

107TH CONGRESS
1ST SESSION

S. 1419

AN ACT

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 2002”.

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1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

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

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

9 TITLE I—PROCUREMENT

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

12 SEC. 101. ARMY.

13 Funds are hereby authorized to be appropriated for
14 fiscal year 2002 for procurement for the Army as follows:

1 (1) For aircraft, \$2,123,391,000.

2 (2) For missiles, \$1,807,384,000.

3 (3) For weapons and tracked combat vehicles,
4 \$2,276,746,000.

5 (4) For ammunition, \$1,187,565,000.

6 (5) For other procurement, \$4,024,486,000.

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

8 (a) NAVY.—Funds are hereby authorized to be appro-
9 priated for fiscal year 2002 for procurement for the Navy
10 as follows:

11 (1) For aircraft, \$8,169,043,000.

12 (2) For weapons, including missiles and tor-
13 pedoes, \$1,503,475,000.

14 (3) For shipbuilding and conversion,
15 \$9,522,121,000.

16 (4) For other procurement, \$4,293,476,000.

17 (b) MARINE CORPS.—Funds are hereby authorized to
18 be appropriated for fiscal year 2002 for procurement for
19 the Marine Corps in the amount of \$981,724,000.

20 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
21 are hereby authorized to be appropriated for fiscal year
22 2002 for procurement of ammunition for the Navy and
23 the Marine Corps in the amount of \$476,099,000.

1 **SEC. 103. AIR FORCE.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2002 for procurement for the Air Force as fol-
4 lows:

5 (1) For aircraft, \$10,892,957,000.

6 (2) For ammunition, \$885,344,000.

7 (3) For missiles, \$3,286,136,000.

8 (4) For other procurement, \$8,081,721,000.

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

10 Funds are hereby authorized to be appropriated for
11 fiscal year 2002 for Defense-wide procurement in the
12 amount of \$1,594,325,000.

13 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2002 for procurement for the Inspector General
16 of the Department of Defense in the amount of
17 \$2,800,000.

18 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
19 **TION, DEFENSE.**

20 There is hereby authorized to be appropriated for the
21 Office of the Secretary of Defense for fiscal year 2002
22 the amount of \$1,153,557,000 for—

23 (1) the destruction of lethal chemical agents
24 and munitions in accordance with section 1412 of
25 the Department of Defense Authorization Act, 1986
26 (50 U.S.C. 1521); and

1 **SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR**
2 **F/A-18E/F AIRCRAFT ENGINES.**

3 Beginning with the 2002 program year, the Secretary
4 of the Navy may, in accordance with section 2306b of title
5 10, United States Code, enter into a multiyear contract
6 for the procurement of engines for F/A-18E/F aircraft.

7 **SEC. 123. V-22 OSPREY AIRCRAFT PROGRAM.**

8 The production rate for V-22 Osprey aircraft may
9 not be increased above the minimum sustaining produc-
10 tion rate for which funds are authorized to be appro-
11 priated by this Act until the Secretary of Defense certifies
12 to Congress that successful operational testing of the air-
13 craft demonstrates that—

14 (1) the solutions to the problems regarding the
15 reliability of hydraulic system components and flight
16 control software that were identified by the panel
17 appointed by the Secretary of Defense on January
18 5, 2001, to review the V-22 aircraft program are
19 adequate to achieve low risk for crews and pas-
20 sengers aboard V-22 aircraft that are operating
21 under operational conditions;

22 (2) the V-22 aircraft can achieve reliability and
23 maintainability levels that are sufficient for the air-
24 craft to achieve operational availability at the level
25 required for fleet aircraft;

1 (3) the V-22 aircraft will be operationally
2 effective—

3 (A) when employed in operations with
4 other V-22 aircraft; and

5 (B) when employed in operations with
6 other types of aircraft; and

7 (4) the V-22 aircraft can be operated effec-
8 tively, taking into consideration the downwash ef-
9 fects inherent in the operation of the aircraft, when
10 the aircraft—

11 (A) is operated in remote areas with unim-
12 proved terrain and facilities;

13 (B) is deploying and recovering
14 personnel—

15 (i) while hovering within the zone of
16 ground effect; and

17 (ii) while hovering outside the zone of
18 ground effect; and

19 (C) is operated with external loads.

20 **SEC. 124. ADDITIONAL MATTER RELATING TO V-22 OSPREY**
21 **AIRCRAFT.**

22 Not later than 30 days before the recommencement
23 of flights of the V-22 Osprey aircraft, the Secretary of
24 Defense shall submit to Congress notice of the waiver, if
25 any, of any item capability or any other requirement speci-

1 fied in the Joint Operational Requirements Document for
 2 the V-22 Osprey aircraft, including a justification of each
 3 such waiver.

4 **Subtitle D—Air Force Programs**

5 **SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR** 6 **C-17 AIRCRAFT.**

7 Beginning with the 2002 program year, the Secretary
 8 of the Air Force may, in accordance with section 2306b
 9 of title 10, United States Code, enter into a multiyear con-
 10 tract for the procurement of up to 60 C-17 aircraft.

11 **Subtitle E—Other Matters**

12 **SEC. 141. EXTENSION OF PILOT PROGRAM ON SALES OF** 13 **MANUFACTURED ARTICLES AND SERVICES** 14 **OF CERTAIN ARMY INDUSTRIAL FACILITIES** 15 **WITHOUT REGARD TO AVAILABILITY FROM** 16 **DOMESTIC SOURCES.**

17 Section 141(a) of the National Defense Authorization
 18 Act for Fiscal Year 1998 (Public Law 105-85; 10 U.S.C.
 19 4543 note) is amended by striking “through 2001” and
 20 inserting “through 2002”.

21 **SEC. 142. PROCUREMENT OF ADDITIONAL M291 SKIN DE-** 22 **CONTAMINATION KITS.**

23 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
 24 TIONS FOR DEFENSE-WIDE PROCUREMENT.—(1) The
 25 amount authorized to be appropriated by section 104 for

1 Defense-wide procurement is hereby increased by
2 \$2,400,000, with the amount of the increase available for
3 the Navy for procurement of M291 skin decontamination
4 kits.

5 (2) The amount available under paragraph (1) for
6 procurement of M291 skin decontamination kits is in addi-
7 tion to any other amounts available under this Act for pro-
8 curement of M291 skin decontamination kits.

9 (b) OFFSET.—The amount authorized to be appro-
10 priated by section 201(4) for research, development, test,
11 and evaluation, Defense-wide, is hereby decreased by
12 \$2,400,000, with the amount to be derived from the
13 amount available for the Technical Studies, Support and
14 Analysis program.

15 **TITLE II—RESEARCH, DEVELOP-**
16 **MENT, TEST, AND EVALUA-**
17 **TION**

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

20 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

21 Funds are hereby authorized to be appropriated for
22 fiscal year 2002 for the use of the Department of Defense
23 for research, development, test, and evaluation as follows:

24 (1) For the Army, \$6,899,170,000.

25 (2) For the Navy, \$11,134,806,000.

1 (3) For the Air Force, \$14,459,457,000.

2 (4) For Defense-wide activities,
3 \$14,099,702,000, of which \$221,355,000 is author-
4 ized for the Director of Operational Test and Eval-
5 uation.

6 (5) For the Defense Health Program,
7 \$65,304,000.

8 **SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.**

9 (a) FISCAL YEAR 2002.—Of the amounts authorized
10 to be appropriated by section 201, \$5,093,605,000 shall
11 be available for basic research and applied research
12 projects.

13 (b) BASIC RESEARCH AND APPLIED RESEARCH DE-
14 FINED.—For purposes of this section, the term “basic re-
15 search and applied research” means work funded in pro-
16 gram elements for defense research and development
17 under Department of Defense category 6.1 or 6.2.

18 **SEC. 203. AUTHORIZATION OF ADDITIONAL FUNDS.**

19 (a) AUTHORIZATION.—The amount authorized to be
20 appropriated in section 201(1) is increased by \$2,500,000
21 in PE62303A214 for Enhanced Scramjet Mixing.

22 (b) OFFSET.—The amount authorized to be appro-
23 priated by section 301(5) is reduced by \$2,500,000.

1 **SEC. 204. FUNDING FOR SPECIAL OPERATIONS FORCES**
2 **COMMAND, CONTROL, COMMUNICATIONS,**
3 **COMPUTERS, AND INTELLIGENCE SYSTEMS**
4 **THREAT WARNING AND SITUATIONAL**
5 **AWARENESS PROGRAM.**

6 (a) INCREASED AUTHORIZATION OF APPROPRIA-
7 TIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVAL-
8 UATION, DEFENSE-WIDE.—The amount authorized to be
9 appropriated by section 201(4) for research, development,
10 test, and evaluation, Defense-wide, is hereby increased by
11 \$2,800,000.

12 (b) AVAILABILITY.—Of the amount authorized to be
13 appropriated by section 201(4), as increased by subsection
14 (a), \$2,800,000 may be available for the Special Oper-
15 ations Forces Command, Control, Communications, Com-
16 puters, and Intelligence Systems Threat Warning and Sit-
17 uational Awareness (PRIVATEER) program
18 (PE1160405BB).

19 (c) OFFSET.—The amount authorized to be appro-
20 priated by section 301(5) for operation and maintenance
21 for Defense-wide activities is hereby reduced by
22 \$2,800,000.

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

4 **SEC. 211. F-22 AIRCRAFT PROGRAM.**

5 (a) REPEAL OF LIMITATIONS ON TOTAL COST OF
6 ENGINEERING AND MANUFACTURING DEVELOPMENT.—

7 The following provisions of law are repealed:

8 (1) Section 217(a) of the National Defense Au-
9 thorization Act for Fiscal Year 1998 (Public Law
10 105–85; 111 Stat. 1660).

11 (2) Section 8125 of the Department of Defense
12 Appropriations Act, 2001 (Public Law 106–259;
13 114 Stat. 702).

14 (3) Section 219(b) of the Floyd D. Spence Na-
15 tional Defense Authorization Act for Fiscal Year
16 2001 (as enacted into law by Public Law 106–398;
17 114 Stat. 1654A–38).

18 (b) CONFORMING AMENDMENTS.—(1) Section 217 of
19 the National Defense Authorization Act for Fiscal Year
20 1998 (Public Law 105–85; 111 Stat. 1660) is amended—

21 (A) in subsection (c)—

22 (i) by striking “limitations set forth in sub-
23 sections (a) and (b)” and inserting “limitation
24 set forth in subsection (b)”; and

25 (ii) by striking paragraph (3); and

1 (B) in subsection (d)(2), by striking subpara-
2 graphs (D) and (E).

3 (2) Section 131 of the National Defense Authoriza-
4 tion Act for Fiscal Year 2000 (Public Law 106–65; 113
5 Stat. 536) is amended—

6 (A) in subsection (a), by striking paragraph (2)
7 and inserting the following:

8 “(2) That the production phase for that pro-
9 gram can be executed within the limitation on total
10 cost applicable to that program under section 217(b)
11 of the National Defense Authorization Act for Fiscal
12 Year 1998 (Public Law 105–85; 111 Stat. 1660).”;
13 and

14 (B) in subsection (b)(3), by striking “for the re-
15 mainder of the engineering and manufacturing de-
16 velopment phase and”.

17 **SEC. 212. C-5 AIRCRAFT RELIABILITY ENHANCEMENT AND**
18 **REENGINEING.**

19 The Secretary of the Air Force shall ensure that engi-
20 neering manufacturing and development under the C-5
21 aircraft reliability enhancement and reengining program
22 includes kit development for an equal number of C-5A and
23 C-5B aircraft.

1 **SEC. 213. REVIEW OF ALTERNATIVES TO THE V-22 OSPREY**
2 **AIRCRAFT.**

3 (a) REQUIREMENT FOR REVIEW.—The Under Sec-
4 retary of Defense for Acquisition, Technology, and Logis-
5 tics shall conduct a review of the requirements of the Ma-
6 rine Corps and the Special Operations Command that the
7 V-22 Osprey aircraft is intended to meet in order to iden-
8 tify the potential alternative means for meeting those re-
9 quirements if the V-22 Osprey aircraft program were to
10 be terminated.

11 (b) MATTERS TO BE INCLUDED.—The requirements
12 reviewed shall include the following:

13 (1) The requirements to be met by an aircraft
14 replacing the CH-46 medium lift helicopter.

15 (2) The requirements to be met by an aircraft
16 replacing the MH-53 helicopter.

17 (c) FUNDING.—Of the amount authorized to be ap-
18 propriated by section 201(2), \$5,000,000 shall be avail-
19 able for carrying out the review required by this section.

20 **SEC. 214. JOINT BIOLOGICAL DEFENSE PROGRAM.**

21 Section 217(a) of the Floyd D. Spence National De-
22 fense Authorization Act for Fiscal Year 2001 (as enacted
23 into law by Public Law 106-398; 114 Stat. 1654A-36)
24 is amended by striking “funds authorized to be appro-
25 priated by this Act may not” and inserting “no funds au-

1 thORIZED to be appropriated to the Department of Defense
2 for fiscal year 2002 may”.

3 **SEC. 215. REPORT ON V-22 OSPREY AIRCRAFT BEFORE DE-**
4 **CISION TO RESUME FLIGHT TESTING.**

5 Not later than 30 days before the planned date to
6 resume flight testing of the V-22 Osprey aircraft, the
7 Under Secretary of Defense for Acquisition, Technology,
8 and Logistics shall submit to Congress a report containing
9 the following:

10 (1) A comprehensive description of the status of
11 the hydraulics system and flight control software of
12 the V-22 Osprey Aircraft, including—

13 (A) a description and analysis of any defi-
14 ciencies in the hydraulics system and flight con-
15 trol software of the V-22 Osprey aircraft; and

16 (B) a description and assessment of the
17 actions taken to redress such deficiencies.

18 (2) A description of the current actions, and
19 any proposed actions, of the Department of Defense
20 to implement the recommendations of the Panel to
21 Review the V-22 Program.

22 (3) An assessment of the recommendations of
23 the National Aeronautics and Space Administration
24 in its report on tiltrotor aeromechanics.

1 **SEC. 216. BIG CROW PROGRAM AND DEFENSE SYSTEMS**
2 **EVALUATION PROGRAM.**

3 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
4 TIONS FOR RESEARCH, DEVELOPMENT, TEST, AND EVAL-
5 UATION, DEFENSE-WIDE.—The amount authorized to be
6 appropriated by section 201(4) for research, development,
7 test, and evaluation, Defense-wide, is hereby increased by
8 \$6,500,000, with the amount of the increase to be avail-
9 able for operational test and evaluation (PE605118D).

10 (b) AVAILABILITY OF FUNDS.—Of the amount au-
11 thorized to be appropriated by section 201(4), as increased
12 by subsection (a)—

13 (1) \$5,000,000 may be available for the Big
14 Crow program; and

15 (2) \$1,500,000 may be available for the De-
16 fense Systems Evaluation (DSE) program.

17 (c) OFFSET.—The amount authorized to be appro-
18 priated by section 301(5) for operation and maintenance
19 for Defense-wide activities is hereby reduced by
20 \$6,500,000.

21 **Subtitle C—Other Matters**

22 **SEC. 231. TECHNOLOGY TRANSITION INITIATIVE.**

23 (a) ESTABLISHMENT AND CONDUCT.—Chapter 139
24 of title 10, United States Code, is amended by inserting
25 after section 2354 the following new section 2355:

1 **“§ 2355. Technology Transition Initiative**

2 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
3 of Defense shall carry out a Technology Transition Initia-
4 tive to facilitate the rapid transition of new technologies
5 from science and technology programs of the Department
6 of Defense into acquisition programs for the production
7 of the technologies.

8 “(b) OBJECTIVES.—The objectives of the Initiative
9 are as follows:

10 “(1) To successfully demonstrate new tech-
11 nologies in relevant environments.

12 “(2) To ensure that new technologies are suffi-
13 ciently mature for production.

14 “(c) MANAGEMENT.—(1) The Secretary of Defense
15 shall designate a senior official in the Office of the Sec-
16 retary of Defense to manage the Initiative.

17 “(2) In administering the Initiative, the Initiative
18 Manager shall report directly to the Under Secretary of
19 Defense for Acquisition, Technology, and Logistics.

20 “(3) The Initiative Manager shall—

21 “(A) in consultation with the Commander of
22 the Joint Forces Command, identify promising tech-
23 nologies that have been demonstrated in science and
24 technology programs of the Department of Defense;

1 “(B) identify potential sponsors in the Depart-
2 ment of Defense to undertake the transition of such
3 technologies into production;

4 “(C) work with the science and technology com-
5 munity and the acquisition community to develop
6 memoranda of agreement, joint funding agreements,
7 and other cooperative arrangements to provide for
8 the transition of the technologies into production;
9 and

10 “(D) provide funding support for selected
11 projects as provided under subsection (d).

12 “(d) JOINTLY FUNDED PROJECTS.—(1) The senior
13 procurement executive of each military department shall
14 select technology projects of the military department to
15 recommend for funding support under the Initiative and
16 shall submit a list of the recommended projects, ranked
17 in order of priority, to the Initiative Manager. The
18 projects shall be selected, in a competitive process, on the
19 basis of the highest potential benefits in areas of interest
20 identified by the Secretary of that military department.

21 “(2) The Initiative Manager, in consultation with the
22 Commander of the Joint Forces Command, shall select
23 projects for funding support from among the projects on
24 the lists submitted under paragraph (1). The Initiative
25 Manager shall provide funds, out of the Technology Tran-

1 sition Fund, for each selected project. The total amount
2 provided for a project shall be an amount that equals or
3 exceeds 50 percent of the total cost of the project.

4 “(3) The senior procurement executive of the military
5 department shall manage each project selected under
6 paragraph (2) that is undertaken by the military depart-
7 ment. Memoranda of agreement, joint funding agree-
8 ments, and other cooperative arrangements between the
9 science and technology community and the acquisition
10 community shall be used in carrying out the project if the
11 senior procurement executive determines that it is appro-
12 priate to do so to achieve the objectives of the project.

13 “(e) TECHNOLOGY TRANSITION FUND.—(1) There is
14 established in the Treasury of the United States a fund
15 to be known as the ‘Technology Transition Fund’.

16 “(2) Subject to the authority, direction, and control
17 of the Secretary of Defense, the Initiative Manager shall
18 administer the Fund consistent with the provisions of this
19 section.

20 “(3) Amounts appropriated for the Initiative shall be
21 deposited in the Fund.

22 “(4) Amounts in the Fund shall be available, to the
23 extent provided in appropriations Acts, for carrying out
24 the Initiative.

1 “(5) The President shall specify in the budget sub-
2 mitted for a fiscal year pursuant to section 1105(a) of title
3 31 the amount provided in that budget for the Initiative.

4 “(f) DEFINITIONS.—In this section:

5 “(1) The term ‘Initiative’ means the Tech-
6 nology Transition Initiative carried out under this
7 section.

8 “(2) The term ‘Initiative Manager’ means the
9 official designated to manage the Initiative under
10 subsection (c).

11 “(3) The term ‘Fund’ means the Technology
12 Transition Fund established under subsection (e).

13 “(4) The term ‘senior procurement executive’,
14 with respect to a military department, means the of-
15 ficial designated as the senior procurement executive
16 for that military department under section 16(3) of
17 the Office of Federal Procurement Policy Act (41
18 U.S.C. 414(3)).”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 at the beginning of such chapter is amended by inserting
21 after the item relating to section 2354 the following new
22 item:

“2355. Technology Transition Initiative.”.

1 **SEC. 232. COMMUNICATION OF SAFETY CONCERNS BE-**
2 **TWEEN OPERATIONAL TESTING AND EVALUA-**
3 **TION OFFICIALS AND PROGRAM MANAGERS.**

4 Section 139 of title 10, United States Code, is
5 amended by adding at the end the following new sub-
6 section:

7 “(c) The Director shall ensure that safety concerns
8 developed during the operational test and evaluation of a
9 weapon system under a major defense acquisition program
10 are timely communicated to the program manager for con-
11 sideration in the acquisition decisionmaking process.”.

12 **SEC. 233. SUPPLEMENTAL AUTHORIZATION OF APPROPRIA-**
13 **TIONS FOR FISCAL YEAR 2001 FOR RE-**
14 **SEARCH, DEVELOPMENT, TEST, AND EVALUA-**
15 **TION DEFENSE-WIDE.**

16 Section 201(4) of Floyd D. Spence National Defense
17 Authorization Act for Fiscal Year 2001 (as enacted into
18 law by Public Law 106–398; 114 Stat. 1654A–32) is
19 amended by striking “\$10,873,712,000” and inserting
20 “\$10,874,712,000”.

1 **TITLE III—OPERATION AND**
2 **MAINTENANCE**
3 **Subtitle A—Authorization of**
4 **Appropriations**

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

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2002 for the use of the Armed Forces and other
8 activities and agencies of the Department of Defense for
9 expenses, not otherwise provided for, for operation and
10 maintenance, in amounts as follows:

11 (1) For the Army, \$21,134,982,000.

12 (2) For the Navy, \$26,927,931,000.

13 (3) For the Marine Corps, \$2,911,339,000.

14 (4) For the Air Force, \$25,993,582,000.

15 (5) For Defense-wide activities,
16 \$12,482,532,000.

17 (6) For the Army Reserve, \$1,803,146,000.

18 (7) For the Naval Reserve, \$1,000,369,000.

19 (8) For the Marine Corps Reserve,
20 \$142,956,000.

21 (9) For the Air Force Reserve, \$2,029,866,000.

22 (10) For the Army National Guard,
23 \$3,697,659,000.

24 (11) For the Air National Guard,
25 \$4,037,161,000.

1 (12) For the Defense Inspector General,
2 \$149,221,000.

3 (13) For the United States Court of Appeals
4 for the Armed Forces, \$9,096,000.

5 (14) For Environmental Restoration, Army,
6 \$389,800,000.

7 (15) For Environmental Restoration, Navy,
8 \$257,517,000.

9 (16) For Environmental Restoration, Air Force,
10 \$385,437,000.

11 (17) For Environmental Restoration, Defense-
12 wide, \$23,492,000.

13 (18) For Environmental Restoration, Formerly
14 Used Defense Sites, \$190,255,000.

15 (19) For Overseas Humanitarian, Disaster, and
16 Civic Aid programs, \$49,700,000.

17 (20) For Drug Interdiction and Counterdrug
18 Activities, Defense-wide, \$860,381,000.

19 (21) For the Kaho'olawe Island Conveyance,
20 Remediation, and Environmental Restoration Trust
21 Fund, \$60,000,000.

22 (22) For the Defense Health Program,
23 \$17,546,750,000.

24 (23) For Cooperative Threat Reduction pro-
25 grams, \$403,000,000.

1 (24) For Overseas Contingency Operations
2 Transfer Fund, \$2,844,226,000.

3 (25) For Support for International Sporting
4 Competitions, Defense, \$15,800,000.

5 **SEC. 302. WORKING CAPITAL FUNDS.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2002 for the use of the Armed Forces and other
8 activities and agencies of the Department of Defense for
9 providing capital for working capital and revolving funds
10 in amounts as follows:

11 (1) For the Defense Working Capital Funds,
12 \$1,917,186,000.

13 (2) For the National Defense Sealift Fund,
14 \$506,408,000.

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

16 (a) AMOUNT FOR FISCAL YEAR 2002.—There is
17 hereby authorized to be appropriated for fiscal year 2002
18 from the Armed Forces Retirement Home Trust Fund the
19 sum of \$71,440,000 for the operation of the Armed Forces
20 Retirement Home, including the United States Soldiers'
21 and Airmen's Home and the Naval Home.

22 (b) AMOUNTS PREVIOUSLY AUTHORIZED.—Of
23 amounts appropriated from the Armed Forces Retirement
24 Home Trust Fund for fiscal years before fiscal year 2002
25 by Acts enacted before the date of the enactment of this

1 Act, an amount of \$22,400,000 shall be available for those
2 fiscal years, to the same extent as is provided in appro-
3 priation Acts, for the development and construction of a
4 blended use, multicare facility at the Naval Home and for
5 the acquisition of a parcel of real property adjacent to the
6 Naval Home, consisting of approximately 15 acres, more
7 or less.

8 **SEC. 304. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
9 **THAT BENEFIT DEPENDENTS OF MEMBERS**
10 **OF THE ARMED FORCES AND DEPARTMENT**
11 **OF DEFENSE CIVILIAN EMPLOYEES.**

12 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
13 PROGRAM FOR FISCAL YEAR 2002.—Of the amount au-
14 thorized to be appropriated by section 301(5) for oper-
15 ation and maintenance for Defense-wide activities,
16 \$35,000,000 shall be available only for the purpose of pro-
17 viding educational agencies assistance (as defined in sub-
18 section (d)(1)) to local educational agencies.

19 (b) NOTIFICATION.—Not later than June 30, 2002,
20 the Secretary of Defense shall notify each local edu-
21 cational agency that is eligible for educational agencies as-
22 sistance for fiscal year 2002 of—

23 (1) that agency's eligibility for educational
24 agencies assistance; and

1 (2) the amount of the educational agencies as-
2 sistance for which that agency is eligible.

3 (c) DISBURSEMENT OF FUNDS.—The Secretary of
4 Defense shall disburse funds made available under sub-
5 section (a) not later than 30 days after the date on which
6 notification to the eligible local educational agencies is
7 provided pursuant to subsection (b).

8 (d) DEFINITIONS.—In this section:

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

14 (2) The term “local educational agency” has
15 the meaning given that term in section 8013(9) of
16 the Elementary and Secondary Education Act of
17 1965 (20 U.S.C. 7713(9)).

18 **SEC. 305. AMOUNT FOR IMPACT AID FOR CHILDREN WITH**
19 **SEVERE DISABILITIES.**

20 Of the amount authorized to be appropriated under
21 section 301(5), \$5,000,000 shall be available for payments
22 under section 363 of the Floyd D. Spence National De-
23 fense Authorization Act for Fiscal Year 2001 (as enacted
24 into law by Public Law 106–398; 114 Stat. 1654A–77).

1 **SEC. 306. IMPROVEMENTS IN INSTRUMENTATION AND TAR-**
2 **GETS AT ARMY LIVE FIRE TRAINING RANGES.**

3 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
4 TIONS FOR OPERATION AND MAINTENANCE, ARMY.—The
5 amount authorized to be appropriated by section 301(1)
6 for the Army for operation and maintenance is hereby in-
7 creased by \$11,900,000 for improvements in instrumenta-
8 tion and targets at Army live fire training ranges.

9 (b) OFFSET.—The amount authorized to be appro-
10 priated by section 302(1) for the Department of Defense
11 for the Defense Working Capital Funds is hereby de-
12 creased by \$11,900,000, with the amount of the decrease
13 to be allocated to amounts available under that section for
14 fuel purchases.

15 **SEC. 307. ENVIRONMENTAL RESTORATION, FORMERLY**
16 **USED DEFENSE SITES.**

17 Of the funds authorized to be appropriated for sec-
18 tion 301, \$230,255,000 shall be available for Environ-
19 mental Restoration, Formerly Used Defense Sites.

20 **SEC. 308. AUTHORIZATION OF ADDITIONAL FUNDS.**

21 Of the amount authorized to be appropriated by sec-
22 tion 301(5), \$2,000,000 may be available for the replace-
23 ment and refurbishment of air handlers and related con-
24 trol systems at Air Force medical centers.

1 **SEC. 309. FUNDS FOR RENOVATION OF DEPARTMENT OF**
2 **VETERANS AFFAIRS FACILITIES ADJACENT**
3 **TO NAVAL TRAINING CENTER, GREAT LAKES,**
4 **ILLINOIS.**

5 (a) AVAILABILITY OF FUNDS FOR RENOVATION.—
6 Subject to subsection (b), of the amount authorized to be
7 appropriated by section 301(2) for operations and mainte-
8 nance for the Navy, the Secretary of the Navy may make
9 available to the Secretary of Veterans Affairs up to
10 \$2,000,000 for relocation of Department of Veterans Af-
11 fairs activities and associated renovation of existing facili-
12 ties at the North Chicago Department of Veterans Affairs
13 Medical Center.

14 (b) LIMITATION.—The Secretary of the Navy may
15 make funds available under subsection (a) only after the
16 Secretary of the Navy and the Secretary of Veterans Af-
17 fairs enter into an appropriate agreement for the use by
18 the Secretary of the Navy of approximately 48 acres of
19 real property at the North Chicago Department of Vet-
20 erans Affairs property referred to in subsection (a) for ex-
21 pansion of the Naval Training Center, Great Lakes, Illi-
22 nois.

1 **Subtitle B—Environmental**
2 **Provisions**

3 **SEC. 311. ESTABLISHMENT IN ENVIRONMENTAL RESTORA-**
4 **TION ACCOUNTS OF SUB-ACCOUNTS FOR**
5 **UNEXPLODED ORDNANCE AND RELATED**
6 **CONSTITUENTS.**

7 Section 2703 of title 10, United States Code, is
8 amended—

9 (1) by redesignating subsections (b) through (f)
10 as subsections (c) through (g), respectively; and

11 (2) by inserting after subsection (a) the fol-
12 lowing new subsection (b):

13 “(b) SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE
14 AND RELATED CONSTITUENTS.—There is hereby estab-
15 lished within each environmental restoration account es-
16 tablished under subsection (a) a sub-account to be known
17 as the ‘Environmental Restoration Sub-Account,
18 Unexploded Ordnance and Related Constituents’, for the
19 account concerned.”.

20 **SEC. 312. ASSESSMENT OF ENVIRONMENTAL REMEDIATION**
21 **OF UNEXPLODED ORDNANCE AND RELATED**
22 **CONSTITUENTS.**

23 (a) REPORT REQUIRED.—The report submitted to
24 Congress under section 2706(a) of title 10, United States
25 Code, in 2002 shall include, in addition to the matters

1 required by such section, a comprehensive assessment of
2 the extent of unexploded ordnance and related constitu-
3 ents at current and former facilities of the Department
4 of Defense.

5 (b) ELEMENTS.—The assessment included under
6 subsection (a) in the report referred to in that subsection
7 shall include, at a minimum—

8 (1) an estimate of the aggregate projected costs
9 of the remediation of unexploded ordnance and re-
10 lated constituents at all active facilities of the De-
11 partment;

12 (2) an estimate of the aggregate projected costs
13 of the remediation of unexploded ordnance and re-
14 lated constituents at all installations that are being,
15 or have been, closed or realigned under the base clo-
16 sure laws as of the date of the report under sub-
17 section (a);

18 (3) an estimate of the aggregate projected costs
19 of the remediation of unexploded ordnance and re-
20 lated constituents at all formerly used defense sites;

21 (4) a comprehensive plan for addressing the
22 unexploded ordnance and related constituents re-
23 ferred to in paragraphs (1) through (3), including
24 an assessment of the funding required and the pe-

1 riod of time over which such funding will be pro-
2 vided; and

3 (5) an assessment of the technology available
4 for the remediation of unexploded ordnance and re-
5 lated constituents, an assessment of the impact of
6 improved technology on the cost of remediation of
7 such ordnance and constituents, and a plan for the
8 development and utilization of such improved tech-
9 nology.

10 (c) REQUIREMENTS FOR ESTIMATES.—(1) The esti-
11 mates of aggregate projected costs under each of para-
12 graphs (1), (2), and (3) of subsection (b) shall—

13 (A) be stated as a range of aggregate projected
14 costs, including a low estimate and a high estimate;

15 (B) set forth the differing assumptions under-
16 lying each such low estimate and high estimate,
17 including—

18 (i) any public uses for the facilities, instal-
19 lations, or sites concerned that will be available
20 after the remediation has been completed;

21 (ii) the extent of the cleanup required to
22 make the facilities, installations, or sites con-
23 cerned available for such uses; and

24 (iii) the technologies to be applied to uti-
25 lized this purpose; and

1 (C) include, and identify separately, an estimate
2 of the aggregate projected costs of the remediation
3 of any ground water contamination that may be
4 caused by unexploded ordnance and related constitu-
5 ents at the facilities, installations, or sites con-
6 cerned.

7 (2) The high estimate of the aggregate projected
8 costs for facilities and installations under paragraph
9 (1)(A) shall be based on the assumption that all
10 unexploded ordnance and related constituents at such fa-
11 cilities and installations will be addressed, regardless of
12 whether there are any current plans to close such facilities
13 or installations or discontinue training at such facilities
14 or installations.

15 (3) The estimate of the aggregate projected costs of
16 remediation of ground water contamination under para-
17 graph (1)(C) shall be based on a comprehensive assess-
18 ment of the risk of such contamination and of the actions
19 required to protect the ground water supplies concerned.

20 **SEC. 313. DEPARTMENT OF DEFENSE ENERGY EFFICIENCY**
21 **PROGRAM.**

22 (a) IN GENERAL.—The Secretary of Defense shall
23 carry out a program to significantly improve the energy
24 efficiency of Department of Defense facilities through
25 2010.

1 (b) RESPONSIBLE OFFICIALS.—The Secretary shall
2 designate a senior official of the Department of Defense
3 to be responsible for managing the program for the De-
4 partment and a senior official of each military department
5 to be responsible for managing the program for such de-
6 partment.

7 (c) ENERGY EFFICIENCY GOALS.—The goal of the
8 program shall be to achieve reductions in energy consump-
9 tion by Department facilities as follows:

10 (1) In the case of industrial and laboratory fa-
11 cilities, reductions in the average energy consump-
12 tion per square foot of such facilities, per unit of
13 production or other applicable unit, relative to en-
14 ergy consumption in 1990—

15 (A) by 20 percent by 2005; and

16 (B) by 25 percent by 2010.

17 (2) In the case of other facilities, reductions in
18 average energy consumption per gross square foot of
19 such facilities, relative to energy consumption per
20 gross square foot in 1985—

21 (A) by 30 percent by 2005; and

22 (B) by 35 percent by 2010.

23 (d) STRATEGIES FOR IMPROVING ENERGY EFFI-
24 CIENCY.—In order to achieve the goals set forth in sub-

1 section (c), the Secretary shall, to the maximum extent
2 practicable—

3 (1) purchase energy-efficient products, as so
4 designated by the Environmental Protection Agency
5 and the Department of Energy, and other energy-ef-
6 ficient products;

7 (2) utilize energy savings performance con-
8 tracts, utility energy-efficiency service contracts, and
9 other contracts designed to achieve energy conserva-
10 tion;

11 (3) use life-cycle cost analysis, including assess-
12 ment of life-cycle energy costs, in making decisions
13 about investments in products, services, construc-
14 tion, and other projects;

15 (4) conduct energy efficiency audits for approxi-
16 mately 10 percent of all Department of Defense fa-
17 cilities each year;

18 (5) explore opportunities for energy efficiency in
19 industrial facilities for steam systems, boiler oper-
20 ation, air compressor systems, industrial processes,
21 and fuel switching; and

22 (6) retire inefficient equipment on an acceler-
23 ated basis where replacement results in lower life-
24 cycle costs.

1 (e) REPORTS.— Not later than January 1, 2002, and
2 annually thereafter through 2010, the Secretary shall sub-
3 mit to the congressional defense committees a report on
4 progress made toward achieving the goals set forth in sub-
5 section (c). Each report shall include, at a minimum—

6 (1) the percentage reduction in energy con-
7 sumption accomplished as of the date of such report
8 by the Department, and by each of the military de-
9 partments, in facilities covered by the goals set forth
10 in subsection (c)(1);

11 (2) the percentage reduction in energy con-
12 sumption accomplished as of the date of such report
13 by the Department, and by each of the military de-
14 partments, in facilities covered by the goals set forth
15 in subsection (c)(2); and

16 (3) the steps taken by the Department, and by
17 each of the military departments, to implement the
18 energy efficiency strategies required by subsection
19 (d) in the preceding calendar year.

20 **SEC. 314. EXTENSION OF PILOT PROGRAM FOR SALE OF**
21 **AIR POLLUTION EMISSION REDUCTION IN-**
22 **CENTIVES.**

23 Section 351(a)(2) of the National Defense Authoriza-
24 tion Act for Fiscal Year 1998 (Public Law 105–85; 10

1 U.S.C. 2701 note) is amended by striking “September 30,
2 2001” and inserting “September 30, 2003”.

3 **SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTEC-**
4 **TION AGENCY FOR CERTAIN RESPONSE**
5 **COSTS IN CONNECTION WITH HOOPER SANDS**
6 **SITE, SOUTH BERWICK, MAINE.**

7 (a) **AUTHORITY TO REIMBURSE.**—Using amounts
8 specified in subsection (c), the Secretary of the Navy may
9 pay \$1,005,478 to the Hooper Sands Special Account
10 within the Hazardous Substance Superfund established by
11 section 9507 of the Internal Revenue Code of 1986 (26
12 U.S.C. 9507) to reimburse the Environmental Protection
13 Agency for the response costs incurred by the Environ-
14 mental Protection Agency for actions taken between May
15 12, 1992, and July 31, 2000, pursuant to the Comprehen-
16 sive Environmental Response, Compensation, and Liabil-
17 ity Act of 1980 (42 U.S.C. 9601 et seq.) at the Hooper
18 Sands site in South Berwick, Maine, in accordance with
19 the Interagency Agreement entered into by the Depart-
20 ment of the Navy and the Environmental Protection Agen-
21 cy in January 2001.

22 (b) **TREATMENT OF REIMBURSEMENT.**—Payment of
23 the amount authorized by subsection (a) shall be in full
24 satisfaction of amounts due from the Department of the

1 Navy to the Environmental Protection Agency for the re-
2 sponse costs described in that subsection.

3 (c) SOURCE OF FUNDS.—Payment under subsection
4 (a) shall be made using amounts authorized to be appro-
5 priated by section 301(15) to the Environmental Restora-
6 tion Account, Navy, established by section 2703(a)(3) of
7 title 10, United States Code.

8 **SEC. 316. CONFORMITY OF SURETY AUTHORITY UNDER EN-**
9 **VIRONMENTAL RESTORATION PROGRAM**
10 **WITH SURETY AUTHORITY UNDER SUPER-**
11 **FUND.**

12 Section 2701(j)(1) of title 10, United States Code,
13 is amended by striking “or after December 31, 1999”.

14 **SEC. 317. PROCUREMENT OF ALTERNATIVE FUELED AND**
15 **HYBRID ELECTRIC LIGHT DUTY TRUCKS.**

16 (a) DEFENSE FLEETS NOT COVERED BY REQUIRE-
17 MENT IN ENERGY POLICY ACT OF 1992.—(1) The Sec-
18 retary of Defense shall coordinate with the Administrator
19 of General Services to ensure that only hybrid electric ve-
20 hicles are procured by the Administrator for the Depart-
21 ment of Defense fleet of light duty trucks that is not in
22 a fleet of vehicles to which section 303 of the Energy Pol-
23 icy Act of 1992 (42 U.S.C. 13212) applies.

24 (2) The Secretary, in consultation with the Adminis-
25 trator, may waive the policy regarding the procurement

1 of hybrid electric vehicles in paragraph (1) to the extent
2 that the Secretary determines necessary—

3 (A) in the case of trucks that are exempt from
4 the requirements of section 303 of the Energy Policy
5 Act of 1992 (42 U.S.C. 13212) for national security
6 reasons under subsection (b)(3)(E) of such section,
7 to meet specific requirements of the Department of
8 Defense for capabilities of light duty trucks;

9 (B) to procure vehicles consistent with the
10 standards applicable to the procurement of fleet ve-
11 hicles for the Federal Government; or

12 (C) to adjust to limitations on the commercial
13 availability of light duty trucks that are hybrid elec-
14 tric vehicles.

15 (3) This subsection applies with respect to procure-
16 ments of light duty trucks in fiscal year 2005 and subse-
17 quent fiscal years.

18 (b) REQUIREMENT TO EXCEED REQUIREMENT IN
19 ENERGY POLICY ACT OF 1992.—(1) The Secretary of De-
20 fense shall coordinate with the Administrator of General
21 Services to ensure that, of the light duty trucks procured
22 in fiscal years after fiscal year 2004 for the fleets of light
23 duty vehicles of the Department of Defense to which sec-
24 tion 303 of the Energy Policy Act of 1992 (42 U.S.C.
25 13212) applies—

1 (A) five percent of the total number of such
2 trucks that are procured in each of fiscal years 2005
3 and 2006 are alternative fueled vehicles or hybrid
4 electric vehicles; and

5 (B) ten percent of the total number of such
6 trucks that are procured in each fiscal year after fis-
7 cal year 2006 are alternative fueled vehicles or hy-
8 brid electric vehicles.

9 (2) Light duty trucks acquired for the Department
10 of Defense that are counted to comply with section 303
11 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for
12 a fiscal year shall be counted to determine the total num-
13 ber of light duty trucks procured for the Department of
14 Defense for that fiscal year for the purposes of paragraph
15 (1), but shall not be counted to satisfy the requirement
16 in that paragraph.

17 (c) REPORT ON PLANS FOR IMPLEMENTATION.—At
18 the same time that the President submits the budget for
19 fiscal year 2003 to Congress under section 1105(a) of title
20 31, United States Code, the Secretary shall submit to
21 Congress a report summarizing the plans for carrying out
22 subsections (a) and (b).

23 (d) DEFINITIONS.—In this section:

1 (1) The term “hybrid electric vehicle” means a
2 motor vehicle that draws propulsion energy from on-
3 board sources of stored energy that are both—

4 (A) an internal combustion or heat engine
5 using combustible fuel; and

6 (B) a rechargeable energy storage system.

7 (2) The term “alternative fueled vehicle” has
8 the meaning given that term in section 301 of the
9 Energy Policy Act of 1992 (43 U.S.C. 13211).

10 **Subtitle C—Commissaries and Non-**
11 **appropriated Fund Instrumen-**
12 **talities**

13 **SEC. 321. REBATE AGREEMENTS WITH PRODUCERS OF**
14 **FOODS PROVIDED UNDER THE SPECIAL SUP-**
15 **PLEMENTAL FOOD PROGRAM.**

16 Section 1060a(b) of title 10, United States Code, is
17 amended—

18 (1) by striking “(b) FUNDING MECHANISM.—”
19 and inserting “(b) FUNDING.—(1); and

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

22 “(2)(A) In the administration of the program under
23 this section, the Secretary of Defense may enter into a
24 contract with a producer of a particular brand of food that
25 provides for—

1 “(i) the Secretary of Defense to procure that
2 particular brand of food, exclusive of other brands of
3 the same or similar food, for the purpose of pro-
4 viding the food in commissary stores of the Depart-
5 ment of Defense as a supplemental food under the
6 program; and

7 “(ii) the producer to rebate to the Department
8 of Defense amounts equal to agreed portions of the
9 amounts paid by the department for the procure-
10 ment of that particular brand of food for the pro-
11 gram.

12 “(B) The Secretary shall use competitive procedures
13 under chapter 137 of this title for entering into contracts
14 under this paragraph.

15 “(C) The period covered by a contract entered into
16 under this paragraph may not exceed one year. No such
17 contract may be extended by a modification of the con-
18 tract, by exercise of an option, or by any other means.
19 Nothing in this subparagraph prohibits a contractor under
20 a contract entered into under this paragraph for any year
21 from submitting an offer for, and being awarded, a con-
22 tract that is to be entered into under this paragraph for
23 a successive year.

24 “(D) Amounts rebated under a contract entered into
25 under subparagraph (A) shall be credited to the appro-

1 priation available for carrying out the program under this
 2 section in the fiscal year in which rebated, shall be merged
 3 with the other sums in that appropriation, and shall be
 4 available for the program for the same period as the other
 5 sums in the appropriation.”.

6 **SEC. 322. REIMBURSEMENT FOR USE OF COMMISSARY FA-**
 7 **CILITIES BY MILITARY DEPARTMENTS FOR**
 8 **PURPOSES OTHER THAN COMMISSARY**
 9 **SALES.**

10 (a) REQUIREMENT.—Chapter 147 of title 10, United
 11 States Code, is amended by inserting after section 2482a
 12 the following new section:

13 **“§ 2483. Commissary stores: reimbursement for use of**
 14 **commissary facilities by military depart-**
 15 **ments**

16 “(a) PAYMENT REQUIRED.—The Secretary of a mili-
 17 tary department shall pay the Defense Commissary Agen-
 18 cy the amount determined under subsection (b) for any
 19 use of a commissary facility by the military department
 20 for a purpose other than commissary sales or operations
 21 in support of commissary sales.

22 “(b) AMOUNT.—The amount payable under sub-
 23 section (a) for use of a commissary facility by a military
 24 department shall be equal to the share of depreciation of

1 the facility that is attributable to that use, as determined
 2 under regulations prescribed by the Secretary of Defense.

3 “(c) COVERED FACILITIES.—This section applies
 4 with respect to a commissary facility that is acquired, con-
 5 structed, converted, expanded, installed, or otherwise im-
 6 proved (in whole or in part) with the proceeds of an ad-
 7 justment or surcharge applied under section 2486(c) of
 8 this title.

9 “(d) CREDITING OF PAYMENTS.—The Director of the
 10 Defense Commissary Agency shall credit amounts paid
 11 under this section for use of a facility to an appropriate
 12 account to which proceeds of an adjustment or surcharge
 13 referred to in subsection (c) are credited.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of such chapter is amended by inserting
 16 after the item relating to section 2482a the following new
 17 item:

“2483. Commissary stores: reimbursement for use of commissary facilities by
 military departments.”.

18 **SEC. 323. PUBLIC RELEASES OF COMMERCIALY VALU-**
 19 **ABLE INFORMATION OF COMMISSARY**
 20 **STORES.**

21 (a) LIMITATIONS AND AUTHORITY.—Section 2487 of
 22 title 10, United States Code, is amended to read as fol-
 23 lows:

1 **“§ 2487. Commissary stores: release of certain com-**
2 **mercially valuable information to the**
3 **public**

4 “(a) **AUTHORITY TO LIMIT RELEASE.**—(1) The Sec-
5 retary of Defense may limit the release to the public of
6 any information described in paragraph (2) if the Sec-
7 retary determines that it is in the best interest of the De-
8 partment of Defense to limit the release of such informa-
9 tion. If the Secretary determines to limit the release of
10 any such information, the Secretary may provide for lim-
11 ited release of such information in accordance with sub-
12 section (b).

13 “(2) Paragraph (1) applies to the following:

14 “(A) Information contained in the computerized
15 business systems of commissary stores or the De-
16 fense Commissary Agency that is collected through
17 or in connection with the use of electronic scanners
18 in commissary stores, including the following infor-
19 mation:

20 “(i) Data relating to sales of goods or serv-
21 ices.

22 “(ii) Demographic information on cus-
23 tomers.

24 “(iii) Any other information pertaining to
25 commissary transactions and operations.

1 “(B) Business programs, systems, and applica-
2 tions (including software) relating to commissary op-
3 erations that were developed with funding derived
4 from commissary surcharges.

5 “(b) RELEASE AUTHORITY.—(1) The Secretary of
6 Defense may, using competitive procedures, enter into a
7 contract to sell information described in subsection (a)(2).

8 “(2) The Secretary of Defense may release, without
9 charge, information on an item sold in commissary stores
10 to—

11 “(A) the manufacturer or producer of that
12 item; or

13 “(B) the manufacturer or producer’s agent
14 when necessary to accommodate electronic ordering
15 of the item by commissary stores.

16 “(3) The Secretary of Defense may, by contract en-
17 tered into with a business, grant to the business a license
18 to use business programs referred to in subsection
19 (a)(2)(B), including software used in or comprising any
20 such program. The fee charged for the license shall be
21 based on the costs of similar programs developed and mar-
22 keted by businesses in the private sector, determined by
23 means of surveys.

24 “(4) Each contract entered into under this subsection
25 shall specify the amount to be paid for information re-

1 leased or a license granted under the contract, as the case
2 may be.

3 “(c) FORM OF RELEASE.—Information described in
4 subsection (a)(2) may not be released, under subsection
5 (b) or otherwise, in a form that identifies any customer
6 or that provides information making it possible to identify
7 any customer.

8 “(d) RECEIPTS.—Amounts received by the Secretary
9 under this section shall be credited to funds derived from
10 commissary surcharges, shall be merged with those funds,
11 and shall be available for the same purposes as the funds
12 with which merged.

13 “(e) DEFINITIONS.—In this section, the term ‘com-
14 missary surcharge’ means any adjustment or surcharge
15 applied under section 2486(c) of this title.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of chapter 147 of such title is amended
18 to read as follows:

“2487. Commissary stores: release of certain commercially valuable information
to the public.”.

1 **Subtitle D—Other Matters**

2 **SEC. 331. CODIFICATION OF AUTHORITY FOR DEPARTMENT**
 3 **OF DEFENSE SUPPORT FOR COUNTERDRUG**
 4 **ACTIVITIES OF OTHER GOVERNMENTAL**
 5 **AGENCIES.**

6 (a) **AUTHORITY.**—(1) Chapter 18 of title 10, United
 7 States Code, is amended by adding at the end the fol-
 8 lowing new section:

9 **“§ 383. Additional support for counterdrug activities**
 10 **of other agencies**

11 “(a) **SUPPORT TO OTHER AGENCIES.**—The Secretary
 12 of Defense may provide support for the counterdrug activi-
 13 ties of any other department or agency of the Federal Gov-
 14 ernment or of any State, local, or foreign law enforcement
 15 agency for any of the purposes set forth in subsection (b)
 16 if such support is requested—

17 “(1) by the official who has responsibility for
 18 the counterdrug activities of the department or
 19 agency of the Federal Government, in the case of
 20 support for the department or agency;

21 “(2) by the appropriate official of a State or
 22 local government, in the case of support for the
 23 State or local law enforcement agency; or

24 “(3) by an appropriate official of a department
 25 or agency of the Federal Government that has

1 counterdrug responsibilities, in the case of support
2 for a foreign law enforcement agency.

3 “(b) TYPES OF SUPPORT.—The purposes for which
4 the Secretary may provide support under subsection (a)
5 are the following:

6 “(1) The maintenance and repair of equipment
7 that has been made available to any department or
8 agency of the Federal Government or to any State
9 or local government by the Department of Defense
10 for the purposes of—

11 “(A) preserving the potential future utility
12 of such equipment for the Department of De-
13 fense; and

14 “(B) upgrading such equipment to ensure
15 compatibility of that equipment with other
16 equipment used by the Department of Defense.

17 “(2) The maintenance, repair, or upgrading of
18 equipment (including computer software), other than
19 equipment referred to in subparagraph (A) for the
20 purpose of—

21 “(A) ensuring that the equipment being
22 maintained or repaired is compatible with
23 equipment used by the Department of Defense;
24 and

1 “(B) upgrading such equipment to ensure
2 the compatibility of that equipment with equip-
3 ment used by the Department of Defense.

4 “(3) The transportation of personnel of the
5 United States and foreign countries (including per
6 diem expenses associated with such transportation),
7 and the transportation of supplies and equipment,
8 for the purpose of facilitating counterdrug activities
9 within or outside the United States.

10 “(4) The establishment (including an unspec-
11 ified minor military construction project) and oper-
12 ation of bases of operations or training facilities for
13 the purpose of facilitating counterdrug activities of
14 the Department of Defense or any Federal, State, or
15 local law enforcement agency within or outside the
16 United States or counterdrug activities of a foreign
17 law enforcement agency outside the United States.

