 1, 1979''.

(C) Section 1231(c)(3)(A) (22 U.S.C. 3671(c)(3)(A)) is amended by striking out ''the day before the effective date of this Act'' and inserting in lieu thereof ''September 30, 1979''.

(3) Section 1102a(h), as redesignated by section 3546(a)(1), is amended by striking out ''section 1102B'' and inserting in lieu thereof ''section 1102b''.

(4) Section 1110(b)(2) (22 U.S.C. 3620(b)(2)) is amended by striking out ''section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a),'' and inserting in lieu thereof ''section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)''.

(5) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out ''as last in effect before the effective date of section 3530 of the Panama Canal Act Amendments of 1996'' and inserting in lieu thereof ''as in effect on September 22, 1996''.

(6) Section 1243(c)(2) (22 U.S.C. 3681(c)(2)) is amended by striking out ''retroactivity'' and inserting in lieu thereof ''retroactively''.

(7) Section 1341(f) (22 U.S.C. 3751(f)) is amended by striking out ''sections 1302(c)'' and inserting in lieu thereof ''sections 1302(b)''.