18 “(5) Counterdrug related training of law en-
19 forcement personnel of the Federal Government, of
20 State and local governments, and of foreign coun-
21 tries, including associated support expenses for
22 trainees and the provision of materials necessary to
23 carry out such training.

24 “(6) The detection, monitoring, and commu-
25 nication of the movement of—

1 “(A) air and sea traffic within 25 miles of
2 and outside the geographic boundaries of the
3 United States; and

4 “(B) surface traffic outside the geographic
5 boundary of the United States and within the
6 United States not to exceed 25 miles of the
7 boundary if the initial detection occurred out-
8 side of the boundary.

9 “(7) Construction of roads and fences and in-
10 stallation of lighting to block drug smuggling cor-
11 ridors across international boundaries of the United
12 States.

13 “(8) Establishment of command, control, com-
14 munications, and computer networks for improved
15 integration of law enforcement, active military, and
16 National Guard activities.

17 “(9) The provision of linguist and intelligence
18 analysis services.

19 “(10) Aerial and ground reconnaissance.

20 “(c) LIMITATION ON COUNTERDRUG REQUIRE-
21 MENTS.—The Secretary of Defense may not limit the re-
22 quirements for which support may be provided under sub-
23 section (a) only to critical, emergent, or unanticipated re-
24 quirements.

1 “(d) CONTRACT AUTHORITY.—In carrying out sub-
2 section (a), the Secretary of Defense may acquire services
3 or equipment by contract for support provided under that
4 subsection if the Department of Defense would normally
5 acquire such services or equipment by contract for the
6 purpose of conducting a similar activity for the Depart-
7 ment of Defense.

8 “(e) LIMITED WAIVER OF PROHIBITION—Notwith-
9 standing section 376 of this title, the Secretary of Defense
10 may provide support pursuant to subsection (a) in any
11 case in which the Secretary determines that the provision
12 of such support would adversely affect the military pre-
13 paredness of the United States in the short term if the
14 Secretary determines that the importance of providing
15 such support outweighs such short-term adverse effect.

16 “(f) CONDUCT OF TRAINING OR OPERATION TO AID
17 CIVILIAN AGENCIES.—In providing support pursuant to
18 subsection (a), the Secretary of Defense may plan and exe-
19 cute otherwise valid military training or operations (in-
20 cluding training exercises undertaken pursuant to section
21 1206(a) of the National Defense Authorization Act for
22 Fiscal Years 1990 and 1991 (Public Law 101–189; 103
23 Stat. 1564; 10 U.S.C. 124 note)) for the purpose of aiding
24 civilian law enforcement agencies.

1 “(g) RELATIONSHIP TO OTHER LAWS.—(1) The au-
2 thority provided in this section for the support of
3 counterdrug activities by the Department of Defense is in
4 addition to, and except as provided in paragraph (2), not
5 subject to the requirements of any other provision of this
6 chapter.

7 “(2) Support under this section shall be subject to
8 the provisions of section 375 and, except as provided in
9 subsection (e), section 376 of this title.

10 “(h) CONGRESSIONAL NOTIFICATION OF FACILITIES
11 PROJECTS.—(1) When a decision is made to carry out a
12 military construction project described in paragraph (2),
13 the Secretary of Defense shall submit to the committees
14 of Congress named in paragraph (3) a written notice of
15 the decision, including the justification for the project and
16 the estimated cost of the project. The project may be com-
17 menced only after the end of the 21-day period beginning
18 on the date on which the written notice is received by the
19 committees.

20 “(2) Paragraph (1) applies to an unspecified minor
21 military construction project that—

22 “(A) is intended for the modification or repair
23 of a Department of Defense facility for the purpose
24 set forth in subsection (b)(4); and

1 “(B) has an estimated cost of more than
2 \$500,000.

3 “(3) The committees referred to in paragraph (1) are
4 as follows:

5 “(A) The Committee on Armed Services and
6 the Committee on Appropriations of the Senate.

7 “(B) The Committee on Armed Services and
8 the Committee on Appropriations of the House of
9 Representatives.”.

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

 “383. Additional support for counterdrug activities of other agencies.”.

13 (b) REPEAL OF SUPERSEDED PROVISION.—Section
14 1004 of the National Defense Authorization Act for Fiscal
15 Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is
16 repealed.

17 (c) SAVINGS PROVISION.—The repeal of section 1004
18 of the National Defense Authorization Act for Fiscal Year
19 1991 by subsection (b) shall not affect any support pro-
20 vided under that section that is ongoing as of the date
21 of the enactment of this Act. The support may be contin-
22 ued in accordance with section 383 of title 10, United
23 States Code, as added by subsection (a).

1 **SEC. 332. EXCLUSION OF CERTAIN EXPENDITURES FROM**
2 **LIMITATION ON PRIVATE SECTOR PERFORM-**
3 **ANCE OF DEPOT-LEVEL MAINTENANCE.**

4 (a) AMOUNTS EXCLUDED.—Amounts expended out
5 of funds described in subsection (b) for the performance
6 of a depot-level maintenance and repair workload by non-
7 Federal Government personnel at a Center of Industrial
8 and Technical Excellence designated pursuant to section
9 2474(a) of title 10, United States Code, shall not be
10 counted for purposes of section 2466(a) of such title if
11 the personnel are provided by private industry pursuant
12 to a public-private partnership undertaken by the Center
13 under section 2474(b) of such title.

14 (b) FUNDS FOR FISCAL YEARS 2002 THROUGH
15 2004.—The funds referred to in subsection (a) are funds
16 available to the military departments for depot-level main-
17 tenance and repair workloads for fiscal years 2002, 2003,
18 and 2004.

19 **SEC. 333. REPAIR, RESTORATION, AND PRESERVATION OF**
20 **LAFAYETTE ESCADRILLE MEMORIAL,**
21 **MARNES LA-COQUETTE, FRANCE.**

22 (a) AUTHORITY TO MAKE GRANT.—The Secretary of
23 the Air Force may, using amounts specified in subsection
24 (d), make a grant to the Lafayette Escadrille Memorial
25 Foundation, Inc., for purposes of the repair, restoration,
26 and preservation of the structure, plaza, and surrounding

1 grounds of the Lafayette Escadrille Memorial in Marnes
2 la-Coquette, France.

3 (b) GRANT AMOUNT.—The amount of the grant
4 under subsection (a) may not exceed \$2,000,000.

5 (c) USE OF GRANT.—Amounts from the grant under
6 this section shall be used solely for the purposes described
7 in subsection (a). None of such amounts may be used for
8 remuneration of any entity or individual associated with
9 fundraising for any project for such purposes.

10 (d) FUNDS FOR GRANT.—Funds for the grant under
11 this section shall be derived from amounts authorized to
12 be appropriated by section 301(4) for operation and main-
13 tenance for the Air Force for fiscal year 2002.

14 **SEC. 334. IMPLEMENTATION OF THE NAVY-MARINE CORPS**
15 **INTRANET CONTRACT.**

16 (a) ADDITIONAL PHASE-IN AUTHORITY.—Subsection
17 (b) of section 814 of the Floyd D. Spence National De-
18 fense Authorization Act for Fiscal Year 2001 (as enacted
19 by Public Law 106–398; 114 Stat. 1654A–215) is amend-
20 ed by adding at the end the following new paragraphs:

21 “(5)(A) The Secretary of the Navy may, before the
22 submittal of the joint certification referred to in paragraph
23 (3)(D), contract for one or more additional increments of
24 work stations under the Navy-Marine Corps Intranet con-
25 tract, with the number of work stations to be ordered in

1 each additional increment to be determined by the Under
2 Secretary of Defense for Acquisition, Technology, and Lo-
3 gistics.

4 “(B) Upon determining the number of work stations
5 in an additional increment for purposes of subparagraph
6 (A), the Under Secretary of Defense for Acquisition, Tech-
7 nology, and Logistics shall submit to the congressional de-
8 fense committees a report, current as of the date of such
9 determination, on the following:

10 “(i) The number of work stations operating on
11 the Navy-Marine Corps Intranet.

12 “(ii) The status of testing and implementation
13 of the Navy-Marine Corps Intranet program.

14 “(iii) The number of work stations to be con-
15 tracted for in the additional increment.

16 “(C) The Under Secretary of Defense for Acquisition,
17 Technology, and Logistics may not make a determination
18 to order any number of work stations to be contracted for
19 under subparagraph (A) in excess of the number per-
20 mitted under paragraph (2) until—

21 “(i) the completion of a three-phase contractor
22 test and user evaluation, observed by the Depart-
23 ment of Defense, of the work stations operating on
24 the Navy-Marine Corps Intranet at the first three

1 sites under the Navy-Marine Corps Intranet pro-
2 gram; and

3 “(ii) the Chief Information Officer of the Navy
4 has certified to the Secretary of the Navy and the
5 Chief Information Officer of the Department of De-
6 fense that the results of the test and evaluation re-
7 ferred to in clause (i) are acceptable.

8 “(D) The Under Secretary of Defense for Acquisi-
9 tion, Technology, and Logistics may not make a deter-
10 mination to order any number of work stations to be con-
11 tracted for under subparagraph (A) in excess of the num-
12 ber provided for under subparagraph (C) until—

13 “(i) there has been a full transition of not less
14 than 20,000 work stations to the Navy-Marine
15 Corps Intranet;

16 “(ii) the work stations referred to in clause (i)
17 have met service-level agreements specified in the
18 Navy-Marine Corps Intranet contract for not less
19 than 30 days, as determined by contractor perform-
20 ance measurement under oversight by the Depart-
21 ment of the Navy; and

22 “(iii) the Chief Information Officer of the De-
23 partment of Defense and the Assistant Secretary of
24 Defense for Command, Control, Communications,
25 and Intelligence jointly certify to the congressional

1 defense committees that the results of testing of the
2 work stations referred to in clause (i) are accept-
3 able.”.

4 (b) DEFINITIONS.—Subsection (f) of that section is
5 amended to read as follows:

6 “(f) DEFINITIONS.—In this section:

7 “(1) The term ‘Navy-Marine Corps Intranet
8 contract’ means a contract providing for a long-term
9 arrangement of the Department of the Navy with
10 the commercial sector that imposes on the contractor
11 a responsibility for, and transfers to the contractor
12 the risk of, providing and managing the significant
13 majority of desktop, server, infrastructure, and com-
14 munication assets and services of the Department of
15 the Navy.

16 “(2) The term ‘provide’, in the case of a work
17 station under the Navy-Marine Corps Intranet con-
18 tract, means transfer of the legacy information in-
19 frastructure and systems of the user of the work sta-
20 tion to Navy-Marine Corps Intranet infrastructure
21 and systems of the work station under the Navy-Ma-
22 rine Corps Intranet contract and performance there-
23 of consistent with the service-level agreements speci-
24 fied in the Navy-Marine Corps Intranet contract.”.

1 **SEC. 335. REVISION OF AUTHORITY TO WAIVE LIMITATION**
2 **ON PERFORMANCE OF DEPOT-LEVEL MAIN-**
3 **TENANCE.**

4 (a) IN GENERAL.—Section 2466(c) of title 10,
5 United States Code, is amended to read as follows:

6 “(c) WAIVER OF LIMITATION.—(1) The Secretary of
7 Defense may waive the limitation in subsection (a) for a
8 fiscal year if—

9 “(A) the Secretary of Defense determines that
10 the waiver is necessary for reasons of national secu-
11 rity; and

12 “(B) the Secretary of Defense submits to Con-
13 gress a notification of the waiver together with the
14 reasons for the waiver; and

15 “(2) The Secretary of Defense may not delegate the
16 authority to exercise the waiver authority under paragraph
17 (1).”.

18 (b) REPORT.—The Secretary of Defense shall provide
19 a report to Congress not later than January 31, 2002 that
20 outlines the Secretary’s strategy regarding the operations
21 of the public depots.

22 **SEC. 336. REAUTHORIZATION OF WARRANTY CLAIMS RE-**
23 **COVERY PILOT PROGRAM.**

24 (a) EXTENSION OF AUTHORITY.—Subsection (f) of
25 section 391 of the National Defense Authorization Act for
26 Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1716;

1 10 U.S.C. 2304 note) is amended by striking “September
2 30, 1999” and inserting “September 30, 2003”.

3 (b) REPORTING REQUIREMENTS.—Subsection (g) of
4 such section is amended—

5 (1) in paragraph (1), by striking “January 1,
6 2000” and inserting “January 1, 2003”; and

7 (2) in paragraph (2), by striking “March 1,
8 2000” and inserting “March 1, 2003”.

9 **SEC. 337. FUNDING FOR LAND FORCES READINESS-INFOR-**
10 **MATION OPERATIONS SUSTAINMENT.**

11 Of the amount authorized to be appropriated by sec-
12 tion 301(6), \$5,000,000 may be available for land forces
13 readiness-information operations sustainment.

14 **SEC. 338. DEFENSE LANGUAGE INSTITUTE FOREIGN LAN-**
15 **GUAGE CENTER EXPANDED ARABIC LAN-**
16 **GUAGE PROGRAM.**

17 Of the amount authorized to be appropriated by sec-
18 tion 301(1) for operation and maintenance for the Army,
19 \$650,000 may be available for the Defense Language In-
20 stitute Foreign Language Center (DLIFLC) for an ex-
21 panded Arabic language program.

22 **SEC. 339. CONSEQUENCE MANAGEMENT TRAINING.**

23 Of the amount authorized to be appropriated by sec-
24 tion 301(5), \$5,000,000 may be available for the training
25 of members of the Armed Forces (including reserve com-

1 ponent personnel) in the management of the consequences
 2 of an incident involving the use or threat of use of a weap-
 3 on of mass destruction.

4 **SEC. 340. CRITICAL INFRASTRUCTURE PROTECTION INITIA-**
 5 **TIVE OF THE NAVY.**

6 Of the amount authorized to be appropriated by sec-
 7 tion 301(2), \$6,000,000 shall be available for the critical
 8 infrastructure protection initiative of the Navy.

9 **TITLE IV—MILITARY**
 10 **PERSONNEL AUTHORIZATIONS**
 11 **Subtitle A—Active Forces**

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

13 The Armed Forces are authorized strengths for active
 14 duty personnel as of September 30, 2002, as follows:

- 15 (1) The Army, 480,000.
 16 (2) The Navy, 376,000.
 17 (3) The Marine Corps, 172,600.
 18 (4) The Air Force, 358,800.

19 **SEC. 402. AUTHORIZED DAILY AVERAGE ACTIVE DUTY**
 20 **STRENGTH FOR NAVY ENLISTED MEMBERS**
 21 **IN PAY GRADE E-8.**

22 (a) IN GENERAL.—Section 517(a) of title 10, United
 23 States Code, is amended by inserting “or the Navy” after
 24 “in the case of the Army”.

1 (b) APPLICABILITY.—The amendment made by sub-
2 section (a) shall take effect on October 1, 2001, and shall
3 apply with respect to fiscal years beginning on or after
4 that date.

5 **Subtitle B—Reserve Forces**

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

7 (a) IN GENERAL.—The Armed Forces are authorized
8 strengths for Selected Reserve personnel of the reserve
9 components as of September 30, 2002, as follows:

10 (1) The Army National Guard of the United
11 States, 350,000.

12 (2) The Army Reserve, 205,000.

13 (3) The Naval Reserve, 87,000.

14 (4) The Marine Corps Reserve, 39,558.

15 (5) The Air National Guard of the United
16 States, 108,400.

17 (6) The Air Force Reserve, 74,700.

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

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

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

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

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

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

15 Within the end strengths prescribed in section
16 411(a), the reserve components of the Armed Forces are
17 authorized, as of September 30, 2002, the following num-
18 ber of Reserves to be serving on full-time active duty or
19 full-time duty, in the case of members of the National
20 Guard, for the purpose of organizing, administering, re-
21 cruiting, instructing, or training the reserve components:

22 (1) The Army National Guard of the United
23 States, 23,698.

24 (2) The Army Reserve, 13,406.

25 (3) The Naval Reserve, 14,811.

1 (4) The Marine Corps Reserve, 2,261.

2 (5) The Air National Guard of the United
3 States, 11,591.

4 (6) The Air Force Reserve, 1,437.

5 **SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS**
6 **(DUAL STATUS).**

7 The minimum number of military technicians (dual
8 status) as of the last day of fiscal year 2002 for the re-
9 serve components of the Army and the Air Force (notwith-
10 standing section 129 of title 10, United States Code) shall
11 be the following:

12 (1) For the Army Reserve, 6,249.

13 (2) For the Army National Guard of the United
14 States, 23,615.

15 (3) For the Air Force Reserve, 9,818.

16 (4) For the Air National Guard of the United
17 States, 22,422.

18 **SEC. 414. FISCAL YEAR 2002 LIMITATION ON NON-DUAL STA-**
19 **TUS TECHNICIANS.**

20 (a) **LIMITATION.**—The number of non-dual status
21 technicians employed by the reserve components of the
22 Army and the Air Force as of September 30, 2002, may
23 not exceed the following:

24 (1) For the Army Reserve, 1,095.

1 (2) For the Army National Guard of the United
2 States, 1,600.

3 (3) For the Air Force Reserve, 0.

4 (4) For the Air National Guard of the United
5 States, 350.

6 (b) **NON-DUAL STATUS TECHNICIANS DEFINED.**—In
7 this section, the term “non-dual status technician” has the
8 meaning given the term in section 10217(a) of title 10,
9 United States Code.

10 **SEC. 415. LIMITATIONS ON NUMBERS OF RESERVE PER-**
11 **SONNEL SERVING ON ACTIVE DUTY OR FULL-**
12 **TIME NATIONAL GUARD DUTY IN CERTAIN**
13 **GRADES FOR ADMINISTRATION OF RESERVE**
14 **COMPONENTS.**

15 (a) **OFFICERS.**—The text of section 12011 of title 10,
16 United States Code, is amended to read as follows:

17 “(a) **LIMITATIONS.**—(1) Of the total number of mem-
18 bers of a reserve component who are serving on full-time
19 reserve component duty at the end of any fiscal year, the
20 number of those members who may be serving in each of
21 the grades of major, lieutenant colonel, and colonel may
22 not, as of the end of that fiscal year, exceed the number
23 determined in accordance with the following table:

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army Reserve:			
10,000	1,390	740	230
11,000	1,529	803	242

*Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336
Army National Guard:			
20,000	1,500	850	325
22,000	1,650	930	350
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411
Marine Corps Reserve:			
1,100	106	56	20
1,200	110	60	21
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35
Air Force Reserve:			
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300
Air National Guard:			
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380.

1 “(2) Of the total number of members of the Naval
2 Reserve who are serving on full-time reserve component
3 duty at the end of any fiscal year, the number of those
4 members who may be serving in each of the grades of lieu-
5 tenant commander, commander, and captain may not, as
6 of the end of that fiscal year, exceed the number deter-
7 mined in accordance with the following table:

“Total number of members of Naval Reserve serving on full-time reserve component duty:	Number of officers who may be serving in the grade of:		
	Lieutenant com- mander	Commander	Captain
10,000	807	447	141
11,000	867	467	153
12,000	924	485	163
13,000	980	503	173
14,000	1,035	521	183
15,000	1,088	538	193
16,000	1,142	555	203
17,000	1,195	565	213
18,000	1,246	575	223
19,000	1,291	585	233
20,000	1,334	595	242
21,000	1,364	603	250
22,000	1,384	610	258
23,000	1,400	615	265
24,000	1,410	620	270.

8 “(b) DETERMINATIONS BY INTERPOLATION.—If the
9 total number of members of a reserve component serving
10 on full-time reserve component duty is between any two
11 consecutive numbers in the first column of the appropriate
12 table in paragraph (1) or (2) of subsection (a), the cor-
13 responding authorized strengths for each of the grades
14 shown in that table for that component are determined

1 by mathematical interpolation between the respective
2 numbers of the two strengths. If the total number of mem-
3 bers of a reserve component serving on full-time reserve
4 component duty is more or less than the highest or lowest
5 number, respectively, set forth in the first column of the
6 appropriate table in paragraph (1) or (2) of subsection
7 (a), the Secretary concerned shall fix the corresponding
8 strengths for the grades shown in that table at the same
9 proportion as is reflected in the nearest limit shown in
10 the table.

11 “(c) REALLOCATIONS TO LOWER GRADES.—When-
12 ever the number of officers serving in any grade for duty
13 described in subsection (a) is less than the number author-
14 ized for that grade under this section, the difference be-
15 tween the two numbers may be applied to increase the
16 number authorized under this section for any lower grade.

17 “(d) SECRETARIAL WAIVER.—Upon determining that
18 it is in the national interest to do so, the Secretary of
19 Defense may increase for a particular fiscal year the num-
20 ber of reserve officers that may be on full-time reserve
21 component duty for a reserve component in a grade re-
22 ferred to in a table in subsection (a) by a number that
23 does not exceed the number equal to 5 percent of the max-
24 imum number specified for the grade in that table.

1 “(e) FULL-TIME RESERVE COMPONENT DUTY DE-
2 FINED.—In this section, the term ‘full-time reserve com-
3 ponent duty’ means the following duty:

4 “(1) Active duty described in sections 10211,
5 10302, 10303, 10304, 10305, 12310, or 12402 of
6 this title.

7 “(2) Full-time National Guard duty (other than
8 for training) under section 502(f) of title 32.

9 “(3) Active duty described in section 708 of
10 title 32.”.

11 (b) SENIOR ENLISTED MEMBERS.—The text of sec-
12 tion 12012 of title 10, United States Code, is amended
13 to read as follows:

14 “(a) LIMITATIONS.—(1) Of the total number of mem-
15 bers of a reserve component who are serving on full-time
16 reserve component duty at the end of any fiscal year, the
17 number of those members in each of pay grades of
18 E–8 and E–9 who may be serving on active duty under
19 section 10211 or 12310, or on full-time National Guard
20 duty under the authority of section 502(f) of title 32
21 (other than for training) in connection with organizing,
22 administering, recruiting, instructing, or training the re-
23 serve components or the National Guard may not, as of
24 the end of that fiscal year, exceed the number determined
25 in accordance with the following table:

*Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E-8	E-9
Army Reserve:		
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278
Army National Guard:		
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743
42,000	1,945	743
Naval Reserve:		
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325
Marine Corps Reserve:		
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26
Air Force Reserve:		
500	75	40
1,000	145	75
1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E-8	E-9
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400
Air National Guard		
5,000	1,020	405
6,000	1,070	435
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712.

1 “(b) DETERMINATIONS BY INTERPOLATION.—If the
2 total number of members of a reserve component serving
3 on full-time reserve component duty is between any two
4 consecutive numbers in the first column of the appropriate
5 table in paragraph (1) or (2) of subsection (a), the cor-
6 responding authorized strengths for each of the grades
7 shown in that table for that component are determined
8 by mathematical interpolation between the respective
9 numbers of the two strengths. If the total number of mem-
10 bers of a reserve component serving on full-time reserve
11 component duty is more or less than the highest or lowest
12 number, respectively, set forth in the first column of the
13 table in subsection (a), the Secretary concerned shall fix
14 the corresponding strengths for the grades shown in the

1 table at the same proportion as is reflected in the nearest
2 limit shown in the table.

3 “(c) REALLOCATIONS TO LOWER GRADE.—Whenever
4 the number of officers serving in pay grade E–9 for duty
5 described in subsection (a) is less than the number author-
6 ized for that grade under this section, the difference be-
7 tween the two numbers may be applied to increase the
8 number authorized under this section for pay grade E–
9 8.

10 “(d) SECRETARIAL WAIVER.—Upon determining that
11 it is in the national interest to do so, the Secretary of
12 Defense may increase for a particular fiscal year the num-
13 ber of reserve enlisted members that may be on active duty
14 or full-time National Guard duty as described in sub-
15 section (a) for a reserve component in a pay grade referred
16 to in a table in subsection (a) by a number that does not
17 exceed the number equal to 5 percent of the maximum
18 number specified for that grade and reserve component
19 in the table.

20 “(e) FULL-TIME RESERVE COMPONENT DUTY DE-
21 FINED.—In this section, the term ‘full-time reserve com-
22 ponent duty’ has the meaning given the term in section
23 12011(e) of this title.”

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on October 1, 2001.

1 **SEC. 416. STRENGTH AND GRADE LIMITATION ACCOUNT-**
2 **ING FOR RESERVE COMPONENT MEMBERS**
3 **ON ACTIVE DUTY IN SUPPORT OF A CONTIN-**
4 **GENCY OPERATION.**

5 (a) ACTIVE DUTY STRENGTH ACCOUNTING.—Section
6 115(c)(1) of title 10, United States Code, is amended to
7 read as follows:

8 “(1) increase the end strength authorized pur-
9 suant to subsection (a)(1)(A) for a fiscal year for
10 any of the armed forces by—

11 “(A) a number equal to not more than 1
12 percent of that end strength; and

13 “(B) the number (if any) of the members
14 of the reserve components that, as determined
15 by the Secretary, are on active duty under sec-
16 tion 12301(d) of this title in support of a con-
17 tingency operation.”.

18 (b) LIMITATION ON AUTHORIZED DAILY AVERAGE
19 FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE
20 DUTY.—Section 517 of such title is amended by adding
21 at the end the following new paragraph:

22 “(d) The Secretary of Defense may increase the au-
23 thorized daily average number of enlisted members on ac-
24 tive duty in an armed force in pay grade E–8 or
25 E–9 in a fiscal year, as determined under subsection (a),
26 by the number (if any) of enlisted members of a reserve

1 component of that armed force in that pay grade who, as
2 determined by the Secretary, are on active duty under sec-
3 tion 12301(d) of this title in support of a contingency op-
4 eration.”.

5 (c) LIMITATION ON AUTHORIZED STRENGTHS FOR
6 COMMISSIONED OFFICERS IN PAY GRADES O-4, O-5,
7 AND O-6 ON ACTIVE DUTY.—Section 523(b) of such title
8 is amended—

9 (1) in paragraphs (1) and (2) of subsection (a),
10 by striking “Except as provided in subsection (c)”
11 and inserting “Except as provided in subsections (c)
12 and (e)”;

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

15 “(e) The Secretary of Defense may increase the limi-
16 tation on the total number of commissioned officers of an
17 armed force authorized to be serving on active duty at the
18 end of any fiscal year in the grade of O-4, O-5, or
19 O-6, determined under subsection (a), by the number (if
20 any) of commissioned officers of a reserve component of
21 that armed force in that grade who, as determined by the
22 Secretary, are serving on active duty under section
23 12301(d) of this title in support of a contingency oper-
24 ation.”.

1 (d) LIMITATION ON AUTHORIZED STRENGTHS FOR
 2 GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Sec-
 3 tion 526(a) of such title is amended—

4 (1) by striking “LIMITATIONS.—The” and in-
 5 serting “LIMITATIONS.—(1) Except as provided in
 6 paragraph (2), the”;

7 (2) by redesignating paragraphs (1), (2), (3),
 8 and (4) as subparagraphs (A), (B), (C), and (D), re-
 9 spectively; and

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

12 “(2) The Secretary of Defense may increase the limi-
 13 tation on the number of general and flag officers on active
 14 duty, determined under paragraph (1), by the number (if
 15 any) of reserve component general and flag officers who,
 16 as determined by the Secretary, are serving on active duty
 17 under section 12301(d) of this title in support of a contin-
 18 gency operation.”.

19 **Subtitle C—Authorization of** 20 **Appropriations**

21 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-** 22 **TARY PERSONNEL.**

23 There is hereby authorized to be appropriated to the
 24 Department of Defense for military personnel for fiscal
 25 year 2002 a total of \$82,396,900,000. The authorization

1 in the preceding sentence supersedes any other authoriza-
 2 tion of appropriations (definite or indefinite) for such pur-
 3 pose for fiscal year 2002.

4 **TITLE V—MILITARY PERSONNEL**
 5 **POLICY**

6 **Subtitle A—Officer Personnel**
 7 **Policy**

8 **SEC. 501. GENERAL OFFICER POSITIONS.**

9 (a) INCREASED GRADE FOR VICE CHIEF OF NA-
 10 TIONAL GUARD BUREAU.—Section 10505(c) of title 10,
 11 United States Code, is amended by striking “major gen-
 12 eral” and inserting “lieutenant general”.

13 (b) INCREASED GRADE FOR HEADS OF NURSE
 14 CORPS OF THE ARMED FORCES.—(1) Section 3069(b) of
 15 title 10, United States Code, is amended by striking “brig-
 16 adier general” in the second sentence and inserting
 17 “major general”.

18 (2) The first sentence of section 5150(c) of such title
 19 is amended—

20 (A) by inserting “rear admiral (upper half) in
 21 the case of an officer in the Nurse Corps or” after
 22 “for promotion to the grade of”; and

23 (B) by inserting “in the case of an officer in
 24 the Medical Service Corps” after “rear admiral
 25 (lower half)”.

1 of the Surgeon General, but not for more than four years
2 and may not be reappointed to the same position.”.

3 (2) The table of sections at the beginning of such
4 chapter is amended by inserting after the item relating
5 to section 3070 the following new item:

“3071. Veterinary Corps: composition; Chief and assistant chief; appointment;
grade.”.

6 (d) EXCLUSIONS FROM LIMITATION OF ACTIVE
7 DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL.—
8 Section 525(b) of title 10, United States Code, is
9 amended—

10 (1) in paragraph (2)(B), by striking “16.2 per-
11 cent” and inserting “17.5 percent”;

12 (2) in paragraph (3)—

13 (A) by inserting “(A)” after “(3)”; and

14 (B) by adding at the end the following new
15 subparagraph:

16 “(B) An officer while serving as the Senior Military
17 Assistant to the Secretary of Defense, if serving in the
18 grade of general or lieutenant general, or admiral or vice
19 admiral, is in addition to the number that would otherwise
20 be permitted for his armed force for that grade under
21 paragraph (1) or (2).”; and

22 (3) by striking paragraph (6) and inserting the
23 following:

1 “(6)(A) An officer while serving in a position named
 2 in subparagraph (B) is in addition to the number that
 3 would otherwise be permitted for that officer’s armed force
 4 for officers serving on active duty in grades above major
 5 general under paragraph (1).

6 “(B) Subparagraph (A) applies with respect to the
 7 following positions:

8 “(i) Chief of the National Guard Bureau.

9 “(ii) Vice Chief of the National Guard Bu-
 10 reau.”.

11 (e) REPEAL OF LIMITATION ON NUMBER OF OFFI-
 12 CERS ON ACTIVE DUTY IN THE GRADES OF GENERAL OR
 13 ADMIRAL.—(1) Section 528 of title 10, United States
 14 Code, is repealed.

15 (2) The table of sections at the beginning of chapter
 16 32 of such title is amended by striking the item relating
 17 to section 528.

18 **SEC. 502. REDUCTION OF TIME-IN-GRADE REQUIREMENT**
 19 **FOR ELIGIBILITY FOR PROMOTION OF FIRST**
 20 **LIEUTENANTS AND LIEUTENANTS (JUNIOR**
 21 **GRADE).**

22 Paragraph (1) of section 619(a) of title 10, United
 23 States Code, is amended by striking “the following period
 24 of service” and all that follows through the end of the

1 paragraph and inserting “eighteen months of service in
2 the grade in which he holds a permanent appointment.”.

3 **SEC. 503. PROMOTION OF OFFICERS TO THE GRADE OF**
4 **CAPTAIN IN THE ARMY, AIR FORCE, OR MA-**
5 **RINE CORPS OR TO THE GRADE OF LIEUTEN-**
6 **ANT IN THE NAVY WITHOUT SELECTION**
7 **BOARD ACTION.**

8 (a) ACTIVE-DUTY LIST PROMOTIONS.—(1) Section
9 611(a) of title 10, United States Code, is amended by
10 striking “Under” and inserting “Except in the case of pro-
11 motions recommended under section 624(a)(3) of this
12 title, under”.

13 (2) Section 624(a) of such title is amended by adding
14 at the end the following new paragraph (3):

15 “(3) The President may, upon a recommendation of
16 the Secretary of the military department concerned ap-
17 proved by the President, promote to the grade of captain
18 (for officers of the Regular Army, Regular Air Force, or
19 Regular Marine Corps) or lieutenant (for officers of the
20 Regular Navy) all fully qualified officers on the active-duty
21 list in the permanent or temporary grade of first lieuten-
22 ant or lieutenant (junior grade), respectively, who would
23 be eligible for consideration for promotion to the next
24 higher grade by a selection board convened under section
25 611(a) of this title. The Secretary of a military depart-

1 ment may make such a recommendation whenever the Sec-
2 retary determines that all such officers are needed in the
3 next higher grade to accomplish mission objectives. Pro-
4 motions under this paragraph shall be effectuated under
5 regulations prescribed by the Secretary of the military de-
6 partment concerned.”.

7 (3) Section 631 of such title is amended by adding
8 at the end the following new subsection (d):

9 “(d) For the purposes of this chapter—

10 (1) a recommendation made by the Secretary
11 of the military department concerned under section
12 624(a)(3) of this title that is approved by the Presi-
13 dent shall be treated in the same manner as a report
14 of a promotion selection board convened under sec-
15 tion 611(a) of this title that is approved by the
16 President; and

17 (2) an officer of the Regular Army, Regular
18 Air Force, or Regular Marine Corps who holds the
19 regular grade of first lieutenant, and an officer of
20 the Regular Navy who holds the regular grade of
21 lieutenant (junior grade), shall be treated as having
22 failed of selection for promotion if the Secretary of
23 the military department concerned determines that
24 the officer would be eligible for consideration for
25 promotion to the next higher grade by a selection

1 board convened under section 611(a) of this title but
2 is not fully qualified for promotion when recom-
3 mending for promotion under section 624(a)(3) of
4 this title all fully qualified officers of the officer's
5 armed force in such grade who would be eligible for
6 such consideration.”.

7 (b) RESERVE ACTIVE-STATUS LIST PROMOTIONS.—

8 (1) Section 14101(a) of such title is amended by striking
9 “Whenever” and inserting “Except in the case of pro-
10 motions recommended under section 14308(b)(4) of this
11 title, whenever”.

12 (2) Section 14308(b) of such title is amended by add-
13 ing at the end the following new paragraph (4):

14 “(4) The President may, upon a recommendation of
15 the Secretary of the military department concerned ap-
16 proved by the President, promote to the grade of captain
17 (for officers of a reserve component of the Army, Air
18 Force, or Marine Corps) or lieutenant (for officers of the
19 Naval Reserve) all fully qualified officers on the reserve
20 active-status list in the permanent grade of first lieutenant
21 or lieutenant (junior grade), respectively, who would be eli-
22 gible for consideration for promotion to the next higher
23 grade by a selection board convened under section
24 14101(a) of this title. The Secretary of a military depart-
25 ment may make such a recommendation whenever the Sec-

1 retary determines that all such officers are needed in the
2 next higher grade to accomplish mission objectives. Pro-
3 motions under this paragraph shall be effectuated under
4 regulations prescribed by the Secretary of the military de-
5 partment concerned.”.

6 (3) Section 14504 of such title is amended by adding
7 at the end the following new subsection (c):

8 “(c) For the purposes of this chapter—

9 (1) a recommendation made by the Secretary
10 of the military department concerned under section
11 14308(b)(4) of this title that is approved by the
12 President shall be treated the same as a report of
13 a promotion selection board convened under section
14 14101(a) of this title that is approved by the Presi-
15 dent; and

16 (2) an officer on a reserve active-status list
17 who holds the grade of first lieutenant (in the case
18 of an officer in a reserve component of the Army,
19 Air Force, or Marine Corps) or the grade of lieuten-
20 ant (junior grade) (in the case of an officer of the
21 Naval Reserve) shall be treated as having failed of
22 selection for promotion if the Secretary of the mili-
23 tary department concerned determines that the offi-
24 cer would be eligible for consideration for promotion
25 to the next higher grade by a selection board con-

1 vened under section 14101(a) of this title but is not
2 fully qualified for promotion when recommending for
3 promotion under section 14308(b)(4) of this title all
4 fully qualified officers of that officer’s reserve com-
5 ponent in such grade who would be eligible for such
6 consideration.”.

7 **SEC. 504. AUTHORITY TO ADJUST DATE OF RANK.**

8 (a) ACTIVE DUTY OFFICERS.—Subsection 741(d) of
9 title 10, United States Code, is amended, by adding at
10 the end the following new paragraph (4):

11 “(4)(A) The Secretary concerned may adjust the date
12 of rank of an officer appointed to a higher grade under
13 section 624(a) of this title if the appointment is to a grade
14 below O–7 and is delayed by reason of unusual cir-
15 cumstances that cause an unintended delay in the proc-
16 essing or approval of—

17 “(i) a report of a selection board recommending
18 the appointment of the officer to that grade; or

19 “(ii) the promotion list established on the basis
20 of that report.

21 “(B) The adjusted date of rank applicable to the
22 grade of an officer under subparagraph (A) shall be con-
23 sistent with the officer’s position on the promotion list for
24 that grade and competitive category when additional offi-
25 cers in that grade and competitive category were needed

1 and shall also be consistent with compliance with the ap-
2 plicable authorized strengths for officers in that grade and
3 competitive category.

4 “(C) The adjusted date of rank applicable to the
5 grade of an officer under subparagraph (A) shall be the
6 effective date for the officer’s pay and allowances for the
7 grade and for the officer’s position on the active-duty list.

8 “(D) In the case of an officer whose appointment to
9 a higher grade under this section is made by and with
10 the advice and consent of the Senate, the Secretary con-
11 cerned shall transmit to the Committee on Armed Services
12 of the Senate a notification of any adjustment of a date
13 of rank for the appointment of an officer to a higher grade
14 under subparagraph (A) to a date that is prior to the date
15 of the advice and consent of the Senate on the appoint-
16 ment. The notification shall include the name of the officer
17 and a discussion of the reasons for the adjustment.”

18 (b) RESERVE OFFICERS.—Section 14308(c) of such
19 title is amended—

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

22 (2) by inserting after paragraph (1) the fol-
23 lowing new paragraph (2):

24 “(2)(A) The Secretary concerned may adjust the date
25 of rank of an officer appointed to a higher grade under

1 this section if the appointment is to a grade below O-7
2 and is delayed by reason of unusual circumstances that
3 cause an unintended delay in the processing or approval
4 of—

5 “(i) a report of a selection board recommending
6 the appointment of the officer to that grade; or

7 “(ii) the promotion list established on the basis
8 of that report.

9 “(B) The adjusted date of rank applicable to the
10 grade of an officer under subparagraph (A) shall be con-
11 sistent with the officer’s position on the promotion list for
12 that grade and competitive category when additional offi-
13 cers in that grade and competitive category were needed
14 and shall also be consistent with compliance with the ap-
15 plicable authorized strengths for officers in that grade and
16 competitive category.

17 “(C) The adjusted date of rank applicable to the
18 grade of an officer under subparagraph (A) shall be the
19 effective date for the officer’s pay and allowances for the
20 grade and for the officer’s position on the active-duty list.

21 “(D) In the case of an officer whose appointment to
22 a higher grade under this section is made by and with
23 the advice and consent of the Senate, the Secretary con-
24 cerned shall transmit to the Committee on Armed Services
25 of the Senate a notification of any adjustment of a date

1 of rank for the appointment of an officer to a higher grade
2 under subparagraph (A) to a date that is prior to the date
3 of the advice and consent of the Senate on the appoint-
4 ment. The notification shall include the name of the officer
5 and a discussion of the reasons for the adjustment.”; and

6 (3) in paragraph (3), as redesignated by para-
7 graph (1), by inserting “provided in paragraph (2)
8 or as otherwise” after “Except as”.

9 **SEC. 505. EXTENSION OF DEFERMENTS OF RETIREMENT OR**
10 **SEPARATION FOR MEDICAL REASONS.**

11 Section 640 of title 10, United States Code, is
12 amended—

13 (1) by inserting “(a) DEFERMENT.—” before
14 “The Secretary”; and

15 (b) by adding at the end the following new sub-
16 section:

17 “(b) AUTHORITY TO EXTEND.—In the case of an of-
18 ficer whose retirement or separation under any of sections
19 632 through 638, or section 1251, of this title is deferred
20 under subsection (a), the Secretary of the military depart-
21 ment concerned may extend the deferment by an addi-
22 tional period of not more than 30 days following the com-
23 pletion of the evaluation of the officer’s physical condition
24 if the Secretary determines that continuation of the officer
25 would facilitate the officer’s transition to civilian life.”.

1 **SEC. 506. EXEMPTION FROM ADMINISTRATIVE LIMITA-**
2 **TIONS OF RETIRED MEMBERS ORDERED TO**
3 **ACTIVE DUTY AS DEFENSE AND SERVICE**
4 **ATTACHÉS.**

5 (a) **LIMITATION OF PERIOD OF RECALLED SERV-**
6 **ICE.**—Section 688(e)(2) of title 10, United States Code,
7 is amended by adding at the end the following new sub-
8 paragraph (D):

9 “(D) An officer who is assigned to duty as a
10 defense attaché or service attaché for the period of
11 active duty to which ordered.”.

12 (b) **LIMITATION ON NUMBER OF RECALLED OFFI-**
13 **CERS ON ACTIVE DUTY.**—Section 690(b)(2) of such title
14 is amended by adding at the end the following new sub-
15 paragraph (E):

16 “(E) An officer who is assigned to duty as a de-
17 fense attaché or service attaché for the period of ac-
18 tive duty to which ordered.”.

19 (c) **APPLICABILITY.**—The amendments made by sub-
20 sections (a) and (b) shall apply with respect to officers
21 serving on active duty as a defense attaché or service
22 attaché on or after the date of the enactment of this Act.

1 **SEC. 507. CERTIFICATIONS OF SATISFACTORY PERFORM-**
2 **ANCE FOR RETIREMENTS OF OFFICERS IN**
3 **GRADES ABOVE MAJOR GENERAL AND REAR**
4 **ADMIRAL.**

5 Section 1370(c) of title 10, United States Code, is
6 amended by adding at the end the following new para-
7 graph:

8 “(3)(A) The Secretary of Defense may delegate au-
9 thority to make a certification for an officer under para-
10 graph (1) to the Under Secretary of Defense for Personnel
11 and Readiness or the Deputy Under Secretary of Defense
12 for Personnel and Readiness. The certification authority
13 may not be delegated to any other official.

14 “(B) If an official to whom authority is delegated
15 under subparagraph (A) determines in the case of an offi-
16 cer that there is potentially adverse information on the
17 officer and that the information has not previously been
18 reported to the Senate in connection with the action of
19 the Senate on a previous appointment of that officer under
20 section 601 of this title, the official may not exercise the
21 authority in that case, but shall refer the case to the Sec-
22 retary of Defense. The Secretary of Defense shall person-
23 ally issue or withhold a certification for an officer under
24 paragraph (1) in any case referred to the Secretary under
25 the preceding sentence.”.

1 **SEC. 508. EFFECTIVE DATE OF MANDATORY SEPARATION**
2 **OR RETIREMENT OF REGULAR OFFICER DE-**
3 **LAYED BY A SUSPENSION OF CERTAIN LAWS**
4 **UNDER EMERGENCY AUTHORITY OF THE**
5 **PRESIDENT.**

6 Section 12305 of title 10, United States Code, is
7 amended by adding at the end the following new sub-
8 section (c):

9 “(c) In the case of an officer of the Regular Army,
10 Regular Navy, Regular Air Force, or Regular Marine
11 Corps whose mandatory separation or retirement under
12 section 632, 633, 634, 635, 636, 637, or 1251 of this title
13 is delayed by reason of a suspension under this section,
14 the separation or retirement of the officer upon termi-
15 nation of the suspension shall take effect on the date elect-
16 ed by the officer, but not later than 90 days after the date
17 of the termination of the suspension.”.

18 **SEC. 509. DETAIL AND GRADE OF OFFICER IN CHARGE OF**
19 **THE UNITED STATES NAVY BAND.**

20 Section 6221 of title 10, United States Code, is
21 amended—

22 (1) by inserting “(a) ESTABLISHMENT.—”; and

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

1 “(b) OFFICER IN CHARGE.—(1) An officer serving in
2 a grade above lieutenant may be detailed as Officer in
3 Charge of the United States Navy Band.

4 “(2) While serving as Officer in Charge of the United
5 States Navy Band, an officer holds the grade of captain
6 if appointed to that grade by the President, by and with
7 the advice and consent of the Senate, notwithstanding the
8 limitation in section 5596(d) of this title.”.

9 **Subtitle B—Reserve Component**
10 **Personnel Policy**

11 **SEC. 511. REAUTHORIZATION AND EXPANSION OF TEM-**
12 **PORARY WAIVER OF THE REQUIREMENT FOR**
13 **A BACCALAUREATE DEGREE FOR PRO-**
14 **MOTION OF CERTAIN RESERVE OFFICERS OF**
15 **THE ARMY.**

16 (a) REAUTHORIZATION.—Subsection (b) of section
17 516 of the Strom Thurmond National Defense Authoriza-
18 tion Act for Fiscal Year 1999 (Public Law 105–261; 112
19 Stat. 2008; 10 U.S.C. 12205 note) is amended by striking
20 “September 30, 2000” and inserting “September 30,
21 2003”.

22 (b) EXPANSION OF ELIGIBILITY.—Subsection (a) of
23 such section is amended by striking “before the date of
24 the enactment of this Act”.

1 **SEC. 512. STATUS LIST OF RESERVE OFFICERS ON ACTIVE**
2 **DUTY FOR A PERIOD OF THREE YEARS OR**
3 **LESS.**

4 (a) CLARIFICATION.—Section 641(1)(D) of title 10,
5 United States Code, is amended to read as follows:

6 “(D) on active duty under section
7 12301(d) of this title, other than as provided
8 under subparagraph (C), under a call or order
9 to active duty specifying a period of three years
10 or less and continuation (pursuant to regula-
11 tions prescribed by the Secretary concerned) on
12 the reserve active-status list;”.

13 (b) RETROACTIVE ADJUSTMENTS.—(1) The Sec-
14 retary of the military department concerned—

15 (A) may place on the active-duty list of the
16 armed force concerned any officer under the juris-
17 diction of the Secretary who was placed on the re-
18 serve active-status list under subparagraph (D) of
19 section 641(1) of title 10, United States Code, as
20 added by section 521(2) of the Floyd D. Spence Na-
21 tional Defense Authorization Act for Fiscal Year
22 2001 (as enacted into law by Public Law 106–398;
23 114 Stat. 1654A–108); and

24 (B) for the purposes of chapter 36 of such title
25 (other than section 640 of such title and, in the case
26 of a warrant officer, section 628 of such title), shall

1 may include the member's residence) that the member
 2 usually occupies for use during off-duty time when on gar-
 3 rison duty at the member's permanent duty station or
 4 homeport, as the case may be.”.

5 (b) EFFECTIVE DATE.—This section and the amend-
 6 ment made by this section shall take effect on October
 7 1, 2001, and shall apply with respect to duty performed
 8 on or after that date.

9 **SEC. 514. MODIFICATION OF PHYSICAL EXAMINATION RE-**
 10 **QUIREMENTS FOR MEMBERS OF THE INDI-**
 11 **VIDUAL READY RESERVE.**

12 Section 10206 of title 10, United States Code, is
 13 amended—

14 (1) in subsection (a)—

15 (A) in the first sentence—

16 (i) by striking “Ready Reserve” and
 17 inserting “Selected Reserve”; and

18 (ii) by striking “his” and inserting
 19 “the member’s”; and

20 (B) in the second sentence, by striking
 21 “Each Reserve” and inserting the following:

22 “(c) Each Reserve”;

23 (2) by redesignating subsection (b) as sub-
 24 section (d); and

1 (3) by inserting after subsection (a) the fol-
 2 lowing new subsection (b):

3 “(b) A member of the Individual Ready Reserve or
 4 inactive National Guard shall be examined for physical fit-
 5 ness as necessary to determine the member’s physical fit-
 6 ness for military duty or for promotion, attendance at a
 7 school of the armed forces, or other action related to ca-
 8 reer progression.”.

9 **SEC. 515. MEMBERS OF RESERVE COMPONENTS AFFLICTED**
 10 **WHILE REMAINING OVERNIGHT AT DUTY**
 11 **STATION WITHIN COMMUTING DISTANCE OF**
 12 **HOME.**

13 (a) **MEDICAL AND DENTAL CARE FOR MEMBERS.**—
 14 Section 1074a(a)(3) of title 10, United States Code, is
 15 amended by inserting before the period at the end the fol-
 16 lowing: “or if the member remained overnight for another
 17 reason authorized under applicable regulations”.

18 (b) **MEDICAL AND DENTAL CARE FOR DEPEND-**
 19 **ENTS.**—Section 1076(a)(2)(C) of title 10, United States
 20 Code, is amended by inserting before the period at the
 21 end the following: “or if the member remained overnight
 22 for another reason authorized under applicable regula-
 23 tions”.

24 (c) **ELIGIBILITY FOR DISABILITY RETIREMENT OR**
 25 **SEPARATION.**—(1) Section 1204(2)(B)(iii) of title 10,

1 United States Code, is amended by inserting before the
2 semicolon at the end the following: “or if the member re-
3 mained overnight for another reason authorized under ap-
4 plicable regulations”.

5 (2) Section 1206(2)(A)(iii) of title 10, United States
6 Code, is amended by inserting before the semicolon the
7 following: “or if the member remained overnight for an-
8 other reason authorized under applicable regulations”.

9 (d) RECOVERY, CARE, AND DISPOSITION OF RE-
10 MAINS.—Section 1481(a)(2)(D) of title 10, United States
11 Code, is amended by inserting before the semicolon at the
12 end the following: “or if the member remained overnight
13 for another reason authorized under applicable regula-
14 tions”.

15 (e) ENTITLEMENT TO BASIC PAY.—Section 204 of
16 title 37, United States Code, is amended—

17 (1) in subsection (g)(1)(D), by inserting before
18 the semicolon the following: “or if the member re-
19 mained overnight for another reason authorized
20 under applicable regulations”; and

21 (2) in subsection (h)(1)(D), by inserting before
22 the semicolon the following: “or if the member re-
23 mained overnight for another reason authorized
24 under applicable regulations”.

1 (f) COMPENSATION FOR INACTIVE-DUTY TRAIN-
 2 ING.—Section 206(a)(3)(C) of title 37, United States
 3 Code, is amended by inserting before the period at the
 4 end the following: “or if the member remained overnight
 5 for another reason authorized under applicable regula-
 6 tions”.

7 **SEC. 516. RETIREMENT OF RESERVE PERSONNEL WITHOUT**
 8 **REQUEST.**

9 (a) RETIRED RESERVE.—Section 10154(2) of title
 10 10, United States Code, is amended by striking “upon
 11 their request”.

12 (b) RETIREMENT FOR FAILURE OF SELECTION OF
 13 PROMOTION.—(1) Paragraph (2) of section 14513 of such
 14 title is amended by striking “, if the officer is qualified
 15 and applies for such transfer” and inserting “if the officer
 16 is qualified for the transfer and does not request (in ac-
 17 cordance with regulations prescribed by the Secretary con-
 18 cerned) not to be transferred to the Retired Reserve”.

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

21 **“§ 14513. Transfer, retirement, or discharge for fail-**
 22 **ure of selection of promotion”.**

23 (B) The item relating to such section in the table of
 24 sections at the beginning of chapter 1407 of title 10,
 25 United States Code, is amended to read as follows:

“14513. Transfer, retirement, or discharge for failure of selection for promotion.”.

1 (c) RETIREMENT FOR YEARS OF SERVICE OR AFTER
2 SELECTION FOR EARLY REMOVAL.—Section 14514 of
3 such title is amended—

4 (1) in paragraph (1), by striking “, if the offi-
5 cer is qualified and applies for such transfer” and
6 inserting “if the officer is qualified for the transfer
7 and does not request (in accordance with regulations
8 prescribed by the Secretary concerned) not to be
9 transferred to the Retired Reserve”; and

10 (2) by striking paragraph (2) and inserting the
11 following:

12 “(2) be discharged from the officer’s reserve ap-
13 pointment if the officer is not qualified for transfer
14 to the Retired Reserve or has requested (in accord-
15 ance with regulations prescribed by the Secretary
16 concerned) not to be so transferred.”.

17 (d) RETIREMENT FOR AGE.—Section 14515 of such
18 title is amended—

19 (1) in paragraph (1), by striking “, if the offi-
20 cer is qualified and applies for such transfer” and
21 inserting “if the officer is qualified for the transfer
22 and does not request (in accordance with regulations
23 prescribed by the Secretary concerned) not to be
24 transferred to the Retired Reserve”; and

1 (2) by striking paragraph (2) and inserting the
2 following:

3 “(2) be discharged from the officer’s reserve ap-
4 pointment if the officer is not qualified for transfer
5 to the Retired Reserve or has requested (in accord-
6 ance with regulations prescribed by the Secretary
7 concerned) not to be so transferred.”.

8 (e) DISCHARGE OR RETIREMENT OF WARRANT OFFI-
9 CERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter
10 1207 of such title is amended by adding at the end the
11 following new section:

12 **“§ 12244. Warrant officers: discharge or retirement**
13 **for years of service or for age**

14 “Each reserve warrant officer of the Army, Navy, Air
15 Force, or Marine Corps who is in an active status and
16 has reached the maximum years of service or age pre-
17 scribed by the Secretary concerned shall—

18 “(1) be transferred to the Retired Reserve if
19 the warrant officer is qualified for the transfer and
20 does not request (in accordance with regulations pre-
21 scribed by the Secretary concerned) not to be trans-
22 ferred to the Retired Reserve; or

23 “(2) be discharged if the warrant officer is not
24 qualified for transfer to the Retired Reserve or has
25 requested (in accordance with regulations prescribed

1 by the Secretary concerned) not to be so trans-
2 ferred.”.

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

“12244. Warrant officers: discharge or retirement for years of service or for
age.”.

6 (f) DISCHARGE OR RETIREMENT OF ENLISTED MEM-
7 BERS FOR YEARS OF SERVICE OR AGE.—(1) Chapter
8 1203 of title 10, United States Code, is amended by add-
9 ing at the end the following new section:

10 **“§ 12108. Enlisted members: discharge or retirement**
11 **for years of service or for age**

12 “Each reserve enlisted member of the Army, Navy,
13 Air Force, or Marine Corps who is in an active status and
14 has reached the maximum years of service or age pre-
15 scribed by the Secretary concerned shall—

16 “(1) be transferred to the Retired Reserve if
17 the member is qualified for the transfer and does
18 not request (in accordance with regulations pre-
19 scribed by the Secretary concerned) not to be trans-
20 ferred to the Retired Reserve; or

21 “(2) be discharged if the member is not quali-
22 fied for transfer to the Retired Reserve or has re-
23 quested (in accordance with regulations prescribed

1 by the Secretary concerned) not to be so trans-
2 ferred.”.

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

“12108. Enlisted members: discharge or retirement for years of service or for
age.”.

6 (g) EFFECTIVE DATE.—This section and the amend-
7 ments made by this section shall take effect on the first
8 day of the first month that is more than 180 days after
9 the date of the enactment of this Act.

10 **SEC. 517. SPACE-REQUIRED TRAVEL BY RESERVES ON MILI-**
11 **TARY AIRCRAFT.**

12 (a) CORRECTION OF IMPAIRMENT TO AUTHORIZED
13 TRAVEL WITH ALLOWANCES.—Section 18505(a) of title
14 10, United States Code, is amended by striking “annual
15 training duty or” each place it appears.

16 (b) CONFORMING AMENDMENTS.—(1) The heading
17 for such section is amended to read as follows:

18 **“§ 18505. Reserves traveling for inactive-duty train-**
19 **ing: space-required travel on military air-**
20 **craft”.**

21 (2) The item relating to such section in the table of
22 contents at the beginning of chapter 1805 of title 10,
23 United States Code, is amended to read as follows:

“18505. Reserves traveling for inactive-duty training: space-required travel on
military aircraft.”.

1 **Subtitle C—Education and**
2 **Training**

3 **SEC. 531. IMPROVED BENEFITS UNDER THE ARMY COL-**
4 **LEGE FIRST PROGRAM.**

5 (a) INCREASED MAXIMUM PERIOD OF DELAYED
6 ENTRY.—Section 573 of the National Defense Authoriza-
7 tion Act for Fiscal Year 2000 (Public Law 106–65; 113
8 Stat. 623; 10 U.S.C. 513 note) is amended—

9 (1) in subsection (b)—

10 (A) by striking the matter preceding para-
11 graph (1) and inserting the following:

12 “(b) DELAYED ENTRY WITH ALLOWANCE FOR
13 HIGHER EDUCATION.—Under the pilot program, the Sec-
14 retary may—

15 “(1) exercise the authority under section 513 of
16 title 10, United States Code—”;

17 (B) by redesignating paragraphs (1) and
18 (2) as subparagraphs (A) and (B), respectively,
19 and realigning those subparagraphs four ems
20 from the left margin;

21 (C) in subparagraph (A), as so redesign-
22 nated, by inserting “and” after the semicolon;
23 and

24 (D) in subparagraph (B), as so redesign-
25 nated, by striking “two years after the date of

1 such enlistment as a Reserve under paragraph
2 (1)” and inserting “the maximum period of
3 delay determined for the person under sub-
4 section (c)”;

5 (2) in subsection (c)—

6 (A) by striking “paragraph (2)” and in-
7 serting “paragraph (1)(B)”;

8 (B) by striking “two-year period” and in-
9 serting “30-month period”; and

10 (C) by striking “paragraph (1)” and in-
11 serting “paragraph (1)(A)”.

12 (b) ALLOWANCE ELIGIBILITY AND AMOUNT.—(1)

13 Such section is further amended—

14 (A) in subsection (b), by striking paragraph (3)
15 and inserting the following:

16 “(2) subject to paragraph (2) of subsection (d)
17 and except as provided in paragraph (3) of such
18 subsection, pay an allowance to the person for each
19 month of that period during which the member is
20 enrolled in and pursuing such a program”; and

21 (B) in subsection (d)—

22 (i) by redesignating paragraph (2) as para-
23 graph (4);

24 (ii) by striking paragraph (1) and inserting
25 the following new paragraphs:

1 “(1) The monthly allowance paid under subsection
2 (b)(2) shall be equal to the amount of the subsistence al-
3 lowance provided for certain members of the Senior Re-
4 serve Officers’ Training Corps under section 209(a) of
5 title 37, United States Code.

6 “(2) An allowance may not be paid to a person under
7 this section for more than 24 months.

8 “(3) A member of the Selected Reserve of a reserve
9 component may be paid an allowance under this section
10 only for months during which the member performs satis-
11 factorily as a member of a unit of the reserve component
12 that trains as prescribed in section 10147(a)(1) of title
13 10, United States Code, or section 502(a) of title 32,
14 United States Code. Satisfactory performance shall be de-
15 termined under regulations prescribed by the Secretary.”

16 (2) The heading for such subsection is amended by
17 striking “AMOUNT OF”.

18 (c) INELIGIBILITY FOR LOAN REPAYMENTS.—Such
19 section is further amended—

20 (1) by redesignating subsections (e), (f), and
21 (g) as subsections (g), (h), and (i), respectively; and

22 (2) by inserting after subsection (d) the fol-
23 lowing new subsection:

24 “(e) INELIGIBILITY FOR LOAN REPAYMENTS.—A
25 person who has received an allowance under this section

1 is not eligible for any benefits under chapter 109 of title
2 10, United States Code.

3 (d) RECOUPMENT OF ALLOWANCE.—Such section, as
4 amended by subsection (c), is further amended by insert-
5 ing after subsection (e) the following new subsection:

6 “(f) RECOUPMENT OF ALLOWANCE.—(1) A person
7 who, after receiving an allowance under this section, fails
8 to complete the total period of service required of that per-
9 son in connection with delayed entry authorized for the
10 person under section 513 of title 10, United States Code,
11 shall repay the United States the amount which bears the
12 same ratio to the total amount of that allowance paid to
13 the person as the unserved part of the total required pe-
14 riod of service bears to the total period.

15 “(2) An obligation to repay the United States im-
16 posed under paragraph (1) is for all purposes a debt
17 owed to the United States.

18 “(3) A discharge of a person in bankruptcy under
19 title 11, United States Code, that is entered less than
20 five years after the date on which the person was, or was
21 to be, enlisted in the regular Army pursuant to the de-
22 layed entry authority under section 513 of title 10,
23 United States Code, does not discharge that person from
24 a debt arising under paragraph (1).

1 “(4) The Secretary of the Army may waive, in whole
2 or in part, a debt arising under paragraph (1) in any case
3 for which the Secretary determines that recovery would
4 be against equity and good conscience or would be con-
5 trary to the best interests of the United States.”.

6 (e) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on October 1, 2001, and shall
8 apply with respect to persons who, on or after that date,
9 are enlisted as described in subsection (a) of section 513
10 of title 10, United States Code, with delayed entry author-
11 ized under that section.

12 **SEC. 532. REPEAL OF LIMITATION ON NUMBER OF JUNIOR**
13 **RESERVE OFFICERS' TRAINING CORPS UNITS.**

14 Section 2031(a)(1) of title 10, United States Code,
15 is amended by striking the second sentence.

16 **SEC. 533. ACCEPTANCE OF FELLOWSHIPS, SCHOLARSHIPS,**
17 **OR GRANTS FOR LEGAL EDUCATION OF OFFI-**
18 **CERS PARTICIPATING IN THE FUNDED LEGAL**
19 **EDUCATION PROGRAM.**

20 (a) FLEP DETAIL.—Section 2004 of title 10, United
21 States Code, is amended by adding at the end the fol-
22 lowing new subsection:

23 “(g) Acceptance of a fellowship, scholarship, or grant
24 as financial assistance for training described in subsection
25 (a) in accordance with section 2603(a) of this title does

1 not disqualify the officer accepting it from also being de-
 2 tailed at a law school for that training under this section.
 3 Service obligations incurred under subsection (b)(2)(C)
 4 and section 2603(b) of this title with respect to the same
 5 training shall be served consecutively.”.

6 (b) FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS.—
 7 Section 2603 of such title is amended by adding at the
 8 end the following new subsection:

9 “(c) A detail of an officer for training at a law school
 10 under section 2004 of this title does not disqualify the offi-
 11 cer from also accepting a fellowship, scholarship, or grant
 12 under this section as financial assistance for that training.
 13 Service obligations incurred under subsection (b) and sec-
 14 tion 2004(b)(2)(C) of this title with respect to the same
 15 training shall be served consecutively.”.

16 **SEC. 534. GRANT OF DEGREE BY DEFENSE LANGUAGE IN-**
 17 **STITUTE FOREIGN LANGUAGE CENTER.**

18 (a) AUTHORITY.—Chapter 108 of title 10, United
 19 States Code, is amended by adding at the end the fol-
 20 lowing new section:

21 **“§ 2167. Defense Language Institute: associate of arts**

22 “Under regulations prescribed by the Secretary of
 23 Defense, the Commandant of the Foreign Language Cen-
 24 ter of the Defense Language Institute may confer an asso-
 25 ciate of arts degree in foreign language upon graduates

1 of the Institute who fulfill the requirements for the degree,
 2 as certified by the Provost of the Institute.”.

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

“2167. Defense Language Institute: associate of arts.”.

6 **SEC. 535. AUTHORITY FOR THE MARINE CORPS UNIVER-**
 7 **SITY TO AWARD THE DEGREE OF MASTER OF**
 8 **STRATEGIC STUDIES.**

9 (a) AUTHORITY.—(1) Subsection (a) of section 7102
 10 of title 10, United States Code, is amended to read as
 11 follows:

12 “(a) AUTHORITY.—Upon the recommendation of the
 13 Director and faculty of a college of the Marine Corps Uni-
 14 versity, the President of the Marine Corps University may
 15 confer a degree upon graduates of the college who fulfill
 16 the requirements for the degree, as follows:

17 “(1) For the Marine Corps War College, the de-
 18 gree of master of strategic studies.

19 “(2) For the Command and Staff College, the
 20 degree of master of military studies.”.

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

1 **“§ 7102. Marine Corps University: masters degrees”.**

2 (B) The item relating to such section in the table of
3 sections at the beginning of chapter 609 of title 10, United
4 States Code, is amended to read as follows:

“7102. Marine Corps University: masters degrees.”.

5 (b) **CONDITION FOR INITIAL EXERCISE OF AUTHOR-**
6 **ITY.**—(1) The President of the Marine Corps University
7 may exercise the authority provided under section
8 7102(a)(1) of title 10, United States Code, only after the
9 Secretary of Education has notified the Secretary of the
10 Navy of a determination made under paragraph (2) that
11 the requirements established by the Marine Corps War
12 College of the Marine Corps University for the degree of
13 master of strategic studies are in accordance with the re-
14 quirements typically imposed for awards of the degree of
15 master of arts by institutions of higher education in the
16 United States.

17 (2) The Secretary of Education shall review the re-
18 quirements established by the Marine Corps War College
19 of the Marine Corps University for the degree of master
20 of strategic studies, determine whether the requirements
21 are in accordance with the requirements typically imposed
22 for awards of the degree of master of arts by institutions
23 of higher education in the United States, and notify the
24 Secretary of the Navy of the determination.

1 **SEC. 536. FOREIGN PERSONS ATTENDING THE SERVICE**
2 **ACADEMIES.**

3 (a) UNITED STATES MILITARY ACADEMY.—(1) Sub-
4 section (a)(1) of section 4344 of title 10, United States
5 Code, is amended by striking “not more than 40 persons”
6 and inserting “not more than 60 persons”.

7 (2) Subsection (b) of such section is amended—

8 (A) in paragraph (2), by striking “unless a
9 written waiver of reimbursement is granted by the
10 Secretary of Defense” in the first sentence; and

11 (B) by striking paragraph (3) and inserting the
12 following:

13 “(3) The Secretary of Defense may waive, in whole
14 or in part, the requirement for reimbursement of the cost
15 of instruction for a cadet under paragraph (2). In the case
16 of a partial waiver, the Secretary shall establish the
17 amount waived.”.

18 (b) UNITED STATES NAVAL ACADEMY.—(1) Sub-
19 section (a)(1) of section 6957 of such title is amended by
20 striking “not more than 40 persons” and inserting “not
21 more than 60 persons”.

22 (2) Subsection (b) of such section is amended—

23 (A) in paragraph (2), by striking “unless a
24 written waiver of reimbursement is granted by the
25 Secretary of Defense” in the first sentence; and

1 (B) by striking paragraph (3) and inserting the
2 following:

3 “(3) The Secretary of Defense may waive, in whole
4 or in part, the requirement for reimbursement of the cost
5 of instruction for a midshipman under paragraph (2). In
6 the case of a partial waiver, the Secretary shall establish
7 the amount waived.”.

8 (c) UNITED STATES AIR FORCE ACADEMY.—(1)
9 Subsection (a)(1) of section 9344 of such title is amended
10 by striking “not more than 40 persons” and inserting “not
11 more than 60 persons”.

12 (2) Subsection (b) of such section is amended—

13 (A) in paragraph (2), by striking “unless a
14 written waiver of reimbursement is granted by the
15 Secretary of Defense” in the first sentence; and

16 (B) by striking paragraph (3) and inserting the
17 following:

18 “(3) The Secretary of Defense may waive, in whole
19 or in part, the requirement for reimbursement of the cost
20 of instruction for a cadet under paragraph (2). In the case
21 of a partial waiver, the Secretary shall establish the
22 amount waived.”.

23 (d) APPLICABILITY.—The amendments made by this
24 section shall apply with respect to academic years that
25 begin after October 1, 2001.

1 **SEC. 537. EXPANSION OF FINANCIAL ASSISTANCE PRO-**
2 **GRAM FOR HEALTH-CARE PROFESSIONALS IN**
3 **RESERVE COMPONENTS TO INCLUDE STU-**
4 **DENTS IN PROGRAMS OF EDUCATION LEAD-**
5 **ING TO INITIAL DEGREE IN MEDICINE OR**
6 **DENTISTRY.**

7 (a) MEDICAL AND DENTAL STUDENT STIPEND.—
8 Section 16201 of title 10, United States Code, is
9 amended—

10 (1) by redesignating subsection (e) as sub-
11 section (f); and

12 (2) by inserting after subsection (d) the fol-
13 lowing new subsection (e):

14 “(e) PROGRAMS LEADING TO INITIAL MEDICAL OR
15 DENTAL DEGREE.—(1) Under the stipend program under
16 this chapter, the Secretary of the military department con-
17 cerned may enter into an agreement with a person who—

18 “(A) is eligible to be appointed as an officer in
19 a reserve component of the armed forces; and

20 “(B) is enrolled or has been accepted for enroll-
21 ment in an accredited medical or dental school in a
22 program of education and training that results in an
23 initial degree in medicine or dentistry.

24 “(2) Under the agreement—

25 “(A) the Secretary of the military department
26 concerned shall agree to pay the participant a sti-

1 pend, in the amount determined under subsection
2 (f), for the period or the remainder of the period
3 that the student is satisfactorily progressing toward
4 an initial degree in medicine or dentistry in a pro-
5 gram of an accredited medical or dental school;

6 “(B) the participant shall not be eligible to re-
7 ceive such stipend before appointment, designation,
8 or assignment as an officer for service in the Ready
9 Reserve;

10 “(C) the participant shall be subject to such ac-
11 tive duty requirements as may be specified in the
12 agreement and to active duty in time of war or na-
13 tional emergency as provided by law for members of
14 the Ready Reserve; and

15 “(D) the participant shall agree—

16 “(i) to complete the program of education
17 and training in which enrolled or accepted for
18 enrollment as described in paragraph (1)(B);

19 “(ii) to accept an appointment or designa-
20 tion in the participant’s reserve component, if
21 tendered, based upon the participant’s health
22 profession, following satisfactory completion of
23 the educational and internship components of
24 the program of education and training;

1 “(iii) if required by regulations prescribed
2 by the Secretary of Defense, to apply for (if eli-
3 gible) and accept (if offered) residency training
4 in a health profession skill that has been des-
5 ignated by the Secretary of Defense as a skill
6 critically needed by the armed forces in war-
7 time; and

8 “(iv) to serve in the Selected Reserve, upon
9 successful completion of the program, for the
10 period of service applicable under paragraph
11 (3).

12 “(3)(A) Except as provided in subparagraph (B), the
13 minimum period for which a participant shall serve in the
14 Selected Reserve under the agreement pursuant to para-
15 graph (2)(D)(iv) shall be one year in the Selected Reserve
16 for each six months, or part thereof, for which the partici-
17 pant is provided a stipend pursuant to the agreement.

18 “(B) If a participant referred to in subparagraph (A)
19 enters into an agreement under subsection (b) and, after
20 completing a program of education and training for which
21 a stipend was provided under this subsection, successfully
22 completes residency training in the specialty covered by
23 the agreement, the minimum period for which the partici-
24 pant shall serve in the Selected Reserve under that agree-
25 ment and the agreement under this subsection shall be one

1 year for each year, or part thereof, for which a stipend
2 was provided under this chapter.”.

3 (b) AMOUNT OF STIPEND.—Subsection (f) of such
4 section, as redesignated by subsection (a), is amended by
5 striking “or (c)” and inserting “, (c), or (e)”.

6 (c) ELIGIBILITY FOR ASSISTANCE FOR GRADUATE
7 MEDICAL OR DENTAL TRAINING.—Subsection (b) of such
8 section is amended—

9 (1) by striking “SPECIALTIES.—” and inserting
10 “WARTIME SPECIALTIES.—”; and

11 (2) in paragraph (1)(B), by inserting “, or has
12 been appointed,” after “assignment”.

13 (d) SERVICE OBLIGATION FOR STIPEND FOR OTHER
14 PROFESSIONAL PROGRAMS.—(1) Subsection (b)(2)(D) of
15 such section by striking “agree to serve, upon successful
16 completion of the program, two years in the Ready Re-
17 serve for each year,” and inserting “agree (subject to sub-
18 section (e)(3)(B)) to serve, upon successful completion of
19 the program, one year in the Ready Reserve for each six
20 months,”.

21 (2) Subsection (c)(2)(D) of such section is amended
22 by striking “two years in the Ready Reserve for each
23 year,” and inserting “one year in the Ready Reserve for
24 each six months,”.

1 (e) CONFORMING AMENDMENTS.—(1) Subsection (a)
 2 of such section is amended—

3 (A) in the first sentence—

4 (i) by inserting “in health professions and”
 5 after “qualified”; and

6 (ii) by striking “training in such” and in-
 7 serting “education and training in such profes-
 8 sions and”; and

9 (B) in the second sentence, by striking “train-
 10 ing in certain” and inserting “education and train-
 11 ing in certain health professions and”.

12 (2) Subsections (b)(2)(A) and (c)(2)(A) of such sec-
 13 tion are amended by striking “subsection (e)” and insert-
 14 ing “subsection (f)”.

15 **SEC. 538. PILOT PROGRAM FOR DEPARTMENT OF VET-**
 16 **ERANS AFFAIRS SUPPORT FOR GRADUATE**
 17 **MEDICAL EDUCATION AND TRAINING OF**
 18 **MEDICAL PERSONNEL OF THE ARMED**
 19 **FORCES.**

20 (a) REQUIREMENT FOR PROGRAM.—The Secretary of
 21 Defense and the Secretary of Veterans Affairs may jointly
 22 carry out a pilot program of graduate medical education
 23 and training for medical personnel of the Armed Forces.

24 (b) DEPARTMENT OF VETERANS AFFAIRS MEDICAL
 25 CENTERS.—Under any pilot program carried out under

1 this section, the Secretary of Defense and the Secretary
2 of Veterans Affairs shall provide for medical personnel of
3 the Armed Forces to pursue one or more programs of
4 graduate medical education and training in one or more
5 medical centers of the Department of Veterans Affairs.

6 (c) AGREEMENT.—The Secretary of Defense and the
7 Secretary of Veterans Affairs shall enter into an agree-
8 ment for carrying out any pilot program under this sec-
9 tion. The agreement shall provide a means for the Sec-
10 retary of Defense to defray the costs incurred by the Sec-
11 retary of Veterans Affairs in providing the graduate med-
12 ical education and training in, or the use of, the facility
13 or facilities of the Department of Veterans Affairs partici-
14 pating in the pilot program.

15 (d) USE OF EXISTING AUTHORITIES.—To carry out
16 the pilot program, the Secretary of Defense and the Sec-
17 retary of Veterans Affairs shall exercise authorities pro-
18 vided to the Secretaries, respectively, under other laws re-
19 lating to the furnishing or support of medical education
20 and the cooperative use of facilities.

21 (e) PERIOD OF PROGRAM.—Any pilot program car-
22 ried out under this section shall begin not later than Au-
23 gust 1, 2002, and shall terminate on July 31, 2007.

24 (f) ANNUAL REPORT.—(1) Not later than January
25 31, 2003, and January 31 of each year thereafter, the

1 Secretary of Defense and the Secretary of Veterans Af-
 2 fairs shall jointly submit to Congress a report on the con-
 3 duct of any pilot program carried out under this section.
 4 The report shall cover the preceding year and shall include
 5 the Secretaries' assessment of the efficacy of providing for
 6 medical personnel of the Armed Forces to pursue pro-
 7 grams of graduate medical education and training in med-
 8 ical centers of the Department of Veterans Affairs.

9 (2) The reporting requirement under this subsection
 10 shall terminate upon the submittal of the report due on
 11 January 31, 2008.

12 **SEC. 539. TRANSFER OF ENTITLEMENT TO EDUCATIONAL**
 13 **ASSISTANCE UNDER MONTGOMERY GI BILL**
 14 **BY MEMBERS OF THE ARMED FORCES WITH**
 15 **CRITICAL MILITARY SKILLS.**

16 (a) AUTHORITY TO TRANSFER TO FAMILY MEM-
 17 BERS.—(1) Subchapter II of chapter 30 of title 38, United
 18 States Code, is amended by adding at the end the fol-
 19 lowing new section:

20 **“§ 3020. Transfer of entitlement to basic educational**
 21 **assistance: members of the Armed Forces**
 22 **with critical military skills**

23 “(a) IN GENERAL.—Subject to the provisions of this
 24 section, each Secretary concerned may, for the purpose of
 25 enhancing recruitment and retention of members of the

1 Armed Forces with critical military skills and at such Sec-
2 retary's sole discretion, permit an individual described in
3 subsection (b) who is entitled to basic educational assist-
4 ance under this subchapter to elect to transfer, in whole
5 or in part, up to 18 months of such individual's entitle-
6 ment to such assistance to the dependents specified in sub-
7 section (c).

8 “(b) ELIGIBLE INDIVIDUALS.—An individual re-
9 ferred to in subsection (a) is any member of the Armed
10 Forces who, at the time of the approval by the Secretary
11 concerned of the member's request to transfer entitlement
12 to basic educational assistance under this section—

13 “(1) has completed six years of service in the
14 Armed Forces;

15 “(2) either—

16 “(A) has a critical military skill designated
17 by the Secretary concerned for purposes of this
18 section; or

19 “(B) is in a military specialty designated
20 by the Secretary concerned for purposes of this
21 section as requiring critical military skills; and

22 “(3) enters into an agreement to serve at least
23 four more years as a member of the Armed Forces.

24 “(c) ELIGIBLE DEPENDENTS.—An individual ap-
25 proved to transfer an entitlement to basic educational as-

1 sistance under this section may transfer the individual's
2 entitlement as follows:

3 “(1) To the individual's spouse.

4 “(2) To one or more of the individual's chil-
5 dren.

6 “(3) To a combination of the individuals re-
7 ferred to in paragraphs (1) and (2).

8 “(d) LIMITATION ON MONTHS OF TRANSFER.—The
9 total number of months of entitlement transferred by an
10 individual under this section may not exceed 18 months.

11 “(e) DESIGNATION OF TRANSFEREE.—An individual
12 transferring an entitlement to basic educational assistance
13 under this section shall—

14 “(1) designate the dependent or dependents to
15 whom such entitlement is being transferred and the
16 percentage of such entitlement to be transferred to
17 each such dependent; and

18 “(2) specify the period for which the transfer
19 shall be effective for each dependent designated
20 under paragraph (1).

21 “(f) TIME FOR TRANSFER; REVOCATION AND MODI-
22 FICATION.—(1) Subject to the time limitation for use of
23 entitlement under section 3031 of this title, an individual
24 approved to transfer entitlement to basic educational as-
25 sistance under this section may transfer such entitlement

1 at any time after the approval of individual's request to
2 transfer such entitlement without regard to whether the
3 individual is a member of the Armed Forces when the
4 transfer is executed.

5 “(2)(A) An individual transferring entitlement under
6 this section may modify or revoke at any time the transfer
7 of any unused portion of the entitlement so transferred.

8 “(B) The modification or revocation of the transfer
9 of entitlement under this paragraph shall be made by the
10 submittal of written notice of the action to both the Sec-
11 retary concerned and the Secretary of Veterans Affairs.

12 “(g) COMMENCEMENT OF USE.—A dependent to
13 whom entitlement to basic educational assistance is trans-
14 ferred under this section may not commence the use of
15 the transferred entitlement until the following:

16 “(1) In the case of entitlement transferred to a
17 spouse, the completion by the individual making the
18 transfer of 6 years of service in the Armed Forces.

19 “(2) In the case of entitlement transferred to a
20 child, both—

21 “(A) the completion by the individual mak-
22 ing the transfer of 10 years of service in the
23 Armed Forces; and

24 “(B) either—

1 “(i) the completion by the child of the
2 requirements of a secondary school di-
3 ploma (or equivalency certificate); or

4 “(ii) the attainment by the child of 18
5 years of age.

6 “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)
7 The use of any entitlement to basic educational assistance
8 transferred under this section shall be charged against the
9 entitlement of the individual making the transfer at the
10 rate of one month for each month of transferred entitle-
11 ment that is used.

12 “(2) Except as provided under subsection (e)(2) and
13 subject to paragraphs (4) and (5), a dependent to whom
14 entitlement is transferred under this section is entitled to
15 basic educational assistance under this subchapter in the
16 same manner and at the same rate as the individual from
17 whom the entitlement was transferred.

18 “(3) The death of an individual transferring an enti-
19 tlement under this section shall not affect the use of the
20 entitlement by the individual to whom the entitlement is
21 transferred.

22 “(4) Notwithstanding section 3031 of this title, a
23 child to whom entitlement is transferred under this section
24 may not use any entitlement so transferred after attaining
25 the age of 26 years.

1 “(5) The administrative provisions of this chapter
2 (including the provisions set forth in section 3034(a)(1)
3 of this title) shall apply to the use of entitlement trans-
4 ferred under this section, except that the dependent to
5 whom the entitlement is transferred shall be treated as
6 the eligible veteran for purposes of such provisions.

7 “(6) The purposes for which a dependent to whom
8 entitlement is transferred under this section may use such
9 entitlement shall include the pursuit and completion of the
10 requirements of a secondary school diploma (or equiva-
11 lency certificate).

12 “(i) OVERPAYMENT.—(1) In the event of an overpay-
13 ment of basic educational assistance with respect to a de-
14 pendent to whom entitlement is transferred under this sec-
15 tion, the dependent and the individual making the transfer
16 shall be jointly and severally liable to the United States
17 for the amount of the overpayment for purposes of section
18 3685 of this title.

19 “(2) Except as provided in paragraph (3), if an indi-
20 vidual transferring entitlement under this section fails to
21 complete the service agreed to by the individual under sub-
22 section (b)(3) in accordance with the terms of the agree-
23 ment of the individual under that subsection, the amount
24 of any transferred entitlement under this section that is
25 used by a dependent of the individual as of the date of

1 such failure shall be treated as an overpayment of basic
2 educational assistance under paragraph (1).

3 “(3) Paragraph (2) shall not apply in the case of an
4 individual who fails to complete service agreed to by the
5 individual—

6 “(A) by reason of the death of the individual;

7 or

8 “(B) for a reason referred to in section
9 3011(a)(1)(A)(ii)(I) of this title.

10 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
11 ABILITY OF APPROPRIATIONS.—The Secretary concerned
12 may approve transfers of entitlement to basic educational
13 assistance under this section in a fiscal year only to the
14 extent that appropriations for military personnel are avail-
15 able in the fiscal year for purposes of making deposits in
16 the Department of Defense Education Benefits Fund
17 under section 2006 of title 10 in the fiscal year to cover
18 the present value of future benefits payable from the Fund
19 for the Department of Defense portion of payments of
20 basic educational assistance attributable to increased
21 usage of benefits as a result of such transfers of entitle-
22 ment in the fiscal year.

23 “(k) REGULATIONS.—The Secretary of Defense shall
24 prescribe regulations for purposes of this section. Such
25 regulations shall specify the manner and effect of an elec-

1 tion to modify or revoke a transfer of entitlement under
2 subsection (f)(2), and shall specify the manner of the ap-
3 plicability of the administrative provisions referred to in
4 subsection (h)(5) to a dependent to whom entitlement is
5 transferred under this section.

6 “(l) ANNUAL REPORTS.—(1) Not later than January
7 31, 2003, and each year thereafter, each Secretary con-
8 cerned shall submit to the Committees on Armed Services
9 of the Senate and House of Representatives a report on
10 the transfers of entitlement to basic educational assistance
11 under this section that were approved by such Secretary
12 during the preceding year.

13 “(2) Each report shall set forth—

14 “(A) the number of transfers of entitlement
15 under this section that were approved by such Sec-
16 retary during the preceding year; or

17 “(B) if no transfers of entitlement under this
18 section were approved by such Secretary during that
19 year, a justification for such Secretary’s decision not
20 to approve any such transfers of entitlement during
21 that year.

22 “(m) SECRETARY CONCERNED DEFINED.—Notwith-
23 standing section 101(25) of this title, in this section, the
24 term ‘Secretary concerned’ means—

1 “(1) the Secretary of the Army with respect to
2 matters concerning the Army;

3 “(2) the Secretary of the Navy with respect to
4 matters concerning the Navy or the Marine Corps;

5 “(3) the Secretary of the Air Force with respect
6 to matters concerning the Air Force; and

7 “(4) the Secretary of the Defense with respect
8 to matters concerning the Coast Guard, or the Sec-
9 retary of Transportation when it is not operating as
10 a service in the Navy.”.

11 (2) The table of sections at the beginning of such
12 chapter is amended by inserting after the item relating
13 to section 3019 the following new item:

 “3020. Transfer of entitlement to basic educational assistance: members of the
 Armed Forces with critical military skills.”.

14 (b) TREATMENT UNDER DEPARTMENT OF DEFENSE
15 EDUCATION BENEFITS FUND.—Section 2006(b)(2) of
16 title 10, United States Code, is amended by adding at the
17 end the following:

18 “(D) The present value of future benefits
19 payable from the Fund for the Department of
20 Defense portion of payments of educational as-
21 sistance under subchapter II of chapter 30 of
22 title 38 attributable to increased usage of bene-
23 fits as a result of transfers of entitlement to

1 basic educational assistance under section 3020
2 of that title during such period.”.

3 (c) PLAN FOR IMPLEMENTATION.—Not later than
4 June 30, 2002, the Secretary of Defense shall submit to
5 Congress a report describing the manner in which the Sec-
6 retaries of the military departments and the Secretary of
7 Transportation propose to exercise the authority granted
8 by section 3020 of title 38, United States Code, as added
9 by subsection (a). The report shall include the regulations
10 prescribed under subsection (k) of that section for pur-
11 poses of the exercise of the authority.

12 (d) FUNDING FOR FISCAL YEAR 2002.—Of the
13 amount authorized to be appropriated to the Department
14 of Defense for military personnel for fiscal year 2002 by
15 section 421, \$30,000,000 may be available in fiscal year
16 2002 for deposit into the Department of Defense Edu-
17 cation Benefits Fund under section 2006 of title 10,
18 United States Code, for purposes of covering payments of
19 amounts under subparagraph (D) of section 2006(b)(2)
20 of title 10, United States Code (as added by subsection
21 (b)), as a result of transfers of entitlement to basic edu-
22 cational assistance under section 3020 of title 38, United
23 States Code (as added by subsection (a)).

1 **SEC. 540. PARTICIPATION OF REGULAR MEMBERS OF THE**
 2 **ARMED FORCES IN THE SENIOR RESERVE OF-**
 3 **FICERS' TRAINING CORPS.**

4 (a) **ELIGIBILITY.**—Section 2104(b)(3) of title 10,
 5 United States Code, is amended by inserting “the regular
 6 component or” after “enlist in”.

7 (b) **PAY RATE WHILE ON FIELD TRAINING OR PRAC-**
 8 **TICE CRUISE.**—Section 209(c) of title 37, United States
 9 Code, is amended by inserting before the period at the
 10 end the following: “, except that the rate for a cadet or
 11 midshipmen who is a member of the regular component
 12 of an armed force shall be the rate of basic pay applicable
 13 to the member under section 203 of this title”.

14 (c) **EFFECTIVE DATE.**—This section and the amend-
 15 ments made by this section shall take effect on October
 16 1, 2001.

17 **Subtitle D—Decorations, Awards,**
 18 **and Commendations**

19 **SEC. 551. AUTHORITY FOR AWARD OF THE MEDAL OF**
 20 **HONOR TO HUMBERT R. VERSACE FOR**
 21 **VALOR DURING THE VIETNAM WAR.**

22 (a) **WAIVER OF TIME LIMITATIONS.**—Notwith-
 23 standing the time limitations specified in section 3744 of
 24 title 10, United States Code, or any other time limitation
 25 with respect to the awarding of certain medals to persons
 26 who served in the military service, the President may

1 award the Medal of Honor under section 3741 of that title
2 to Humbert R. Versace for the acts of valor referred to
3 in subsection (b).

4 (b) ACTION DESCRIBED.—The acts of valor referred
5 to in subsection (a) are the actions of Humbert R. Versace
6 between October 29, 1963, and September 26, 1965, while
7 interned as a prisoner of war by the Vietnamese Com-
8 munist National Liberation Front (Viet Cong) in the Re-
9 public of Vietnam.

10 **SEC. 552. REVIEW REGARDING AWARD OF MEDAL OF**
11 **HONOR TO CERTAIN JEWISH AMERICAN WAR**
12 **VETERANS.**

13 (a) REVIEW REQUIRED.—The Secretary of each mili-
14 tary department shall review the service records of each
15 Jewish American war veteran described in subsection (b)
16 to determine whether or not that veteran should be award-
17 ed the Medal of Honor.

18 (b) COVERED JEWISH AMERICAN WAR VETERANS.—
19 The Jewish American war veterans whose service records
20 are to be reviewed under subsection (a) are the following:

21 (1) Any Jewish American war veteran who was
22 previously awarded the Distinguished Service Cross,
23 the Navy Cross, or the Air Force Cross.

24 (2) Any other Jewish American war veteran
25 whose name is submitted to the Secretary concerned

1 for such purpose by the Jewish War Veterans of the
2 United States of America before the end of the one-
3 year period beginning on the date of the enactment
4 of this Act.

5 (c) CONSULTATIONS.—In carrying out the review
6 under subsection (a), the Secretary of each military de-
7 partment shall consult with the Jewish War Veterans of
8 the United States of America and with such other veterans
9 service organizations as the Secretary considers appro-
10 priate.

11 (d) RECOMMENDATION BASED ON REVIEW.—If the
12 Secretary concerned determines, based upon the review
13 under subsection (a) of the service records of any Jewish
14 American war veteran, that the award of the Medal of
15 Honor to that veteran is warranted, the Secretary shall
16 submit to the President a recommendation that the Presi-
17 dent award the Medal of Honor to that veteran.

18 (e) AUTHORITY TO AWARD MEDAL OF HONOR.—A
19 Medal of Honor may be awarded to a Jewish American
20 war veteran in accordance with a recommendation of the
21 Secretary concerned under subsection (d).

22 (f) WAIVER OF TIME LIMITATIONS.—An award of
23 the Medal of Honor may be made under subsection (e)
24 without regard to—

1 (1) section 3744, 6248, or 8744 of title 10,
 2 United States Code, as applicable; and

3 (2) any regulation or other administrative re-
 4 striction on—

5 (A) the time for awarding the Medal of
 6 Honor; or

7 (B) the awarding of the Medal of Honor
 8 for service for which a Distinguished Service
 9 Cross, Navy Cross, Air Force Cross, or any
 10 other decoration has been awarded.

11 (g) JEWISH AMERICAN WAR VETERAN DEFINED.—

12 In this section, the term “Jewish American war veteran”
 13 means any person who served in the Armed Forces during
 14 World War II or a later period of war and who identified
 15 himself or herself as Jewish on his or her military per-
 16 sonnel records.

17 **SEC. 553. ISSUANCE OF DUPLICATE AND REPLACEMENT**
 18 **MEDALS OF HONOR.**

19 (a) ARMY.—(1)(A) Chapter 357 of title 10, United
 20 States Code, is amended by inserting after section 3747
 21 the following new section:

22 **“§ 3747a. Medal of honor: issuance of duplicate**

23 **“(a) ISSUANCE.—**Upon written application by a per-
 24 son to whom a medal of honor has been awarded under
 25 this chapter, the Secretary of the Army may issue to the

1 person one duplicate medal of honor, with ribbons and ap-
 2 purtenances. No charge may be imposed for the issuance
 3 of the duplicate medal.

4 “(b) SPECIAL MARKING.—A duplicate medal of
 5 honor issued under this section shall be marked as a dupli-
 6 cate or for display purposes only. The Secretary shall pre-
 7 scribe the manner in which the duplicate medal is marked.

8 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
 9 TIONAL AWARD.—The issuance of a duplicate medal of
 10 honor under of this section may not be considered an
 11 award of more than one medal of honor prohibited by sec-
 12 tion 3744(a) of this title.”

13 (B) The table of sections at the beginning of such
 14 chapter is amended by inserting after the item relating
 15 to section 3747 the following:

“3747a. Medal of honor: issuance of duplicate.”

16 (2) Section 3747 of title 10, United States Code, is
 17 amended by striking “lost” and inserting “stolen, lost,”.

18 (b) NAVY AND MARINE CORPS.—(1)(A) Chapter 567
 19 of such title is amended by inserting after section 6253
 20 the following new section:

21 **“§ 6253a. Medal of honor: issuance of duplicate**

22 “(a) ISSUANCE.—Upon written application by a per-
 23 son to whom a medal of honor has been awarded under
 24 this chapter, the Secretary of the Navy may issue to the
 25 person one duplicate medal of honor, with ribbons and ap-

1 purtenances. No charge may be imposed for the issuance
2 of the duplicate medal.

3 “(b) SPECIAL MARKING.—A duplicate medal of
4 honor issued under this section shall be marked as a dupli-
5 cate or for display purposes only. The Secretary shall pre-
6 scribe the manner in which the duplicate medal is marked.

7 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
8 TIONAL AWARD.—The issuance of a duplicate medal of
9 honor under this section may not be considered an award
10 of more than one medal of honor prohibited by section
11 6247 of this title.”.

12 (B) The table of sections at the beginning of such
13 chapter is amended by inserting after the item relating
14 to section 6253 the following:

“6253a. Medal of honor: issuance of duplicate.”.

15 (2) Section 6253 of title 10, United States Code, is
16 amended by striking “lost” and inserting “stolen, lost,”.

17 (c) AIR FORCE.—(1)(A) Chapter 857 of such title is
18 amended by inserting after section 8747 the following new
19 section:

20 **“§ 8747a. Medal of honor: issuance of duplicate**

21 “(a) ISSUANCE.—Upon written application by a per-
22 son to whom a medal of honor has been awarded under
23 this chapter, the Secretary of the Air Force may issue to
24 the person one duplicate medal of honor, with ribbons and

1 appurtenances. No charge may be imposed for the
2 issuance of the duplicate medal.

3 “(b) SPECIAL MARKING.—A duplicate medal of
4 honor issued under this section shall be marked as a dupli-
5 cate or for display purposes only. The Secretary shall pre-
6 scribe the manner in which the duplicate medal is marked.

7 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
8 TIONAL AWARD.—The issuance of a duplicate medal of
9 honor under this section may not be considered an award
10 of more than one medal of honor prohibited by section
11 8744(a) of this title.”

12 (B) The table of sections at the beginning of such
13 chapter is amended by inserting after the item relating
14 to section 8747 the following:

“8747a. Medal of honor: issuance of duplicate.”

15 (2) Section 8747 of title 10, United States Code, is
16 amended by striking “lost” and inserting “stolen, lost,”.

17 **SEC. 554. WAIVER OF TIME LIMITATIONS FOR AWARD OF**
18 **CERTAIN DECORATIONS TO CERTAIN PER-**
19 **SONS.**

20 (a) WAIVER.—Any limitation established by law or
21 policy for the time within which a recommendation for the
22 award of a military decoration or award must be sub-
23 mitted shall not apply to awards of decorations described
24 in this section, the award of each such decoration having
25 been determined by the Secretary concerned to be war-

1 ranted in accordance with section 1130 of title 10, United
2 States Code.

3 (b) SILVER STAR.—Subsection (a) applies to the
4 award of the Silver Star to Wayne T. Alderson, of
5 Glassport, Pennsylvania, for gallantry in action from
6 March 15 to March 18, 1945, while serving as a member
7 of the Army.

8 (c) DISTINGUISHED FLYING CROSS.—Subsection (a)
9 applies to the award of the Distinguished Flying Cross
10 for service during World War II (including multiple
11 awards to the same individual) in the case of each indi-
12 vidual concerning whom the Secretary of the Navy (or an
13 officer of the Navy acting on behalf of the Secretary) sub-
14 mitted to the Committee on Armed Services of the House
15 of Representatives and the Committee on Armed Services
16 of the Senate, during the period beginning on October 30,
17 2000, and ending on the day before the date of the enact-
18 ment of this Act, a notice as provided in section 1130(b)
19 of title 10, United States Code, that the award of the Dis-
20 tinguished Flying Cross to that individual is warranted
21 and that a waiver of time restrictions prescribed by law
22 for recommendation for such award is recommended.

1 **SEC. 555. SENSE OF SENATE ON ISSUANCE OF KOREA DE-**
2 **FENSE SERVICE MEDAL.**

3 It is the sense of the Senate that the Secretary of
4 Defense should consider authorizing the issuance of a
5 campaign medal, to be known as the Korea Defense Serv-
6 ice Medal, to each person who while a member of the
7 Armed Forces served in the Republic of Korea, or the wa-
8 ters adjacent thereto, during the period beginning on July
9 28, 1954, and ending on such date after that date as the
10 Secretary considers appropriate.

11 **SEC. 556. RETROACTIVE MEDAL OF HONOR SPECIAL PEN-**
12 **SION.**

13 (a) ENTITLEMENT.—Notwithstanding any other pro-
14 vision of law, Robert R. Ingram of Jacksonville, Florida,
15 who was awarded the Medal of Honor pursuant to Public
16 Law 105–103 (111 Stat. 2218), shall be entitled to the
17 special pension provided for under section 1562 of title
18 38, United States Code (and antecedent provisions of law),
19 for months that begin after March 1966.

20 (b) AMOUNT.—The amount of special pension pay-
21 able under subsection (a) for a month beginning before
22 the date of the enactment of this Act shall be the amount
23 of special pension provided for by law for that month for
24 persons entered and recorded in the Army, Navy, Air
25 Force, and Coast Guard Medal of Honor Roll (or ante-
26 cedent Medal of Honor Roll required by law).

1 **Subtitle E—Funeral Honors Duty**

2 **SEC. 561. ACTIVE DUTY END STRENGTH EXCLUSION FOR**
 3 **RESERVES ON ACTIVE DUTY OR FULL-TIME**
 4 **NATIONAL GUARD DUTY FOR FUNERAL HON-**
 5 **ORS DUTY.**

6 Section 115(d) of title 10, United States Code, is
 7 amended by adding at the end the following new para-
 8 graph:

9 “(10) Members of reserve components on active
 10 duty or full-time National Guard duty to prepare for
 11 and to perform funeral honors functions under sec-
 12 tion 1491 of this title.”.

13 **SEC. 562. PARTICIPATION OF RETIREES IN FUNERAL HON-**
 14 **ORS DETAILS.**

15 (a) **AUTHORITY.**—(1) Subsection (b)(2) of section
 16 1491 of title 10, United States Code, is amended by in-
 17 serting “, members or former members of the armed
 18 forces in a retired status,” in the second sentence after
 19 “members of the armed forces”.

20 (2) Subsection (h) of such section is amended to read
 21 as follows:

22 “(h) **DEFINITIONS.**—In this section:

23 “(1) The term ‘retired status’, with respect to
 24 a member or former member of the armed forces,
 25 means that the member or former member—

1 “(A) is on a retired list of an armed force;

2 “(B) is entitled to receive retired or re-
3 tainer pay; or

4 “(C) except for not having attained 60
5 years of age, would be entitled to receive retired
6 pay upon application under chapter 1223 of
7 this title.

8 “(2) The term ‘veteran’ means a decedent
9 who—

10 “(A) served in the active military, naval, or
11 air service (as defined in section 101(24) of
12 title 38) and who was discharged or released
13 therefrom under conditions other than dishon-
14 orable; or

15 “(B) was a member or former member of
16 the Selected Reserve described in section
17 2301(f) of title 38.”.

18 (b) FUNERAL HONORS DUTY ALLOWANCE.—Section
19 435(a) of title 37, United States Code, is amended—

20 (1) by inserting “(1)” after “(a) ALLOWANCE
21 AUTHORIZED.—”; and

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

24 “(2)(A) The Secretary concerned may authorize pay-
25 ment of an allowance to a member or former member of

1 the armed forces in a retired status (as defined in section
2 1491(h) of title 10) for participating as a member of a
3 funeral honors detail under section 1491 of title 10 for
4 a period of at least two hours, including time for prepara-
5 tion.

6 “(B) An allowance paid to a member or former mem-
7 ber under subparagraph (A) shall be in addition to any
8 retired or retainer pay or other compensation to which the
9 member or former member is entitled under this title or
10 title 10 or 38.”.

11 **SEC. 563. BENEFITS AND PROTECTIONS FOR MEMBERS IN A**
12 **FUNERAL HONORS DUTY STATUS.**

13 (a) **FUNERAL HONORS DUTY DEFINED.**—Section
14 101(d) of title 10, United States Code, is amended by add-
15 ing at the end the following new paragraph:

16 “(8) The term ‘funeral honors duty’ means
17 duty under section 12503 of this title or section 115
18 of title 32.”.

19 (b) **APPLICABILITY OF UNIFORM CODE OF MILITARY**
20 **JUSTICE.**—Section 802 of title 10, United States Code,
21 is amended—

22 (1) in subsection (a)(3), by inserting “or en-
23 gaged in funeral honors duty” after “on inactive-
24 duty training”; and

1 (2) in subsection (d)(2)(B), by inserting “or en-
2 gaged in funeral honors duty” after “on inactive-
3 duty training”.

4 (c) COMMISSARY STORES PRIVILEGES FOR DEPEND-
5 ENTS OF A DECEASED RESERVE COMPONENT MEM-
6 BER.—Section 1061(b) of such title is amended—

7 (1) in paragraph (1)—

8 (A) by striking “or” the first place it ap-
9 pears; and

10 (B) by inserting “, or funeral honors duty”
11 before the semicolon; and

12 (2) in paragraph (2)—

13 (A) by striking “or” the third place it ap-
14 pears; and

15 (B) by inserting “, or funeral honors duty”
16 before the period.

17 (d) PAYMENT OF A DEATH GRATUITY.—(1) Section
18 1475(a) of such title is amended—

19 (A) in paragraph (2), by inserting “or while en-
20 gaged in funeral honors duty” after “Public Health
21 Service)”; and

22 (B) in paragraph (3)—

23 (i) by striking “or inactive duty training”
24 the first place it appears and inserting “inac-
25 tive-duty training”;

1 (ii) by inserting “or funeral honors duty,”
2 after “Public Health Service);” and

3 (iii) by striking “or inactive duty training”
4 the second place it appears and inserting “, in-
5 active-duty training, or funeral honors duty”.

6 (2) Section 1476(a) of such title is amended—

7 (A) in paragraph (1)—

8 (i) in subparagraph (A), by striking “or”;

9 (ii) in subparagraph (B), by striking the
10 period at the end and inserting “; or”; and

11 (iii) by adding at the end the following new
12 subparagraph:

13 “(C) funeral honors duty.”; and

14 (B) in paragraph (2)(A), by striking “or inac-
15 tive-duty training” and inserting “, inactive-duty
16 training, or funeral honors duty”.

17 (e) MILITARY AUTHORITY FOR MEMBERS OF THE
18 COAST GUARD RESERVE.—(1) Section 704 of title 14,
19 United States Code, is amended by striking “or inactive-
20 duty training” in the second sentence and inserting “, in-
21 active-duty training, or funeral honors duty”.

22 (2) Section 705(a) of such title is amended by insert-
23 ing “on funeral honors duty,” after “on inactive-duty
24 training,”.

1 (f) VETERANS BENEFITS.—Section 101(24) of title
2 38, United States Code, is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (B);

5 (2) by striking the period at the end of sub-
6 paragraph (C)(ii) and inserting “; and”; and

7 (3) by adding at the end the following new sub-
8 paragraph (D):

9 “(D) any period of funeral honors duty (as de-
10 fined in section 101(d) of title 10) during which the
11 individual concerned was disabled or died from an
12 injury incurred or aggravated in line of duty.”.

13 (g) EFFECTIVE DATE.—This section and the amend-
14 ments made by this section shall take effect on October
15 1, 2001.

16 **SEC. 564. MILITARY LEAVE FOR CIVILIAN EMPLOYEES**
17 **SERVING AS MILITARY MEMBERS OF FU-**
18 **NERAL HONORS DETAIL.**

19 Section 6323(a) of title 5, United States Code, is
20 amended—

21 (1) in the first sentence of paragraph (1), by
22 striking “active duty, inactive duty training” and all
23 that follows through “National Guard” and inserting
24 “military duty or training described in paragraph
25 (4)”; and

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

3 “(4) The entitlement under paragraph (1) applies to
4 the performance of duty or training as a Reserve of the
5 armed forces or member of the National Guard, as follows:

6 “(A) Active duty.

7 “(B) Inactive duty training (as defined in sec-
8 tion 101 of title 37).

9 “(C) Field or coast defense training under sec-
10 tions 502 through 505 of title 32.

11 “(D) Funeral honors duty under section 12503
12 of title 10 or section 115 of title 32.”.

13 **Subtitle F—Uniformed Services**
14 **Overseas Voting**

15 **SEC. 571. SENSE OF THE SENATE REGARDING THE IMPOR-**
16 **TANCE OF VOTING BY MEMBERS OF THE UNI-**
17 **FORMED SERVICES.**

18 (a) SENSE OF THE SENATE.—It is the sense of the
19 Senate that each administrator of a Federal, State, or
20 local election should—

21 (1) be aware of the importance of the ability of
22 each uniformed services voter to exercise their right
23 to vote; and

24 (2) perform their duties with the intent to en-
25 sure that—

1 (A) each uniformed services voter receives
2 the utmost consideration and cooperation when
3 voting;

4 (B) each valid ballot cast by such a voter
5 is duly counted; and

6 (C) all eligible American voters, regardless
7 of race, ethnicity, disability, the language they
8 speak, or the resources of the community in
9 which they live should have an equal oppor-
10 tunity to cast a vote and have that vote count-
11 ed.

12 (b) UNIFORMED SERVICES VOTER DEFINED.—In
13 this section, the term “uniformed services voter” means—

14 (1) a member of a uniformed service (as defined
15 in section 101(a)(5) of title 10, United States Code)
16 in active service;

17 (2) a member of the merchant marine (as de-
18 fined in section 107 of the Uniformed and Overseas
19 Citizens Absentee Voting Act (42 U.S.C. 1973ff–6));
20 and

21 (3) a spouse or dependent of a member referred
22 to in subparagraph (A) or (B) who is qualified to
23 vote.

1 **SEC. 572. STANDARD FOR INVALIDATION OF BALLOTS CAST**
 2 **BY ABSENT UNIFORMED SERVICES VOTERS**
 3 **IN FEDERAL ELECTIONS.**

4 (a) IN GENERAL.—Section 102 of the Uniformed and
 5 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–
 6 1) is amended—

7 (1) by striking “Each State” and inserting “(a)
 8 IN GENERAL.—Each State”; and

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

10 “(c) STANDARDS FOR INVALIDATION OF CERTAIN
 11 BALLOTS.—

12 “(1) IN GENERAL.—A State may not refuse to
 13 count a ballot submitted in an election for Federal
 14 office by an absent uniformed services voter solely—

15 “(A) on the grounds that the ballot lacked
 16 a notarized witness signature, an address, other
 17 than on a Federal write-in absentee ballot
 18 (SF186) or a postmark: *Provided*, That there
 19 are other indicia that the vote was cast in a
 20 timely manner; or

21 “(B) on the basis of a comparison of sig-
 22 natures on ballots, envelopes, or registration
 23 forms unless there is a lack of reasonable simi-
 24 larity between the signatures.

25 “(2) NO EFFECT ON FILING DEADLINES UNDER
 26 STATE LAW.—Nothing in this subsection may be

1 construed to affect the application to ballots sub-
2 mitted by absent uniformed services voters of any
3 ballot submission deadline applicable under State
4 law.”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
6 subsection (a) shall apply with respect to ballots described
7 in section 102(c) of the Uniformed and Overseas Citizens
8 Absentee Voting Act (as added by such subsection) that
9 are submitted with respect to elections that occur after
10 the date of enactment of this Act.

11 **SEC. 573. GUARANTEE OF RESIDENCY FOR MILITARY PER-**
12 **SONNEL.**

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

16 “SEC. 704. (a) For purposes of voting for any Fed-
17 eral office (as defined in section 301 of the Federal Elec-
18 tion Campaign Act of 1971 (2 U.S.C. 431)) or a State
19 or local office, a person who is absent from a State in
20 compliance with military or naval orders shall not, solely
21 by reason of that absence—

22 “(1) be deemed to have lost a residence or
23 domicile in that State, without regard to whether or
24 not the person intends to return to that State;

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

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

5 “(b) In this section, the term ‘State’ includes a terri-
6 tory or possession of the United States, a political subdivi-
7 sion of a State, territory, or possession, and the District
8 of Columbia.”.

9 **SEC. 574. EXTENSION OF REGISTRATION AND BALLOTING**
10 **RIGHTS FOR ABSENT UNIFORMED SERVICES**
11 **VOTERS TO STATE AND LOCAL ELECTIONS.**

12 (a) IN GENERAL.—Section 102 of the Uniformed and
13 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–
14 1), as amended by section 572(a)(1), is further amended
15 by inserting after subsection (a) the following new sub-
16 section:

17 “(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—
18 Each State shall—

19 “(1) permit absent uniformed services voters to
20 use absentee registration procedures and vote by ab-
21 sentee ballot in general, special, primary, and runoff
22 elections for State and local offices; and

23 “(2) accept and process, with respect to any
24 election described in paragraph (1), any otherwise
25 valid voter registration application from an absent

1 uniformed services voter if the application is received
 2 by the appropriate State election official not less
 3 than 30 days before the date of the election.”.

4 (b) CONFORMING AMENDMENT.—The heading for
 5 title I of such Act is amended by striking **“FOR FED-
 6 ERAL OFFICE”**.

7 **SEC. 575. USE OF SINGLE APPLICATION AS A SIMULTA-
 8 NEOUS ABSENTEE VOTER REGISTRATION AP-
 9 PPLICATION AND ABSENTEE BALLOT APPLICA-
 10 TION.**

11 Subsection (a) of section 102 of the Uniformed and
 12 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff-
 13 1), as redesignated by section 572(a)(1), is amended—

14 (1) by striking “and” at the end of paragraph
 15 (2);

16 (2) by striking the period at the end of para-
 17 graph (3) and inserting a semicolon; and

18 (3) by inserting after paragraph (3) the fol-
 19 lowing new paragraph (4):

20 “(4) accept and process the official post card
 21 form (prescribed under section 101) as a simulta-
 22 neous absentee voter registration application and ab-
 23 sentee ballot application; and”.

1 **SEC. 576. USE OF SINGLE APPLICATION FOR ABSENTEE**
 2 **BALLOTS FOR ALL FEDERAL ELECTIONS.**

3 Subsection (a) of section 102 of the Uniformed and
 4 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–
 5 1), as amended by section 575, is further amended by in-
 6 serting after paragraph (4) the following new paragraph
 7 (5):

8 “(5) accept and process, with respect to all gen-
 9 eral, special, primary, and runoff elections for Fed-
 10 eral office occurring during a year, any otherwise
 11 valid absentee ballot application from an absent uni-
 12 formed services voter or overseas voter if a single
 13 application for any such election is received by the
 14 appropriate State election official not less than 30
 15 days before the first election for Federal office oc-
 16 ccurring during the year.”.

17 **SEC. 577. ELECTRONIC VOTING DEMONSTRATION**
 18 **PROJECT.**

19 (a) ESTABLISHMENT OF DEMONSTRATION
 20 PROJECT.—

21 (1) IN GENERAL.—Subject to paragraph (2),
 22 the Secretary of Defense shall carry out a dem-
 23 onstration project under which absent uniformed
 24 services voters (as defined in section 107(1) of the
 25 Uniformed and Overseas Citizens Absentee Voting
 26 Act (42 U.S.C. 1973ff–6(1))) are permitted to cast

1 ballots in the regularly scheduled general election for
2 Federal office for November 2002, through an elec-
3 tronic voting system.

4 (2) AUTHORITY TO DELAY IMPLEMENTATION.—

5 If the Secretary of Defense determines that the im-
6 plementation of the demonstration project under
7 paragraph (1) with respect to the regularly sched-
8 uled general election for Federal office for November
9 2002 may adversely affect the national security of
10 the United States, the Secretary may delay the im-
11 plementation of such demonstration project until the
12 regularly scheduled general election for Federal of-
13 fice for November 2004. The Secretary shall notify
14 the Armed Services Committees of the Senate and
15 the House of Representatives of any decision to
16 delay implementation of the demonstration project.

17 (b) COORDINATION WITH STATE ELECTION OFFI-
18 CIALS.—To the greatest extent practicable, the Secretary
19 of Defense shall carry out the demonstration project under
20 this section through cooperative agreements with State
21 election officials.

22 (c) REPORT TO CONGRESS.—Not later than June 1,
23 2003, the Secretary of Defense shall submit a report to
24 Congress analyzing the demonstration project conducted
25 under this section, and shall include in the report any rec-

1 ommendations the Secretary of Defense considers appro-
2 priate for continuing the project on an expanded basis for
3 absent uniformed services voters during the next regularly
4 scheduled general election for Federal office.

5 **SEC. 578. FEDERAL VOTING ASSISTANCE PROGRAM.**

6 (a) IN GENERAL.—The Secretary of Defense shall
7 promulgate regulations to require each of the Armed
8 Forces to ensure their compliance with any directives
9 issued by the Secretary of Defense in implementing the
10 Federal Voting Assistance Program (referred to in this
11 section as the “Program”) or any similar program.

12 (b) REVIEW AND REPORT.—(1) The Inspector Gen-
13 eral of each of the Armed Forces shall—

14 (A) conduct an annual review of the effective-
15 ness of the Program or any similar program;

16 (B) conduct an annual review of the compliance
17 with the Program or any similar program of the
18 branch; and

19 (C) submit an annual report to the Inspector
20 General of the Department of Defense on the results
21 of the reviews under subparagraphs (A) and (B).

22 (2) Not later than March 31, 2003, and annually
23 thereafter, the Inspector General of the Department of
24 Defense shall submit a report to Congress on—

1 (A) the effectiveness of the Program or any
2 similar program; and

3 (B) the level of compliance with the Program or
4 any similar program of the branches of the Armed
5 Forces.

6 **SEC. 579. MAXIMIZATION OF ACCESS OF RECENTLY SEPA-**
7 **RATED UNIFORMED SERVICES VOTERS TO**
8 **THE POLLS.**

9 (a) **ABSENTEE REGISTRATION.**—For purposes of vot-
10 ing in any primary, special, general, or runoff election for
11 Federal office (as defined in section 301 of the Federal
12 Election Campaign Act of 1971 (2 U.S.C. 431)), each
13 State shall, with respect to any uniformed services voter
14 (as defined in section 571(b)) requesting to vote in the
15 State accept and process, with respect to any primary,
16 special, general, or runoff election, any otherwise valid
17 voter registration application submitted by such voter.

18 (b) **VOTING BY RECENTLY SEPARATED UNIFORMED**
19 **SERVICES VOTERS.**—Each State shall permit each re-
20 cently separated uniformed services voter to vote in any
21 election for which a voter registration application has been
22 accepted and processed under subsection (a) if that
23 voter—

24 (1) has registered to vote under such sub-
25 section; and

1 (2) is eligible to vote in that election under
2 State law.

3 (c) DEFINITIONS.—In this section:

4 (1) The term “State” means a State of the
5 United States, the District of Columbia, the Com-
6 monwealth of Puerto Rico, or a territory or posses-
7 sion of the United States.

8 (2) The term “recently separated uniformed
9 services voter” means any individual who was a uni-
10 formed services voter (as defined in section 571(b))
11 on the date that is 60 days before the date on which
12 the individual seeks to vote and who—

13 (A) presents to the election official Depart-
14 ment of Defense form 214 evidencing their
15 former status as such a voter, or any other offi-
16 cial proof of such status; and

17 (B) is no longer such a voter; and

18 (C) is otherwise qualified to vote.

19 **SEC. 580. GOVERNORS’ REPORTS ON IMPLEMENTATION OF**
20 **FEDERAL VOTING ASSISTANCE PROGRAM**
21 **RECOMMENDATIONS.**

22 (a) REPORTS.—Not later than 90 days after the date
23 on which a State receives a legislative recommendation,
24 the State shall submit a report on the status of the imple-
25 mentation of that recommendation to the Presidential des-

1 ignee and to each Member of Congress that represents
2 that State.

3 (b) PERIOD OF APPLICABILITY.—This section applies
4 with respect to legislative recommendations received by
5 States during the period beginning on the date of enact-
6 ment of this Act and ending three years after such date.

7 (c) DEFINITIONS.—In this section:

8 (1) The term “legislative recommendation”
9 means a recommendation of the Presidential des-
10 ignee suggesting a modification in the laws of a
11 State for the purpose of maximizing the access to
12 the polls of absent uniformed services voters and
13 overseas voters, including each recommendation
14 made under section 104 of the Uniformed and Over-
15 seas Citizens Absentee Voting Act (42 U.S.C.
16 1973ff–3).

17 (2) The term “Presidential designee” means the
18 head of the executive department designated under
19 section 101 of the Uniformed and Overseas Citizens
20 Absentee Voting Act (42 U.S.C. 1973ff).

1 **Subtitle G—Other Matters**

2 **SEC. 581. PERSONS AUTHORIZED TO BE INCLUDED IN SUR-** 3 **VEYS OF MILITARY FAMILIES REGARDING** 4 **FEDERAL PROGRAMS.**

5 (a) **ADDITION OF CERTAIN FAMILY MEMBERS AND**
6 **SURVIVORS.**—Subsection (a) of section 1782 of title 10,
7 United States Code, is amended to read as follows:

8 “(a) **AUTHORITY.**—The Secretary of Defense may
9 conduct surveys of persons to determine the effectiveness
10 of Federal programs relating to military families and the
11 need for new programs, as follows:

12 “(1) Members of the armed forces on active
13 duty or in an active status.

14 “(2) Retired members of the armed forces.

15 “(3) Members of the families of such members
16 and retired members of the armed forces (including
17 surviving members of the families of deceased mem-
18 bers and deceased retired members).”.

19 (b) **FEDERAL RECORDKEEPING REQUIREMENTS.**—
20 Subsection (c) of such section is amended to read as fol-
21 lows:

22 “(c) **FEDERAL RECORDKEEPING REQUIREMENTS.**—
23 With respect to a survey authorized under subsection (a)
24 that includes a person referred to in that subsection who
25 is not an employee of the United States or is not consid-

1 ered an employee of the United States for the purposes
2 of section 3502(3)(A)(i) of title 44, the person shall be
3 considered as being an employee of the United States for
4 the purposes of that section.”.

5 **SEC. 582. CORRECTION AND EXTENSION OF CERTAIN ARMY**
6 **RECRUITING PILOT PROGRAM AUTHORITIES.**

7 (a) **CONTRACT RECRUITING INITIATIVES.**—Sub-
8 section (d)(2) of section 561 of the Floyd D. Spence Na-
9 tional Defense Authorization Act for Fiscal Year 2001 (as
10 enacted into law by Public Law 106–398; 114 Stat.
11 1654A–130) is amended—

12 (1) in subparagraphs (A) and (D), by inserting
13 “and Army Reserve” after “Regular Army”; and

14 (2) in subparagraph (B), by striking “and chain
15 of command”.

16 (b) **EXTENSION OF AUTHORITY.**—Subsection (e) of
17 such section is amended by striking “December 31, 2005”
18 and inserting “September 30, 2007”.

19 (c) **EXTENSION OF TIME FOR REPORTS.**—Subsection
20 (g) of such section is amended by striking “February 1,
21 2006” and inserting “February 1, 2008”.

1 **SEC. 583. OFFENSE OF DRUNKEN OPERATION OF A VEHI-**
2 **CLE, AIRCRAFT, OR VESSEL UNDER THE UNI-**
3 **FORM CODE OF MILITARY JUSTICE.**

4 (a) LOWER STANDARD OF ALCOHOL CONCENTRA-
5 TION.—Section 911 of title 10, United States Code (arti-
6 cle 111 of the Uniform Code of Military Justice), is
7 amended by striking “0.10 grams” both places it appears
8 in paragraph (2) and inserting “0.08 grams”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 subsection (a) shall take effect on the date of the enact-
11 ment of this Act and shall apply to acts described in para-
12 graph (2) of section 911 of title 10, United States Code,
13 that are committed on or after that date.

14 **SEC. 584. AUTHORITY OF CIVILIAN EMPLOYEES TO ACT AS**
15 **NOTARIES.**

16 (a) CLARIFICATION OF STATUS OF CIVILIAN ATTOR-
17 NEYS ELIGIBLE TO ACT AS NOTARIES.—Subsection (b)
18 of section 1044a of title 10, United States Code, is amend-
19 ed by striking “legal assistance officers” in paragraph (2)
20 and inserting “legal assistance attorneys”.

21 (b) OTHER CIVILIAN EMPLOYEES DESIGNATED TO
22 ACT AS NOTARIES ABROAD.—Such subsection is further
23 amended by adding at the end the following new para-
24 graph:

25 “(5) For the performance of notarial acts at lo-
26 cations outside the United States, all employees of

1 a military department or the Coast Guard who are
 2 designated by regulations of the Secretary concerned
 3 or by statute to have those powers for exercise out-
 4 side the United States.”.

5 **SEC. 585. REVIEW OF ACTIONS OF SELECTION BOARDS.**

6 (a) IN GENERAL.—(1) Chapter 79 of title 10, United
 7 States Code, is amended by adding at the end the fol-
 8 lowing:

9 **“§ 1558. Exclusive remedies in cases involving selec-**
 10 **tion boards**

11 “(a) CORRECTION OF MILITARY RECORDS.—The
 12 Secretary concerned may correct a person’s military
 13 records in accordance with a recommendation made by a
 14 special board. Any such correction shall be effective, retro-
 15 actively, as of the effective date of the action taken on
 16 a report of a previous selection board that resulted in the
 17 action corrected in the person’s military records.

18 “(b) RELIEF ASSOCIATED WITH CORRECTIONS OF
 19 CERTAIN ACTIONS.—(1) The Secretary concerned shall
 20 ensure that a person receives relief under paragraph (2)
 21 or (3), as the person may elect, if the person—

22 “(A) was separated or retired from an armed
 23 force, or transferred to the retired reserve or to inac-
 24 tive status in a reserve component, as a result of a
 25 recommendation of a selection board; and

1 “(B) becomes entitled to retention on or res-
2 toration to active duty or active status in a reserve
3 component as a result of a correction of the person’s
4 military records under subsection (a).

5 “(2)(A) With the consent of a person referred to in
6 paragraph (1), the person shall be retroactively and pro-
7 spectively restored to the same status, rights, and entitle-
8 ments (less appropriate offsets against back pay and al-
9 lowances) in the person’s armed force as the person would
10 have had if the person had not been selected to be sepa-
11 rated, retired, or transferred to the retired reserve or to
12 inactive status in a reserve component, as the case may
13 be, as a result of an action corrected under subsection (a).
14 An action under this subparagraph is subject to subpara-
15 graph (B).

16 “(B) Nothing in subparagraph (A) shall be construed
17 to permit a person to be on active duty or in an active
18 status in a reserve component after the date on which the
19 person would have been separated, retired, or transferred
20 to the retired reserve or to inactive status in a reserve
21 component if the person had not been selected to be sepa-
22 rated, retired, or transferred to the retired reserve or to
23 inactive status in a reserve component, as the case may
24 be, in an action of a selection board that is corrected under
25 subsection (a).

1 “(3) If the person does not consent to a restoration
2 of status, rights, and entitlements under paragraph (2),
3 the person shall receive back pay and allowances (less ap-
4 propriate offsets) and service credit for the period begin-
5 ning on the date of the person’s separation, retirement,
6 or transfer to the retired reserve or to inactive status in
7 a reserve component, as the case may be, and ending on
8 the earlier of—

9 “(A) the date on which the person would have
10 been so restored under paragraph (2), as determined
11 by the Secretary concerned; or

12 “(B) the date on which the person would other-
13 wise have been separated, retired, or transferred to
14 the retired reserve or to inactive status in a reserve
15 component, as the case may be.

16 “(c) FINALITY OF UNFAVORABLE ACTION.—If a spe-
17 cial board makes a recommendation not to correct the
18 military records of a person regarding action taken in the
19 case of that person on the basis of a previous report of
20 a selection board, the action previously taken on that re-
21 port shall be considered as final as of the date of the ac-
22 tion taken on that report.

23 “(d) REGULATIONS.—(1) The Secretary concerned
24 may prescribe regulations to carry out this section (other

1 than subsection (e)) with respect to the armed force or
2 armed forces under the jurisdiction of the Secretary.

3 “(2) The Secretary may prescribe in the regulations
4 the circumstances under which consideration by a special
5 board may be provided for under this section, including
6 the following:

7 “(A) The circumstances under which consider-
8 ation of a person’s case by a special board is contin-
9 gent upon application by or for that person.

10 “(B) Any time limits applicable to the filing of
11 an application for consideration.

12 “(3) Regulations prescribed by the Secretary of a
13 military department under this subsection shall be subject
14 to the approval of the Secretary of Defense.

15 “(e) JUDICIAL REVIEW.—(1) A person challenging
16 for any reason the action or recommendation of a selection
17 board, or the action taken by the Secretary concerned on
18 the report of a selection board, is not entitled to relief in
19 any judicial proceeding unless the person has first been
20 considered by a special board under this section or the
21 Secretary concerned has denied such consideration.

22 “(2) A court of the United States may review a deter-
23 mination by the Secretary concerned not to convene a spe-
24 cial board in the case of any person. In any such case,
25 a court may set aside the Secretary’s determination only

1 if the court finds the determination to be arbitrary or ca-
2 pricious, not based on substantial evidence, or otherwise
3 contrary to law. If a court sets aside a determination not
4 to convene a special board, it shall remand the case to
5 the Secretary concerned, who shall provide for consider-
6 ation of the person by a special board.

7 “(3) A court of the United States may review a rec-
8 ommendation of a special board or an action of the Sec-
9 retary concerned on the report of a special board convened
10 for consideration of a person. In any such case, a court
11 may set aside the recommendation or action, as the case
12 may be, only if the court finds that the recommendation
13 or action was contrary to law or involved a material error
14 of fact or a material administrative error. If a court sets
15 aside the recommendation of a special board, it shall re-
16 mand the case to the Secretary concerned, who shall pro-
17 vide for reconsideration of the person by another special
18 board. If a court sets aside the action of the Secretary
19 concerned on the report of a special board, it shall remand
20 the case to the Secretary concerned for a new action on
21 the report of the special board.

22 “(4)(A) If, not later than six months after receiving
23 a complete application for consideration by a special board
24 in any case, the Secretary concerned has not convened a
25 special board and has not denied consideration by a special

1 board in that case, the Secretary shall be deemed to have
2 denied the consideration of the case for the purposes of
3 this subsection.

4 “(B) If, not later than one year after the convening
5 of a special board in any case, the Secretary concerned
6 has not taken final action on the report of the special
7 board, the Secretary shall be deemed to have denied relief
8 in such case for the purposes of this subsection.

9 “(C) Under regulations prescribed under subsection
10 (d), the Secretary concerned may waive the applicability
11 of subparagraph (A) or (B) in a case if the Secretary de-
12 termines that a longer period for consideration of the case
13 is warranted. The Secretary of a military department may
14 not delegate authority to make a determination under this
15 subparagraph.

16 “(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding
17 any other provision of law, but subject to subsection (g),
18 the remedies provided under this section are the only rem-
19 edies available to a person for correcting an action or rec-
20 ommendation of a selection board regarding that person
21 or an action taken on the report of a selection board re-
22 garding that person.

23 “(g) EXISTING JURISDICTION.—(1) Nothing in this
24 section limits the jurisdiction of any court of the United
25 States under any provision of law to determine the validity

1 of any statute, regulation, or policy relating to selection
2 boards, except that, in the event that any such statute,
3 regulation, or policy is held invalid, the remedies pre-
4 scribed in this section shall be the sole and exclusive rem-
5 edies available to any person challenging the recommenda-
6 tion of a special board on the basis of the invalidity.

7 “(2) Nothing in this section limits authority to cor-
8 rect a military record under section 1552 of this title.

9 “(h) INAPPLICABILITY TO COAST GUARD.—This sec-
10 tion does not apply to the Coast Guard when it is not
11 operating as a service in the Navy.

12 “(i) DEFINITIONS.—In this section:

13 “(1) The term ‘special board’—

14 “(A) means a board that the Secretary
15 concerned convenes under any authority to con-
16 sider whether to recommend a person for ap-
17 pointment, enlistment, reenlistment, assign-
18 ment, promotion, retention, separation, retire-
19 ment, or transfer to inactive status in a reserve
20 component instead of referring the records of
21 that person for consideration by a previously
22 convened selection board which considered or
23 should have considered that person;

24 “(B) includes a board for the correction of
25 military or naval records convened under sec-

1 tion 1552 of this title, if designated as a special
2 board by the Secretary concerned; and

3 “(C) does not include a promotion special
4 selection board convened under section 628 or
5 14502 of this title.

6 “(2) The term ‘selection board’—

7 “(A) means a selection board convened
8 under section 573(c), 580, 580a, 581, 611(b),
9 637, 638, 638a, 14101(b), 14701, 14704, or
10 14705 of this title, and any other board con-
11 vened by the Secretary concerned under any au-
12 thority to recommend persons for appointment,
13 enlistment, reenlistment, assignment, pro-
14 motion, or retention in the armed forces or for
15 separation, retirement, or transfer to inactive
16 status in a reserve component for the purpose
17 of reducing the number of persons serving in
18 the armed forces; and

19 “(B) does not include—

20 “(i) a promotion board convened
21 under section 573(a), 611(a), or 14101(a)
22 of this title;

23 “(ii) a special board;

24 “(iii) a special selection board con-
25 vened under section 628 of this title; or

1 “(iv) a board for the correction of
2 military records convened under section
3 1552 of this title.”.

4 (2) The table of sections at the beginning of such
5 chapter is amended by adding at the end the following:
“1558. Exclusive remedies in cases involving selection boards .”.

6 (b) SPECIAL SELECTION BOARDS.—Section 628 of
7 such title is amended—

8 (1) by redesignating subsection (g) as sub-
9 section (j); and

10 (2) by inserting after subsection (f) the fol-
11 lowing:

12 “(g) JUDICIAL REVIEW.—(1) A court of the United
13 States may review a determination by the Secretary con-
14 cerned under subsection (a)(1) or (b)(1) not to convene
15 a special selection board in the case of an officer or former
16 officer of the armed forces. If the court finds the deter-
17 mination to be arbitrary or capricious, not based on sub-
18 stantial evidence, or otherwise contrary to law, it shall re-
19 mand the case to the Secretary concerned, who shall pro-
20 vide for consideration of the officer or former officer by
21 a special selection board under this section.

22 “(2) A court of the United States may review the ac-
23 tion of a special selection board convened under this sec-
24 tion upon the request of an officer or former officer of
25 the armed forces and any action taken by the President

1 on the report of the board. If the court finds that the ac-
2 tion was contrary to law or involved a material error of
3 fact or a material administrative error, it shall remand
4 the case to the Secretary concerned, who shall provide for
5 reconsideration of the officer or former officer by another
6 special selection board.

7 “(3)(A) For the purposes of this subsection, the Sec-
8 retary concerned shall be deemed to have determined not
9 to convene a special selection board under subsection
10 (a)(1) or (b)(1) in the case of an officer or former officer
11 of the armed forces upon a failure of the Secretary to
12 make a determination on the convening of a special selec-
13 tion board in that case within six months after receiving
14 a properly completed request to convene a special selection
15 board under that authority in that case.

16 “(B) Under regulations prescribed by the Secretary
17 concerned, the Secretary may waive the applicability of
18 subparagraph (A) in the case of a request for the con-
19 vening of a special selection board if the Secretary deter-
20 mines that a longer period for consideration of the request
21 is warranted. The Secretary concerned may not delegate
22 authority to make a determination under this subpara-
23 graph.

24 “(h) LIMITATIONS OF OTHER JURISDICTION.—(1)
25 No official or court of the United States may, with respect

1 to a claim based to any extent on the failure of an officer
2 or former officer of the armed forces to be selected for
3 promotion by a promotion board—

4 “(A) consider the claim unless the officer or
5 former officer has first been referred by the Sec-
6 retary concerned to a special selection board con-
7 vened under this section and acted upon by that
8 board and the report of the board has been approved
9 by the President; or

10 “(B) except as provided in subsection (g), grant
11 any relief on the claim unless the officer or former
12 officer has been selected for promotion by a special
13 selection board convened under this section to con-
14 sider the officer for recommendation for promotion
15 and the report of the board has been approved by
16 the President.

17 “(i) EXISTING JURISDICTION.—(1) Nothing in this
18 section limits the jurisdiction of any court of the United
19 States under any provision of law to determine the validity
20 of any statute, regulation, or policy relating to selection
21 boards, except that, in the event that any such statute,
22 regulation, or policy is held invalid, the remedies pre-
23 scribed in this section shall be the sole and exclusive rem-
24 edies available to any person challenging the recommenda-
25 tion of a selection board on the basis of the invalidity.

1 “(2) Nothing in this section limits authority to cor-
2 rect a military record under section 1552 of this title.”.

3 (c) EFFECTIVE DATE AND APPLICABILITY.—(1) The
4 amendments made by this section shall take effect on the
5 date of the enactment of this Act and, except as provided
6 in paragraph (2), shall apply with respect to any pro-
7 ceeding pending on or after that date without regard to
8 whether a challenge to an action of a selection board of
9 any of the Armed Forces being considered in such pro-
10 ceeding was initiated before, on, or after that date.

11 (2) The amendments made by this section shall not
12 apply with respect to any action commenced in a court
13 of the United States before the date of the enactment of
14 this Act.

15 **SEC. 586. ACCEPTANCE OF VOLUNTARY LEGAL ASSISTANCE**
16 **FOR THE CIVIL AFFAIRS OF MEMBERS AND**
17 **FORMER MEMBERS OF THE UNIFORMED**
18 **SERVICES AND THEIR DEPENDENTS.**

19 (a) AUTHORITY.—Subsection (a) of section 1588 of
20 title 10, United States Code, is amended by adding at the
21 end the following new paragraph:

22 “(5) Legal services voluntarily provided as legal
23 assistance under section 1044 of this title.”.

1 (b) DEFENSE OF LEGAL MALPRACTICE.—Subsection
2 (d)(1) of that section is amended by adding at the end
3 the following new subparagraph:

4 “(E) Section 1054 of this title (relating to legal
5 malpractice), for a person voluntarily providing legal
6 services accepted under subsection (a)(5), as if the
7 person were providing the services as an attorney of
8 a legal staff within the Department of Defense.”.

9 **SEC. 587. EXTENSION OF DEFENSE TASK FORCE ON DOMES-**
10 **TIC VIOLENCE.**

11 Section 591(j) of the National Defense Authorization
12 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
13 641, 10 U.S.C. 1562 note) is amended by striking “three
14 years after the date of the enactment of this Act” and
15 inserting “April 24, 2003”.

16 **SEC. 588. TRANSPORTATION TO ANNUAL MEETING OF**
17 **NEXT-OF-KIN OF PERSONS UNACCOUNTED**
18 **FOR FROM CONFLICTS AFTER WORLD WAR II.**

19 (a) IN GENERAL.—(1) Chapter 157 of title 10,
20 United States Code, is amended by adding at the end the
21 following new section:

1 **“§ 2647. Transportation to annual meeting of next-of-**
 2 **kin of persons unaccounted for from con-**
 3 **licts after World War II**

4 “The Secretary of Defense may provide transpor-
 5 tation for the next-of-kin of persons who are unaccounted
 6 for from the Korean conflict, the Cold War, Vietnam War
 7 era, or the Persian Gulf War to and from those annual
 8 meetings sanctioned by the Department of Defense in the
 9 United States. Such transportation shall be provided
 10 under such regulations as the Secretary of Defense may
 11 prescribe.”.

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

“2647. Transportation to annual meeting of next-of-kin of persons unaccounted
 for from conflicts after World War II.”.

15 (b) EFFECTIVE DATE.—Section 2647 of title 10,
 16 United States Code, as added by subsection (a), shall take
 17 effect on October 1, 2001, or the date of the enactment
 18 of this Act, whichever is later.

19 **SEC. 589. REPORT ON HEALTH AND DISABILITY BENEFITS**
 20 **FOR PRE-ACCESSION TRAINING AND EDU-**
 21 **CATION PROGRAMS.**

22 (a) STUDY.—The Secretary of Defense shall conduct
 23 a review of the health and disability benefit programs
 24 available to recruits and officer candidates engaged in

1 training, education, or other types of programs while not
2 yet on active duty and to cadets and midshipmen attend-
3 ing the service academies. The review shall be conducted
4 with the participation of the Secretaries of the military
5 departments.

6 (b) REPORT.—Not later than March 1, 2002, the
7 Secretary shall submit to the Committee on Armed Serv-
8 ices of the Senate and the Committee on Armed Services
9 of the House of Representatives a report on the findings
10 of the review. The report shall include the following with
11 respect to persons described in subsection (a):

12 (1) A statement of the process and detailed pro-
13 cedures followed by each of the Armed Forces under
14 the jurisdiction of the Secretary of a military depart-
15 ment to provide health care and disability benefits to
16 all such persons injured in training, education, or
17 other types of programs conducted by the Secretary
18 of a military department.

19 (2) Information on the total number of cases of
20 such persons requiring health care and disability
21 benefits and the total number of cases and average
22 value of health care and disability benefits provided
23 under the authority for each source of benefits avail-
24 able to those persons.

1 (3) A discussion of the issues regarding health
2 and disability benefits for such persons that are en-
3 countered by the Secretary during the review, to in-
4 clude discussions with individuals who have received
5 those benefits.

6 (4) A statement of the processes and detailed
7 procedures followed by each of the Armed Forces
8 under the jurisdiction of the Secretary of a military
9 department to provide recruits and officer can-
10 didates with succinct information on the eligibility
11 requirements (including information on when they
12 become eligible) for health care benefits under the
13 Defense health care program, and the nature and
14 availability of the benefits under the program.

15 (5) A discussion of the necessity for legislative
16 changes and specific legislative proposals needed to
17 improve the benefits provided those persons.

18 **TITLE VI—COMPENSATION AND**
19 **OTHER PERSONNEL BENEFITS**
20 **Subtitle A—Pay and Allowances**

21 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.**

22 (a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—The
23 adjustment to become effective during fiscal year 2002 re-
24 quired by section 1009 of title 37, United States Code,

1 in the rates of monthly basic pay authorized members of
 2 the uniformed services shall not be made.

3 (b) INCREASE IN BASIC PAY.—Effective on January
 4 1, 2002, the rates of monthly basic pay for members of
 5 the uniformed services within each pay grade are as fol-
 6 lows:

COMMISSIONED OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	7,180.20	7,415.40	7,571.10	7,614.90	7,809.30
O-7 ...	5,966.40	6,371.70	6,371.70	6,418.20	6,657.90
O-6 ...	4,422.00	4,857.90	5,176.80	5,176.80	5,196.60
O-5 ...	3,537.00	4,152.60	4,440.30	4,494.30	4,673.10
O-4 ...	3,023.70	3,681.90	3,927.60	3,982.50	4,210.50
O-3 ³	2,796.60	3,170.40	3,421.80	3,698.70	3,875.70
O-2 ³	2,416.20	2,751.90	3,169.50	3,276.30	3,344.10
O-1 ³	2,097.60	2,183.10	2,638.50	2,638.50	2,638.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	8,135.10	8,210.70	8,519.70	8,608.50	8,874.30
O-7 ...	6,840.30	7,051.20	7,261.80	7,472.70	8,135.10
O-6 ...	5,418.90	5,448.60	5,448.60	5,628.60	6,305.70
O-5 ...	4,673.10	4,813.50	5,073.30	5,413.50	5,755.80
O-4 ...	4,395.90	4,696.20	4,930.20	5,092.50	5,255.70
O-3 ³	4,070.10	4,232.40	4,441.20	4,549.50	4,549.50
O-2 ³	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O-1 ³	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	11,601.90	11,659.20	11,901.30	12,324.00
O-9 ...	0.00	10,147.50	10,293.60	10,504.80	10,873.80
O-8 ...	9,259.50	9,614.70	9,852.00	9,852.00	9,852.00
O-7 ...	8,694.90	8,694.90	8,694.90	8,694.90	8,738.70
O-6 ...	6,627.00	6,948.30	7,131.00	7,316.10	7,675.20
O-5 ...	5,919.00	6,079.80	6,262.80	6,262.80	6,262.80
O-4 ...	5,310.60	5,310.60	5,310.60	5,310.60	5,310.60
O-3 ³	4,549.50	4,549.50	4,549.50	4,549.50	4,549.50
O-2 ³	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O-1 ³	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is \$13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE
AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	3,698.70	3,875.70
O-2E	0.00	0.00	0.00	3,276.30	3,344.10
O-1E	0.00	0.00	0.00	2,638.50	2,818.20
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	4,070.10	4,232.40	4,441.20	4,617.00	4,717.50
O-2E	3,450.30	3,630.00	3,768.90	3,872.40	3,872.40
O-1E	2,922.30	3,028.50	3,133.20	3,276.30	3,276.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	4,855.20	4,855.20	4,855.20	4,855.20	4,855.20
O-2E	3,872.40	3,872.40	3,872.40	3,872.40	3,872.40
O-1E	3,276.30	3,276.30	3,276.30	3,276.30	3,276.30

WARRANT OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	2,889.60	3,108.60	3,198.00	3,285.90	3,437.10
W-3 ..	2,638.80	2,862.00	2,862.00	2,898.90	3,017.40
W-2 ..	2,321.40	2,454.00	2,569.80	2,654.10	2,726.40
W-1 ..	2,049.90	2,217.60	2,330.10	2,402.70	2,511.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,586.50	3,737.70	3,885.30	4,038.00	4,184.40
W-3 ..	3,152.40	3,330.90	3,439.50	3,558.30	3,693.90
W-2 ..	2,875.20	2,984.40	3,093.90	3,200.40	3,318.00
W-1 ..	2,624.70	2,737.80	2,850.00	2,963.70	3,077.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	4,965.60	5,136.00	5,307.00	5,478.60
W-4 ..	4,334.40	4,480.80	4,632.60	4,782.00	4,935.30
W-3 ..	3,828.60	3,963.60	4,098.30	4,233.30	4,368.90
W-2 ..	3,438.90	3,559.80	3,680.10	3,801.30	3,801.30
W-1 ..	3,189.90	3,275.10	3,275.10	3,275.10	3,275.10

¹ Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8 ...	0.00	0.00	0.00	0.00	0.00
E-7 ...	1,986.90	2,169.00	2,251.50	2,332.50	2,417.40
E-6 ...	1,701.00	1,870.80	1,953.60	2,033.70	2,117.40
E-5 ...	1,561.50	1,665.30	1,745.70	1,828.50	1,912.80
E-4 ...	1,443.60	1,517.70	1,599.60	1,680.30	1,752.30
E-3 ...	1,303.50	1,385.40	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E-1 ...	³ 1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,423.90	3,501.30	3,599.40	3,714.60
E-8 ...	2,858.10	2,940.60	3,017.70	3,110.10	3,210.30
E-7 ...	2,562.90	2,645.10	2,726.40	2,808.00	2,892.60
E-6 ...	2,254.50	2,337.30	2,417.40	2,499.30	2,558.10
E-5 ...	2,030.10	2,110.20	2,193.30	2,193.30	2,193.30
E-4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E-3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E-1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$3,830.40	3,944.10	4,098.30	4,251.30	4,467.00
E-8 ...	3,314.70	3,420.30	3,573.00	3,724.80	3,937.80
E-7 ...	2,975.10	3,057.30	3,200.40	3,292.80	3,526.80
E-6 ...	2,602.80	2,602.80	2,602.80	2,602.80	2,602.80
E-5 ...	2,193.30	2,193.30	2,193.30	2,193.30	2,193.30
E-4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E-3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E-1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is \$5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,022.70.

1 SEC. 602. BASIC PAY RATE FOR CERTAIN RESERVE COM-
2 MISSIONED OFFICERS WITH PRIOR SERVICE
3 AS AN ENLISTED MEMBER OR WARRANT OF-
4 FICER.

5 (a) SERVICE CREDIT.—Section 203(d) of title 37,
6 United States Code, is amended—

7 (1) by inserting “(1)” after “(d)”;

1 (2) by striking “active service as a warrant offi-
2 cer or as a warrant officer and an enlisted member”
3 and inserting “service described in paragraph (2)”;
4 and

5 (3) by adding at the end the following new
6 paragraph:

7 “(2) Service to be taken into account for purposes
8 of computing basic pay under paragraph (1) is as follows:

9 “(A) Active service as a warrant officer or as
10 a warrant officer and an enlisted member, in the
11 case of—

12 “(i) a commissioned officer on active duty
13 who is paid from funds appropriated for active-
14 duty personnel; or

15 “(ii) a commissioned officer on active
16 Guard and Reserve duty.

17 “(B) In the case of a commissioned officer (not
18 referred to in subparagraph (A)(ii)) who is paid
19 from funds appropriated for reserve personnel, serv-
20 ice as a warrant officer, or as a warrant officer and
21 enlisted member, for which at least 1,460 points
22 have been credited to the officer for the purposes of
23 section 12732(a)(2) of title 10.”.

24 (b) EFFECTIVE DATE.—The amendments made by
25 subsection (a) shall take effect on October 1, 2001, and

1 shall apply with respect to months beginning on or after
2 that date.

3 **SEC. 603. RESERVE COMPONENT COMPENSATION FOR DIS-**
4 **TRIBUTED LEARNING ACTIVITIES PER-**
5 **FORMED AS INACTIVE-DUTY TRAINING.**

6 (a) COMPENSATION AUTHORIZED.—Section 206(d)
7 of title 37, United States Code, is amended to read as
8 follows:

9 “(d)(1) Compensation is payable under this section
10 to a member in a grade below E–7 for a period of instruc-
11 tion or duty in pursuit of the satisfaction of educational
12 requirements imposed on members of the uniformed serv-
13 ices by law or regulations if—

14 “(A) the particular activity in pursuit of the
15 satisfaction of such requirements is an activity ap-
16 proved for that period of instruction or duty by the
17 commander who prescribes the instruction or duty
18 for the member for that period; and

19 “(B) the member attains the learning objectives
20 required for the period of instruction or duty, as de-
21 termined under regulations prescribed by the Sec-
22 retary concerned.

23 “(2) Acceptable means of pursuit of the satisfaction
24 of educational requirements for the purposes of compensa-
25 tion under this section include any means (which may in-

1 clude electronic, documentary, or distributed learning)
 2 that is authorized for the attainment of educational credit
 3 toward the satisfaction of those requirements in regula-
 4 tions prescribed by the Secretary concerned.”.

5 (b) DEFINITION OF INACTIVE-DUTY TRAINING.—
 6 Section 101(22) of title 37, United States Code, is amend-
 7 ed by striking “but does not include work or study in con-
 8 nection with a correspondence course of a uniformed serv-
 9 ice”.

10 **SEC. 604. CLARIFICATIONS FOR TRANSITION TO RE-**
 11 **FORMED BASIC ALLOWANCE FOR SUBSIST-**
 12 **ENCE.**

13 (a) BASELINE AMOUNT FOR CALCULATING ALLOW-
 14 ANCE FOR ENLISTED MEMBERS.—For the purposes of
 15 section 402(b)(2) of title 37, United States Code, the
 16 monthly rate of basic allowance for subsistence that is in
 17 effect for an enlisted member for the year ending Decem-
 18 ber 31, 2001, is \$233.

19 (b) RATE FOR ENLISTED MEMBERS WHEN MESSING
 20 FACILITIES NOT AVAILABLE.—(1) Notwithstanding sec-
 21 tion 402 of title 37, United States Code, the Secretary
 22 of Defense, or the Secretary of Transportation with re-
 23 spect to the Coast Guard when it is not operating as a
 24 service in the Navy, may prescribe a rate of basic allow-
 25 ance for subsistence to apply to enlisted members of the

1 uniformed services when messing facilities of the United
2 States are not available. The rate may be higher than the
3 rate of basic allowance for subsistence that would other-
4 wise be applicable to the members under that section, but
5 may not be higher than the highest rate that was in effect
6 for enlisted members of the uniformed services under
7 those circumstances before the date of the enactment of
8 this Act.

9 (2) Paragraph (1) shall cease to be effective on the
10 first day of the first month for which the basic allowance
11 for subsistence calculated for enlisted members of the uni-
12 formed services under section 402 of title 37, United
13 States Code, exceeds the rate of the basic allowance for
14 subsistence prescribed under that paragraph.

15 (c) DATE FOR EARLY TERMINATION OF BAS TRAN-
16 SITIONAL AUTHORITY.—Section 603(c) of the Floyd D.
17 Spence National Defense Authorization Act for Fiscal
18 Year 2001 (as enacted into law by Public Law 106–398;
19 114 Stat. 1654A–145) is amended by striking “October
20 1, 2001,” and inserting “January 1, 2002,”.

21 **SEC. 605. INCREASE IN BASIC ALLOWANCE FOR HOUSING**
22 **IN THE UNITED STATES.**

23 (a) ACCELERATION OF INCREASE.—Subsection
24 403(b)(1) of title 37, United States Code, is amended by
25 adding at the end the following: “After September 30,

1 2002, the rate prescribed for a grade and dependency sta-
2 tus for a military housing area in the United States may
3 not be less than the median cost of adequate housing for
4 members in that grade and dependency status in that
5 area, as determined on the basis of the costs of adequate
6 housing determined for the area under paragraph (2).”.

7 (b) FISCAL YEAR 2002 RATES.—(1) Subject to sub-
8 section (b)(3) of section 403 of title 37, United States
9 Code, in the administration of such section 403 for fiscal
10 year 2002, the monthly amount of a basic allowance for
11 housing for an area of the United States for a member
12 of a uniformed service shall be equal to 92.5 percent of
13 the monthly cost of adequate housing in that area, as de-
14 termined by the Secretary of Defense, for members of the
15 uniformed services serving in the same pay grade and with
16 the same dependency status as the member.

17 (2) In addition to the amount determined by the Sec-
18 retary of Defense under section 403(b)(3) of title 37,
19 United States Code, to be the total amount to be paid
20 during fiscal year 2002 for the basic allowance for housing
21 for military housing areas inside the United States,
22 \$232,000,000 of the amount authorized to be appro-
23 priated by section 421 for military personnel may be used
24 by the Secretary to further increase the total amount

1 available for the basic allowance for housing for military
2 housing areas inside the United States.

3 **SEC. 606. CLARIFICATION OF ELIGIBILITY FOR SUPPLE-**
4 **MENTAL SUBSISTENCE ALLOWANCE.**

5 Section 402a(b)(1) of title 37, United States Code,
6 is amended by inserting “with dependents” after “a mem-
7 ber of the armed forces”.

8 **SEC. 607. CORRECTION OF LIMITATION ON ADDITIONAL**
9 **UNIFORM ALLOWANCE FOR OFFICERS.**

10 Section 416(b)(1) of title 37, United States Code, is
11 amended by striking “\$200” and inserting “\$400”.

12 **SEC. 608. PAYMENT FOR UNUSED LEAVE IN EXCESS OF 60**
13 **DAYS ACCRUED BY MEMBERS OF RESERVE**
14 **COMPONENTS ON ACTIVE DUTY FOR ONE**
15 **YEAR OR LESS.**

16 (a) ELIGIBILITY.—Section 501(b)(5) of title 37,
17 United States Code, is amended by—

18 (1) striking “or” at the end of subparagraph

19 (B);

20 (2) striking the period at the end of subpara-
21 graph (C) and inserting “; or”; and

22 (3) adding at the end the following new sub-
23 paragraph:

24 “(D) by a member of a reserve component while
25 serving on active duty, full-time National Guard

1 duty, or active duty for training for a period of more
2 than 30 days but not in excess of 365 days.”.

3 (b) EFFECTIVE DATE.—This section and the amend-
4 ments made by this section shall take effect on October
5 1, 2001, and shall apply with respect to periods of active
6 duty that begin on or after that date.

7 **Subtitle B—Bonuses and Special**
8 **and Incentive Pays**

9 **SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
10 **PAY AUTHORITIES FOR RESERVE FORCES.**

11 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN
12 CRITICALLY SHORT WARTIME SPECIALTIES.—Section
13 302g(f) of title 37, United States Code, is amended by
14 striking “December 31, 2001” and inserting “December
15 31, 2002”.

16 (b) SELECTED RESERVE REENLISTMENT BONUS.—
17 Section 308b(f) of such title is amended by striking “De-
18 cember 31, 2001” and inserting “December 31, 2002”.

19 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
20 tion 308c(e) of such title is amended by striking “Decem-
21 ber 31, 2001” and inserting “December 31, 2002”.

22 (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-
23 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
24 308d(e) of such title is amended by striking “December
25 31, 2001” and inserting “December 31, 2002”.

1 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-
 2 tion 308e(e) of such title is amended by striking “Decem-
 3 ber 31, 2001” and inserting “December 31, 2002”.

4 (f) READY RESERVE ENLISTMENT AND REENLIST-
 5 MENT BONUS.—Section 308h(g) of such title is amended
 6 by striking “December 31, 2001” and inserting “Decem-
 7 ber 31, 2002”.

8 (g) PRIOR SERVICE ENLISTMENT BONUS.—Section
 9 308i(f) of such title is amended by striking “December
 10 31, 2001” and inserting “December 31, 2002”.

11 (h) REPAYMENT OF EDUCATION LOANS FOR CER-
 12 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
 13 LECTED RESERVE.—Section 16302(d) of title 10, United
 14 States Code, is amended by striking “January 1, 2002”
 15 and inserting “January 1, 2003”.

16 **SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
 17 **PAY AUTHORITIES FOR NURSE OFFICER CAN-**
 18 **DIDATES, REGISTERED NURSES, AND NURSE**
 19 **ANESTHETISTS.**

20 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
 21 GRAM.—Section 2130a(a)(1) of title 10, United States
 22 Code, is amended by striking “December 31, 2001” and
 23 inserting “December 31, 2002”.

24 (b) ACCESSION BONUS FOR REGISTERED NURSES.—
 25 Section 302d(a)(1) of title 37, United States Code, is

1 amended by striking “December 31, 2001” and inserting
2 “December 31, 2002”.

3 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-
4 THETISTS.—Section 302e(a)(1) of title 37, United States
5 Code, is amended by striking “December 31, 2001” and
6 inserting “December 31, 2002”.

7 **SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AU-**
8 **THORITIES FOR NUCLEAR OFFICERS.**

9 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
10 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
11 312(e) of such title is amended by striking “December 31,
12 2001” and inserting “December 31, 2002”.

13 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
14 312b(c) of such title is amended by striking “December
15 31, 2001” and inserting “December 31, 2002”.

16 (c) NUCLEAR CAREER ANNUAL INCENTIVE
17 BONUS.—Section 312c(d) of such title is amended by
18 striking “December 31, 2001” and inserting “December
19 31, 2002”.

20 **SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAY-**
21 **MENT OF OTHER BONUSES AND SPECIAL**
22 **PAYS.**

23 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
24 tion 301b(a) of title 37, United States Code, is amended

1 by striking “December 31, 2001,” and inserting “Decem-
2 ber 31, 2002,”.

3 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
4 BERS.—Section 308(g) of such title is amended by strik-
5 ing “December 31, 2001” and inserting “December 31,
6 2002”.

7 (c) BONUS FOR ENLISTMENT FOR TWO OR MORE
8 YEARS.—Section 309(e) of such title is amended by strik-
9 ing “December 31, 2001” and inserting “December 31,
10 2002”.

11 (d) RETENTION BONUS FOR MEMBERS WITH CRIT-
12 ICAL SKILLS.—Section 323(i) of such title is amended by
13 striking “December 31, 2001” and inserting “December
14 31, 2002”.

15 **SEC. 615. HAZARDOUS DUTY PAY FOR MEMBERS OF MARI-**
16 **TIME VISIT, BOARD, SEARCH, AND SEIZURE**
17 **TEAMS.**

18 (a) ELIGIBILITY.—Section 301(a) of title 37, United
19 States Code, is amended—

20 (1) by striking “or” at the end of paragraph
21 (10);

22 (2) by striking the period at the end of para-
23 graph (11) and inserting “; or”; and

24 (3) by inserting at the end the following new
25 paragraph:

1 “(12) involving regular participation as a mem-
2 ber of a team conducting visit, board, search, and
3 seizure operations aboard vessels in support of mari-
4 time interdiction operations.”.

5 (b) EFFECTIVE DATE.—This section and the amend-
6 ments made by this section shall take effect on October
7 1, 2001.

8 **SEC. 616. SUBMARINE DUTY INCENTIVE PAY RATES.**

9 (a) AUTHORITY.—Section 301c of title 37, United
10 States Code, is amended by striking subsection (b) and
11 inserting the following:

12 “(b) The Secretary of the Navy shall prescribe the
13 monthly rates of submarine duty incentive pay. The max-
14 imum monthly rate may not exceed \$1,000.”.

15 (b) CONFORMING AMENDMENTS.—(1) Subsection (a)
16 of such section is amended—

17 (A) by striking “in the amount set forth in sub-
18 section (b)” in paragraphs (1) and (2); and

19 (B) in paragraph (4), by striking “that pay in
20 the amount set forth in subsection (b)” and insert-
21 ing “submarine duty incentive pay”.

22 (2) Subsection (d) of such section is amended by
23 striking “monthly incentive pay authorized by subsection
24 (b)” and inserting “monthly submarine duty incentive pay
25 authorized”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 2002.

3 **SEC. 617. CAREER SEA PAY.**

4 (a) IN GENERAL.—Section 305a(d) of title 37,
5 United States Code, is amended by adding at the end the
6 following: “Under no circumstances shall a member of the
7 uniformed services be excluded from this entitlement by
8 virtue of his or her rank, no matter how junior, or sub-
9 jected to a minimum time in service or underway in order
10 to rate this entitlement.”.

11 (b) EFFECTIVE DATE AND APPLICABILITY.—The
12 amendment made by subsection (a) shall take effect on
13 October 1, 2001, and shall apply with respect to pay peri-
14 ods beginning on or after that date.

15 **SEC. 618. MODIFICATION OF ELIGIBILITY REQUIREMENTS**
16 **FOR INDIVIDUAL READY RESERVE BONUS**
17 **FOR REENLISTMENT, ENLISTMENT, OR EX-**
18 **TENSION OF ENLISTMENT.**

19 (a) ELIGIBILITY BASED ON QUALIFICATIONS IN
20 CRITICALLY SHORT WARTIME SKILLS OR SPECIALTIES.—
21 Section 308h(a) of title 37, United States Code, is amend-
22 ed to read as follows:

23 “(a)(1) The Secretary concerned may pay a bonus as
24 provided in subsection (b) to an eligible person who reen-
25 lists, enlists, or voluntarily extends an enlistment in a re-

1 serve component of an armed force for assignment to an
2 element (other than the Selected Reserve) of the Ready
3 Reserve of that armed force if the reenlistment, enlist-
4 ment, or extension is for a period of three years, or for
5 a period of six years, beyond any other period the person
6 is obligated to serve.

7 “(2) A person is eligible for a bonus under this sec-
8 tion if the person—

9 “(A) is or has been a member of an armed
10 force;

11 “(B) is qualified in a skill or specialty des-
12 ignated by the Secretary concerned as a critically
13 short wartime skill or critically short wartime spe-
14 cialty, respectively; and

15 “(C) has not failed to complete satisfactorily
16 any original term of enlistment in the armed forces.

17 “(3) For the purposes of this section, the Secretary
18 concerned may designate a skill or specialty as a critically
19 short wartime skill or critically short wartime specialty,
20 respectively, for an armed force under the jurisdiction of
21 the Secretary if the Secretary determines that—

22 “(A) the skill or specialty is critical to meet
23 wartime requirements of the armed force; and

1 “(B) there is a critical shortage of personnel in
2 that armed force who are qualified in that skill or
3 specialty.”.

4 (b) REGULATIONS.—The Secretaries of the military
5 departments shall prescribe the regulations necessary for
6 administering section 308h of title 37, United States
7 Code, as amended by this section, not later than the effec-
8 tive date determined under subsection (c)(1).

9 (c) EFFECTIVE DATE.—This section and the amend-
10 ments made by this section—

11 (1) shall take effect on the first day of the first
12 month that begins more than 180 days after the
13 date of the enactment of this Act; and

14 (2) shall apply with respect to reserve compo-
15 nent reenlistments, enlistments, and extensions of
16 enlistments that are executed on or after the first
17 day of that month.

18 **SEC. 619. ACCESSION BONUS FOR OFFICERS IN CRITICAL**
19 **SKILLS.**

20 (a) IN GENERAL.—(1) Chapter 5 of title 37, United
21 States Code, is amended by inserting after section 323 the
22 following new section:

1 **“§ 324. Special pay: critical officer skills accession**
2 **bonus**

3 “(a) ACCESSION BONUS AUTHORIZED.—A person
4 who executes a written agreement to accept a commission
5 as an officer of an armed force and serve on active duty
6 in a designated critical officer skill for the period specified
7 in the agreement may be paid an accession bonus upon
8 acceptance of the written agreement by the Secretary con-
9 cerned.

10 “(b) DESIGNATION OF CRITICAL OFFICER SKILLS.—

11 (1) The Secretary of Defense, or the Secretary of Trans-
12 portation with respect to the Coast Guard when it is not
13 operating as a service in the Navy, shall designate the crit-
14 ical officer skills for the purposes of this section. The Sec-
15 retary of Defense may so designate a skill for any one
16 or more of the armed forces.

17 “(2) A skill may be designated as a critical officer
18 skill for an armed force for the purposes of this section
19 if—

20 “(A) in order to meet requirements of the
21 armed force, it is critical for the armed force to have
22 a sufficient number of officers who are qualified in
23 that skill; and

24 “(B) in order to mitigate a current or projected
25 significant shortage of personnel in the armed force
26 who are qualified in that skill, it is critical to access

1 into that armed force in sufficient numbers persons
2 who are qualified in that skill or are to be trained
3 in that skill.

4 “(c) AMOUNT OF BONUS.—The amount of a bonus
5 paid with respect to a critical officer skill shall be deter-
6 mined under regulations jointly prescribed by the Sec-
7 retary of Defense and the Secretary of Transportation,
8 but may not exceed \$20,000.

9 “(d) LIMITATION ON ELIGIBILITY FOR BONUS.—An
10 individual may not be paid a bonus under subsection (a)
11 if the individual has received, or is receiving, an accession
12 bonus for the same period of service under section 302d,
13 302h, or 312b of this title.

14 “(e) PAYMENT METHOD.—Upon acceptance of a
15 written agreement referred to in subsection (a) by the Sec-
16 retary concerned, the total amount payable pursuant to
17 the agreement under this section becomes fixed and may
18 be paid by the Secretary in either a lump sum or install-
19 ments.

20 “(f) REPAYMENT FOR FAILURE TO COMPLETE OBLI-
21 GATED SERVICE.—(1) A person who, after having received
22 all or part of the bonus under this section pursuant to
23 an agreement referred to in subsection (a), fails to accept
24 an appointment as a commissioned officer or to commence
25 or complete the total period of active duty service in a

1 designated critical officer skill as provided in the agree-
2 ment shall refund to the United States the amount that
3 bears the same ratio to the total amount of the bonus au-
4 thorized for such person as the unserved part of the period
5 of agreed active duty service in a designated critical officer
6 skill bears to the total period of the agreed active duty
7 service, but not more than the amount that was paid to
8 the person.

9 “(2) Subject to paragraph (3), an obligation to reim-
10 burse the United States imposed under paragraph (1) is
11 for all purposes a debt owed to the United States.

12 “(3) The Secretary concerned may waive, in whole
13 or in part, a refund required under paragraph (1) if the
14 Secretary concerned determines that recovery would be
15 against equity and good conscience or would be contrary
16 to the best interests of the United States.

17 “(4) A discharge in bankruptcy under title 11 that
18 is entered less than five years after the termination of a
19 written agreement entered into under subsection (a) does
20 not discharge the person signing the agreement from a
21 debt arising under such agreement or under paragraph
22 (1).

23 “(g) TERMINATION OF AUTHORITY.—No bonus may
24 be paid under this section with respect to an agreement
25 entered into after December 31, 2002.”.

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

“324. Special pay: critical officer skills accession bonus.”.

4 (b) **EFFECTIVE DATE.**—Section 324 of title 37,
5 United States Code (as added by subsection (a)), shall
6 take effect on October 1, 2001.

7 **SEC. 620. MODIFICATION OF THE NURSE OFFICER CAN-**
8 **DIDATE ACCESSION PROGRAM RESTRICTION**
9 **ON STUDENTS ATTENDING CIVILIAN EDU-**
10 **CATIONAL INSTITUTIONS WITH SENIOR RE-**
11 **SERVE OFFICERS’ TRAINING PROGRAMS.**

12 Section 2130a of title 10, United States Code, is
13 amended—

14 (1) in subsection (a)(2), by striking “that does
15 not have a Senior Reserve Officers’ Training Pro-
16 gram established under section 2102 of this title”;
17 and

18 (2) in subsection (b)(1), by striking “that does
19 not have a Senior Reserve Officers’ Training Pro-
20 gram established under section 2102 of this title”
21 and inserting “and, in the case of a student so en-
22 rolled at a civilian institution that has a Senior Re-
23 serve Officers’ Training Program established under
24 section 2102 of this title, is not eligible to partici-

1 pate in the Senior Reserve Officers' Training Pro-
2 gram”.

3 **SEC. 621. ELIGIBILITY FOR CERTAIN CAREER CONTINU-**
4 **ATION BONUSES FOR EARLY COMMITMENT**
5 **TO REMAIN ON ACTIVE DUTY.**

6 (a) AVIATION OFFICERS.—Section 301b(b)(4) of title
7 37, United States Code, is amended by striking “has com-
8 pleted” and inserting “is within one year of the completion
9 of”.

10 (b) SURFACE WARFARE OFFICERS.—Section
11 319(a)(3) of title 37, United States Code, is amended by
12 striking “has completed” and inserting “is within one year
13 of the completion of”.

14 **SEC. 622. HOSTILE FIRE OR IMMINENT DANGER PAY.**

15 (a) IN GENERAL.—Chapter 59, Subchapter IV of
16 title 5, United States Code, is amended by adding at the
17 end the following new section:

18 **“§ 5949 Hostile fire or imminent danger pay**

19 “(a) The head of an Executive agency may pay an
20 employee special pay at the rate of \$150 for any month
21 in which the employee, while on duty in the United
22 States—

23 “(1) was subject to hostile fire or explosion of
24 hostile mines;

1 “(2) was in an area of the Pentagon in which
2 the employee was in imminent danger of being ex-
3 posed to hostile fire or explosion of hostile mines and
4 in which, during the period on duty in that area,
5 other employees were subject to hostile fire or explo-
6 sion of hostile mines;

7 “(3) was killed, injured, or wounded by hostile
8 fire, explosion of a hostile mine, or any other hostile
9 action; or

10 “(4) was in an area of the Pentagon in which
11 the employee was subject to the threat of physical
12 harm or imminent danger on the basis of civil insur-
13 rection, civil war, terrorism, or wartime conditions.

14 “(b) An employee covered by subsection (a)(3) who
15 is hospitalized for the treatment of his injury or wound
16 may be paid special pay under this section for not more
17 than three additional months during which the employee
18 is so hospitalized.

19 “(c) For the purpose of this section, “United States”
20 means the several States, the District of Columbia, the
21 Commonwealth of Puerto Rico, the Commonwealth of the
22 Northern Mariana Islands, and the territories and posses-
23 sions of the United States.

24 “(d) An employee may be paid special pay under this
25 section in addition to other pay and allowances to which

1 entitled. Payments under this section may not be consid-
 2 ered to be part of basic pay of an employee.”.

3 (b) TECHNICAL AMENDMENT.—The table of sections
 4 at the beginning of chapter 59 of such title is amended
 5 by inserting at the end the following new item:

“5949. Hostile fire or imminent danger pay.”.

6 (c) EFFECTIVE DATE.—This provision is effective as
 7 if enacted into law on September 11, 2001, and may be
 8 applied to any hostile action that took place on that date
 9 or thereafter.

10 **Subtitle C—Travel and** 11 **Transportation Allowances**

12 **SEC. 631. ELIGIBILITY FOR TEMPORARY HOUSING ALLOW-** 13 **ANCE WHILE IN TRAVEL OR LEAVE STATUS** 14 **BETWEEN PERMANENT DUTY STATIONS.**

15 (a) PERSONNEL IN GRADES BELOW E-4.—Section
 16 403(i) of title 37, United States Code, is amended by
 17 striking “who is in a pay grade E-4 (4 or more years
 18 of service) or above”.

19 (b) EFFECTIVE DATE.—The amendment made by
 20 subsection (a) shall take effect on October 1, 2001.

1 **SEC. 632. ELIGIBILITY FOR PAYMENT OF SUBSISTENCE EX-**
2 **PENSES ASSOCIATED WITH OCCUPANCY OF**
3 **TEMPORARY LODGING INCIDENT TO RE-**
4 **PORTING TO FIRST PERMANENT DUTY STA-**
5 **TION.**

6 (a) OFFICER PERSONNEL.—Section 404a(a)(2)(C) of
7 title 37, United States Code, is amended by striking “an
8 enlisted member” and inserting “a member”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) shall take effect on October 1, 2001.

11 **SEC. 633. ELIGIBILITY FOR DISLOCATION ALLOWANCE.**

12 (a) MEMBERS WITH DEPENDENTS WHEN ORDERED
13 TO FIRST DUTY STATION.—Section 407 of title 37,
14 United States Code, is amended—

15 (1) in subsection (a)(2), by adding at the end
16 the following new subparagraph:

17 “(F) A member whose dependents actually
18 move from the member’s place of residence in con-
19 nection with the performance of orders for the mem-
20 ber to report to the member’s first permanent duty
21 station if the move—

22 “(i) is to the permanent duty station or a
23 designated location; and

24 “(ii) is an authorized move.”; and

1 (2) in subsection (e), by inserting “(except as
2 provided in subsection (a)(2)(F))” after “first duty
3 station”.

4 (b) MARRIED MEMBERS WITHOUT DEPENDENTS AS-
5 SIGNED TO GOVERNMENT FAMILY QUARTERS.—Sub-
6 section (a) of such section, as amended by subsection (a),
7 is further amended—

8 (1) by adding at the end of paragraph (2) the
9 following new subparagraph:

10 “(G) Each of two members married to each
11 other who—

12 “(i) is without dependents;

13 “(ii) actually moves with the member’s
14 spouse to a new permanent duty station; and

15 “(iii) is assigned to family quarters of the
16 United States at or in the vicinity of the new
17 duty station.”; and

18 (2) by adding at the end of the subsection the
19 following new paragraph:

20 “(4) If a primary dislocation allowance is payable to
21 two members described in subparagraph (G) of paragraph
22 (2) who are married to each other, the amount of the al-
23 lowance payable to such members shall be the amount oth-
24 erwise payable under this subsection to the member in the
25 higher pay grade, or to either member if both members

1 are in the same pay grade. The allowance shall be paid
2 jointly to both members.”.

3 (c) EFFECTIVE DATE.—This section and the amend-
4 ments made by this section shall take effect on October
5 1, 2001.

6 **SEC. 634. ALLOWANCE FOR DISLOCATION FOR THE CON-**
7 **VENIENCE OF THE GOVERNMENT AT HOME**
8 **STATION.**

9 (a) AUTHORITY.—(1) Chapter 7 of title 37, United
10 States Code is amended by inserting after section 407 the
11 following new section:

12 **“§ 407a. Travel and transportation: allowance for dis-**
13 **location for the convenience of the Gov-**
14 **ernment at home station**

15 “(a) AUTHORITY.—Under regulations prescribed by
16 the Secretary concerned, a member of the uniformed serv-
17 ices may be paid a dislocation allowance under this section
18 when ordered, for the convenience of the Government and
19 not pursuant to a permanent change of station, to occupy
20 or to vacate family housing provided by the Department
21 of Defense, or by the Department of Transportation in
22 the case of the Coast Guard.

23 “(b) AMOUNT.—(1) Subject to paragraph (2), the
24 amount of a dislocation allowance paid under this section
25 is \$500.

1 “(2) Effective on the same date that the monthly
 2 rates of basic pay for members of the uniformed services
 3 are increased under section 1009 of this title or by a law
 4 increasing those rates by a percentage specified in the law,
 5 the amount of the dislocation allowance provided under
 6 this section shall be increased by the percentage by which
 7 the monthly rates of basic pay are so increased.

8 “(c) **ADVANCE PAYMENT.**—A dislocation allowance
 9 payable under this section may be paid in advance.”.

10 (2) The table of sections at the beginning of such
 11 chapter is amended by inserting after the item relating
 12 to section 407 the following new item:

“407a. Travel and transportation: allowance for dislocation for the convenience
 of the Government at home station.”.

13 (b) **EFFECTIVE DATE.**—Section 407a of title 37,
 14 United States Code, shall take effect on October 1, 2001.

15 **SEC. 635. TRAVEL AND TRANSPORTATION ALLOWANCES**
 16 **FOR FAMILY MEMBERS TO ATTEND THE BUR-**
 17 **IAL OF A DECEASED MEMBER OF THE UNI-**
 18 **FORMED SERVICES.**

19 (a) **CONSOLIDATION OF AUTHORITIES.**—Section 411f
 20 of title 37, United States Code, is amended—

21 (1) in subsection (a)—

22 (A) by inserting “**ALLOWANCES AUTHOR-**
 23 **IZED.—(1)**” after “(a)”;

1 (B) by striking “the dependents of a mem-
2 ber” and inserting “eligible members of the
3 family of a member of the uniformed services”;

4 (C) by striking “such dependents” and in-
5 serting “such persons”; and

6 (D) by inserting at the end the following
7 new paragraph:

8 “(2) An attendant accompanying a person provided
9 travel and transportation allowances under this section for
10 travel to the burial ceremony for a deceased member may
11 also be provided under the uniform regulations round trip
12 travel and transportation allowances for travel to the bur-
13 ial ceremony if—

14 “(A) the accompanied person is unable to travel
15 unattended because of age, physical condition, or
16 other justifiable reason, as determined under the
17 uniform regulations; and

18 “(B) there is no other eligible member of the
19 family of the deceased member traveling to the bur-
20 ial ceremony who is eligible for travel and transpor-
21 tation allowances under this section and is qualified
22 to serve as the attendant.”;

23 (2) in subsection (b)—

24 (A) in paragraph (1)—

1 (i) by striking “(1) Except as pro-
2 vided in paragraph (2)” and inserting
3 “LIMITATIONS.—(1) Except as provided in
4 paragraphs (2) and (3)”;

5 (ii) by inserting before the period at
6 the end the following: “and the time nec-
7 essary for such travel”;

8 (B) in paragraph (2), by striking “be ex-
9 tended to accommodate” and inserting “not ex-
10 ceed the rates for 2 days and”;

11 (C) by adding at the end the following new
12 paragraph:

13 “(3) If a deceased member is interred in a cemetery
14 maintained by the American Battle Monuments Commis-
15 sion, the travel and transportation allowances authorized
16 under this section may be provided to and from such ceme-
17 tery and may not exceed the rates for 2 days and the time
18 necessary for such travel.”;

19 (3) by striking subsection (c) and inserting the
20 following:

21 “(c) ELIGIBLE MEMBERS OF FAMILY.—The fol-
22 lowing members of the family of a deceased member of
23 the uniformed services are eligible for the travel and trans-
24 portation allowances under this section:

1 “(1) The surviving spouse (including a remar-
2 ried surviving spouse) of the deceased member.

3 “(2) The unmarried child or children of the de-
4 ceased member referred to in section 401(a)(2) of
5 this title.

6 “(3) If no person described in paragraphs (1)
7 and (2) is provided travel and transportation allow-
8 ances under this section, the parent or parents of
9 the deceased member (as defined in section
10 401(b)(2) of this title).

11 “(4) If no person described in paragraphs (1),
12 (2), and (3) is provided travel and transportation al-
13 lowances under this section, then—

14 “(A) the person who directs the disposition
15 of the remains of the deceased member under
16 section 1482(c) of title 10, or, in the case of a
17 deceased member whose remains are commin-
18 gled and buried in a common grave in a na-
19 tional cemetery, the person who would have
20 been designated under such section to direct the
21 disposition of the remains if individual identi-
22 fication had been made; and

23 “(B) up to two additional persons closely
24 related to the deceased member who are se-

1 lected by the person referred to in subpara-
2 graph (A).

3 “(d) DEFINITIONS.—In this section:

4 “(1) The term ‘burial ceremony’ includes the
5 following:

6 “(A) An interment of casketed or cremated
7 remains.

8 “(B) A placement of cremated remains in
9 a columbarium.

10 “(C) A memorial service for which reim-
11 bursement is authorized under section
12 1482(d)(2) of title 10.

13 “(D) A burial of commingled remains that
14 cannot be individually identified in a common
15 grave in a national cemetery.

16 “(2) The term ‘member of the family’ includes
17 a person described in section 1482(c)(4) of title 10
18 who, except for this paragraph, would not otherwise
19 be considered a family member.”.

20 (b) REPEAL OF SUPERSEDED LAWS.—(1) Section
21 1482 of title 10, United States Code, is amended by strik-
22 ing subsection (d) and redesignating subsections (e), (f),
23 and (g) as subsections (d), (e), and (f), respectively.

1 (2) The Funeral Transportation and Living Expense
2 Benefits Act of 1974 (Public Law 93–257; 88 Stat. 53;
3 37 U.S.C. 406 note) is repealed.

4 (c) APPLICABILITY.—The amendments made by this
5 Act shall apply with respect to deaths that occur on or
6 after the later of—

7 (1) October 1, 2001; or

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

9 **SEC. 636. FAMILY SEPARATION ALLOWANCE FOR MEMBERS**
10 **ELECTING UNACCOMPANIED TOUR BY REA-**
11 **SON OF HEALTH LIMITATIONS OF DEPEND-**
12 **ENTS.**

13 (a) ELIGIBILITY.—Section 427(c) of title 37, United
14 States Code, is amended—

15 (1) in the first sentence, by striking “A member
16 who elects” and inserting “(1) Except as provided in
17 paragraph (2), a member who elects”;

18 (2) in the second sentence, by striking “The
19 Secretary concerned may waive the preceding sen-
20 tence” and inserting the following:

21 “(3) The Secretary concerned may waive paragraph
22 (1)”;

23 (3) by inserting after paragraph (1) (as des-
24 ignated by the amendment made by paragraph (1)
25 of this section) the following new paragraph:

1 “(2) The prohibition in the first sentence of para-
 2 graph (1) does not apply in the case of a member who
 3 elects to serve a tour of duty unaccompanied by his de-
 4 pendants at the member’s permanent station because a de-
 5 pendent cannot accompany the member to or at that per-
 6 manent station for medical reasons certified by a health
 7 care professional in accordance with regulations prescribed
 8 for the administration of this section.”.

9 (b) EFFECTIVE DATE.—This section and the amend-
 10 ments made by this section shall take effect on October
 11 1, 2001.

12 **SEC. 637. FUNDED STUDENT TRAVEL FOR FOREIGN STUDY**
 13 **UNDER AN EDUCATION PROGRAM APPROVED**
 14 **BY A UNITED STATES SCHOOL.**

15 (a) AUTHORITY.—Section 430 of title 37, United
 16 States Code, is amended—

17 (1) in subsection (a)(3)—

18 (A) by striking “attending” and inserting
 19 “enrolled in”; and

20 (B) by inserting before the comma at the
 21 end the following: “and is attending that school
 22 or is participating in a foreign study program
 23 approved by that school and, pursuant to that
 24 program, is attending a school outside the

1 United States for a period of not more than one
2 year”; and

3 (2) in subsection (b)—

4 (A) in the first sentence of paragraph (1),
5 by striking “each unmarried dependent child,”
6 and all that follows through “the school being
7 attended” and inserting “each unmarried de-
8 pendent child (described in subsection (a)(3)) of
9 one annual trip between the school being at-
10 tended by that child”; and

11 (B) by adding at the end the following new
12 paragraph:

13 “(3) The transportation allowance paid under para-
14 graph (1) for an annual trip of a dependent child de-
15 scribed in subsection (a)(3) who is attending a school out-
16 side the United States may not exceed the transportation
17 allowance that would be paid under this section for the
18 annual trip of that child between the child’s school in the
19 continental United States and the member’s duty station
20 outside the continental United States and return.”.

21 (b) EFFECTIVE DATE.—This section and the amend-
22 ments made by this section shall take effect on October
23 1, 2001, and shall apply with respect to travel that origi-
24 nates outside the continental United States (as defined in

1 section 430(f) of title 37, United States Code), on or after
2 that date.

3 **SEC. 638. TRANSPORTATION OR STORAGE OF PRIVATELY**
4 **OWNED VEHICLES ON CHANGE OF PERMA-**
5 **NENT STATION.**

6 (a) **ADVANCE PAYMENT OF STORAGE COSTS.**—Sec-
7 tion 2634(b) of title 10, United States Code, is amended
8 by adding at the end the following new paragraph:

9 “(4) Storage costs payable under this subsection may
10 be paid in advance.”.

11 (b) **SHIPMENT IN PERMANENT CHANGE OF STATION**
12 **WITHIN CONUS.**—Subsection (h)(1) of such section is
13 amended—

14 (1) by striking “includes” in the second sen-
15 tence and all that follows and inserting “includes the
16 following:”; and

17 (2) by adding at the end the following subpara-
18 graphs:

19 “(A) An authorized change in home port of
20 a vessel.

21 “(B) A transfer or assignment between
22 two permanent stations in the continental
23 United States when—

24 “(i) the member cannot, because of
25 injury or the conditions of the order, drive

1 the motor vehicle between the permanent
2 duty stations; or

3 “(ii) the Secretary concerned deter-
4 mines that it is advantageous and cost-ef-
5 fective to the Government for one motor
6 vehicle of the member to be transported
7 between the permanent duty stations.”.

8 (c) EFFECTIVE DATE.—This section and the amend-
9 ments made by this section shall take effect on October
10 1, 2001.

11 **Subtitle D—Matters Relating to** 12 **Retirement and Survivor Benefits**

13 **SEC. 651. PAYMENT OF RETIRED PAY AND COMPENSATION** 14 **TO DISABLED MILITARY RETIREES.**

15 (a) RESTORATION OF RETIRED PAY BENEFITS.—
16 Chapter 71 of title 10, United States Code, is amended
17 by adding at the end the following new section:

18 **“§ 1414. Members eligible for retired pay who have**
19 **service-connected disabilities: payment of**
20 **retired pay and veterans’ disability com-**
21 **ensation**

22 “(a) PAYMENT OF BOTH RETIRED PAY AND COM-
23 PENSATION.—Except as provided in subsection (b), a
24 member or former member of the uniformed services who
25 is entitled to retired pay (other than as specified in sub-

1 section (c)) and who is also entitled to veterans' disability
2 compensation is entitled to be paid both without regard
3 to sections 5304 and 5305 of title 38.

4 “(b) SPECIAL RULE FOR CHAPTER 61 CAREER RE-
5 TIREES.—The retired pay of a member retired under
6 chapter 61 of this title with 20 years or more of service
7 otherwise creditable under section 1405 of this title at the
8 time of the member's retirement is subject to reduction
9 under sections 5304 and 5305 of title 38, but only to the
10 extent that the amount of the member's retired pay under
11 chapter 61 of this title exceeds the amount of retired pay
12 to which the member would have been entitled under any
13 other provision of law based upon the member's service
14 in the uniformed services if the member had not been re-
15 tired under chapter 61 of this title.

16 “(c) EXCEPTION.—Subsection (a) does not apply to
17 a member retired under chapter 61 of this title with less
18 than 20 years of service otherwise creditable under section
19 1405 of this title at the time of the member's retirement.

20 “(d) DEFINITIONS.—In this section:

21 “(1) The term ‘retired pay’ includes retainer
22 pay, emergency officers' retirement pay, and naval
23 pension.

1 “(1) SURVIVING SPOUSE ANNUITY.—The Sec-
2 retary concerned shall pay an annuity under this
3 subchapter to the surviving spouse of—

4 “(A) a member who dies while on active
5 duty after—

6 “(i) becoming eligible to receive re-
7 tired pay;

8 “(ii) qualifying for retired pay except
9 that the member has not applied for or
10 been granted that pay; or

11 “(iii) completing 20 years of active
12 service but before the member is eligible to
13 retire as a commissioned officer because
14 the member has not completed 10 years of
15 active commissioned service; or

16 “(B) a member not described in subpara-
17 graph (A) who dies in line of duty while on ac-
18 tive duty.”.

19 (b) COMPUTATION OF SURVIVOR ANNUITY.—Section
20 1451(c)(1) of title 10, United States Code, is amended—

21 (1) in subparagraph (A)—

22 (A) by striking “based upon his years of
23 active service when he died.” and inserting
24 “based upon the following:”; and

1 (B) by adding at the end the following new
2 clauses:

3 “(i) In the case of an annuity payable
4 under section 1448(d) of this title by rea-
5 son of the death of a member in line of
6 duty, the retired pay base computed for
7 the member under section 1406(b) or 1407
8 of this title as if the member had been re-
9 tired under section 1201 of this title on
10 the date of the member’s death with a dis-
11 ability rated as total.

12 “(ii) In the case of an annuity payable
13 under section 1448(d)(1)(A) of this title by
14 reason of the death of a member not in
15 line of duty, the member’s years of active
16 service when he died.

17 “(iii) In the case of an annuity under
18 section 1448(f) of this title, the member’s
19 years of active service when he died.”; and

20 (2) in subparagraph (B)(i), by striking “if the
21 member or former member” and all that follows and
22 inserting “as described in subparagraph (A).”.

23 (c) CONFORMING AMENDMENTS.—(1) The heading
24 for subsection (d) of section 1448 of such title is amended
25 by striking “RETIREMENT-ELIGIBLE”.

1 (2) Subsection (d)(3) of such section is amended by
2 striking “1448(d)(1)(B) or 1448(d)(1)(C)” and inserting
3 “clause (ii) or (iii) of section 1448(d)(1)(A)”.

4 (d) EXTENSION AND INCREASE OF OBJECTIVES FOR
5 RECEIPTS FROM DISPOSALS OF CERTAIN STOCKPILE MA-
6 TERIALS AUTHORIZED FOR SEVERAL FISCAL YEARS BE-
7 GINNING WITH FISCAL YEAR 1999.—Section 3303(a) of
8 the Strom Thurmond National Defense Authorization Act
9 for Fiscal Year 1999 (Public Law 105–261; 112 Stat.
10 2262; 50 U.S.C. 98d note) is amended—

11 (1) by striking “and” at the end of paragraph
12 (3);

13 (2) in paragraph (4)—

14 (A) by striking “\$720,000,000” and in-
15 serting “\$760,000,000”; and

16 (B) by striking the period at the end and
17 inserting “; and”; and

18 (3) by adding at the end the following new
19 paragraph:

20 “(5) \$770,000,000 by the end of fiscal year
21 2011.”.

22 (e) EFFECTIVE DATE AND APPLICABILITY.—This
23 section and the amendments made by this section shall
24 take effect as of September 10, 2001, and shall apply with

1 respect to deaths of members of the Armed Forces occur-
2 ring on or after that date.

3 **Subtitle E—Other Matters**

4 **SEC. 661. EDUCATION SAVINGS PLAN FOR REENLISTMENTS** 5 **AND EXTENSIONS OF SERVICE IN CRITICAL** 6 **SPECIALTIES.**

7 (a) ESTABLISHMENT OF SAVINGS PLAN.—(1) Chap-
8 ter 5 of title 37, United States Code, is amended by add-
9 ing at the end the following new section:

10 **“§ 324. Incentive bonus: savings plan for education** 11 **expenses and other contingencies**

12 “(a) BENEFIT AND ELIGIBILITY.—The Secretary
13 concerned may purchase United States savings bonds
14 under this section for a member of the armed forces who
15 is eligible as follows:

16 “(1) A member who, before completing three
17 years of service on active duty, enters into a commit-
18 ment to perform qualifying service.

19 “(2) A member who, after completing three
20 years of service on active duty but not more than
21 nine years of service on active duty, enters into a
22 commitment to perform qualifying service.

23 “(3) A member who, after completing nine
24 years of service on active duty, enters into a commit-
25 ment to perform qualifying service.

1 “(b) QUALIFYING SERVICE.—For the purposes of
2 this section, qualifying service is service on active duty in
3 a specialty designated by the Secretary concerned as crit-
4 ical to meet requirements (whether or not such specialty
5 is designated as critical to meet wartime or peacetime re-
6 quirements) for a period that—

7 “(1) is not less than six years; and

8 “(2) does not include any part of a period for
9 which the member is obligated to serve on active
10 duty under an enlistment or other agreement for
11 which a benefit has previously been paid under this
12 section.

13 “(c) FORMS OF COMMITMENT TO ADDITIONAL SERV-
14 ICE.—For the purposes of this section, a commitment
15 means—

16 “(1) in the case of an enlisted member, a reen-
17 listment; and

18 “(2) in the case of a commissioned officer, an
19 agreement entered into with the Secretary con-
20 cerned.

21 “(d) AMOUNTS OF BONDS.—The total of the face
22 amounts of the United States savings bonds authorized
23 to be purchased for a member under this section for a
24 commitment shall be as follows:

1 “(1) In the case of a purchase for a member
2 under paragraph (1) of subsection (a), \$5,000.

3 “(2) In the case of a purchase for a member
4 under paragraph (2) of subsection (a), the amount
5 equal to the excess of \$15,000 over the total of the
6 face amounts of any United States savings bonds
7 previously purchased for the member under this sec-
8 tion.

9 “(3) In the case of a purchase for a member
10 under paragraph (3) of subsection (a), the amount
11 equal to the excess of \$30,000 over the total of the
12 face amounts of any United States savings bonds
13 previously purchased for the member under this sec-
14 tion.

15 “(e) TOTAL AMOUNT OF BENEFIT.—The total
16 amount of the benefit authorized for a member when
17 United States savings bonds are purchased for the mem-
18 ber under this section by reason of a commitment by that
19 member shall be the sum of—

20 “(1) the purchase price of the United States
21 savings bonds; and

22 “(2) the amounts that would be deducted and
23 withheld for the payment of individual income taxes
24 if the total amount computed under this subsection

1 for that commitment were paid to the member as a
2 bonus.

3 “(f) AMOUNT WITHHELD FOR TAXES.—The total
4 amount payable for a member under subsection (e)(2) for
5 a commitment by that member shall be withheld, credited,
6 and otherwise treated in the same manner as amounts de-
7 ducted and withheld from the basic pay of the member.

8 “(g) REPAYMENT FOR FAILURE TO COMPLETE OB-
9 LIGATED SERVICE.—(1) If a person fails to complete the
10 qualifying service for which the person is obligated under
11 a commitment for which a benefit has been paid under
12 this section, the person shall refund to the United States
13 the amount that bears the same ratio to the total amount
14 paid for the person (as computed under subsection (e))
15 for that particular commitment as the uncompleted part
16 of the period of qualifying service bears to the total period
17 of the qualifying service for which obligated.

18 “(2) Subject to paragraph (3), an obligation to reim-
19 burse the United States imposed under paragraph (1) is
20 for all purposes a debt owed to the United States.

21 “(3) The Secretary concerned may waive, in whole
22 or in part, a refund required under paragraph (1) if the
23 Secretary concerned determines that recovery would be
24 against equity and good conscience or would be contrary
25 to the best interests of the United States.

1 “(4) A discharge in bankruptcy under title 11 that
2 is entered less than five years after the termination of an
3 enlistment or other agreement under this section does not
4 discharge the person signing such reenlistment or other
5 agreement from a debt arising under the reenlistment or
6 agreement, respectively, or this subsection.

7 “(h) RELATIONSHIP TO OTHER SPECIAL PAYS.—The
8 benefit authorized under this section is in addition to any
9 other bonus or incentive or special pay that is paid or pay-
10 able to a member under any other provision of this chapter
11 for any portion of the same qualifying service.

12 “(i) REGULATIONS.—This section shall be adminis-
13 tered under regulations prescribed by the Secretary of De-
14 fense for the armed forces under his jurisdiction and by
15 the Secretary of Transportation for the Coast Guard when
16 the Coast Guard is not operating as a service in the
17 Navy.”.

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

“324. Incentive bonus: savings plan for education and other contingencies.”.

21 (b) EFFECTIVE DATE.—Section 324 of title 37,
22 United States Code (as added by subsection (a)), shall
23 take effect on October 1, 2001, and shall apply with re-
24 spect to reenlistments and other agreements for qualifying

1 service (described in that section) that are entered into
2 on or after that date.

3 (c) FUNDING FOR FISCAL YEAR 2002.—Of the
4 amount authorized to be appropriated to the Department
5 of Defense for military personnel for fiscal year 2002 by
6 section 421, \$20,000,000 may be available in that fiscal
7 year for the purchase of United States savings bonds
8 under section 324 of title 37, United States Code (as
9 added by subsection (a)).

10 **SEC. 662. COMMISSARY BENEFITS FOR NEW MEMBERS OF**
11 **THE READY RESERVE.**

12 (a) ELIGIBILITY.—Section 1063 of title 10, United
13 States Code, is amended—

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

16 (2) by inserting after subsection (a) the fol-
17 lowing new subsection (b):

18 “(b) ELIGIBILITY OF NEW MEMBERS.—(1) The Sec-
19 retary concerned shall authorize a new member of the
20 Ready Reserve to use commissary stores of the Depart-
21 ment of Defense for a number of days accruing at the
22 rate of two days for each month in which the member par-
23 ticipates satisfactorily in training required under section
24 10147(a)(1) of this title or section 502(a) of title 32, as
25 the case may be.

1 “(2) For the purposes of paragraph (1), a person
2 shall be considered a new member of the Ready Reserve
3 upon becoming a member and continuing without a break
4 in the membership until the earlier of—

5 “(A) the date on which the member becomes el-
6 igible to use commissary stores under subsection (a);
7 or

8 “(B) December 31 of the first calendar year in
9 which the membership has been continuous for the
10 entire year.

11 “(3) A new member may not be authorized under this
12 subsection to use commissary stores for more than 24 days
13 for any calendar year.”.

14 (b) **REQUIRED DOCUMENTATION.**—Subsection (d) of
15 such section, as redesignated by subsection (a)(1), is
16 amended by adding at the end the following: “The regula-
17 tions shall specify the required documentation of satisfac-
18 tory participation in training for the purposes of sub-
19 section (b).”.

20 (c) **CONFORMING AMENDMENT.**—Subsection (c) of
21 such section, as redesignated by subsection (a)(1), is
22 amended by striking “Subsection (a)” and inserting “Sub-
23 sections (a) and (b)”.

24 (d) **CLERICAL AMENDMENTS.**—(1) The heading for
25 such section is amended to read as follows:

1 **“§ 1063. Use of commissary stores: members of Ready**
 2 **Reserve”.**

3 (2) Subsection (a) of such section is amended by
 4 striking “OF READY RESERVE” and inserting “WITH 50
 5 OR MORE CREDITABLE POINTS”.

6 (3) The item relating to such section in the table of
 7 sections at the beginning of chapter 54 of title 10, United
 8 States Code, is amended to read as follows:

“1063. Use of commissary stores: members of Ready Reserve.”.

9 **SEC. 663. AUTHORIZATION OF TRANSITIONAL COMPENSA-**
 10 **TION AND COMMISSARY AND EXCHANGE BEN-**
 11 **EFITS FOR DEPENDENTS OF COMMISSIONED**
 12 **OFFICERS OF THE PUBLIC HEALTH SERVICE**
 13 **AND THE NATIONAL OCEANIC AND ATMOS-**
 14 **PHERIC ADMINISTRATION WHO ARE SEPA-**
 15 **RATED FOR DEPENDENT ABUSE.**

16 (a) COMMISSIONED OFFICERS OF THE PUBLIC
 17 HEALTH SERVICE.—Section 221(a) of the Public Health
 18 Service Act (42 U.S.C. 213a(a)) is amended by adding
 19 at the end the following new paragraph:

20 “(17) Section 1059, Transitional compensation
 21 and commissary and exchange benefits for depend-
 22 ents of members separated for dependent abuse.”.

23 (b) COMMISSIONED OFFICERS OF THE NATIONAL
 24 OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section
 25 3(a) of the Act entitled “An Act to revise, codify, and

1 enact into law, title 10 of the United States Code, entitled
2 ‘Armed Forces’, and title 32 of the United States Code,
3 entitled ‘National Guard’”, approved August 10, 1956 (33
4 U.S.C. 857a(a)), is amended by adding at the end the fol-
5 lowing new paragraph:

6 “(17) Section 1059, Transitional compensation
7 and commissary and exchange benefits for depend-
8 ents of members separated for dependent abuse.”.

9 **Subtitle F—National Emergency**
10 **Family Support**

11 **SEC. 681. CHILD CARE AND YOUTH ASSISTANCE.**

12 (a) **AUTHORITY.**—The Secretary of Defense may pro-
13 vide assistance for families of members of the Armed
14 Forces serving on active duty during fiscal year 2002, in
15 order to ensure that the children of such families obtain
16 needed child care and youth services.

17 (b) **APPROPRIATE PRIMARY OBJECTIVE.**—The assist-
18 ance authorized by this section should be directed pri-
19 marily toward providing needed family support, including
20 child care and youth services for children of such per-
21 sonnel who are deployed, assigned, or ordered to active
22 duty in connection with operations of the Armed Forces
23 under the national emergency.

1 **SEC. 682. FAMILY EDUCATION AND SUPPORT SERVICES.**

2 During fiscal year 2002, the Secretary of Defense is
3 authorized to provide family education and support serv-
4 ices to families of members of the Armed Services to the
5 same extent that these services were provided during the
6 Persian Gulf War.

7 **TITLE VII—HEALTH CARE**
8 **Subtitle A—TRICARE Benefits**
9 **Modernization**

10 **SEC. 701. REQUIREMENT FOR INTEGRATION OF BENEFITS.**

11 (a) IN GENERAL.—The Secretary of Defense shall—

12 (1) terminate the Individual Case Management
13 Program carried out under section 1079(a)(17) of
14 title 10, United States Code (as in effect on Sep-
15 tember 30, 2001); and

16 (2) integrate the beneficiaries under that pro-
17 gram, and the furnishing of care to those bene-
18 ficiaries, into the TRICARE program as modified
19 pursuant to the amendments made by this subtitle.

20 (b) REPEAL OF SEPARATE AUTHORITY.—Section
21 1079 of title 10, United States Code, is amended by strik-
22 ing paragraph (17).

23 (c) SAVINGS PROVISION.—Nothing in this subtitle or
24 the amendments made by this subtitle shall be
25 construed—

1 (1) to modify any eligibility requirement for any
2 person receiving benefits under the Individual Case
3 Management Program before October 1, 2001; or

4 (2) to terminate any benefits available under
5 that program before that date.

6 (d) CONSULTATION REQUIREMENT.—The Secretary
7 of Defense shall consult with the other administering Sec-
8 retaries referred to in section 1072(3) of title 10, United
9 States Code, in carrying out this section.

10 **SEC. 702. DOMICILIARY AND CUSTODIAL CARE.**

11 Section 1072 of title 10, United States Code, is
12 amended by adding at the end the following new para-
13 graphs:

14 “(8) The term ‘domiciliary care’ means treat-
15 ment or services involving assistance with the per-
16 formance of activities of daily living that is provided
17 to a patient in a home-like setting because—

18 “(A) the treatment or services are not
19 available, or are not suitable to be provided, to
20 the patient in the patient’s home; or

21 “(B) no member of the patient’s family is
22 willing to provide the treatment or services.

23 “(9) The term ‘custodial care’—

24 “(A) means treatment or services that—

1 “(i) could be provided safely and rea-
2 sonably by a person not trained as a physi-
3 cian, nurse, paramedic, or other health
4 care provider; or

5 “(ii) are provided principally to assist
6 the recipient of the treatment or services
7 with the performance of activities of daily
8 living; and

9 “(B) includes any treatment or service de-
10 scribed in subparagraph (A) without regard
11 to—

12 “(i) the source of any recommenda-
13 tion to provide the treatment or service;
14 and

15 “(ii) the setting in which the treat-
16 ment or service is provided.”.

17 **SEC. 703. LONG TERM CARE.**

18 (a) **LIMITATION.**—Chapter 55 of title 10, United
19 States Code, is amended by inserting after section 1074i
20 the following new section:

21 **“§ 1074j. Long term care benefits program**

22 “(a) **REQUIREMENT FOR PROGRAM.**—The Secretary
23 of Defense shall provide long term health care benefits
24 under the TRICARE program in an effective and efficient
25 manner that integrates those benefits with the benefits

1 provided on a less than a long term basis under the
2 TRICARE program.

3 “(b) AUTHORIZED CARE.—The types of health care
4 authorized to be provided under this section shall include
5 the following:

6 “(1) The types of health care authorized to be
7 acquired by contract under section 1079 of this title.

8 “(2) Extended care services.

9 “(3) Post-hospital extended care services.

10 “(4) Comprehensive intermittent home health
11 services.

12 “(c) DURATION OF POST-HOSPITAL EXTENDED
13 CARE SERVICES.—The post-hospital extended care serv-
14 ices provided in a skilled nursing facility to a patient dur-
15 ing a spell of illness under subsection (b)(3) shall continue
16 for as long as is medically necessary and appropriate. The
17 limitation on the number of days of coverage under sub-
18 sections (a)(2) and (b)(2)(A) of section 1812 of the Social
19 Security Act (42 U.S.C. 1395d) shall not apply with re-
20 spect to the care provided that patient.

21 “(d) REGULATIONS.—The Secretary of Defense shall,
22 after consultation with the other administering Secre-
23 taries, prescribe regulations to carry out this section.

24 “(e) DEFINITIONS.—In this section:

1 “(1) The term ‘extended care services’ has the
2 meaning given the term in subsection (h) of section
3 1861 of the Social Security Act (42 U.S.C. 1395x).

4 “(2) The term ‘post-hospital extended services’
5 has the meaning given the term in subsection (i) of
6 section 1861 of the Social Security Act (42 U.S.C.
7 1395x).

8 “(3) The term ‘home health services’ has the
9 meaning given the term in subsection (m) of section
10 1861 of the Social Security Act (42 U.S.C. 1395x).

11 “(4) The term ‘skilled nursing facility’ has the
12 meaning given the term in section 1819(a) of the
13 Social Security Act (42 U.S.C. 1395i–3(a)).

14 “(5) The term ‘spell of illness’ has the meaning
15 given the term in subsection (a) of section 1861 of
16 the Social Security Act (42 U.S.C. 1395x).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of such chapter is amended by inserting
19 after the item relating to section 1074i the following new
20 item:

“1074j. Long term care benefits program.”.

21 **SEC. 704. EXTENDED BENEFITS FOR DISABLED BENE-**
22 **FICIARIES.**

23 Section 1079 of title 10, United States Code, is
24 amended by striking subsections (d), (e), and (f) and in-
25 serting the following:

1 “(d)(1) The health care benefits contracted for under
2 this section shall include extended benefits for dependents
3 referred to in the first sentence of subsection (a) who have
4 any of the following qualifying conditions:

5 “(A) Moderate or severe mental retardation.

6 “(B) A serious physical disability.

7 “(C) Any extraordinary physical or psycho-
8 logical condition.

9 “(2) The extended benefits under paragraph (1) may
10 include comprehensive health care, including services nec-
11 essary to maintain function, or to minimize or prevent de-
12 terioration of function, of the patient, and case manage-
13 ment services, to the extent not otherwise provided under
14 this chapter with respect to a qualifying condition, as fol-
15 lows:

16 “(A) Diagnosis.

17 “(B) Inpatient, outpatient, and comprehensive
18 home health supplies and services.

19 “(C) Training and rehabilitation, including spe-
20 cial education and assistive technology devices.

21 “(D) Institutional care in private nonprofit,
22 public, and State institutions and facilities and,
23 when appropriate, transportation to and from such
24 institutions and facilities.

1 “(E) Any other services and supplies deter-
2 mined appropriate under regulations prescribed
3 under paragraph (9).

4 “(3) The extended benefits under paragraph (1) may
5 also include respite care for the primary caregiver of a
6 dependent eligible for extended benefits under this sub-
7 section.

8 “(4) Home health supplies and services may be pro-
9 vided to a dependent under paragraph (2)(B) as other
10 than part-time or intermittent services (as determined in
11 accordance with the second sentence of section 1861(m)
12 of the Social Security Act (42 U.S.C. 1395x(m)) only if—

13 “(A) the provision of such supplies and services
14 in the home of the dependent is medically appro-
15 priate; and

16 “(B) the cost of the provision of such supplies
17 and services to the dependent is equal to or less
18 than the cost of the provision of similar supplies and
19 services to the dependent in a skilled nursing facil-
20 ity.

21 “(5) Subsection (a)(13) shall not apply to the provi-
22 sion of care and services determined appropriate to be pro-
23 vided as extended benefits under this subsection.

24 “(6) Subject to paragraph (7), a member of the uni-
25 formed services shall pay a share of the cost of any care

1 and services provided as extended benefits to any of the
2 dependents of the member under this subsection as fol-
3 lows:

4 “(A) In the case of a member in the lowest en-
5 listed pay grade, the first \$25 of the cumulative
6 costs of all care furnished to one or more dependents
7 of the member in a month.

8 “(B) In the case of a member in the highest
9 commissioned pay grade, the first \$250 of the cumu-
10 lative costs of all care furnished to one or more de-
11 pendents of the member in a month.

12 “(C) In the case of a member in any other pay
13 grade, a fixed amount of the cumulative costs of all
14 care furnished to one or more dependents of the
15 member in a month, as prescribed for that pay
16 grade in regulations prescribed under paragraph (9).

17 “(7)(A) In the case of extended benefits provided
18 under subparagraph (C) or (D) of paragraph (2) to a de-
19 pendent of a member of the uniformed services—

20 “(i) the Government’s share of the total cost of
21 providing such benefits in any month shall not ex-
22 ceed \$2,500, except for costs that a member is ex-
23 empt from paying under subparagraph (B); and

24 “(ii) the member shall pay (in addition to any
25 amount payable under paragraph (6)) the amount, if

1 any, by which the amount of such total cost for the
2 month exceeds the Government's maximum share
3 under clause (i).

4 “(B) A member of the uniformed services who incurs
5 expenses under subparagraph (A) for a month for more
6 than one dependent shall not be required to pay for the
7 month under clause (ii) of that subparagraph an amount
8 greater than the amount the member would otherwise be
9 required to pay under that clause for the month if the
10 member were incurring expenses under that subparagraph
11 for only one dependent.

12 “(8) To qualify for extended benefits under subpara-
13 graph (C) or (D) of paragraph (2), a dependent of a mem-
14 ber of the uniformed services shall be required to use pub-
15 lic facilities to the extent such facilities are available and
16 adequate, as determined under joint regulations of the ad-
17 ministering Secretaries.

18 “(9) The Secretary of Defense, in consultation with
19 the other administering Secretaries, shall prescribe regula-
20 tions to carry out this subsection.”.

21 **SEC. 705. CONFORMING REPEALS.**

22 The following provisions of law are repealed:

23 (1) Section 703 of the National Defense Au-
24 thorization Act for Fiscal Year 2000 (Public Law
25 106–65; 113 Stat. 682; 10 U.S.C. 1077 note).

1 (2) Section 8118 of the Department of Defense
2 Appropriations Act, 2000 (Public Law 106–79; 113
3 Stat. 1260).

4 (3) Section 8100 of the Department of Defense
5 Appropriations Act, 2001 (Public Law 106–259;
6 114 Stat. 696).

7 **SEC. 706. PROSTHETICS AND HEARING AIDS.**

8 Section 1077 of title 10 United States Code, is
9 amended—

10 (1) in subsection (a), by adding at the end the
11 following:

12 “(16) A hearing aid, but only for a dependent
13 of a member of the uniformed services on active
14 duty and only if the dependent has a profound hear-
15 ing loss, as determined under standards prescribed
16 in regulations by the Secretary of Defense in con-
17 sultation with the administering Secretaries.”;

18 (2) in subsection (b)(2), by striking “Hearing
19 aids, orthopedic footwear,” and inserting “Ortho-
20 pedic footwear”; and

21 (3) by adding at the end the following new sub-
22 section:

23 “(f)(1) Authority to provide a prosthetic device under
24 subsection (a)(15) includes authority to provide the fol-
25 lowing:

1 “(A) Any accessory or item of supply that is
2 used in conjunction with the device for the purpose
3 of achieving therapeutic benefit and proper func-
4 tioning.

5 “(B) Services necessary to train the recipient of
6 the device in the use of the device.

7 “(C) Repair of the device for normal wear and
8 tear or damage.

9 “(D) Replacement of the device if the device is
10 lost or irreparably damaged or the cost of repair
11 would exceed 60 percent of the cost of replacement.

12 “(2) An augmentative communication device may be
13 provided as a voice prosthesis under subsection (a)(15).

14 “(3) A prosthetic device customized for a patient may
15 be provided under this section only by a prosthetic practi-
16 tioner who is qualified to customize the device, as deter-
17 mined under regulations prescribed by the Secretary of
18 Defense in consultation with the administering Secre-
19 taries.”.

20 **SEC. 707. DURABLE MEDICAL EQUIPMENT.**

21 (a) ITEMS AUTHORIZED.—Section 1077 of title 10,
22 United States Code, as amended by section 706, is further
23 amended—

1 (1) in subsection (a)(12), by striking “such as
2 wheelchairs, iron lungs, and hospital beds,” and in-
3 serting “which”; and

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

6 “(g)(1) Items that may be provided to a patient
7 under subsection (a)(12) include the following:

8 “(A) Any durable medical equipment that can
9 improve, restore, or maintain the function of a mal-
10 formed, diseased, or injured body part, or can other-
11 wise minimize or prevent the deterioration of the pa-
12 tient’s function or condition.

13 “(B) Any durable medical equipment that can
14 maximize the patient’s function consistent with the
15 patient’s physiological or medical needs.

16 “(C) Wheelchairs.

17 “(D) Iron lungs,

18 “(E) Hospital beds.

19 “(2) In addition to the authority to provide durable
20 medical equipment under subsection (a)(12), any
21 customization of equipment owned by the patient that is
22 durable medical equipment authorized to be provided to
23 the patient under this section or section 1079(a)(5) of this
24 title, and any accessory or item of supply for any such
25 equipment, may be provided to the patient if the

1 customization, accessory, or item of supply is essential
2 for—

3 “(A) achieving therapeutic benefit for the pa-
4 tient;

5 “(B) making the equipment serviceable; or

6 “(C) otherwise assuring the proper functioning
7 of the equipment.”.

8 (b) PROVISION OF ITEMS ON RENTAL BASIS.—Para-
9 graph (5) of section 1079(a) of such title is amended to
10 read as follows:

11 “(5) Durable equipment provided under this
12 section may be provided on a rental basis.”.

13 **SEC. 708. REHABILITATIVE THERAPY.**

14 Section 1077(a) of title 10, United States Code, as
15 amended by section 706(1), is further amended by insert-
16 ing after paragraph (16) the following new paragraph:

17 “(17) Any rehabilitative therapy to improve, re-
18 store, or maintain function, or to minimize or pre-
19 vent deterioration of function, of a patient when pre-
20 scribed by a physician.”.

21 **SEC. 709. MENTAL HEALTH BENEFITS.**

22 (a) REQUIREMENT FOR STUDY.—The Secretary of
23 Defense shall carry out a study to determine the adequacy
24 of the scope and availability of outpatient mental health

1 benefits provided for members of the Armed Forces and
2 covered beneficiaries under the TRICARE program.

3 (b) REPORT.—Not later than March 31, 2002, the
4 Secretary shall submit to the Committees on Armed Serv-
5 ices of the Senate and the House of Representatives a re-
6 port on the study, including the conclusions and any rec-
7 ommendations for legislation that the Secretary considers
8 appropriate.

9 **SEC. 710. EFFECTIVE DATE.**

10 This subtitle and the amendments made by this sub-
11 title shall take effect on October 1, 2001.

12 **Subtitle B—Other Matters**

13 **SEC. 711. REPEAL OF REQUIREMENT FOR PERIODIC**
14 **SCREENINGS AND EXAMINATIONS AND RE-**
15 **LATED CARE FOR MEMBERS OF ARMY RE-**
16 **SERVE UNITS SCHEDULED FOR EARLY DE-**
17 **PLOYMENT.**

18 Section 1074a of title 10, United States Code, is
19 amended—

20 (1) by striking subsection (d); and

21 (2) by redesignating subsection (e) as sub-
22 section (d).

1 **SEC. 712. CLARIFICATION OF ELIGIBILITY FOR REIM-**
2 **BURSEMENT OF TRAVEL EXPENSES OF**
3 **ADULT ACCOMPANYING PATIENT IN TRAVEL**
4 **FOR SPECIALTY CARE.**

5 Section 1074i of title 10, United States Code, is
6 amended by inserting before the period at the end the fol-
7 lowing: “and, when accompaniment by an adult is nec-
8 essary, for a parent or guardian of the covered beneficiary
9 or another member of the covered beneficiary’s family who
10 is at least 21 years of age”.

11 **SEC. 713. TRICARE PROGRAM LIMITATIONS ON PAYMENT**
12 **RATES FOR INSTITUTIONAL HEALTH CARE**
13 **PROVIDERS AND ON BALANCE BILLING BY**
14 **INSTITUTIONAL AND NONINSTITUTIONAL**
15 **HEALTH CARE PROVIDERS.**

16 (a) INSTITUTIONAL PROVIDERS.—Section 1079(j) of
17 title 10, United States Code, is amended—

18 (1) in paragraph (2)(A)—

19 (A) by striking “(A)”; and

20 (B) by striking “may be determined under
21 joint regulations” and inserting “shall be deter-
22 mined under joint regulations”;

23 (2) by redesignating subparagraph (B) of para-
24 graph (2) as paragraph (4), and, in such paragraph,
25 as so redesignated, by striking “subparagraph (A),”
26 and inserting “this subsection,”; and

1 (3) by inserting before paragraph (4), as rededesignated by paragraph (2), the following new paragraph (3):

2 “(3) A contract for a plan covered by this section shall include a clause that prohibits each provider of services under the plan from billing any person covered by the plan for any balance of charges for services in excess of the amount paid for those services under the joint regulations referred to in paragraph (2), except for any unpaid amounts of deductibles or copayments that are payable directly to the provider by the person.”.

12 (b) NONINSTITUTIONAL PROVIDERS.—Section 1079(h)(4) of such title is amended—

14 (1) by inserting “(A)” after “(4)”; and

15 (2) by adding at the end the following new subparagraph:

17 “(B) The regulations shall include a restriction that prohibits an individual health care professional (or other noninstitutional health care provider) from billing a beneficiary for services for more than the amount that is equal to—

22 “(i) the excess of the limiting charge (as defined in section 1848(g)(2) of the Social Security Act (42 U.S.C. 1395w-4(g)(2))) that would be applicable if the services had been provided by the pro-

1 fessional (or other provider) as an individual health
2 care professional (or other noninstitutional health
3 care provider) on a nonassignment-related basis
4 under part B of title XVIII of such Act over the
5 amount that is payable by the United States for
6 those services under this subsection, plus

7 “(ii) any unpaid amounts of deductibles or co-
8 payments that are payable directly to the profes-
9 sional (or other provider) by the beneficiary.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on October 1, 2001.

12 **SEC. 714. TWO-YEAR EXTENSION OF HEALTH CARE MAN-**
13 **AGEMENT DEMONSTRATION PROGRAM.**

14 (a) EXTENSION.—Subsection (d) of section 733 of
15 the Floyd D. Spence National Defense Authorization Act
16 for Fiscal Year 2001 (as enacted by Public Law 106–398;
17 114 Stat. 1654A–191) is amended by striking “December
18 31, 2001” and inserting “December 31, 2003”.

19 (b) REPORT.—Subsection (e) of that section is
20 amended—

21 (1) by striking “REPORTS.—” and inserting
22 “REPORT.—”; and

23 (2) by striking “March 15, 2002” and inserting
24 “March 15, 2004”.

1 **SEC. 715. STUDY OF HEALTH CARE COVERAGE OF MEM-**
2 **BERS OF THE SELECTED RESERVE.**

3 (a) **REQUIREMENT FOR STUDY.**—The Comptroller
4 General shall carry out a study of the needs of members
5 of the Selected Reserve of the Ready Reserve of the Armed
6 Forces and their families for health care benefits.

7 (b) **REPORT.**—Not later than March 1, 2002, the
8 Comptroller General shall submit to Congress a report on
9 the study under subsection (a). The report shall include
10 the following matters:

11 (1) An analysis of how members of the Selected
12 Reserve currently obtain coverage for health care
13 benefits when not on active duty, together with sta-
14 tistics on enrollments in health care benefits plans,
15 including—

16 (A) the percentage of members of the Se-
17 lected Reserve who are not covered by an em-
18 ployer health benefits plan;

19 (B) the percentage of members of the Se-
20 lected Reserve who are not covered by an indi-
21 vidual health benefits plan; and

22 (C) the percentage of members of the Se-
23 lected Reserve who are not covered by any
24 health insurance or other health benefits plan.

25 (2) An assessment of the disruptions in health
26 benefits coverage that a mobilization of members of

1 the Selected Reserve has caused for the members
2 and their families.

3 (3) An assessment of the cost and effectiveness
4 of various options for preventing or reducing disrup-
5 tions described in paragraph (2), including—

6 (A) providing health care benefits to all
7 members of the Selected Reserve and their fam-
8 ilies through TRICARE, the Federal Employees
9 Health Benefits Program, or otherwise;

10 (B) revising and extending the program of
11 transitional medical and dental care that is pro-
12 vided under section 1074b of title 10, United
13 States Code, for members of the Armed Forces
14 upon release from active duty served in support
15 of a contingency operation;

16 (C) requiring the health benefits plans of
17 members of the Selected Reserve, including in-
18 dividual health benefits plans and group health
19 benefits plans, to permit members of the Se-
20 lected Reserve to elect to resume coverage
21 under such health benefits plans upon release
22 from active duty in support of a contingency
23 operation;

24 (D) providing financial assistance for pay-
25 ing premiums or other subscription charges for

1 continuation of coverage by private sector
2 health insurance or other health benefits plans;
3 and

4 (E) any other options that the Comptroller
5 General determines advisable to consider.

6 **SEC. 716. STUDY OF ADEQUACY AND QUALITY OF HEALTH**
7 **CARE PROVIDED TO WOMEN UNDER THE DE-**
8 **FENSE HEALTH PROGRAM.**

9 (a) REQUIREMENT FOR STUDY.—The Comptroller
10 General shall carry out a study of the adequacy and qual-
11 ity of the health care provided to women under chapter
12 55 of title 10, United States Code.

13 (b) SPECIFIC CONSIDERATION.—The study shall in-
14 clude an intensive review of the availability and quality
15 of reproductive health care services.

16 (c) REPORT.—The Comptroller General shall submit
17 a report on the results of the study to Congress not later
18 than April 1, 2002.

19 **SEC. 717. PILOT PROGRAM FOR DEPARTMENT OF VET-**
20 **ERANS AFFAIRS SUPPORT FOR DEPARTMENT**
21 **OF DEFENSE IN THE PERFORMANCE OF SEP-**
22 **ARATION PHYSICAL EXAMINATIONS.**

23 (a) AUTHORITY.—The Secretary of Defense and the
24 Secretary of Veterans Affairs may jointly carry out a pilot
25 program for the performance of the physical examinations

1 required in connection with the separation of members of
2 the uniformed services. The requirements of this section
3 shall apply to a pilot program, if any, that is carried out
4 under the authority of this subsection.

5 (b) PERFORMANCE OF PHYSICAL EXAMINATIONS BY
6 DEPARTMENT OF VETERANS AFFAIRS.—Under the pilot
7 program, the Secretary of Veterans Affairs shall perform
8 the physical examinations of members of the uniformed
9 services separating from the uniformed services who are
10 in one or more geographic areas designated for the pilot
11 program by the Secretaries.

12 (c) REIMBURSEMENT.—The Secretary of Defense
13 shall provide for reimbursing the Secretary of Veterans
14 Affairs for the cost incurred by the Secretary of Veterans
15 Affairs in performing, under the pilot program, the items
16 of physical examination that are required by the Secretary
17 concerned in connection with the separation of a member
18 of a uniformed service. Reimbursements shall be paid out
19 of funds available for the performance of separation phys-
20 ical examinations of members of that uniformed service
21 in facilities of the uniformed services.

22 (d) AGREEMENT.—(1) The Secretary of Defense and
23 the Secretary of Veterans Affairs shall enter into an agree-
24 ment for carrying out a pilot program established under
25 this section. The agreement shall specify the geographic

1 area in which the pilot program is carried out and the
2 means for making reimbursement payments.

3 (2) The other administering Secretaries shall also
4 enter into the agreement to the extent that the Secretary
5 of Defense determines necessary to apply the pilot pro-
6 gram, including the requirement for reimbursement, to the
7 uniformed services not under the jurisdiction of the Sec-
8 retary of a military department.

9 (e) CONSULTATION REQUIREMENT.—In developing
10 and carrying out the pilot program, the Secretary of De-
11 fense shall consult with the other administering Secre-
12 taries.

13 (f) PERIOD OF PROGRAM.—Any pilot program estab-
14 lished under this section shall begin not later than July
15 1, 2002, and terminate on December 31, 2005.

16 (g) REPORTS.—(1) Not later than January 31, 2004,
17 the Secretary of Defense and the Secretary of Veterans
18 Affairs shall jointly submit to Congress an interim report
19 on the conduct of the pilot program.

20 (2) Not later than March 1, 2005, the Secretary of
21 Defense and the Secretary of Veterans Affairs shall jointly
22 submit to Congress a final report on the conduct of the
23 pilot program.

24 (3) Each report under this subsection shall include
25 the Secretaries' assessment, as of the date of such report,

1 of the efficacy of the performance of separation physical
2 examinations as provided for under the pilot program.

3 (h) DEFINITIONS.—In this section:

4 (1) The term “administering Secretaries” has
5 the meaning given the term in section 1072(3) of
6 title 10, United States Code.

7 (2) The term “Secretary concerned” has the
8 meaning given the term in section 101(5) of title 37,
9 United States Code.

10 **SEC. 718. MODIFICATION OF PROHIBITION ON REQUIRE-**
11 **MENT OF NONAVAILABILITY STATEMENT OR**
12 **PREAUTHORIZATION.**

13 (a) CLARIFICATION OF COVERED BENEFICIARIES.—
14 Subsection (a) of section 721 of the Floyd D. Spence Na-
15 tional Defense Authorization Act for Fiscal Year 2001 (as
16 enacted in Public Law 106–398; 114 Stat. 1654A–184)
17 is amended by striking “covered beneficiary under chapter
18 55 of title 10, United States Code, who is enrolled in
19 TRICARE Standard,” and inserting “covered beneficiary
20 under TRICARE Standard pursuant to chapter 55 of title
21 10, United States Code,”.

22 (b) REPEAL OF REQUIREMENT FOR NOTIFICATION
23 REGARDING HEALTH CARE RECEIVED FROM ANOTHER
24 SOURCE.—Subsection (b) of such section is repealed.

1 (c) WAIVER AUTHORITY.—Such section, as so
2 amended, is further amended by striking subsection (c)
3 and inserting the following:

4 “(b) WAIVER AUTHORITY.—The Secretary may
5 waive the prohibition in subsection (a) if—

6 “(1) the Secretary—

7 “(A) demonstrates that significant costs
8 would be avoided by performing specific proce-
9 dures at the affected military medical treatment
10 facility or facilities;

11 “(B) determines that a specific procedure
12 must be provided at the affected military med-
13 ical treatment facility or facilities to ensure the
14 proficiency levels of the practitioners at the fa-
15 cility or facilities; or

16 “(C) determines that the lack of nonavail-
17 ability statement data would significantly inter-
18 fere with TRICARE contract administration;

19 “(2) the Secretary provides notification of the
20 Secretary’s intent to grant a waiver under this sub-
21 section to covered beneficiaries who receive care at
22 the military medical treatment facility or facilities
23 that will be affected by the decision to grant a wai-
24 ver under this subsection;

1 “(3) the Secretary notifies the Committees on
2 Armed Services of the House of Representatives and
3 the Senate of the Secretary’s intent to grant a waiver
4 under this subsection, the reason for the waiver,
5 and the date that a nonavailability statement will be
6 required; and

7 “(4) 60 days have elapsed since the date of the
8 notification described in paragraph (3).”.

9 (d) DELAY OF EFFECTIVE DATE.—Subsection (d) of
10 such section is amended—

11 (1) by striking “take effect on October 1,
12 2001” and inserting “be effective beginning on the
13 date that is two years after the date of the enact-
14 ment of the National Defense Authorization Act for
15 Fiscal Year 2002”; and

16 (2) by redesignating the subsection as sub-
17 section (c).

18 (e) REPORT.—Not later than March 1, 2002, the
19 Secretary of Defense shall submit to the Committees on
20 Armed Services of the House of Representatives and the
21 Senate a report on the Secretary’s plans for implementing
22 section 721 of the Floyd D. Spence National Defense Au-
23 thorization Act for Fiscal Year 2001, as amended by this
24 section.

1 **SEC. 719. TRANSITIONAL HEALTH CARE TO MEMBERS SEP-**
2 **ARATED FROM ACTIVE DUTY.**

3 (a) PERMANENT AUTHORITY FOR INVOLUNTARILY
4 SEPARATED MEMBERS AND MOBILIZED RESERVES.—
5 Subsection (a) of section 1145 of title 10, United States
6 Code, is amended—

7 (1) in paragraph (1), by striking “paragraph
8 (2), a member” and all that follows through “of the
9 member),” and inserting “paragraph (3), a member
10 of the armed forces who is separated from active
11 duty as described in paragraph (2)”;

12 (2) by redesignating paragraph (2) as para-
13 graph (3);

14 (3) by inserting after paragraph (1) the fol-
15 lowing new paragraph (2):

16 “(2) This subsection applies to the following members
17 of the armed forces:

18 “(A) A member who is involuntarily separated
19 from active duty.

20 “(B) A member of a reserve component who is
21 separated from active duty to which called or or-
22 dered in support of a contingency operation if the
23 active duty is active duty for a period of more than
24 30 days.

25 “(C) A member who is separated from active
26 duty for which the member is involuntarily retained

1 under section 12305 of this title in support of a con-
2 tingency operation.

3 “(D) A member who is separated from active
4 duty served pursuant to a voluntary agreement of
5 the member to remain on active duty for a period of
6 less than one year in support of a contingency oper-
7 ation.”; and

8 (4) in paragraph (3), as redesignated by para-
9 graph (2), is amended by striking “involuntary”
10 each place it appears.

11 (b) CONFORMING AMENDMENTS.—Such section 1145
12 is further amended—

13 (1) in subsection (c)(1), by striking “during the
14 period beginning on October 1, 1990, and ending on
15 December 31, 2001”; and

16 (2) in subsection (e), by striking the first sen-
17 tence.

18 (c) REPEAL OF SUPERSEDED AUTHORITY.—(1) Sec-
19 tion 1074b of title 10, United States Code, is repealed.

20 (2) The table of sections at the beginning of chapter
21 55 of such title is amended by striking the item relating
22 to section 1074b.

23 (d) TRANSITION PROVISION.—Notwithstanding the
24 repeal of section 1074b of title 10, United States Code,
25 by subsection (c), the provisions of that section, as in ef-

1 fect before the date of the enactment of this Act, shall
2 continue to apply to a member of the Armed Forces who
3 is released from active duty in support of a contingency
4 operation before that date.

5 **TITLE VIII—ACQUISITION POL-**
6 **ICY, ACQUISITION MANAGE-**
7 **MENT, AND RELATED MAT-**
8 **TERS**

9 **Subtitle A—Procurement**
10 **Management and Administration**

11 **SEC. 801. MANAGEMENT OF PROCUREMENTS OF SERVICES.**

12 (a) RESPONSIBILITY OF UNDER SECRETARY OF DE-
13 FENSE FOR ACQUISITION, TECHNOLOGY, AND LOGIS-
14 TICS.—Section 133(b) of title 10, United States Code, is
15 amended—

16 (1) by striking “and” at the end of paragraph
17 (4);

18 (2) by redesignating paragraph (5) as para-
19 graph (6); and

20 (3) by inserting after paragraph (4) the fol-
21 lowing new paragraph (5):

22 “(5) managing the procurements of services for
23 the Department of Defense; and”.

1 (b) REQUIREMENT FOR MANAGEMENT STRUC-
2 TURE.—(1) Chapter 137 of such title is amended by in-
3 serting after section 2328 the following new section:

4 **“§ 2330. Procurements of services: management struc-**
5 **ture**

6 “(a) REQUIREMENT FOR MANAGEMENT STRUC-
7 TURE.—The Under Secretary of Defense for Acquisition,
8 Technology, and Logistics shall establish a structure for
9 the management of procurements of services for the De-
10 partment of Defense.

11 “(b) DELEGATION OF AUTHORITY.—(1) The man-
12 agement structure shall provide for a designated official
13 in each Defense Agency, military department, and com-
14 mand to exercise the responsibility for the management
15 of the procurements of services for the official’s Defense
16 Agency, military department, or command, respectively.

17 “(2) For the exercise of the responsibility under para-
18 graph (1), a designated official shall report, and be ac-
19 countable, to—

20 “(A) the Under Secretary of Defense for Acqui-
21 sition, Technology, and Logistics; and

22 “(B) such other officials as the Under Sec-
23 retary may prescribe for the management structure.

24 “(3) Paragraph (2) shall not affect the responsibility
25 of a designated official for a military department who is

1 not the Secretary of that military department to report,
2 and be accountable, to the Secretary of the military de-
3 partment.

4 “(c) CONTRACTING RESPONSIBILITIES OF DES-
5 IGNATED OFFICIALS.—The responsibilities of an official
6 designated under subsection (b) shall include, with respect
7 to the procurements of services for the Defense Agency,
8 military department, or command of that official, the fol-
9 lowing:

10 “(1) Ensuring that the services are procured by
11 means of contracts or task orders that are in the
12 best interests of the Department of Defense and are
13 entered into or issued and managed in compliance
14 with the applicable statutes, regulations, directives,
15 and other requirements, regardless of whether the
16 services are procured through a contract of the De-
17 partment of Defense or through a contract entered
18 into by an official of the United States outside the
19 Department of Defense.

20 “(2) Establishing within the Department of De-
21 fense appropriate contract vehicles for use in the
22 procurement of services so as to ensure that officials
23 of the Department of Defense are accountable for
24 the procurement of the services in accordance with
25 the requirements of paragraph (1).

1 “(3) Analyzing data collected under section
2 2330a of this title on contracts that are entered into
3 for the procurement of services.

4 “(4) Approving, in advance, any procurement of
5 services that is to be made through the use of—

6 “(A) a contract or task order that is not
7 a performance-based contract or task order; or

8 “(B) a contract entered into, or a task
9 order issued, by an official of the United States
10 outside the Department of Defense.

11 “(d) DEFINITION.—In this section, the term ‘per-
12 formance-based’, with respect to a contract or a task order
13 means that the contract or task- order, respectively, in-
14 cludes the use of performance work statements that set
15 forth contract requirements in clear, specific, and objective
16 terms with measurable outcomes.”.

17 (2) Not later than 180 days after the date of the en-
18 actment of this Act, the Under Secretary of Defense for
19 Acquisition, Technology, and Logistics shall issue guid-
20 ance for officials in the management structure established
21 under section 2330 of title 10, United States Code (as
22 added by paragraph (1)), regarding how to carry out their
23 responsibilities under that section. The guidance shall in-
24 clude, at a minimum, the following:

1 (A) Specific dollar thresholds, approval levels,
2 and criteria for advance approvals under subsection
3 (c)(4) of such section 2330.

4 (B) A prohibition on the procurement of serv-
5 ices through the use of a contract entered into, or
6 a task order issued, by an official of the United
7 States outside the Department of Defense that is
8 not a performance-based contract or task order, un-
9 less an appropriate official in the management struc-
10 ture established under such section 2330 determines
11 in writing that the use of that means for the pro-
12 curement is justified on the basis of exceptional cir-
13 cumstances as being in the best interests of the De-
14 partment of Defense.

15 (c) TRACKING OF PROCUREMENTS OF SERVICES.—
16 Chapter 137 of title 10, United States Code, as amended
17 by subsection (b), is further amended by inserting after
18 section 2330 the following new section:

19 **“§ 2330a. Procurements of services: tracking**

20 “(a) DATA COLLECTION REQUIRED.—The Secretary
21 of Defense shall establish a data collection system to pro-
22 vide management information with regard to each pur-
23 chase of services by a military department or Defense
24 Agency in excess of the simplified acquisition threshold,
25 regardless of whether such a purchase is made in the form

1 of a contract, task order, delivery order, military inter-
2 departmental purchase request, or any other form of inter-
3 agency agreement.

4 “(b) DATA TO BE COLLECTED.—The data required
5 to be collected under subsection (a) includes the following:

6 “(1) The services purchased.

7 “(2) The total dollar amount of the purchase.

8 “(3) The form of contracting action used to
9 make the purchase.

10 “(4) Whether the purchase was made
11 through—

12 “(A) a performance-based contract, per-
13 formance-based task order, or other perform-
14 ance-based arrangement that contains firm
15 fixed prices for the specific tasks to be per-
16 formed;

17 “(B) any other performance-based con-
18 tract, performance-based task order, or per-
19 formance-based arrangement; or

20 “(C) any contract, task order, or other ar-
21 rangement that is not performance based.

22 “(5) In the case of a purchase made through an
23 agency other than the Department of Defense—

24 “(A) the agency through which the pur-
25 chase is made; and

1 “(B) the reasons for making the purchase
2 through that agency.

3 “(6) The extent of competition provided in
4 making the purchase (including the number of
5 offerors).

6 “(7) whether the purchase was made from—

7 “(A) a small business concern;

8 “(B) a small business concern owned and
9 controlled by socially and economically dis-
10 advantaged individuals; or

11 “(C) a small business concern owned and
12 controlled by women.

13 “(c) COMPATIBILITY WITH DATA COLLECTION SYS-
14 TEM FOR INFORMATION TECHNOLOGY PURCHASES.—To
15 the maximum extent practicable, a single data collection
16 system shall be used to collect data under this section and
17 information under section 2225 of this title.

18 “(d) DEFINITIONS.—In this section:

19 “(1) The term ‘performance-based’, with re-
20 spect to a contract, task order, or arrangement,
21 means that the contract, task order, or arrangement,
22 respectively, includes the use of performance work
23 statements that set forth contract requirements in
24 clear, specific, and objective terms with measurable
25 outcomes.

1 “(2) The definitions set forth in section 2225(f)
2 of this title for the terms ‘simplified acquisition
3 threshold’, ‘small business concern’, ‘small business
4 concern owned and controlled by socially and eco-
5 nomically disadvantaged individuals’, and ‘small
6 business concern owned and controlled by women’
7 shall apply.”.

8 (d) REQUIREMENT FOR PROGRAM REVIEW STRUC-
9 TURE.—(1) Not later than 180 days after the date of the
10 enactment of this Act, the Secretary of Defense shall issue
11 and implement a policy that applies to the procurement
12 of services by the Department of Defense a program re-
13 view structure that is similar to the one developed for and
14 applied to the procurement of systems by the Department
15 of Defense.

16 (2) The program review structure for the procure-
17 ment of services shall, at a minimum, include the fol-
18 lowing:

19 (A) Standards for determining which procure-
20 ments should be subject to review by either the sen-
21 ior procurement executive of a military department
22 or the senior procurement executive of the Depart-
23 ment of Defense under such section, including cri-
24 teria based on dollar thresholds, program criticality,
25 or other appropriate measures.

1 (B) Appropriate milestones at which those re-
2 views should take place.

3 (C) A description of the specific matters that
4 should be reviewed.

5 (e) **COMPTROLLER GENERAL REVIEW.**—Not later
6 than 90 days after the date on which the Secretary issues
7 the policy required by subsection (d) and the Under Sec-
8 retary of Defense for Acquisition, Technology, and Logis-
9 tics issues the guidance required by subsection (b)(2), the
10 Comptroller General shall submit to the Committees on
11 Armed Services of the Senate and the House of Represent-
12 atives an assessment of the compliance with the require-
13 ments of this section and the amendments made by this
14 section.

15 (f) **DEFINITIONS.**—In this section:

16 (1) The term “senior procurement executive”
17 means the official designated as the senior procure-
18 ment executive under section 16(3) of the Office of
19 Federal Procurement Policy Act (41 U.S.C. 414(3)).

20 (2) The term “performance-based”, with re-
21 spect to a contract or a task order means that the
22 contract or task order, respectively, includes the use
23 of performance work statements that set forth con-
24 tract requirements in clear, specific, and objective
25 terms with measurable outcomes.

1 (g) CLERICAL AMENDMENTS.—(1) The heading for
 2 section 2331 of title 10, United States Code, is amended
 3 to read as follows:

4 **“§ 2331. Procurements of services: contracts for pro-**
 5 **fessional and technical services”.**

6 (2) The table of sections at the beginning of chapter
 7 137 of such title is amended by striking the item relating
 8 to section 2331 and inserting the following new items:

“2330. Procurements of services: management structure.

“2330a. Procurements of services: tracking.

“2331. Procurements of services: contracts for professional and technical serv-
 ices.”.

9 **SEC. 802. SAVINGS GOALS FOR PROCUREMENTS OF SERV-**
 10 **ICES.**

11 (a) GOALS.—(1) It shall be an objective of the De-
 12 partment of Defense to achieve savings in expenditures for
 13 procurements of services through the use of—

14 (A) performance-based services contracting;

15 (B) competition for task orders under services
 16 contracts; and

17 (C) program review, spending analyses, and im-
 18 proved management of services contracts.

19 (2) In furtherance of that objective, the Department
 20 of Defense shall have goals to use improved management
 21 practices to achieve, over 10 fiscal years, reductions in the
 22 total amount that would otherwise be expended by the De-
 23 partment for the procurement of services (other than mili-

1 tary construction) in a fiscal year by the amount equal
2 to 10 percent of the total amount of the expenditures of
3 the Department for fiscal year 2000 for procurement of
4 services (other than military construction), as follows:

5 (A) By fiscal year 2002, a three percent reduc-
6 tion.

7 (B) By fiscal year 2003, a four percent reduc-
8 tion.

9 (C) By fiscal year 2004, a five percent reduc-
10 tion.

11 (D) By fiscal year 2011, a ten percent reduc-
12 tion.

13 (b) ANNUAL REPORT.—Not later than March 1,
14 2002, and annually thereafter through March 1, 2006, the
15 Secretary of Defense shall submit to the congressional de-
16 fense committees a report on the progress made toward
17 meeting the objective and goals established in subsection
18 (a). Each report shall include, at a minimum, the following
19 information:

20 (1) A summary of the steps taken or planned
21 to be taken in the fiscal year of the report to im-
22 prove the management of procurements of services.

23 (2) A summary of the steps planned to be taken
24 in the following fiscal year to improve the manage-
25 ment of procurements of services.

1 (3) An estimate of the amount that will be ex-
2 pended by the Department of Defense for procure-
3 ments of services in the fiscal year of the report.

4 (4) An estimate of the amount that will be ex-
5 pended by the Department of Defense for procure-
6 ments of services in the following fiscal year.

7 (5) An estimate of the amount of savings that,
8 as a result of improvement of the management prac-
9 tices used by the Department of Defense, will be
10 achieved for the procurement of services by the De-
11 partment in the fiscal year of the report and in the
12 following fiscal year.

13 (c) REVIEW AND REPORT BY COMPTROLLER GEN-
14 ERAL.—The Comptroller General shall review each report
15 submitted by the Secretary pursuant to subsection (b),
16 and within 90 days after the date of the report, submit
17 to Congress a report containing the Comptroller General’s
18 assessment of the extent to which the Department of De-
19 fense has taken steps necessary to achieve the objective
20 and goals established by subsection (a). In each report the
21 Comptroller General shall, at a minimum, address—

22 (1) the accuracy and reliability of the estimates
23 included in the Secretary’s report; and

24 (2) the effectiveness of the improvements in
25 management practices that have been taken, and

1 those that are planned to be taken, in the Depart-
2 ment of Defense to achieve savings in procurements
3 of services by the Department.

4 **SEC. 803. COMPETITION REQUIREMENT FOR PURCHASES**
5 **PURSUANT TO MULTIPLE AWARD CON-**
6 **TRACTS.**

7 (a) REGULATIONS REQUIRED.—Not later than 180
8 days after the date of the enactment of this Act, the Sec-
9 retary of Defense shall promulgate in the Department of
10 Defense Supplement to the Federal Acquisition Regula-
11 tion regulations requiring competition in the purchase of
12 products and services by the Department of Defense pur-
13 suant to multiple award contracts.

14 (b) CONTENT OF REGULATIONS.—The regulations
15 required by subsection (a) shall provide, at a minimum,
16 that each individual procurement of products and services
17 in excess of \$50,000 that is made under a multiple award
18 contract shall be made on a competitive basis unless a con-
19 tracting officer of the Department of Defense—

20 (1) waives the requirement on the basis of a de-
21 termination that one of the circumstances described
22 in paragraphs (1) through (4) of section 2304(c) of
23 title 10, United States Code, applies to such indi-
24 vidual procurement; and

25 (2) justifies the determination in writing.

1 (c) REPORTING REQUIREMENT.—The Secretary shall
2 submit to the congressional defense committees each year
3 a report on the use of the waiver authority provided in
4 the regulations prescribed under subsection (b). The re-
5 port for a year shall include, at a minimum, for each mili-
6 tary department and each Defense Agency, the following:

7 (1) The number of the waivers granted.

8 (2) The dollar value of the procurements for
9 which the waivers were granted.

10 (3) The bases on which the waivers were grant-
11 ed.

12 (d) DEFINITIONS.—In this section:

13 (1) The term “individual procurement” means
14 a task order, delivery order, or other purchase.

15 (2) The term “multiple award contract”
16 means—

17 (A) a contract that is entered into by the
18 Administrator of General Services under the
19 multiple award schedule program referred to in
20 section 2302(2)(C) of title 10, United States
21 Code;

22 (B) a multiple award task order contract
23 or delivery order contract that is entered into
24 under the authority of sections 2304a through
25 2304d of title 10, United States Code, or sec-

1 tions 303H through 303K of the Federal Prop-
2 erty and Administrative Services Act of 1949
3 (41 U.S.C. 253h through 253k); and

4 (C) any other indeterminate delivery, inde-
5 terminate quantity contract that is entered into
6 by the head of a Federal agency with two or
7 more sources pursuant to the same solicitation.

8 (3) The term “competitive basis”, with respect
9 to an individual procurement of products or services
10 under a multiple award contract, means procedures
11 that—

12 (A) require fair notice to be provided to all
13 contractors offering such products or services
14 under the multiple award contract of the intent
15 to make that procurement; and

16 (B) afford all such contractors a fair op-
17 portunity to make an offer and have that offer
18 fully and fairly considered by the official mak-
19 ing the procurement.

20 (4) The term “Defense Agency” has the mean-
21 ing given that term in section 101(a)(11) of title 10,
22 United States Code.

23 (e) APPLICABILITY.—The regulations promulgated
24 by the Secretary pursuant to subsection (a) shall take ef-
25 fect not later than 180 days after the date of the enact-

1 ment of this Act and shall apply to all individual procure-
2 ments that are made under multiple award contracts on
3 or after the effective date, without regard to whether the
4 multiple award contracts were entered into before, on, or
5 after such effective date.

6 **SEC. 804. RISK REDUCTION AT INITIATION OF MAJOR DE-**
7 **FENSE ACQUISITION PROGRAM.**

8 (a) STANDARD FOR TECHNOLOGICAL MATURITY.—
9 (1) Chapter 144 of title 10, United States Code, is amend-
10 ed by inserting after section 2431 the following new sec-
11 tion:

12 **“§ 2431a. Risk reduction at program initiation**

13 “(a) REQUIREMENT FOR DEMONSTRATION OF CRIT-
14 ICAL TECHNOLOGIES.—Each critical technology that is to
15 be used in production under a major defense acquisition
16 program shall be successfully demonstrated in a relevant
17 environment, as determined in writing by the Under Sec-
18 retary of Defense for Acquisition, Technology, and Logis-
19 tics.

20 “(b) PROHIBITION.—Neither of the following actions
21 may be taken in a major defense acquisition program be-
22 fore the requirement of subsection (a) has been satisfied
23 for the program:

24 “(1) Milestone B approval.

1 “(2) Initiation of the program without a Mile-
2 stone B approval.

3 “(c) WAIVER.—The Under Secretary of Defense for
4 Acquisition, Technology, and Logistics may waive the pro-
5 hibition in subsection (b) with respect to a major defense
6 acquisition program if the Milestone Decision Authority
7 for the program certifies to the Under Secretary that ex-
8 ceptional circumstances justify proceeding with an action
9 described in that subsection for the program before com-
10 pliance with subsection (a).

11 “(d) ANNUAL REPORT ON WAIVERS.—(1) The Sec-
12 retary of Defense shall submit to the Committees on
13 Armed Services and on Appropriations of the Senate and
14 the House of Representatives each year the justification
15 for any waiver granted with respect to a major defense
16 acquisition program under subsection (c) during the fiscal
17 year covered by the report.

18 “(2) The report for a fiscal year shall be submitted
19 with the submission of the weapons development and pro-
20 curement schedules under section 2431 of this title and
21 shall cover the fiscal year preceding the fiscal year in
22 which submitted.

23 “(e) DEFINITIONS.—In this section:

1 “(1) The term ‘Milestone B approval’ means
2 approval to begin integrated system development
3 and demonstration.

4 “(2) The term ‘Milestone Decision Authority’
5 means the official of the Department of Defense who
6 is designated in accordance with criteria prescribed
7 by the Secretary of Defense to approve entry of a
8 major defense acquisition program into the next
9 phase of the acquisition process.”.

10 (2) The table of sections at the beginning of such
11 chapter is amended by inserting after the item relating
12 to section 2431 the following:

“2431a. Risk reduction at program initiation.”.

13 (b) EFFECTIVE DATE AND APPLICABILITY.—(1) Sec-
14 tion 2431a of title 10, United States Code (as added by
15 subsection (a)), shall take effect on the date of the enact-
16 ment of this Act and shall apply to—

17 (A) any major defense acquisition program that
18 is initiated on or after that date without a Milestone
19 B approval having been issued for the program; and

20 (B) any major defense acquisition program that
21 is initiated more than 6 months after that date with
22 a Milestone B approval having been issued for the
23 program before the initiation of the program.

24 (2) In paragraph (1):

1 ment made in the project by the participants other than
2 the Federal Government with the interest of the Federal
3 Government in having competition among sources in the
4 acquisition of the product or products prototyped under
5 the project.

6 “(2) A follow-on production contract provided for in
7 a transaction under paragraph (1) may be awarded to the
8 participants in the transaction without the use of competi-
9 tive procedures, notwithstanding the requirements of sec-
10 tion 2304 of title 10, United States Code, if—

11 “(A) competitive procedures were used for the
12 selection of parties for participation in the trans-
13 action;

14 “(B) the participants in the transaction suc-
15 cessfully completed the prototype project provided
16 for in the transaction;

17 “(C) the number of units provided for in the
18 follow-on production contract does not exceed the
19 number of units specified in the transaction for such
20 a follow-on production contract; and

21 “(D) the prices established in the follow-on pro-
22 duction contract do not exceed the target prices
23 specified in the transaction for such a follow-on pro-
24 duction contract.”.

1 **Subtitle B—Defense Acquisition**
2 **and Support Workforce**

3 **SEC. 811. REPORT ON IMPLEMENTATION OF RECOMMENDA-**
4 **TIONS OF THE ACQUISITION 2005 TASK**
5 **FORCE.**

6 (a) REQUIREMENT FOR REPORT.—Not later than
7 March 1, 2002, the Secretary of Defense shall submit to
8 the Committees on Armed Services of the Senate and the
9 House of Representatives a report on the extent of the
10 implementation of the recommendations set forth in the
11 final report of the Department of Defense Acquisition
12 2005 Task Force, entitled “Shaping the Civilian Acquisi-
13 tion Workforce of the Future”.

14 (b) CONTENT OF REPORT.—The report shall include
15 the following:

16 (1) For each recommendation in the final re-
17 port that is being implemented or that the Secretary
18 plans to implement—

19 (A) a summary of all actions that have
20 been taken to implement the recommendation;
21 and

22 (B) a schedule, with specific milestones,
23 for completing the implementation of the rec-
24 ommendation.

1 (2) For each recommendation in the final re-
2 port that the Secretary does not plan to
3 implement—

4 (A) the reasons for the decision not to im-
5 plement the recommendation; and

6 (B) a summary of any alternative actions
7 the Secretary plans to take to address the pur-
8 poses underlying the recommendation.

9 (3) A summary of any additional actions the
10 Secretary plans to take to address concerns raised in
11 the final report about the size and structure of the
12 acquisition workforce of the Department of Defense.

13 (c) COMPTROLLER GENERAL REVIEW.—Not later
14 than 60 days after the date on which the Secretary sub-
15 mits the report required by subsection (a), the Comptroller
16 General shall—

17 (1) review the report; and

18 (2) submit to the committees referred to in sub-
19 section (a) the Comptroller General’s assessment of
20 the extent to which the report—

21 (A) complies with the requirements of this
22 section; and

23 (B) addresses the concerns raised in the
24 final report about the size and structure of the

1 acquisition workforce of the Department of De-
2 fense.

3 **SEC. 812. MORATORIUM ON REDUCTION OF THE DEFENSE**
4 **ACQUISITION AND SUPPORT WORKFORCE.**

5 (a) PROHIBITION.—Notwithstanding any other provi-
6 sion of law, the defense acquisition and support workforce
7 may not be reduced, during fiscal years 2002, 2003, and
8 2004, below the level of that workforce as of September
9 30, 2001, determined on the basis of full-time equivalent
10 positions.

11 (b) WAIVER AUTHORITY.—The Secretary of Defense
12 may waive the prohibition in subsection (a) and reduce
13 the level of the defense acquisition and support workforce
14 upon submitting to Congress the Secretary’s certification
15 that the defense acquisition and support workforce, at the
16 level to which reduced, will be able efficiently and effec-
17 tively to perform the workloads that are required of that
18 workforce consistent with the cost-effective management
19 of the defense acquisition system to obtain best value
20 equipment and with ensuring military readiness.

21 (c) DEFENSE ACQUISITION AND SUPPORT WORK-
22 FORCE DEFINED.—In this section, the term “defense ac-
23 quisition and support workforce” means Armed Forces
24 and civilian personnel who are assigned to, or are em-

1 ployed in, an organization of the Department of Defense
2 that is—

3 (1) an acquisition organization specified in De-
4 partment of Defense Instruction 5000.58, dated
5 January 14, 1992; or

6 (2) an organization not so specified that has ac-
7 quisition as its predominant mission, as determined
8 by the Secretary of Defense.

9 **SEC. 813. REVISION OF ACQUISITION WORKFORCE QUALI-**
10 **FICATION REQUIREMENTS.**

11 (a) SPECIAL REQUIREMENTS FOR MEMBERS OF A
12 CONTINGENCY CONTRACTING FORCE.—(1) Subchapter II
13 of chapter 87 of title 10, United States Code, is amended
14 by inserting after section 1724 the following new section:

15 **“§ 1724a. Contingency contracting force: qualification**
16 **requirements**

17 “(a) CONTINGENCY CONTRACTING FORCE.—The
18 Secretary of Defense may identify as a contingency con-
19 tracting force the acquisition positions described in sub-
20 sections (a) and (b) of section 1724 of this title that in-
21 volve duties requiring the personnel in those positions to
22 deploy to perform contracting functions in support of a
23 contingency operation or other Department of Defense op-
24 eration.

1 “(b) QUALIFICATION REQUIREMENTS.—The Sec-
2 retary of Defense shall prescribe the qualification require-
3 ments for a person appointed to a position in any contin-
4 gency contracting force identified under subsection (a).
5 The requirements shall include requirements that the
6 person—

7 “(1) either—

8 “(A) have completed the credits of study
9 as described in section 1724(a)(3)(B) of this
10 title;

11 “(B) have passed an examination consid-
12 ered by the Secretary of Defense to dem-
13 onstrate that the person has skills, knowledge,
14 or abilities comparable to that of a person who
15 has completed the credits of study described in
16 such section; or

17 “(C) through a combination of having com-
18 pleted some of the credits of study described in
19 such section and having passed an examination,
20 have demonstrated that the person has skills,
21 knowledge, or abilities comparable to that of a
22 person who has completed all of the credits of
23 study described in such section; and

1 “(2) have satisfied such additional requirements
2 for education and experience as the Secretary may
3 prescribe.”.

4 (2) The table of sections at the beginning of such sub-
5 chapter is amended by inserting after the item relating
6 to section 1724 the following new item:

“1724a. Contingency contracting force: qualification requirements.”.

7 (b) EXCEPTIONS TO GENERALLY APPLICABLE QUAL-
8 IFICATION REQUIREMENTS.—Subsection (c) of such sec-
9 tion is amended to read as follows:

10 “(c) EXCEPTIONS.—(1) The requirements imposed
11 under subsection (a) or (b) of this section shall not apply
12 to a person for either of the following purposes:

13 “(A) In the case of an employee, to qualify to
14 serve in the position in which the employee was serv-
15 ing on October 1, 1993, or in any other position in
16 the same or lower grade and involving the same or
17 lower level of responsibilities as the position in which
18 the employee was serving on such date.

19 “(B) To qualify to serve in an acquisition posi-
20 tion in any contingency contracting force identified
21 under section 1724a of this title.

22 “(2) Subject to paragraph (3), the requirements im-
23 posed under subsection (a) or (b) shall not apply to a per-
24 son who, before October 1, 2000, served—

1 “(A) as a contracting officer in an executive
2 agency with authority to award or administer con-
3 tracts in excess of the simplified acquisition thresh-
4 old (referred to in section 2304(g) of this title); or

5 “(B) in a position in an executive agency either
6 as an employee in the GS-1102 occupational series
7 or as a member of the armed forces in a similar oc-
8 cupational specialty.

9 “(3) For the exception in subparagraph (A) or (B)
10 of paragraph (2) to apply to an employee with respect to
11 the requirements imposed under subsection (a) or (b), the
12 employee must—

13 “(A) before October 1, 2000—

14 “(i) have received a baccalaureate degree
15 as described in subparagraph (A) of subsection
16 (a)(3);

17 “(ii) have completed credits of study as de-
18 scribed in subparagraph (B) of subsection
19 (a)(3);

20 “(iii) have passed an examination consid-
21 ered by the Secretary of Defense to dem-
22 onstrate skills, knowledge, or abilities com-
23 parable to that of a person who has completed
24 credits of study as described in subparagraph
25 (B) of subsection (a)(3); or

1 “(iv) have been granted a waiver of the ap-
2 plicability of the requirements imposed under
3 subsection (a) or (b), as the case may be; or

4 “(B) on October 1, 1991, had at least 10 years
5 of experience in one or more acquisition positions in
6 the Department of Defense, comparable positions in
7 other government agencies or the private sector, or
8 similar positions in which an individual obtains expe-
9 rience directly relevant to the field of contracting.”.

10 (c) CLARIFICATION OF APPLICABILITY OF WAIVER
11 AUTHORITY TO MEMBERS OF THE ARMED FORCES.—
12 Subsection (d) of such section is amended by striking “em-
13 ployee or member of” in the first sentence and inserting
14 “employee of, or a member of an armed force in,”.

15 (d) OFFICE OF PERSONNEL MANAGEMENT AP-
16 PROVAL OF GENERALLY APPLICABLE DISCRETIONARY
17 REQUIREMENTS.—Section 1725 of title 10, United States
18 Code, is amended—

19 (1) in subsection (a), by striking “section 1723
20 or under section 1724(a)(4) of this title” in the first
21 sentence and inserting “section 1723, 1724(a)(4), or
22 1724a(b)(2)”; and

23 (2) in subsection (b), by striking “subsection
24 (a)(3) or (b) of section 1724 of this title” in the
25 first sentence and inserting “subsection (a)(3), (b),

1 or (c)(3)(A)(iii) of section 1724 of this title or under
 2 subparagraph (B) or (C) of section 1724a(b)(1) of
 3 this title”.

4 (e) TECHNICAL CORRECTIONS.—Sections
 5 1724(a)(3)(B) and 1732(c)(2) of such title are amended
 6 by striking “business finance” and inserting “business, fi-
 7 nance”.

8 **Subtitle C—Use of Preferred** 9 **Sources**

10 **SEC. 821. APPLICABILITY OF COMPETITION REQUIRE-** 11 **MENTS TO PURCHASES FROM A REQUIRED** 12 **SOURCE.**

13 (a) CONDITIONS FOR COMPETITION.—(1) Chapter
 14 141 of title 10, United States Code, is amended by adding
 15 at the end the following:

16 **“§ 2410n. Products of Federal Prison Industries: pro-** 17 **cedural requirements**

18 “(a) MARKET RESEARCH BEFORE PURCHASE.—Be-
 19 fore purchasing a product listed in the latest edition of
 20 the Federal Prison Industries catalog under section
 21 4124(d) of title 18, the Secretary of Defense shall conduct
 22 market research to determine whether the Federal Prison
 23 Industries product is comparable in price, quality, and
 24 time of delivery to products available from the private sec-
 25 tor.

1 made by that official regarding consolidation of contract
2 requirements of the department, agency, or activity as the
3 case may be, are made with a view to providing small busi-
4 ness concerns with appropriate opportunities to partici-
5 pate in Department of Defense procurements as prime
6 contractors and appropriate opportunities to participate in
7 such procurements as subcontractors.

8 “(b) LIMITATION ON USE OF ACQUISITION STRATE-
9 GIES INVOLVING CONSOLIDATION.—(1) An official of a
10 military department, Defense Agency, or Department of
11 Defense Field Activity may not execute an acquisition
12 strategy that includes a consolidation of contract require-
13 ments of the military department, agency, or activity with
14 a total value in excess of \$5,000,000, unless the senior
15 procurement executive concerned first—

16 “(A) conducts market research;

17 “(B) identifies any alternative contracting ap-
18 proaches that would involve a lesser degree of con-
19 solidation of contract requirements; and

20 “(C) determines that the consolidation is nec-
21 essary and justified.

22 “(2) A senior procurement executive may determine
23 that an acquisition strategy involving a consolidation of
24 contract requirements is necessary and justified for the
25 purposes of paragraph (1) if the benefits of the acquisition

1 strategy substantially exceed the benefits of each of the
2 possible alternative contracting approaches identified
3 under subparagraph (B) of that paragraph. However, sav-
4 ings in administrative or personnel costs alone do not con-
5 stitute, for such purposes, a sufficient justification for a
6 consolidation of contract requirements in a procurement
7 unless the total amount of the cost savings is expected
8 to be substantial in relation to the total cost of the pro-
9 curement.

10 “(3) Benefits considered for the purposes of para-
11 graphs (1) and (2) may include cost and, regardless of
12 whether quantifiable in dollar amounts—

13 “(A) quality;

14 “(B) acquisition cycle;

15 “(C) terms and conditions; and

16 “(D) any other benefit.

17 “(c) DEFINITIONS.—In this section:

18 “(1) The terms ‘consolidation of contract re-
19 quirements’ and ‘consolidation’, with respect to con-
20 tract requirements of a military department, De-
21 fense Agency, or Department of Defense Field Activ-
22 ity, mean a use of a solicitation to obtain offers for
23 a single contract or a multiple award contract to sat-
24 isfy two or more requirements of that department,
25 agency, or activity for goods or services that have

1 previously been provided to, or performed for, that
2 department, agency, or activity under two or more
3 separate contracts smaller in cost than the total cost
4 of the contract for which the offers are solicited.

5 “(2) The term “multiple award contract”
6 means—

7 “(A) a contract that is entered into by the
8 Administrator of General Services under the
9 multiple award schedule program referred to in
10 section 2302(2)(C) of this title;

11 “(B) a multiple award task order contract
12 or delivery order contract that is entered into
13 under the authority of sections 2304a through
14 2304d of this title or sections 303H through
15 303K of the Federal Property and Administra-
16 tive Services Act of 1949 (41 U.S.C. 253h
17 through 253k); and

18 “(C) any other indeterminate delivery, in-
19 determinate quantity contract that is entered
20 into by the head of a Federal agency with two
21 or more sources pursuant to the same sollicita-
22 tion.

23 “(3) The term ‘senior procurement executive
24 concerned’ means—

1 “(A) with respect to a military department,
2 the official designated under section 16(3) of
3 the Office of Federal Procurement Policy Act
4 (41 U.S.C. 414(3)) as the senior procurement
5 executive for the military department; or

6 “(B) with respect to a Defense Agency or
7 a Department of Defense Field Activity, the of-
8 ficial so designated for the Department of De-
9 fense.

10 “(4) The term ‘small business concern’ means
11 a business concern that is determined by the Admin-
12 istrator of the Small Business Administration to be
13 a small-business concern by application of the stand-
14 ards prescribed under section 3(a) of the Small
15 Business Act (15 U.S.C. 632(a)).”.

16 (2) The table of sections at the beginning of such
17 chapter is amended by inserting after the item relating
18 to section 2381 the following new item:

 “2382. Consolidation of contract requirements: policy and restrictions.”.

19 (b) DATA REVIEW.—(1) The Secretary of Defense
20 shall revise the data collection systems of the Department
21 of Defense to ensure that such systems are capable of
22 identifying each procurement that involves a consolidation
23 of contract requirements within the department with a
24 total value in excess of \$5,000,000.

1 (2) The Secretary shall ensure that appropriate offi-
2 cials of the Department of Defense periodically review the
3 information collected pursuant to paragraph (1) in co-
4 operation with the Small Business Administration—

5 (A) to determine the extent of the consolidation
6 of contract requirements in the Department of De-
7 fense; and

8 (B) to assess the impact of the consolidation of
9 contract requirements on the availability of opportu-
10 nities for small business concerns to participate in
11 Department of Defense procurements, both as prime
12 contractors and as subcontractors.

13 (3) In this subsection:

14 (A) The term “bundling of contract require-
15 ments” has the meaning given that term in section
16 3(o)(2) of the Small Business Act (15 U.S.C.
17 632(o)(2)).

18 (B) The term “consolidation of contract re-
19 quirements” has the meaning given that term in sec-
20 tion 2382(c)(1) of title 10, United States Code, as
21 added by subsection (a).

22 (c) EVALUATION OF BUNDLING EFFECTS.—Section
23 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2))
24 is amended—

1 (1) in subparagraph (C), by inserting “, and
2 whether contract bundling played a role in the fail-
3 ure,” after “agency goals”; and

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

5 “(G) The number and dollar value of consolida-
6 tions of contract requirements with a total value in
7 excess of \$5,000,000, including the number of such
8 consolidations that were awarded to small business
9 concerns as prime contractors.”.

10 (d) REPORTING REQUIREMENT.—Section 15(p) of
11 the Small Business Act (15 U.S.C. 644(p)) is amended
12 to read as follows:

13 “(p) REPORTING REQUIREMENT.—

14 “(1) IN GENERAL.—The Administrator shall
15 conduct a study examining the best means to deter-
16 mine the accuracy of the market research required
17 under subsection (e)(2) for each bundled contract, to
18 determine if the anticipated benefits were realized,
19 or if they were not realized, the reasons there for.

20 “(2) PROVISION OF INFORMATION.—A Federal
21 agency shall provide to the appropriate procurement
22 center representative a copy of market research re-
23 quired under subsection (e)(2) for consolidations of
24 contract requirements with a total value in excess of
25 \$5,000,000, upon request.

1 “(3) REPORT.—Not later than 270 days after
2 the date of enactment of the National Defense Au-
3 thorization Act for Fiscal Year 2002, the Adminis-
4 trator shall submit a report to the Committee on
5 Small Business and Entrepreneurship of the Senate
6 and the Committee on Small Business of the House
7 of Representatives on the results of the study con-
8 ducted under this subsection.”.

9 **SEC. 823. CODIFICATION AND CONTINUATION OF MENTOR-**
10 **PROTEGE PROGRAM AS PERMANENT PRO-**
11 **GRAM.**

12 (a) IN GENERAL.—(1) Chapter 141 of title 10,
13 United States Code, is amended by inserting after section
14 2402 the following new section:

15 **“§ 2403. Mentor-Protege Program**

16 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary
17 of Defense shall carry out a program known as the ‘Men-
18 tor-Protege Program’.

19 “(b) PURPOSE.—The purpose of the program is to
20 provide incentives for major Department of Defense con-
21 tractors to furnish eligible small business concerns (as de-
22 fined in subsection (1)(2)) with assistance designed to en-
23 hance the capabilities of eligible small business concerns
24 to perform as subcontractors and suppliers under Depart-
25 ment of Defense contracts and other contracts and sub-

1 contracts in order to increase the participation of such
2 business concerns as subcontractors and suppliers under
3 Department of Defense contracts, other Federal Govern-
4 ment contracts, and commercial contracts.

5 “(c) PROGRAM PARTICIPANTS.—(1) A business con-
6 cern meeting the eligibility requirements set out in sub-
7 section (d) may enter into agreements under subsection
8 (e) and furnish assistance to eligible small business con-
9 cerns upon making application to the Secretary of Defense
10 and being approved for participation in the program by
11 the Secretary. A business concern participating in the pro-
12 gram pursuant to such an approval shall be known, for
13 the purposes of the program, as a ‘mentor firm’.

14 “(2) An eligible small business concern may obtain
15 assistance from a mentor firm upon entering into an
16 agreement with the mentor firm as provided in subsection
17 (e). An eligible small business concern may not be a party
18 to more than one agreement to receive such assistance at
19 any time. An eligible small business concern receiving such
20 assistance shall be known, for the purposes of the pro-
21 gram, as a ‘protege firm’.

22 “(3) In entering into an agreement pursuant to sub-
23 section (e), a mentor firm may rely in good faith on a
24 written representation of a business concern that such
25 business concern is a small business concern described in

1 subsection (l)(2)(A). The Administrator of the Small Busi-
2 ness Administration shall determine the status of such
3 business concern as such a small business concern in the
4 event of a protest regarding the status of the business con-
5 cern. If at any time the business concern is determined
6 by the Administrator not to be such a small business con-
7 cern, assistance furnished to the business concern by the
8 mentor firm after the date of the determination may not
9 be considered assistance furnished under the program.

10 “(d) MENTOR FIRM ELIGIBILITY.—Subject to sub-
11 section (c)(1), a mentor firm eligible for award of Federal
12 contracts may enter into an agreement with one or more
13 protege firms under subsection (e) and provide assistance
14 under the program pursuant to that agreement if—

15 “(1) during the fiscal year preceding the fiscal
16 year in which the mentor firm enters into the agree-
17 ment, the total amount of the Department of De-
18 fense contracts awarded such mentor firm and the
19 subcontracts awarded such mentor firm under De-
20 partment of Defense contracts was equal to or great-
21 er than \$100,000,000; or

22 “(2) the mentor firm demonstrates the capa-
23 bility to assist in the development of protege firms,
24 and is approved by the Secretary of Defense pursu-

1 ant to criteria specified in the regulations prescribed
2 pursuant to subsection (k).

3 “(e) MENTOR-PROTEGE AGREEMENT.—Before pro-
4 viding assistance to a protege firm under the program, a
5 mentor firm shall enter into a mentor-protege agreement
6 with the protege firm regarding the assistance to be pro-
7 vided by the mentor firm. The agreement shall include the
8 following:

9 “(1) A developmental program for the protege
10 firm, in such detail as may be reasonable,
11 including—

12 “(A) factors to assess the protege firm’s
13 developmental progress under the program; and

14 “(B) the anticipated number and type of
15 subcontracts to be awarded the protege firm.

16 “(2) A program participation term for any pe-
17 riod of not more than three years, except that the
18 term may be a period of up to five years if the Sec-
19 retary of Defense determines in writing that unusual
20 circumstances justify a program participation term
21 in excess of three years.

22 “(3) Procedures for the protege firm to termi-
23 nate the agreement voluntarily and for the mentor
24 firm to terminate the agreement for cause.

1 “(f) FORMS OF ASSISTANCE.—A mentor firm may
2 provide a protege firm the following:

3 “(1) Assistance, by using mentor firm per-
4 sonnel, in—

5 “(A) general business management, includ-
6 ing organizational management, financial man-
7 agement, and personnel management, mar-
8 keting, business development, and overall busi-
9 ness planning;

10 “(B) engineering and technical matters
11 such as production, inventory control, and qual-
12 ity assurance; and

13 “(C) any other assistance designed to de-
14 velop the capabilities of the protege firm under
15 the developmental program referred to in sub-
16 section (e).

17 “(2) Award of subcontracts on a noncompetitive
18 basis to the protege firm under the Department of
19 Defense or other contracts.

20 “(3) Payment of progress payments for per-
21 formance of the protege firm under such a sub-
22 contract in amounts as provided for in the sub-
23 contract, but in no event may any such progress
24 payment exceed 100 percent of the costs incurred by
25 the protege firm for the performance.

1 “(4) Advance payments under such sub-
2 contracts.

3 “(5) Loans.

4 “(6) Cash in exchange for an ownership interest
5 in the protege firm, not to exceed 10 percent of the
6 total ownership interest.

7 “(7) Assistance obtained by the mentor firm for
8 the protege firm from one or more of the following:

9 “(A) Small business development centers
10 established pursuant to section 21 of the Small
11 Business Act (15 U.S.C. 648).

12 “(B) Entities providing procurement tech-
13 nical assistance pursuant to chapter 142 of this
14 title.

15 “(C) A historically Black college or univer-
16 sity or a minority institution of higher edu-
17 cation.

18 “(g) INCENTIVES FOR MENTOR FIRMS.—(1) The
19 Secretary of Defense may provide to a mentor firm reim-
20 bursement for the total amount of any progress payment
21 or advance payment made under the program by the men-
22 tor firm to a protege firm in connection with a Depart-
23 ment of Defense contract awarded the mentor firm.

24 “(2)(A) The Secretary of Defense may provide to a
25 mentor firm reimbursement for the costs of the assistance

1 furnished to a protege firm pursuant to paragraphs (1)
2 and (7) of subsection (f) as provided for in a line item
3 in a Department of Defense contract under which the
4 mentor firm is furnishing products or services to the De-
5 partment, subject to a maximum amount of reimburse-
6 ment specified in such contract. The preceding sentence
7 does not apply in a case in which the Secretary of Defense
8 determines in writing that unusual circumstances justify
9 reimbursement using a separate contract.

10 “(B) The determinations made in annual perform-
11 ance reviews of a mentor firm’s mentor-protege agreement
12 under subsection (j)(2) shall be a major factor in the de-
13 terminations of amounts of reimbursement, if any, that
14 the mentor firm is eligible to receive in the remaining
15 years of the program participation term under the agree-
16 ment.

17 “(C) The total amount reimbursed under this para-
18 graph to a mentor firm for costs of assistance furnished
19 in a fiscal year to a protege firm may not exceed
20 \$1,000,000, except in a case in which the Secretary of De-
21 fense determines in writing that unusual circumstances
22 justify a reimbursement of a higher amount.

23 “(3)(A) Costs incurred by a mentor firm in providing
24 assistance to a protege firm that are not reimbursed pur-
25 suant to paragraph (2) shall be recognized as credit in

1 lieu of subcontract awards for purposes of determining
2 whether the mentor firm attains a subcontracting partici-
3 pation goal applicable to such mentor firm under a De-
4 partment of Defense contract, under a contract with an-
5 other executive agency, or under a divisional or company-
6 wide subcontracting plan negotiated with the Department
7 of Defense or another executive agency.

8 “(B) The amount of the credit given a mentor firm
9 for any such unreimbursed costs shall be equal to—

10 “(i) four times the total amount of such costs
11 attributable to assistance provided by entities de-
12 scribed in subsection (f)(7);

13 “(ii) three times the total amount of such costs
14 attributable to assistance furnished by the mentor
15 firm’s employees; and

16 “(iii) two times the total amount of any other
17 such costs.

18 “(C) Under regulations prescribed pursuant to sub-
19 section (k), the Secretary of Defense shall adjust the
20 amount of credit given a mentor firm pursuant to sub-
21 paragraphs (A) and (B) if the Secretary determines that
22 the firm’s performance regarding the award of sub-
23 contracts to eligible small business concerns has declined
24 without justifiable cause.

1 “(4) A mentor firm shall receive credit toward the
2 attainment of a subcontracting participation goal applica-
3 ble to such mentor firm for each subcontract for a product
4 or service awarded under such contract by a mentor firm
5 to a business concern that, except for its size, would be
6 a small business concern owned and controlled by socially
7 and economically disadvantaged individuals, but only if—

8 “(A) the size of such business concern is not
9 more than two times the maximum size specified by
10 the Administrator of the Small Business Administra-
11 tion for purposes of determining whether a business
12 concern furnishing such product or service is a small
13 business concern; and

14 “(B) the business concern formerly had a men-
15 tor-protege agreement with such mentor firm that
16 was not terminated for cause.

17 “(h) RELATIONSHIP TO SMALL BUSINESS ACT.—(1)
18 For purposes of the Small Business Act, no determination
19 of affiliation or control (either direct or indirect) may be
20 found between a protege firm and its mentor firm on the
21 basis that the mentor firm has agreed to furnish (or has
22 furnished) to its protege firm pursuant to a mentor-pro-
23 tege agreement any form of developmental assistance de-
24 scribed in subsection (f).

1 “(2) Notwithstanding section 8 of the Small Business
2 Act (15 U.S.C. 637), the Small Business Administration
3 may not determine an eligible small business concern to
4 be ineligible to receive any assistance authorized under the
5 Small Business Act on the basis that such business con-
6 cern has participated in the Mentor-Protege Program or
7 has received assistance pursuant to any developmental as-
8 sistance agreement authorized under such program.

9 “(3) The Small Business Administration may not re-
10 quire a firm that is entering into, or has entered into, an
11 agreement under subsection (e) as a protege firm to sub-
12 mit the agreement, or any other document required by the
13 Secretary of Defense in the administration of the Mentor-
14 Protege Program, to the Small Business Administration
15 for review, approval, or any other purpose.

16 “(i) PARTICIPATION IN MENTOR-PROTEGE PROGRAM
17 NOT TO BE A CONDITION FOR AWARD OF A CONTRACT
18 OR SUBCONTRACT.—A mentor firm may not require a
19 business concern to enter into an agreement with the men-
20 tor firm pursuant to subsection (e) as a condition for
21 being awarded a contract by the mentor firm, including
22 a subcontract under a contract awarded to the mentor
23 firm.

24 “(j) REPORTS AND REVIEWS.—(1) The mentor firm
25 and protege firm under a mentor-protege agreement shall

1 submit to the Secretary of Defense an annual report on
2 the progress made by the protege firm in employment, rev-
3 enues, and participation in Department of Defense con-
4 tracts during the fiscal year covered by the report. The
5 requirement for submission of an annual report applies
6 with respect to each fiscal year covered by the program
7 participation term under the agreement and each of the
8 two fiscal years following the expiration of the program
9 participation term. The Secretary shall prescribe the tim-
10 ing and form of the annual report.

11 “(2)(A) The Secretary shall conduct an annual per-
12 formance review of each mentor-protege agreement that
13 provides for reimbursement of costs. The Secretary shall
14 determine on the basis of the review whether—

15 “(i) all costs reimbursed to the mentor firm
16 under the agreement were reasonably incurred to
17 furnish assistance to the protege firm in accordance
18 with the requirements of this section and applicable
19 regulations; and

20 “(ii) the mentor firm and protege firm accu-
21 rately reported progress made by the protege firm in
22 employment, revenues, and participation in Depart-
23 ment of Defense contracts during the program par-
24 ticipation term covered by the mentor-protege agree-

1 ment and the two fiscal years following the expira-
2 tion of the program participation term.

3 “(B) The Secretary shall act through the Commander
4 of the Defense Contract Management Command in car-
5 rying out the reviews and making the determinations
6 under subparagraph (A).

7 “(k) REGULATIONS AND POLICIES.—(1) The Sec-
8 retary of Defense shall prescribe regulations to carry out
9 the Mentor-Protege Program. The regulations shall in-
10 clude the following:

11 “(A) The requirements set forth in section 8(d)
12 of the Small Business Act (15 U.S.C. 673(d)).

13 “(B) Procedures by which mentor firms may
14 terminate participation in the program.

15 “(2) The Department of Defense policy regarding the
16 Mentor-Protege Program shall be published and main-
17 tained as an appendix to the Department of Defense Sup-
18 plement to the Federal Acquisition Regulation.

19 “(l) DEFINITIONS.—In this section:

20 “(1) The term ‘small business concern’ means
21 a business concern that meets the requirements of
22 section 3(a) of the Small Business Act (15 U.S.C.
23 632(a)) and the regulations promulgated pursuant
24 thereto.

1 “(2) The term ‘eligible small business concern’
2 is a small business concern that—

3 “(A) is either—

4 “(i) a disadvantaged small business con-
5 cern; or

6 “(ii) a small business concern owned and
7 controlled by women; and

8 “(B) is eligible for the award of Federal con-
9 tracts.

10 “(3) The term ‘disadvantaged small business
11 concern’ means—

12 “(A) a small business concern owned and
13 controlled by socially and economically dis-
14 advantaged individuals, as defined in section
15 8(d)(3)(C) of the Small Business Act (15
16 U.S.C. 637(d)(3)(C));

17 “(B) a business entity owned and con-
18 trolled by an Indian tribe as defined by section
19 8(a)(13) of the Small Business Act (15 U.S.C.
20 637(a)(13));

21 “(C) a business entity owned and con-
22 trolled by a Native Hawaiian Organization as
23 defined by section 8(a)(15) of the Small Busi-
24 ness Act (15 U.S.C. 637(a)(15)); or

1 “(D) a qualified organization employing
2 the severely disabled.

3 “(4) The term ‘small business concern owned
4 and controlled by women’ has the meaning given
5 such term in section 8(d)(3)(D) of the Small Busi-
6 ness Act (15 U.S.C. 637(d)(3)(D)).

7 “(5) The term ‘historically Black college and
8 university’ means any of the historically Black col-
9 leges and universities referred to in section 2323 of
10 this title.

11 “(6) The term ‘minority institution of higher
12 education’ means an institution of higher education
13 with a student body that reflects the composition
14 specified in paragraphs (3), (4), and (5) of section
15 312(b) of the Higher Education Act of 1965 (20
16 U.S.C. 1058(b)), as in effect on September 30,
17 1992.

18 “(7) The term ‘subcontracting participation
19 goal’, with respect to a Department of Defense con-
20 tract, means a goal for the extent of the partici-
21 pation by eligible small business concerns in the sub-
22 contracts awarded under such contract, as estab-
23 lished pursuant to section 2323 of this title and sec-
24 tion 8(d) of the Small Business Act (15 U.S.C.
25 637(d)).

1 “(8) The term ‘qualified organization employing
2 the severely disabled’ means a business entity oper-
3 ated on a for-profit or nonprofit basis that—

4 “(A) uses rehabilitative engineering to pro-
5 vide employment opportunities for severely dis-
6 abled individuals and integrates severely dis-
7 abled individuals into its workforce;

8 “(B) employs severely disabled individuals
9 at a rate that averages not less than 20 percent
10 of its total workforce;

11 “(C) employs each severely disabled indi-
12 vidual in its workforce generally on the basis of
13 40 hours per week; and

14 “(D) pays not less than the minimum wage
15 prescribed pursuant to section 6 of the Fair
16 Labor Standards Act of 1938 (29 U.S.C. 206)
17 to those employees who are severely disabled in-
18 dividuals.

19 “(9) The term ‘severely disabled individual’
20 means an individual who has a physical or mental
21 disability which constitutes a substantial handicap to
22 employment and which, in accordance with criteria
23 prescribed by the Committee for Purchase From
24 People Who Are Blind or Severely Disabled estab-
25 lished by the first section of the Javits-Wagner-

1 O'Day Act (41 U.S.C. 46), is of such a nature that
2 the individual is otherwise prevented from engaging
3 in normal competitive employment.”.

4 (2) The table of sections at the beginning of such
5 chapter is amended by inserting after the item relating
6 to section 2402 the following new item:

“2403. Mentor-Protege Program.”.

7 (b) REPEAL OF SUPERSEDED LAW.—Section 831 of
8 the National Defense Authorization Act for Fiscal Year
9 1991 (10 U.S.C. 2302 note) is repealed.

10 (c) CONTINUATION OF TEMPORARY REPORTING RE-
11 QUIREMENT.—(1) Not later than six months after the end
12 of each of fiscal years 2001 through 2004, the Secretary
13 of Defense shall submit to Congress an annual report on
14 the Mentor-Protege Program for that fiscal year.

15 (2) The annual report for a fiscal year shall include,
16 at a minimum, the following:

17 (A) The number of mentor-protege agreements
18 that were entered into during the fiscal year.

19 (B) The number of mentor-protege agreements
20 that were in effect during the fiscal year.

21 (C) The total amount reimbursed during the
22 fiscal year to mentor firms pursuant to section
23 2403(g) of title 10, United States Code (as added by
24 subsection (a)), or section 831(g) of the National
25 Defense Authorization Act for fiscal year 1991 (as

1 in effect on the day before the date of the enactment
2 of this Act).

3 (D) Each mentor-protege agreement, if any,
4 that was approved during the fiscal year in accord-
5 ance with section 2403(e)(2) of title 10, United
6 States Code (as added by subsection (a)), or section
7 831(e)(2) of the National Defense Authorization Act
8 for Fiscal Year 1991 (as in effect on the day before
9 the date of the enactment of this Act) to provide a
10 program participation term in excess of three years,
11 together with the justification for the approval.

12 (E) Each reimbursement of a mentor firm in
13 excess of the limitation in subsection (g)(2)(C) of
14 section 2403 of title 10, United States Code (as
15 added by subsection (a)), or subsection (g)(2)(C) of
16 section 831 of the National Defense Authorization
17 Act for Fiscal Year 1991 (as in effect on the day be-
18 fore the date of the enactment of this Act) that was
19 made during the fiscal year pursuant to an approval
20 granted in accordance with that subsection, together
21 with the justification for the approval.

22 (F) Trends in the progress made in employ-
23 ment, revenues, and participation in Department of
24 Defense contracts by the protege firms participating
25 in the program during the fiscal year and the pro-

1 tege firms that completed or otherwise terminated
2 participation in the program during the preceding
3 two fiscal years.

4 (d) CONTINUATION OF REQUIREMENT FOR GAO
5 STUDY AND REPORT.—Nothing in this section shall be
6 construed as modifying the requirements of section
7 811(d)(3) of the National Defense Authorization Act for
8 Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

9 (e) SAVINGS PROVISIONS.—(1) All orders, determina-
10 tions, rules, regulations, contracts, privileges, and other
11 administrative actions that—

12 (A) have been issued, made, granted, or allowed
13 to become effective under the pilot Mentor-Protégé
14 Program under section 831 of the National Defense
15 Authorization Act for Fiscal Year 1991, as in effect
16 on the day before the date of the enactment of this
17 Act, including any such action taken by a court of
18 competent jurisdiction, and

19 (B) are in effect at the end of such day, or were
20 final before the date of the enactment of this Act
21 and are to become effective on or after that date,
22 shall continue in effect according to their terms until
23 modified, terminated, superseded, set aside, or revoked in
24 accordance with law by the Secretary of Defense or a court
25 of competent jurisdiction or by operation of law.

1 (2) This section and the amendments made by this
2 section shall not affect any proceedings, including notices
3 of proposed rulemaking, that are pending before the De-
4 partment of Defense as of the date of the enactment of
5 this Act, with respect to the administration of the pilot
6 Mentor-Protege Program under section 831 of the Na-
7 tional Defense Authorization Act for Fiscal Year 1991,
8 as in effect on the day before that date, but such pro-
9 ceedings and applications shall be continued. Orders shall
10 be issued in such proceedings, appeals shall be taken
11 therefrom, and payments shall be made pursuant to such
12 orders, as if this section had not been enacted, and orders
13 issued in any such proceedings shall continue in effect
14 until modified, terminated, superseded, or revoked by a
15 duly authorized official, by a court of competent jurisdic-
16 tion, or by operation of law. Nothing in this section shall
17 be deemed to prohibit the discontinuance or modification
18 of any such proceeding under the same terms and condi-
19 tions and to the same extent that such proceeding could
20 have been discontinued or modified if this section had not
21 been enacted.

22 (3) The amendment made by subsection (a)(1), and
23 the repeal of section 831 of the National Defense Author-
24 ization Act for Fiscal Year 1991 by subsection (b), shall
25 not be construed as modifying or otherwise affecting the

1 requirement in section 811(f)(2) of the National Defense
2 Authorization Act for Fiscal Year 2000 (Public Law 106–
3 65; 113 Stat. 709).

4 **SEC. 824. HUBZONE SMALL BUSINESS CONCERNS.**

5 Section 3(p) of the Small Business Act (15 U.S.C.
6 632(p)) is amended—

7 (1) by redesignating paragraphs (4) through
8 (7) as paragraphs (5) through (8), respectively; and

9 (2) by inserting after paragraph (3) the fol-
10 lowing:

11 “(4) **RULE OF CONSTRUCTION RELATING TO**
12 **CITIZENSHIP.**—

13 “(A) **IN GENERAL.**—A small business con-
14 cern described in subparagraph (B) meets the
15 United States citizenship requirement of para-
16 graph (3)(A) if, at the time of application by
17 the concern to become a qualified HUBZone
18 small business concern for purposes of any con-
19 tract and at such times as the Administrator
20 shall require, no non-citizen has filed a disclo-
21 sure under section 13(d)(1) of the Securities
22 Exchange Act of 1934 (15 U.S.C. 78m(d)(1))
23 as the beneficial owner of more than 10 percent
24 of the outstanding shares of that small business
25 concern.

1 “(B) CONCERNS DESCRIBED.—A small
2 business concern is described in this subpara-
3 graph if the small business concern—

4 “(i) has a class of securities registered
5 under section 12 of the Securities Ex-
6 change Act of 1934 (15 U.S.C. 78l); and

7 “(ii) files reports with the Securities
8 and Exchange Commission as a small busi-
9 ness issuer.”.

10 “(C) NON-CITIZENS.—In this paragraph,
11 the term ‘non-citizen’ means

12 “(i) an individual that is not a United
13 States citizen; and

14 “(ii) any other person that is not or-
15 ganized under the laws of any State or the
16 United States.”.

1 **Subtitle D—Amendments to Gen-**
2 **eral Contracting Authorities,**
3 **Procedures, and Related Mat-**
4 **ters**

5 **SEC. 831. AMENDMENTS TO CONFORM WITH ADMINISTRA-**
6 **TIVE CHANGES IN ACQUISITION PHASE AND**
7 **MILESTONE TERMINOLOGY AND TO MAKE**
8 **RELATED ADJUSTMENTS IN CERTAIN RE-**
9 **QUIREMENTS APPLICABLE AT MILESTONE**
10 **TRANSITION POINTS.**

11 (a) **ACQUISITION PHASE TERMINOLOGY.**—The fol-
12 lowing provisions of title 10, United States Code, are
13 amended by striking “engineering and manufacturing de-
14 velopment” each place it appears and inserting “system
15 development and demonstration”: sections 2366(e) and
16 2434(a), and subsections (b)(3)(A)(i), (c)(3)(A), and
17 (h)(1) of section 2432.

18 (b) **MILESTONE TRANSITION POINTS.**—(1) Section
19 811(e) of the Floyd D. Spence National Defense Author-
20 ization Act for Fiscal Year 2001 (as enacted into law by
21 Public Law 106–398; 114 Stat. 1654A–211), is amended
22 by striking “Milestone I approval, Milestone II approval,
23 or Milestone III approval (or the equivalent) of a major
24 automated information system” and inserting “approval
25 of a major automated information system at Milestone B

1 or C or for full rate production, or an equivalent ap-
2 proval,”.

3 (2) Department of Defense Directive 5000.1, as re-
4 vised in accordance with subsection (b) of section 811 of
5 such Act, shall be further revised as necessary to comply
6 with subsection (c) of such section, as amended by para-
7 graph (1), within 60 days after the date of the enactment
8 of this Act.

9 (c) ADJUSTMENTS TO REQUIREMENT FOR DETER-
10 MINATION OF QUANTITY FOR LOW-RATE INITIAL PRO-
11 Duction.—Section 2400(a) of title 10, United States
12 Code, is amended—

13 (1) by striking “milestone II” each place it ap-
14 pears in paragraphs (1)(A), (2), (4) and (5) and in-
15 serting “milestone B”; and

16 (2) in paragraph (2), by striking “engineering
17 and manufacturing development” and inserting “sys-
18 tem development and demonstration”.

19 (d) ADJUSTMENTS TO REQUIREMENTS FOR BASE-
20 LINE DESCRIPTION AND THE RELATED LIMITATION.—
21 Section 2435 of title 10, United States Code, is
22 amended—

23 (1) in subsection (b), by striking “engineering
24 and manufacturing development” and inserting “sys-
25 tem development and demonstration”; and

1 (2) in subsection (c)—

2 (A) in paragraph (1), by striking “dem-
3 onstration and validation” and inserting “sys-
4 tem development and demonstration”;

5 (B) in paragraph (2), by striking “engi-
6 neering and manufacturing development” and
7 inserting “production and deployment”; and

8 (C) in paragraph (3), by striking “produc-
9 tion and deployment” and inserting “full rate
10 production”.

11 **SEC. 832. INAPPLICABILITY OF LIMITATION TO SMALL PUR-**
12 **CHASES OF MINIATURE OR INSTRUMENT**
13 **BALL OR ROLLER BEARINGS UNDER CER-**
14 **TAIN CIRCUMSTANCES.**

15 Section 2534(g)(2) of title 10, United States Code,
16 is amended—

17 (1) by striking “contracts” and inserting “a
18 contract”;

19 (2) by striking the period at the end and insert-
20 ing “unless the head of the contracting activity de-
21 termines that—”; and

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

23 “(A) the amount of the purchase does not ex-
24 ceed \$25,000;

1 “(B) the precision level of the ball or roller
2 bearings to be procured under the contract is rated
3 lower than the rating known as Annual Bearing En-
4 gineering Committee (ABEC) 5 or Roller Bearing
5 Engineering Committee (RBEC) 5, or an equivalent
6 of such rating;

7 “(C) at least two manufacturers in the national
8 technology and industrial base that are capable of
9 producing the ball or roller bearings have not re-
10 sponded to a request for quotation issued by the
11 contracting activity for that contract; and

12 “(D) no bearing to be procured under the con-
13 tract has a basic outside diameter (exclusive of
14 flange diameters) in excess of 30 millimeters.”.

15 **SEC. 833. INSENSITIVE MUNITIONS PROGRAM.**

16 (a) REQUIREMENT FOR PROGRAM.—Chapter 141 of
17 title 10, United States Code, is amended by inserting after
18 section 2404 the following new section 2405:

19 **“§ 2405. Inensitive munitions program**

20 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
21 of Defense shall carry out a program to ensure, to the
22 extent practicable, that munitions under development or
23 in procurement are safe throughout development and field-
24 ing when subjected to unplanned stimuli.

1 “(b) CONTENT OF PROGRAM.—The program shall in-
2 clude safety criteria, safety procedures, and requirements
3 to conform to those criteria and procedures.

4 “(c) REPORTING REQUIREMENT.—At the same time
5 that the budget for a fiscal year is submitted to Congress
6 under section 1105(a) of title 31, the Secretary shall sub-
7 mit to Congress a report on the insensitive munitions pro-
8 gram. The report shall include the following matters:

9 “(1) The waivers of requirements referred to in
10 subsection (b) that have been granted under the pro-
11 gram during the fiscal year preceding fiscal year in
12 which the report is submitted, together with a dis-
13 cussion of the justifications for the waivers.

14 “(2) Identification of the funding proposed for
15 the program in that budget, together with an expla-
16 nation of the proposed funding.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of such chapter is amended by inserting
19 after the item relating to section 2404 the following new
20 item:

“2405. Insensitive munitions program.”.

1 **TITLE IX—DEPARTMENT OF DE-**
2 **FENSE ORGANIZATION AND**
3 **MANAGEMENT**

4 **Subtitle A—Organization and**
5 **Management**

6 **SEC. 901. DEPUTY UNDER SECRETARY OF DEFENSE FOR**
7 **PERSONNEL AND READINESS.**

8 (a) ESTABLISHMENT OF POSITION.—(1) Chapter 4
9 of title 10, United States Code, is amended by inserting
10 after section 136 the following new section:

11 **“§ 136a. Deputy Under Secretary of Defense for Per-**
12 **sonnel and Readiness**

13 “(a) There is a Deputy Under Secretary of Defense
14 for Personnel and Readiness, appointed from civilian life
15 by the President, by and with the advice and consent of
16 the Senate.

17 “(b) The Deputy Under Secretary of Defense for Per-
18 sonnel and Readiness shall assist the Under Secretary of
19 Defense for Personnel and Readiness in the performance
20 of the duties of that position. The Deputy Under Sec-
21 retary of Defense for Personnel and Readiness shall act
22 for, and exercise the powers of, the Under Secretary when
23 the Under Secretary is absent or disabled.”.

1 (2) The table of sections at the beginning of such
2 chapter is amended by inserting after the item relating
3 to section 136 the following new item:

“136a. Deputy Under Secretary of Defense for Personnel and Readiness.”.

4 (b) EXECUTIVE LEVEL IV.—Section 5315 of title 5,
5 United States Code, is amended by inserting after “Dep-
6 uty Under Secretary of Defense for Policy.” the following:

7 “Deputy Under Secretary of Defense for Per-
8 sonnel and Readiness.”.

9 (c) REDUCTION IN NUMBER OF ASSISTANT SECRE-
10 TARIES OF DEFENSE.—(1) Section 138(a) of title 10,
11 United States Code, is amended by striking “nine” and
12 inserting “eight”.

13 (2) Section 5315 of title 5, United States Code, is
14 amended by striking “Assistant Secretaries of Defense
15 (9).” and inserting the following:

16 “Assistant Secretaries of Defense (8).”.

17 **SEC. 902. RESPONSIBILITY OF UNDER SECRETARY OF THE**
18 **AIR FORCE FOR ACQUISITION OF SPACE**
19 **LAUNCH VEHICLES AND SERVICES.**

20 Section 8015(b) of title 10, United States Code, is
21 amended—

22 (1) by inserting “(1)” after “(b)”; and

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

1 “(2) The Under Secretary shall be responsible for
2 planning and contracting for, and for managing, the ac-
3 quisition of space launch vehicles and space launch serv-
4 ices for the Department of Defense and the National Re-
5 connaissance Office.”.

6 **SEC. 903. SENSE OF CONGRESS REGARDING THE SELEC-**
7 **TION OF OFFICERS FOR ASSIGNMENT AS THE**
8 **COMMANDER IN CHIEF, UNITED STATES**
9 **TRANSPORTATION COMMAND.**

10 (a) FINDINGS.—Congress makes the following find-
11 ings:

12 (1) The Goldwater-Nichols Department of De-
13 fense Reorganization Act of 1986 envisioned that an
14 officer would be assigned to serve as the commander
15 of a combatant command on the basis of being the
16 best qualified officer for the assignment rather than
17 the best qualified officer of the armed force that has
18 historically supplied an officer to serve in that as-
19 signment.

20 (2) In order to provide for greater competition
21 among the Armed Forces for selection of officers for
22 assignment as the commanders of the combatant
23 commands and assignment to certain other joint po-
24 sitions in the grade of general or admiral, Congress
25 provided temporary relief from the limitation on the

1 number of officers serving on active duty in the
2 grade of general or admiral in section 405 of the
3 National Defense Authorization Act for Fiscal Year
4 1995 and thereafter extended that relief until Sep-
5 tember 30, 2003, but has also required that the Sec-
6 retary of Defense be furnished the name of at least
7 one officer from each of the Armed Forces for con-
8 sideration for appointment to each such position.

9 (3) Most of the positions of commanders of the
10 combatant commands have been filled successively
11 by officers of more than one of the Armed Forces
12 since the enactment of the Goldwater-Nichols De-
13 partment of Defense Reorganization Act of 1986.

14 (4) However, general officers of the Air Force
15 with only limited experience in the transportation
16 services have usually filled the position of Com-
17 mander in Chief of the United States Transpor-
18 tation Command.

19 (5) The United States Transportation Com-
20 mand and its component commands could benefit
21 from the appointment of an officer selected from the
22 two armed forces that are the primary users of their
23 transportation resources, namely the Army and the
24 Marine Corps.

1 (b) SENSE OF CONGRESS.— In light of the findings
2 set forth in subsection (a), it is the sense of Congress that
3 the Secretary of Defense should, when considering officers
4 for recommendation to the President for appointment as
5 the Commander in Chief, United States Transportation
6 Command, give careful consideration to recommending an
7 officer of the Army or the Marine Corps.

8 **SEC. 904. ORGANIZATIONAL REALIGNMENT FOR NAVY DI-**
9 **RECTOR FOR EXPEDITIONARY WARFARE.**

10 Section 5038(a) of title 10, United States Code, is
11 amended by striking “Office of the Deputy Chief of Naval
12 Operations for Resources, Warfare Requirements, and As-
13 sessments” and inserting “Office of the Deputy Chief of
14 Naval Operations for Warfare Requirements and Pro-
15 grams”.

16 **SEC. 905. REVISED REQUIREMENTS FOR CONTENT OF AN-**
17 **NUAL REPORT ON JOINT WARFIGHTING EX-**
18 **PERIMENTATION.**

19 Section 485(b) of title 10, United States Code, is
20 amended—

21 (1) by inserting before the period at the end of
22 paragraph (1) the following: “, together with a spe-
23 cific assessment of whether there is a need for a
24 major force program for funding joint warfighting
25 experimentation and for funding the development

1 and acquisition of any technology the value of which
2 has been empirically demonstrated through such ex-
3 perimentation”; and

4 (2) in paragraph (4)(E)—

5 (A) by inserting “(by lease or by pur-
6 chase)” after “acquire”; and

7 (B) by inserting “(including any proto-
8 type)” after “or equipment”.

9 **SEC. 906. SUSPENSION OF REORGANIZATION OF ENGINEER-**
10 **ING AND TECHNICAL AUTHORITY POLICY**
11 **WITHIN THE NAVAL SEA SYSTEMS COMMAND.**

12 (a) **SUSPENSION.**—During the period specified in
13 subsection (b), the Secretary of the Navy may not com-
14 mence or continue any change in engineering or technical
15 authority policy for the Naval Sea Systems Command or
16 its subsidiary activities.

17 (b) **DURATION.**—Subsection (a) applies during the
18 period beginning on the date of enactment of this Act and
19 ending 60 days after the date on which the Secretary sub-
20 mits to the congressional defense committees a report that
21 sets forth in detail the Navy’s plans and justification for
22 the reorganization of engineering and technical authority
23 policy within the Naval Sea Systems Command.

1 **SEC. 907. CONFORMING AMENDMENTS RELATING TO**
 2 **CHANGE OF NAME OF AIR MOBILITY COM-**
 3 **MAND.**

4 (a) TITLE 10, UNITED STATES CODE.—Title 10,
 5 United States Code, is amended—

6 (1) by striking “Military Airlift Command” in
 7 sections 2554(d) and 2555(a) and inserting “Air
 8 Mobility Command”; and

9 (2) in section 8074, by striking subsection (c).

10 (b) TITLE 37, UNITED STATES CODE.—Sections
 11 430(e) and 432(b) of title 37, United States Code, are
 12 amended by striking “Military Airlift Command” and in-
 13 serting “Air Mobility Command”.

14 **Subtitle B—Organization and**
 15 **Management of Space Activities**

16 **SEC 911. ESTABLISHMENT OF POSITION OF UNDER SEC-**
 17 **RETARY OF DEFENSE FOR SPACE, INTEL-**
 18 **LIGENCE, AND INFORMATION.**

19 (a) AUTHORITY OF SECRETARY OF DEFENSE TO ES-
 20 TABLISH POSITION.—Upon the direction of the President,
 21 the Secretary of Defense may, subject to subsection (b),
 22 establish in the Office of the Secretary of Defense the po-
 23 sition of Under Secretary of Defense for Space, Intel-
 24 ligence, and Information. If the position is so established,
 25 the Under Secretary of Defense for Space, Intelligence,
 26 and Information shall perform duties and exercise powers

1 as set forth under section 137 of title 10, United States
2 Code, as amended by subsection (d).

3 (b) DEADLINE FOR EXERCISE OF AUTHORITY.—The
4 Secretary may not exercise the authority in subsection (a)
5 after December 31, 2003.

6 (c) NOTICE OF EXERCISE OF AUTHORITY.—If the
7 authority in subsection (a) is exercised, the Secretary shall
8 immediately notify Congress of the establishment of the
9 position of Under Secretary of Defense for Space, Intel-
10 ligence, and Information, together with the date on which
11 the position is established.

12 (d) NATURE OF POSITION.—

13 (1) IN GENERAL.—Effective as of the date pro-
14 vided for in paragraph (7), chapter 4 of title 10,
15 United States Code, is amended—

16 (A) by redesignating section 137 as section
17 139a and by transferring such section (as so re-
18 designated) within such chapter so as to appear
19 after section 139; and

20 (B) by inserting after section 136 the fol-
21 lowing new section 137:

22 **“§ 137. Under Secretary of Defense for Space, Intel-**
23 **ligence, and Information**

24 “(a) There is an Under Secretary of Defense for
25 Space, Intelligence, and Information, appointed from civil-

1 ian life by the President, by and with the advice and con-
2 sent of the Senate.

3 “(b) Subject to the authority, direction, and control
4 of the Secretary of Defense, the Under Secretary of De-
5 fense for Space, Intelligence, and Information shall per-
6 form such duties and exercise such powers relating to the
7 space, intelligence, and information programs and activi-
8 ties of the Department of Defense as the Secretary of De-
9 fense may prescribe. The duties and powers prescribed for
10 the Under Secretary shall include the following:

11 “(1) In coordination with the Under Secretary
12 of Defense for Policy, the establishment of policy on
13 space.

14 “(2) In coordination with the Under Secretary
15 of Defense for Acquisition, Technology, and Logis-
16 tics, the acquisition of space systems.

17 “(3) The deployment and use of space assets.

18 “(4) The oversight of research, development,
19 acquisition, launch, and operation of space, intel-
20 ligence, and information assets.

21 “(5) The coordination of military intelligence
22 activities within the Department.

23 “(6) The coordination of intelligence activities
24 of the Department and the intelligence community

1 in order to meet the long-term intelligence require-
2 ments of the United States.

3 “(7) The coordination of space activities of the
4 Department with commercial and civilian space ac-
5 tivities.

6 “(c) The Secretary of Defense shall designate the
7 Under Secretary of Defense for Space, Intelligence, and
8 Information as the Chief Information Officer of the De-
9 partment of Defense under section 3506(a)(2)(B) of title
10 44.

11 “(d) The Under Secretary of Defense for Space, In-
12 telligence, and Information takes precedence in the De-
13 partment of Defense after the Under Secretary of Defense
14 for Personnel and Readiness.”.

15 (2) ADDITIONAL ASSISTANT SECRETARY OF DE-
16 FENSE.—Section 138(a) of that title is amended by
17 striking “nine Assistant Secretaries of Defense” and
18 inserting “ten Assistant Secretaries of Defense”.

19 (3) DUTIES OF ASSISTANT SECRETARIES OF
20 DEFENSE FOR SPACE, INTELLIGENCE, AND INFOR-
21 MATION.—Section 138(b) of that title is amended by
22 adding at the end the following new paragraph:

23 “(7) Two of the Assistant Secretaries shall have as
24 their principal duties supervision of activities relating to
25 space, intelligence, and information. The Assistant Secre-

1 taries shall each report to the Under Secretary of Defense
2 for Space, Intelligence, and Information in the perform-
3 ance of such duties.”.

4 (4) CONFORMING AMENDMENTS.—Section
5 131(b) of that title is amended—

6 (A) by redesignating paragraphs (6)
7 through (11) as paragraphs (7) through (12),
8 respectively; and

9 (B) by inserting after paragraph (5) the
10 following new paragraph (6):

11 “(6) The Under Secretary of Defense for
12 Space, Intelligence, and Information.”.

13 (5) PAY LEVELS.—(A) Section 5314 of title 5,
14 United States Code, is amended by inserting after
15 “Under Secretary of Defense for Personnel and
16 Readiness” the following:

17 “Under Secretary of Defense for Space, Intel-
18 ligence, and Information.”.

19 (B) Section 5315 of title 5, United States Code,
20 is amended in the item relating to Assistant Secre-
21 taries of Defense by striking “(9)” and inserting
22 “(10)”.

23 (6) CLERICAL AMENDMENTS.—The table of sec-
24 tions at the beginning of chapter 4 of title 10,
25 United States Code, is amended—

1 (A) by striking the item relating to section
2 137 and inserting the following new item:

“137. Under Secretary of Defense for Space, Intelligence, and Information.”;
and

3 (B) by inserting after the item relating to
4 section 139 the following new item:

“139a. Director of Defense Research and Engineering.”.

5 (7) EFFECTIVE DATE.—The amendments made
6 by this subsection shall take effect as of the date
7 specified in the notification provided by the Sec-
8 retary of Defense to Congress under subsection (c)
9 of the exercise of the authority in subsection (a).

10 (e) REPORT.—(1) Not later than 30 days before an
11 exercise of the authority provided in subsection (a), the
12 President shall submit to Congress a report on the pro-
13 posed organization of the office of the Under Secretary
14 of Defense for Space, Intelligence, and Information.

15 (2) If the Secretary of Defense has not exercised the
16 authority granted in subsection (a) on the date that is one
17 year after the date of the enactment of this Act, the Sec-
18 retary shall submit to the Committees on Armed Services
19 of the Senate and the House of Representatives on that
20 date a report describing the actions taken by the Secretary
21 to address the problems in the management and organiza-
22 tion of the Department of Defense for space activities that
23 are identified by the Commission To Assess United States

1 National Security Space Management and Organization in
2 the report of the Commission submitted under section
3 1623 of the National Defense Authorization Act for Fiscal
4 Year 2000 (Public Law 106–65; 113 Stat. 815).

5 **SEC. 912. RESPONSIBILITY FOR SPACE PROGRAMS.**

6 (a) IN GENERAL.—Part IV of subtitle A of title 10,
7 United States Code, is amended by inserting after chapter
8 134 the following new chapter:

9 **“CHAPTER 135—SPACE PROGRAMS**

“Sec.

“2271. Responsibility for space programs.

10 **“§ 2271. Responsibility for space programs**

11 “(a) RESPONSIBILITY OF SECRETARY OF AIR FORCE
12 AS EXECUTIVE AGENT.—The Secretary of the Air Force
13 shall be the executive agent of the Department of Defense
14 for functions of the Department designated by the Sec-
15 retary of Defense with respect to the following:

16 “(1) Planning for the acquisition programs,
17 projects, and activities of the Department that relate
18 to space.

19 “(2) Efficient execution of the programs,
20 projects, and activities.

21 “(b) RESPONSIBILITY OF UNDER SECRETARY OF AIR
22 FORCE AS ACQUISITION EXECUTIVE.—The Under Sec-
23 retary of the Air Force shall be the acquisition executive

1 of the Department of the Air Force for the programs,
2 projects, and activities referred to in subsection (a).

3 “(c) RESPONSIBILITY OF UNDER SECRETARY OF AIR
4 FORCE AS DIRECTOR OF NRO.—The Under Secretary of
5 the Air Force shall act as the Director of the National
6 Reconnaissance Office.

7 “(d) COORDINATION OF DUTIES OF UNDER SEC-
8 RETARY OF AIR FORCE.—In carrying out duties under
9 subsections (b) and (c), the Under Secretary of the Air
10 Force shall coordinate the space programs, projects, and
11 activities of the Department of Defense and the programs,
12 projects, and activities of the National Reconnaissance Of-
13 fice.

14 “(e) SPACE CAREER FIELD.—(1) The Under Sec-
15 retary of the Air Force shall establish and implement poli-
16 cies and procedures to develop a cadre of technically com-
17 petent officers with the capability to develop space doc-
18 trine, concepts of space operations, and space systems for
19 the Department of the Air Force.

20 “(2) The Secretary of the Air Force shall assign to
21 the commander of Air Force Space Command primary re-
22 sponsibility for—

23 “(A) establishing and implementing education
24 and training programs for space programs, projects,

1 and activities of the Department of the Air Force;
2 and

3 “(B) management of the space career field
4 under paragraph (1).

5 “(f) JOINT PROGRAM MANAGEMENT.—The Under
6 Secretary of the Air Force shall take appropriate actions
7 to ensure that, to maximum extent practicable, Army,
8 Navy, Marine Corps, and Air Force personnel are as-
9 signed, on a joint duty assignment basis, as follows:

10 “(1) To carry out the space development and
11 acquisition programs of the Department of Defense;
12 and

13 “(2) To the Office of the National Security
14 Space Architect.”.

15 (b) CLERICAL AMENDMENT.—The tables of chapters
16 at the beginning of such subtitle and at the beginning of
17 part IV of such subtitle are amended by inserting after
18 the item relating to chapter 134 the following new item:

“135. Space Programs 2271”.

19 **SEC. 913. MAJOR FORCE PROGRAM CATEGORY FOR SPACE**
20 **PROGRAMS.**

21 (a) REQUIREMENT.—The Secretary of Defense shall
22 create a major force program category for space programs
23 for purposes of the future-years defense program under
24 section 221 of title 10, United States Code.

1 (b) COMMENCEMENT.—The category created under
2 subsection (a) shall be included in each future-years de-
3 fense program submitted to Congress under section 221
4 of title 10, United States Code, in fiscal years after fiscal
5 year 2002.

6 **SEC. 914. ASSESSMENT OF IMPLEMENTATION OF REC-**
7 **COMMENDATIONS OF COMMISSION TO ASSESS**
8 **UNITED STATES NATIONAL SECURITY SPACE**
9 **MANAGEMENT AND ORGANIZATION.**

10 (a) COMPTROLLER GENERAL ASSESSMENT.—The
11 Comptroller General shall carry out an assessment of the
12 progress made by the Department of Defense in imple-
13 menting the recommendations of the Commission To As-
14 sess United States National Security Space Management
15 and Organization as contained in the report of the Com-
16 mission submitted under section 1623 of the National De-
17 fense Authorization Act for Fiscal Year 2000 (Public Law
18 106–65; 113 Stat. 815).

19 (b) REPORTS.—Not later than February 15 of each
20 of 2002 and 2003, the Comptroller General shall submit
21 to the Committees on Armed Services of the Senate and
22 House of Representatives a report on the assessment car-
23 ried out under subsection (a). Each report shall set forth
24 the results of the assessment as of the date of such report.

1 **SEC. 915. GRADE OF COMMANDER OF AIR FORCE SPACE**
 2 **COMMAND.**

3 (a) IN GENERAL.—Chapter 845 of title 10, United
 4 States Code, is amended by adding at the end the fol-
 5 lowing new section:

6 **“§ 8584. Commander of Air Force Space Command**

7 “(a) GRADE.—The officer serving as commander of
 8 the Air Force Space Command shall, while so serving,
 9 have the grade of general.

10 “(b) LIMITATION ON CONCURRENT COMMAND AS-
 11 SIGNMENTS.—The officer serving as commander of the
 12 Air Force Space Command may not, while so serving,
 13 serve as commander-in-chief of the United States Space
 14 Command (or any successor combatant command with re-
 15 sponsibility for space) or as commander of the United
 16 States element of the North American Air Defense Com-
 17 mand.”.

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

“8584. Commander of Air Force Space Command.”.

21 **SEC. 916. SENSE OF CONGRESS REGARDING GRADE OF OF-**
 22 **FICER ASSIGNED AS COMMANDER OF UNITED**
 23 **STATES SPACE COMMAND.**

24 It is the sense of Congress that the Secretary of De-
 25 fense should assign the best qualified officer of the Army,

1 Marine Corps, or Air Force with the grade of general, or
2 of the Navy with the grade of admiral, to the position of
3 Commander of the United States Space Command.

4 **TITLE X—GENERAL PROVISIONS**
5 **Subtitle A—Financial Matters**

6 **SEC. 1001. TRANSFER AUTHORITY.**

7 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

8 (1) Upon determination by the Secretary of Defense that
9 such action is necessary in the national interest, the Sec-
10 retary may transfer amounts of authorizations made avail-
11 able to the Department of Defense in this division for fis-
12 cal year 2002 between any such authorizations for that
13 fiscal year (or any subdivisions thereof). Amounts of au-
14 thorizations so transferred shall be merged with and be
15 available for the same purposes as the authorization to
16 which transferred.

17 (2) The total amount of authorizations that the Sec-
18 retary may transfer under the authority of this section
19 may not exceed \$2,000,000,000.

20 (b) **LIMITATIONS.—**The authority provided by this
21 section to transfer authorizations—

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

1 (2) may not be used to provide authority for an
2 item that has been denied authorization by Con-
3 gress.

4 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
5 transfer made from one account to another under the au-
6 thority of this section shall be deemed to increase the
7 amount authorized for the account to which the amount
8 is transferred by an amount equal to the amount trans-
9 ferred.

10 (d) NOTICE TO CONGRESS.—The Secretary shall
11 promptly notify Congress of each transfer made under
12 subsection (a).

13 **SEC. 1002. REDUCTION IN AUTHORIZATIONS OF APPRO-**
14 **PRIATIONS FOR DEPARTMENT OF DEFENSE**
15 **FOR MANAGEMENT EFFICIENCIES.**

16 Notwithstanding any other provision of this Act, the
17 total amount authorized to be appropriated for the De-
18 partment of Defense by divisions A and B of this Act is
19 hereby reduced by \$1,630,000,000, to reflect savings to
20 be achieved through implementation of the provisions of
21 title VIII and other management efficiencies and business
22 process reforms.

1 **SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
2 **PRIATIONS FOR FISCAL YEAR 2001.**

3 Amounts authorized to be appropriated to the De-
4 partment of Defense for fiscal year 2001 in the Floyd D.
5 Spence National Defense Authorization Act for Fiscal
6 Year 2001 (as enacted into law by Public Law 106–398)
7 are hereby adjusted, with respect to any such authorized
8 amount, by the amount by which appropriations pursuant
9 to such authorization were increased (by a supplemental
10 appropriation) or decreased (by a rescission), or both, in
11 title I of the Supplemental Appropriations Act, 2001
12 (Public Law 107–20).

13 **SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COM-**
14 **MON-FUNDED BUDGETS IN FISCAL YEAR 2002.**

15 (a) **FISCAL YEAR 2002 LIMITATION.**—The total
16 amount contributed by the Secretary of Defense in fiscal
17 year 2002 for the common-funded budgets of NATO may
18 be any amount up to, but not in excess of, the amount
19 specified in subsection (b) (rather than the maximum
20 amount that would otherwise be applicable to those con-
21 tributions under the fiscal year 1998 baseline limitation).

22 (b) **TOTAL AMOUNT.**—The amount of the limitation
23 applicable under subsection (a) is the sum of the following:

24 (1) The amounts of unexpended balances, as of
25 the end of fiscal year 2001, of funds appropriated

1 for fiscal years before fiscal year 2002 for payments
2 for those budgets.

3 (2) The amount specified in subsection (c)(1).

4 (3) The amount specified in subsection (c)(2).

5 (4) The total amount of the contributions au-
6 thORIZED to be made under section 2501.

7 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
8 be appropriated by titles II and III of this Act are avail-
9 able for contributions for the common-funded budgets of
10 NATO as follows:

11 (1) Of the amount provided in section 201(1),
12 \$708,000 for the Civil Budget.

13 (2) Of the amount provided in section 301(1),
14 \$175,849,000 for the Military Budget.

15 (d) DEFINITIONS.—For purposes of this section:

16 (1) COMMON-FUNDED BUDGETS OF NATO.—
17 The term “common-funded budgets of NATO”
18 means the Military Budget, the Security Investment
19 Program, and the Civil Budget of the North Atlantic
20 Treaty Organization (and any successor or addi-
21 tional account or program of NATO).

22 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—
23 The term “fiscal year 1998 baseline limitation”
24 means the maximum annual amount of Department
25 of Defense contributions for common-funded budgets

1 of NATO that is set forth as the annual limitation
2 in section 3(2)(C)(ii) of the resolution of the Senate
3 giving the advice and consent of the Senate to the
4 ratification of the Protocols to the North Atlantic
5 Treaty of 1949 on the Accession of Poland, Hun-
6 gary, and the Czech Republic (as defined in section
7 4(7) of that resolution), approved by the Senate on
8 April 30, 1998.

9 **SEC. 1005. CLARIFICATION OF APPLICABILITY OF INTER-**
10 **EST PENALTIES FOR LATE PAYMENT OF IN-**
11 **TERIM PAYMENTS DUE UNDER CONTRACTS**
12 **FOR SERVICES.**

13 Section 1010(d) of the Floyd D. Spence National De-
14 fense Authorization Act for Fiscal Year 2001 (as enacted
15 into law by Public Law 106–398; 114 Stat. 1654A–251)
16 is amended by inserting before the period at the end of
17 the first sentence the following: “, and shall apply with
18 respect to interim payments that are due on or after such
19 date under contracts entered into before, on, or after that
20 date”.

21 **SEC. 1006. RELIABILITY OF DEPARTMENT OF DEFENSE FI-**
22 **NANCIAL STATEMENTS.**

23 (a) ANNUAL REPORT ON RELIABILITY.—(1) Not
24 later than July 1 of each year, the Secretary of Defense
25 shall submit to the recipients referred to in paragraph (3)

1 a report on the reliability of the Department of Defense
2 financial statements, including the financial statements of
3 each component of the department that is required to pre-
4 pare a financial statement under section 3515(c) of title
5 31, United States Code.

6 (2) The annual report shall contain the following:

7 (A) A conclusion regarding whether the policies
8 and procedures of the Department of Defense, and
9 the systems used within the Department of Defense,
10 for the preparation of financial statements allow the
11 achievement of reliability in the financial statements.

12 (B) For each of the financial statements pre-
13 pared for the Department of Defense for the fiscal
14 year in which the report is submitted, a conclusion
15 regarding the expected reliability of the financial
16 statement (evaluated on the basis of Office of Man-
17 agement and Budget guidance on financial state-
18 ments), together with a discussion of the major defi-
19 ciencies to be expected in the statement.

20 (C) A summary of the specific sections of the
21 annual Financial Management Improvement Plan of
22 the Department of Defense, current as of the date
23 of the report, that—

1 (i) detail the priorities, milestones, and
2 measures of success that apply to the prepara-
3 tion of the financial statements;

4 (ii) detail the planned improvements in the
5 process for the preparation of financial state-
6 ments that are to be implemented within 12
7 months after the date on which the plan is
8 issued; and

9 (iii) provide an estimate of when each fi-
10 nancial statement will convey reliable informa-
11 tion.

12 (3) The annual report shall be submitted to the fol-
13 lowing:

14 (A) The Committee on Armed Services and the
15 Committee on Governmental Affairs of the Senate.

16 (B) The Committee on Armed Services and the
17 Committee on Government Reform of the House of
18 Representatives.

19 (C) The Director of the Office of Management
20 and Budget.

21 (D) The Secretary of the Treasury.

22 (E) The Comptroller General of the United
23 States.

1 (4) The Secretary of Defense shall make a copy of
2 the annual report available to the Inspector General of the
3 Department of Defense.

4 (b) MINIMIZATION OF USE OF RESOURCES FOR UN-
5 RELIABLE FINANCIAL STATEMENTS.—(1) With respect to
6 each financial statement for a fiscal year that the Sec-
7 retary of Defense assesses as being expected to be unreli-
8 able in the annual report under subsection (a), the Under
9 Secretary of Defense (Comptroller) or the Assistant Sec-
10 retary (Financial Management and Comptroller) of the
11 military department concerned shall take appropriate ac-
12 tions to minimize the resources, including contractor sup-
13 port, that are used to develop, compile, and report the fi-
14 nancial statement.

15 (2)(A) With the annual budget justifications for the
16 Department of Defense submitted to Congress each year,
17 the Under Secretary of Defense (Comptroller) shall sub-
18 mit, with respect to the fiscal year in which submitted,
19 the preceding fiscal year, and the following fiscal year, the
20 following information:

21 (i) An estimate of the resources that the De-
22 partment of Defense is saving or expects to save as
23 a result of actions taken and to be taken under
24 paragraph (1) with respect to the preparation of fi-
25 nancial statements.

1 (ii) A discussion of how the resources saved as
2 estimated under clause (i) have been redirected or
3 are to be redirected from the preparation of financial
4 statements to the improvement of systems under-
5 lying financial management within the Department
6 of Defense and to the improvement of financial man-
7 agement policies, procedures, and internal controls
8 within the Department of Defense.

9 (B) The Assistant Secretaries (Financial Manage-
10 ment and Comptroller) of the Army, Navy, and Air Force
11 shall provide the Under Secretary of Defense (Comp-
12 troller) with the information necessary for making the es-
13 timate required by subparagraph (A)(i).

14 (c) INFORMATION TO AUDITORS.—Not later than Oc-
15 tober 31 of each year, the Under Secretary of Defense
16 (Comptroller) and the Assistant Secretaries (Financial
17 Management and Comptroller) of the Army, Navy, and
18 Air Force shall each provide to the auditors of the finan-
19 cial statement of that official's department for the fiscal
20 year ending during the preceding month the official's pre-
21 liminary management representation, in writing, regard-
22 ing the expected reliability of the financial statement. The
23 representation shall be consistent with guidance issued by
24 the Director of the Office of Management and Budget and

1 shall include the basis for the reliability assessment stated
2 in the representation.

3 (d) LIMITATION ON INSPECTOR GENERAL AUDITS.—

4 (1) On each financial statement that an official asserts
5 is unreliable under subsection (b) or (c), the Inspector
6 General of the Department of Defense shall only perform
7 the audit procedures required by generally accepted gov-
8 ernment auditing standards consistent with any represen-
9 tation made by management.

10 (2)(A) With the annual budget justifications for the
11 Department of Defense submitted to Congress each year,
12 the Under Secretary of Defense (Comptroller) shall sub-
13 mit, with respect to the fiscal year in which submitted,
14 the preceding fiscal year, and the following fiscal year, in-
15 formation which the Inspector General shall report to the
16 Under Secretary, as follows:

17 (i) An estimate of the resources that the In-
18 spector General is saving or expects to save as a re-
19 sult of actions taken and to be taken under para-
20 graph (1) with respect to the auditing of financial
21 statements.

22 (ii) A discussion of how the resources saved as
23 estimated under clause (i) have been redirected or
24 are to be redirected from the auditing of financial
25 statements to the oversight and improvement of sys-

1 tems underlying financial management within the
2 Department of Defense and to the oversight and im-
3 provement of financial management policies, proce-
4 dures, and internal controls within the Department
5 of Defense.

6 (e) PERIOD OF APPLICABILITY.—(1) Except as pro-
7 vided in paragraph (2), the requirements of this section
8 shall apply with respect to financial statements for fiscal
9 years after fiscal year 2000 and before fiscal year 2006
10 and to the auditing of those financial statements.

11 (2) If the Secretary of Defense certifies to the Inspec-
12 tor General of the Department of Defense that the finan-
13 cial statement for the Department of Defense, or a finan-
14 cial statement for a component of the Department of De-
15 fense, for a fiscal year is reliable, this section shall not
16 apply with respect to that financial statement or to any
17 successive financial statement for the department or that
18 component, as the case may be, for any later fiscal year.

19 **SEC. 1007. FINANCIAL MANAGEMENT MODERNIZATION EX-**
20 **ECUTIVE COMMITTEE AND FINANCIAL FEED-**
21 **ER SYSTEMS COMPLIANCE PROCESS.**

22 (a) ESTABLISHMENT OF FINANCIAL MANAGEMENT
23 MODERNIZATION EXECUTIVE COMMITTEE.—(1) The Sec-
24 retary of Defense shall establish a Financial Management
25 Modernization Executive Committee.

1 (2) The Committee shall be composed of the Under
2 Secretary of Defense (Comptroller), the Under Secretary
3 of Defense (Acquisition, Technology, and Logistics), the
4 Under Secretary of Defense (Personnel and Readiness),
5 the chief information officer of the Department of De-
6 fense, and other key managers of the Department of De-
7 fense (including key managers in Defense Agencies and
8 military departments) who are designated by the Sec-
9 retary.

10 (3) The Under Secretary of Defense (Comptroller)
11 shall be the Chairman of the Committee.

12 (4) The Committee shall be accountable to the Senior
13 Executive Council composed of the Secretary of Defense,
14 the Deputy Secretary of Defense, the Under Secretary of
15 Defense for Acquisition, Technology, and Logistics, the
16 Secretary of the Army, the Secretary of the Navy, and
17 the Secretary of the Air Force.

18 (b) DUTIES.—The Financial Management Mod-
19 ernization Executive Committee shall have the following
20 duties:

21 (1) To establish a financial and feeder systems
22 compliance process that ensures that each critical
23 accounting, financial management, and feeder sys-
24 tem of the Department of Defense is compliant with

1 applicable Federal financial management and report-
2 ing requirements.

3 (2) To develop a management plan for the im-
4 plementation of the financial and feeder systems
5 compliance process.

6 (3) To supervise and monitor the actions that
7 are necessary to implement the management plan, as
8 approved by the Secretary of Defense.

9 (4) To ensure that a Department of Defense fi-
10 nancial management enterprise architecture is devel-
11 opment and maintained in accordance with—

12 (A) the overall business process trans-
13 formation strategy of the Department; and

14 (B) the Command, Control, Communica-
15 tions, Computers, Intelligence, Surveillance, and
16 Reconnaissance Architecture Framework of the
17 Department.

18 (5) To ensure that investments in existing or
19 proposed financial management systems for the De-
20 partment comply with the overall business practice
21 transformation strategy of the Department and the
22 financial management enterprise architecture devel-
23 oped under paragraph (4).

24 (6) To provide an annual accounting of all fi-
25 nancial and feeder system investment technology

1 projects to ensure that such projects are being im-
2 plemented at acceptable cost and within a reasonable
3 schedule, and are contributing to tangible, observ-
4 able improvements in mission performance.

5 (c) MANAGEMENT PLAN FOR IMPLEMENTATION OF
6 FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.—

7 The management plan developed under subsection (b)(2)
8 shall include among its principal elements at least the fol-
9 lowing elements:

10 (1) A requirement to establish and maintain a
11 complete inventory of all budgetary, accounting, fi-
12 nance, and feeder systems that support the trans-
13 formed business processes of the Department and
14 produce financial statements.

15 (2) A phased process for improving systems
16 that provides for mapping financial data flow from
17 sources to cognizant Department business functions
18 (as part of the overall business process trans-
19 formation strategy of the Department) and financial
20 statements before other actions are initiated.

21 (3) Periodic submittal to the Secretary of De-
22 fense, the Deputy Secretary of Defense, the Senior
23 Executive Council, or any combination thereof, of re-
24 ports on the progress being made in achieving finan-
25 cial management transformation goals and milestone

1 included in the annual financial management im-
2 provement plan in 2002 in accordance with sub-
3 section (e).

4 (4) Documentation of the completion of each
5 phase—Awareness, Evaluation, Renovation, Validat-
6 tion, and Compliance—of improvements made to
7 each accounting, finance, and feeder system.

8 (5) Independent audit by the Inspector General
9 of the Department, the audit agencies of the military
10 department, private sector firms contracted to con-
11 duct validation audits, or any combination thereof,
12 at the validation phase for each accounting, finance,
13 and feeder system.

14 (d) ANNUAL FINANCIAL MANAGEMENT IMPROVE-
15 MENT PLAN.—(1) Subsection (a) of section 2222 of title
16 10, United States Code, is amended to read as follows:

17 “(a) ANNUAL PLAN REQUIRED.—The Secretary of
18 Defense shall submit to Congress an annual strategic plan
19 for the improvement of financial management within the
20 Department of Defense. The plan shall be submitted not
21 later than September 30 each year.”.

22 (2)(A) The section heading of such section is amend-
23 ed to read as follows:

1 **“§ 2222. Annual financial management improvement**
2 **plan”.**

3 (B) The table of sections at the beginning of chapter
4 131 of such title is amended by striking the item relating
5 to section 2222 and inserting the following new item:

“2222. Annual financial management improvement plan.”.

6 (e) ADDITIONAL ELEMENTS FOR FINANCIAL MAN-
7 AGEMENT IMPROVEMENT PLAN IN 2002.—In the annual
8 financial management improvement plan submitted under
9 section 2222 of title 10, United States Code (as amended
10 by subsection (d)), in 2002, the Secretary shall include
11 the following:

12 (1) Measurable annual performance goals for
13 improvement of the financial management of the De-
14 partment.

15 (2) Performance milestones for initiatives under
16 the plan for transforming the financial management
17 operations of the Department and for implementing
18 a financial management architecture for the Depart-
19 ment.

20 (3) An assessment of the anticipated annual
21 cost of any plans for transforming the financial
22 management operations of the Department and for
23 implementing a financial management architecture
24 for the Department.

25 (4) A discussion of the following:

1 (A) The roles and responsibilities of appro-
2 priate Department officials to ensure the super-
3 vision and monitoring of the compliance of each
4 accounting, finance, and feeder system of the
5 Department with the business practice trans-
6 formation strategy of the Department, the fi-
7 nancial management architecture of the Depart-
8 ment, and applicable Federal financial manage-
9 ment systems and reporting requirements.

10 (B) A summary of the actions taken by the
11 Financial Management Modernization Executive
12 Committee to ensure that such systems comply
13 with the business practice transformation strat-
14 egy of the Department, the financial manage-
15 ment architecture of the Department, and ap-
16 plicable Federal financial management systems
17 and reporting requirements.

18 (f) ADDITIONAL ELEMENTS FOR FINANCIAL MAN-
19 AGEMENT IMPROVEMENT PLAN AFTER 2002.—In each
20 annual financial management improvement plan sub-
21 mitted under section 2222 of title 10, United States Code
22 (as amended by subsection (d)), after 2002, the Secretary
23 shall include the following:

24 (1) A description of the actions to be taken in
25 the fiscal year beginning in the year in which the

1 plan is submitted to implement the goals and mile-
 2 stones included in the financial management im-
 3 provement plan in 2002 under paragraphs (1) and
 4 (2) of subsection (e).

5 (2) An estimate of the amount expended in the
 6 fiscal year ending in the year in which the plan is
 7 submitted to implement the financial management
 8 improvement plan in such preceding calendar year,
 9 set forth by system.

10 (3) If an element of the financial management
 11 improvement plan submitted in the fiscal year end-
 12 ing in the year in which the plan is submitted was
 13 not implemented, a justification for the lack of im-
 14 plementation of such element.

15 **SEC. 1008. COMBATING TERRORISM READINESS INITIA-**
 16 **TIVES FUND FOR COMBATANT COMMANDS.**

17 (a) **FUNDING FOR INITIATIVES.**—Chapter 6 of title
 18 10, United States Code, is amended by inserting after sec-
 19 tion 166a the following new section:

20 **“§ 166b. Combatant commands: funding for com-**
 21 **bating terrorism readiness initiatives**

22 **“(a) COMBATING TERRORISM READINESS INITIA-**
 23 **TIVES FUND.**—From funds made available in any fiscal
 24 year for the budget account in the Department of Defense
 25 known as the ‘Combating Terrorism Readiness Initiatives

1 Fund', the Chairman of the Joint Chiefs of Staff may pro-
2 vide funds to the commander of a combatant command,
3 upon the request of the commander, or, with respect to
4 a geographic area or areas not within the area of responsi-
5 bility of a commander of a combatant command, to an
6 officer designated by the Chairman of the Joint Chiefs of
7 Staff for such purpose. The Chairman may provide such
8 funds for initiating any activity named in subsection (b)
9 and for maintaining and sustaining the activity for the
10 fiscal year in which initiated and one additional fiscal year.

11 “(b) AUTHORIZED ACTIVITIES.—Activities for which
12 funds may be provided under subsection (a) are the fol-
13 lowing:

14 “(1) Procurement and maintenance of physical
15 security equipment.

16 “(2) Improvement of physical security sites.

17 “(3) Under extraordinary circumstances—

18 “(A) physical security management plan-
19 ning;

20 “(B) procurement and support of security
21 forces and security technicians;

22 “(C) security reviews and investigations
23 and vulnerability assessments; and

24 “(D) any other activity relating to physical
25 security.

1 “(c) PRIORITY.—The Chairman of the Joint Chiefs
2 of Staff, in considering requests for funds in the Com-
3 bating Terrorism Readiness Initiatives Fund, should give
4 priority consideration to emergency or emergent unfore-
5 seen high-priority requirements for combating terrorism.

6 “(d) RELATIONSHIP TO OTHER FUNDING.—Any
7 amount provided by the Chairman of the Joint Chiefs of
8 Staff for a fiscal year out of the Combating Terrorism
9 Readiness Initiatives Fund for an activity referred to in
10 subsection (b) shall be in addition to amounts otherwise
11 available for that activity for that fiscal year.

12 “(e) LIMITATION.—Funds may not be provided under
13 this section for any activity that has been denied author-
14 ization by Congress.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 at the beginning of such chapter is amended by inserting
17 after the item relating to section 166a the following new
18 item:

“166b. Combatant commands: funding for combating terrorism readiness initia-
tives.”.

19 **SEC. 1009. AUTHORIZATION OF ADDITIONAL FUNDS.**

20 (a) Authorization.—\$1,300,000,000 is hereby au-
21 thorized, in addition to the funds authorized elsewhere in
22 division A of this Act, for whichever of the following pur-
23 poses the President determines to be in the national secu-
24 rity interests of the United States—

1 (1) research, development, test and evaluation
2 for ballistic missile defense; and

3 (2) activities for combating terrorism.

4 **SEC. 1010. AUTHORIZATION OF 2001 EMERGENCY SUPPLE-**
5 **MENTAL APPROPRIATIONS ACT FOR RECOV-**
6 **ERY FROM AND RESPONSE TO TERRORIST**
7 **ATTACKS ON THE UNITED STATES.**

8 (a) **AUTHORIZATION.**—Amounts authorized to be ap-
9 propriated to the Department of Defense for fiscal year
10 2001 in the Floyd D. Spence National Defense Authoriza-
11 tion Act for Fiscal Year 2001 (as enacted into law by Pub-
12 lic Law 106–398) are hereby adjusted by the amounts of
13 appropriations made available to the Department of De-
14 fense pursuant to the 2001 Emergency Supplemental Ap-
15 propriations Act for Recovery from and Response to Ter-
16 rorist Attacks on the United States.

17 (b) **QUARTERLY REPORT.**—(1) Promptly after the
18 end of each quarter of a fiscal year, the Secretary of De-
19 fense shall submit to the Committees on Armed Services
20 of the Senate and the House of Representatives a report
21 on the use of funds made available to the Department of
22 Defense pursuant to the 2001 Emergency Supplemental
23 Appropriations Act for Recovery from and Response to
24 Terrorist Attacks on the United States.

1 (2) The first report under paragraph (1) shall be sub-
2 mitted not later than January 2, 2002.

3 (c) PROPOSED ALLOCATION AND PLAN.—The Sec-
4 retary of Defense shall submit to the Committees on
5 Armed Services of the Senate and the House of Represent-
6 atives, not later than 15 days after the date on which the
7 Director of the Office of Management and Budget submits
8 to the Committees on Appropriations of the Senate and
9 House of Representatives the proposed allocation and plan
10 required by the 2001 Emergency Supplemental Appropria-
11 tions Act for Recovery from and Response to Terrorist At-
12 tacks on the United States, a proposed allocation and plan
13 for the use of the funds made available to the Department
14 of Defense pursuant to that Act.

15 **Subtitle B—Strategic Forces**

16 **SEC. 1011. REPEAL OF LIMITATION ON RETIREMENT OR** 17 **DISMANTLEMENT OF STRATEGIC NUCLEAR** 18 **DELIVERY SYSTEMS.**

19 Section 1302 of the National Defense Authorization
20 Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
21 1948) is repealed.

22 **SEC. 1012. BOMBER FORCE STRUCTURE.**

23 (a) LIMITATION.—None of the funds available to the
24 Department of Defense for fiscal year 2002 may be obli-
25 gated or expended for retiring or dismantling any of the

1 93 B-1B Lancer bombers in service as of June 1, 2001,
2 or for transferring or reassigning any of those aircraft
3 from the unit or facility to which assigned as of that date,
4 until 30 days after the latest of the following:

5 (1) The date on which the President transmits
6 to Congress the national security strategy report re-
7 quired in 2001 pursuant to section 108(a)(1) of the
8 National Security Act of 1947 (50 U.S.C.
9 404a(a)(1)).

10 (2) The date on which the Secretary of Defense
11 submits to the Committee on Armed Services of the
12 Senate and the Committee on Armed Services of the
13 House of Representatives the Quadrennial Defense
14 Review (QDR) under section 118 of title 10, United
15 States Code, that is required to be submitted under
16 that section not later than September 30, 2001.

17 (3) The date on which the Secretary of Defense
18 submits to the committees referred to in paragraph
19 (2) a report that sets forth—

20 (A) the changes in national security con-
21 siderations from those applicable to the air
22 force bomber studies conducted during 1992,
23 1995, and 1999 that warrant changes in the
24 current configuration of the bomber fleet;

1 (B) the role of manned bomber aircraft ap-
2 propriate to meet the requirements of the na-
3 tional security strategy referred to in paragraph
4 (1);

5 (C) the amount and type of bomber force
6 structure in the United States Air Force appro-
7 priate to meet the requirements of the national
8 security strategy referred to in paragraph (1);

9 (D) the results of a comparative analysis
10 of the cost of basing, maintaining, operating,
11 and upgrading the B-1B Lancer bomber fleet
12 in the active force of the Air Force with the
13 cost of basing, maintaining, operating, and up-
14 grading the B-1B Lancer bomber fleet in a mix
15 of active and reserve component forces of the
16 Air Force; and

17 (E) the plans of the Department of De-
18 fense for assigning new missions to the Na-
19 tional Guard units that currently fly B-1 air-
20 craft and for the transition of those units and
21 their facilities from the current B-1 mission to
22 such new missions.

23 (4) The date on which the Secretary of Defense
24 submits to Congress the report on the results of the
25 Revised Nuclear Posture Review conducted under

1 section 1042 of the Floyd D. Spence National De-
2 fense Authorization Act for Fiscal Year 2001 (as en-
3 acted into law by Public Law 106–398; 114 Stat.
4 1654A–262), as amended by section 1013 of this
5 Act.

6 (b) GAO STUDY AND REPORT.—The Comptroller
7 General of the United States shall conduct a study on the
8 matters specified in subsection (a)(3). The Comptroller
9 General shall submit to Congress a report containing the
10 results of the study not later than January 31, 2002.

11 (c) AMOUNT AND TYPE OF BOMBER FORCE STRUC-
12 TURE DEFINED.—In this section, the term “amount and
13 type of bomber force structure” means the required num-
14 bers of B–2 aircraft, B–52 aircraft, and B–1 aircraft con-
15 sistent with the requirements of the national security
16 strategy referred to in subsection (a)(1).

17 **SEC. 1013. ADDITIONAL ELEMENT FOR REVISED NUCLEAR**
18 **POSTURE REVIEW.**

19 Section 1041(b) of the Floyd D. Spence National De-
20 fense Authorization Act for Fiscal Year 2001 (as enacted
21 by Public Law 106–398; 114 Stat. 1654A–262) is amend-
22 ed by adding at the end the following new paragraph:

23 “(7) The possibility of deactivating or
24 dealerting nuclear warheads or delivery systems im-
25 mediately, or immediately after a decision to retire

1 any specific warhead, class of warheads, or delivery
2 system or systems.”.

3 **Subtitle C—Reporting** 4 **Requirements**

5 **SEC. 1021. INFORMATION AND RECOMMENDATIONS ON** 6 **CONGRESSIONAL REPORTING REQUIRE-** 7 **MENTS APPLICABLE TO THE DEPARTMENT** 8 **OF DEFENSE.**

9 (a) COMPILATION OF REPORTING REQUIREMENTS.—

10 The Secretary of Defense shall compile a list of all provi-
11 sions of law in effect on the date of the enactment of this
12 Act that require or request the President, with respect to
13 the national defense functions of the Federal Government,
14 or any officer or employee of the Department of Defense,
15 to submit a report, notification, or study to Congress or
16 any committee of Congress. The preceding sentence does
17 not apply to a provision of law that requires or requests
18 only one report, notification, or study.

19 (b) SUBMITTAL OF COMPILATION.—(1) The Sec-
20 retary shall submit the list compiled under subsection (a)
21 to Congress not later than 60 days after the date of the
22 enactment of this Act.

23 (2) In submitting the list, the Secretary shall specify
24 for each provision of law compiled in the list—

1 (A) the date of the enactment of such provision
2 of law and a current citation in law for such provi-
3 sion of law; and

4 (B) the Secretary's assessment of the con-
5 tinuing utility of any report, notification, or study
6 arising under such provision of law, both for the ex-
7 ecutive branch and for Congress.

8 (3) The Secretary may also include with the list any
9 recommendations that the Secretary considers appropriate
10 for the consolidation of reports, notifications, and studies
11 under the provisions of law described in subsection (a),
12 together with a proposal for legislation to implement such
13 recommendations.

14 **SEC. 1022. REPORT ON COMBATING TERRORISM.**

15 (a) REQUIREMENT FOR REPORT.—The Secretary of
16 Defense shall submit to Congress a report on the Depart-
17 ment of Defense policies, plans, and procedures for com-
18 bating terrorism.

19 (b) CONTENT.—(1) The Secretary shall identify and
20 explain in the report the Department of Defense structure,
21 strategy, roles, relationships, and responsibilities for com-
22 bating terrorism.

23 (2) The report shall also include a discussion of the
24 following matters:

1 (A) The policies, plans, and procedures relating
2 to how the Assistant Secretary of Defense for Spe-
3 cial Operations and Low Intensity Conflict and the
4 Joint Task Force–Civil Support of the Joint Forces
5 Command are to perform, and coordinate the per-
6 formance of, their functions for combating terrorism
7 with—

8 (i) the various teams in the Department of
9 Defense that have responsibilities to respond to
10 acts or threats of terrorism, including—

11 (I) the weapons of mass destruction
12 civil support teams when operating as the
13 National Guard under the command of the
14 Governor of a State, the Governor of Puer-
15 to Rico, or the Commanding General of the
16 District of Columbia National Guard, as
17 the case may be; and

18 (II) the weapons of mass destruction
19 civil support teams when operating as the
20 Army National Guard of the United States
21 or the Air National Guard of the United
22 States under the command of the Presi-
23 dent;

24 (ii) the Army’s Director of Military Sup-
25 port;

1 (iii) the various teams in other depart-
2 ments and agencies of the Federal Government
3 that have responsibilities to respond to acts or
4 threats of terrorism;

5 (iv) the organizations outside the Federal
6 Government, including any private sector enti-
7 ties, that are to function as first responders to
8 acts or threats of terrorism; and

9 (v) the units and organizations of the re-
10 serve components of the Armed Forces that
11 have missions relating to combating terrorism.

12 (B) Any preparedness plans to combat ter-
13 rorism that are developed for installations of the De-
14 partment of Defense by the commanders of the in-
15 stallations and the integration of those plans with
16 the plans of the teams and other organizations de-
17 scribed in subparagraph (A).

18 (C) The policies, plans, and procedures for
19 using and coordinating the Joint Staff's integrated
20 vulnerability assessment teams inside the United
21 States and outside the United States.

22 (D) The missions of Fort Leonard Wood and
23 other installations for training units, weapons of
24 mass destruction civil support teams and other
25 teams, and individuals in combating terrorism.

1 (3) The report shall also include the Secretary's views
2 on the appropriate number and missions of the Depart-
3 ment of Defense teams referred to in paragraph (2)(A)(i).

4 (c) TIME FOR SUBMITTAL.—The Secretary shall sub-
5 mit the report under this section not later than 180 days
6 after the date of the enactment of this Act.

7 **SEC. 1023. REVISED REQUIREMENT FOR CHAIRMAN OF THE**
8 **JOINT CHIEFS OF STAFF TO ADVISE SEC-**
9 **RETARY OF DEFENSE ON THE ASSIGNMENT**
10 **OF ROLES AND MISSIONS TO THE ARMED**
11 **FORCES.**

12 (a) ASSESSMENT DURING DEFENSE QUADRENNIAL
13 REVIEW.—Subsection 118(e) of title 10, United States
14 Code, is amended—

15 (1) by inserting “(1)” after “(e) CJCS RE-
16 VIEW.—”; and

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

19 “(2) The Chairman shall include in the assessment
20 submitted under paragraph (1), the Chairman's assess-
21 ment of the assignment of functions (or roles and mis-
22 sions) to the armed forces together with any recommenda-
23 tions for changes in assignment that the Chairman con-
24 sider necessary to achieve the maximum efficiency of the

1 armed forces. In making the assessment, the Chairman
2 should consider (among other matters) the following:

3 “(A) Unnecessary duplication of effort among
4 the armed forces.

5 “(B) Changes in technology that can be applied
6 effectively to warfare.”.

7 (b) REPEAL OF REQUIREMENT FOR TRIENNIAL RE-
8 PORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Sec-
9 tion 153 of such title is amended by striking subsection
10 (b).

11 (c) CONFORMING AMENDMENT.—Subsection (a) of
12 such section 153 is amended by striking “(a) PLANNING;
13 ADVICE; POLICY FORMULATION.—”.

14 **SEC. 1024. REVISION OF DEADLINE FOR ANNUAL REPORT**
15 **ON COMMERCIAL AND INDUSTRIAL ACTIVI-**
16 **TIES.**

17 Section 2461(g) of title 10, United States Code, is
18 amended by striking “February 1” and inserting “June
19 30”.

20 **SEC. 1025. PRODUCTION AND ACQUISITION OF VACCINES**
21 **FOR DEFENSE AGAINST BIOLOGICAL WAR-**
22 **FARE AGENTS.**

23 (a) GOVERNMENT FACILITY.—(1) Subject to the
24 availability of funds appropriated and authorized to be ap-

1 appropriated for such purposes, the Secretary of Defense
2 may—

3 (A) design, construct, and operate on an instal-
4 lation of the Department of Defense a facility for
5 the production of vaccines described in subsection
6 (b)(1);

7 (B) qualify and validate the facility for the pro-
8 duction of vaccines in accordance with the require-
9 ments of the Food and Drug Administration; and

10 (C) contract with a private sector source for the
11 production of vaccines in that facility.

12 (2) The Secretary shall use competitive procedures
13 under chapter 137 of title 10, United States Code, to enter
14 into contracts to carry out subparagraphs (A) and (C) of
15 paragraph (1).

16 (b) PLAN.—(1) The Secretary of Defense shall de-
17 velop a long-range plan to provide for the production and
18 acquisition of vaccines to meet the requirements of the De-
19 partment of Defense to prevent or mitigate the physio-
20 logical effects of exposure to biological warfare agents.

21 (2) The plan shall include the following:

22 (A) An evaluation of the need for one or more
23 vaccine production facilities that are specifically
24 dedicated to meeting the requirements of the De-
25 partment of Defense and other national interests.

1 (B) An evaluation of the alternative options for
2 the means of production of the vaccines, including—

3 (i) use of public facilities, private facilities,
4 or a combination of public and private facilities;
5 and

6 (ii) management and operation of the fa-
7 cilities by the Federal Government, one or more
8 private persons, or a combination of the Fed-
9 eral Government and one or more private per-
10 sons.

11 (C) The means for producing the vaccines that
12 the Secretary determines most appropriate.

13 (3) The Secretary shall ensure that the plan is con-
14 sistent with the requirement for safe and effective vaccines
15 approved by the Food and Drug Administration.

16 (4) In preparing the plan, the Secretary shall—

17 (A) consider and, as the Secretary determines
18 appropriate, include the information compiled and
19 the analyses developed in meeting the reporting re-
20 quirements set forth in sections 217 and 218 of the
21 Floyd D. Spence National Defense Authorization
22 Act for Fiscal Year 2001 (as enacted into law by
23 Public Law 106–398; 114 Stat. 1654A–36 and
24 1654A–37); and

1 (B) consult with the heads of other appropriate
2 departments and agencies of the Federal Govern-
3 ment.

4 (c) REPORT.—Not later than February 1, 2002, the
5 Secretary of Defense shall submit to the congressional de-
6 fense committees a report on the plan for the production
7 of vaccines required by subsection (b). The report shall
8 include, at a minimum, the plan and the following matters:

9 (1) A description of the policies and require-
10 ments of the Department of Defense regarding ac-
11 quisition and use of the vaccines.

12 (2) The estimated schedule for the acquisition
13 of the vaccines in accordance with the plan.

14 (3) A discussion of the options considered for
15 production of the vaccines under subsection
16 (b)(2)(B).

17 (4) The Secretary's recommendations for the
18 most appropriate course of action to meet the re-
19 quirements described in subsection (b)(1), together
20 with the justification for the recommendations and
21 the long-term cost of implementing the recommenda-
22 tions.

1 **SEC. 1026. EXTENSION OF TIMES FOR COMMISSION ON THE**
2 **FUTURE OF THE UNITED STATES AEROSPACE**
3 **INDUSTRY TO REPORT AND TO TERMINATE.**

4 (a) SUBMITTAL OF REPORT.—Subsection (d) of sec-
5 tion 1092 of the Floyd D. Spence National Defense Au-
6 thorization Act for Fiscal Year 2001 (as enacted into law
7 by Public Law 106–398; 114 Stat. 1654A–302) is amend-
8 ed by striking “Not later than March 1, 2002,” and in-
9 serting “Not later than one year after the date of its first
10 meeting,”.

11 (b) TERMINATION.—Subsection (g) of such section is
12 amended by striking “30 days” and inserting “60 days”.

13 **SEC. 1027. COMPTROLLER GENERAL STUDY AND REPORT**
14 **ON INTERCONNECTIVITY OF NATIONAL**
15 **GUARD DISTRIBUTIVE TRAINING TECH-**
16 **NOLOGY PROJECT NETWORKS AND RELATED**
17 **PUBLIC AND PRIVATE NETWORKS.**

18 (a) STUDY REQUIRED.—The Comptroller General of
19 the United States shall conduct a study of the
20 interconnectivity between the voice, data, and video net-
21 works of the National Guard Distributive Training Tech-
22 nology Project (DTTP) and other Department of Defense,
23 Federal, State, and private voice, data, and video net-
24 works, including the networks of the distance learning
25 project of the Army known as Classroom XXI, networks
26 of public and private institutions of higher education, and

1 networks of the Federal Emergency Management Agency
2 and other Federal, State, and local emergency prepared-
3 ness and response agencies.

4 (b) PURPOSES.—The purposes of the study under
5 subsection (a) are as follows:

6 (1) To identify existing capabilities, and future
7 requirements, for transmission of voice, data, and
8 video for purposes of operational support of disaster
9 response, homeland defense, command and control of
10 premobilization forces, training of military per-
11 sonnel, training of first responders, and shared use
12 of the networks of the Distributive Training Tech-
13 nology Project by government and members of the
14 networks.

15 (2) To identify appropriate connections between
16 the networks of the Distributive Training Tech-
17 nology Project and networks of the Federal Emer-
18 gency Management Agency, State emergency man-
19 agement agencies, and other Federal and State
20 agencies having disaster response functions.

21 (3) To identify requirements for connectivity
22 between the networks of the Distributive Training
23 Technology Project and other Department of De-
24 fense, Federal, State, and private networks referred

1 to in subsection (a) in the event of a significant dis-
2 ruption of providers of public services.

3 (4) To identify means of protecting the net-
4 works of the Distributive Training Technology
5 Project from outside intrusion, including an assess-
6 ment of the manner in which so protecting the net-
7 works facilitates the mission of the National Guard
8 and homeland defense.

9 (5) To identify impediments to interconnectivity
10 between the networks of the Distributive Training
11 Technology Project and such other networks.

12 (6) To identify means of improving
13 interconnectivity between the networks of the Dis-
14 tributive Training Technology Project and such
15 other networks.

16 (c) PARTICULAR MATTERS.—In conducting the
17 study, the Comptroller General shall consider, in par-
18 ticular, the following:

19 (1) Whether, and to what extent, national secu-
20 rity concerns impede interconnectivity between the
21 networks of the Distributive Training Technology
22 Project and other Department of Defense, Federal,
23 State, and private networks referred to in subsection
24 (a).

1 (2) Whether, and to what extent, limitations on
2 the technological capabilities of the Department of
3 Defense impede interconnectivity between the net-
4 works of the Distributive Training Technology
5 Project and such other networks.

6 (3) Whether, and to what extent, other con-
7 cerns or limitations impede interconnectivity between
8 the networks of the Distributive Training Tech-
9 nology Project and such other networks.

10 (4) Whether, and to what extent, any national
11 security, technological, or other concerns justify limi-
12 tations on interconnectivity between the networks of
13 the Distributive Training Technology Project and
14 such other networks.

15 (5) Potential improvements in National Guard
16 or other Department technologies in order to im-
17 prove interconnectivity between the networks of the
18 Distributive Training Technology Project and such
19 other networks.

20 (d) REPORT.—Not later than 180 days after the date
21 of the enactment of this Act, the Comptroller General shall
22 submit to the Committees on Armed Services of the Sen-
23 ate and the House of Representatives a report on the
24 study conducted under subsection (a). The report shall de-
25 scribe the results of the study, and include any rec-

1 ommendations that the Comptroller General considers ap-
 2 propriate in light of the study.

3 **Subtitle D—Armed Forces**
 4 **Retirement Home**

5 **SEC. 1041. AMENDMENT OF ARMED FORCES RETIREMENT**
 6 **HOME ACT OF 1991.**

7 Except as otherwise expressly provided, whenever in
 8 this subtitle an amendment or repeal is expressed in terms
 9 of an amendment to, or a repeal of, a section or other
 10 provision, the reference shall be considered to be made to
 11 a section or other provision of the Armed Forces Retire-
 12 ment Home Act of 1991 (title XV of Public Law 101–
 13 510; 24 U.S.C. 401 et seq.).

14 **SEC. 1042. DEFINITIONS.**

15 Section 1502 (24 U.S.C. 401) is amended—

16 (1) by striking paragraphs (1), (2), (3), (4),
 17 and (5), and inserting the following:

18 “(1) The term ‘Retirement Home’ includes the
 19 institutions established under section 1511, as fol-
 20 lows:

21 “(A) The Armed Forces Retirement
 22 Home—Washington.

23 “(B) The Armed Forces Retirement
 24 Home—Gulfport.

1 “(2) The term ‘Local Board’ means a Local
2 Board of Trustees established under section 1516.

3 “(3) The terms ‘Armed Forces Retirement
4 Home Trust Fund’ and ‘Fund’ mean the Armed
5 Forces Retirement Home Trust Fund established
6 under section 1519(a).”;

7 (2) by redesignating paragraphs (6), (7), and
8 (8) as paragraphs (4), (5), and (6); and

9 (3) in paragraph (5), as so redesignated—

10 (A) in subparagraph (C), by striking “,
11 Manpower and Personnel” and inserting “for
12 Personnel”; and

13 (B) in subparagraph (D), by striking “with
14 responsibility for personnel matters” and insert-
15 ing “for Manpower and Reserve Affairs”.

16 **SEC. 1043. REVISION OF AUTHORITY ESTABLISHING THE**
17 **ARMED FORCES RETIREMENT HOME.**

18 Section 1511 (24 U.S.C. 411) is amended to read as
19 follows:

20 **“SEC. 1511. ESTABLISHMENT OF THE ARMED FORCES RE-**
21 **TIREMENT HOME.**

22 “(a) INDEPENDENT ESTABLISHMENT.—The Armed
23 Forces Retirement Home is an independent establishment
24 in the executive branch.

1 “(b) PURPOSE.—The purpose of the Retirement
2 Home is to provide, through the Armed Forces Retirement
3 Home—Washington and the Armed Forces Retirement
4 Home—Gulfport, residences and related services for cer-
5 tain retired and former members of the Armed Forces.

6 “(c) FACILITIES.—(1) Each facility of the Retire-
7 ment Home referred to in paragraph (2) is a separate es-
8 tablishment of the Retirement Home.

9 “(2) The United States Soldiers’ and Airmen’s Home
10 is hereby redesignated as the Armed Forces Retirement
11 Home—Washington. The Naval Home is hereby redesi-
12 gnated as the Armed Forces Retirement Home—Gulfport.

13 “(d) OPERATION.—(1) The Chief Operating Officer
14 of the Armed Forces Retirement Home is the head of the
15 Retirement Home. The Chief Operating Officer is subject
16 to the authority, direction, and control of the Secretary
17 of Defense.

18 “(2) Each facility of the Retirement Home shall be
19 maintained as a separate establishment of the Retirement
20 Home for administrative purposes and shall be under the
21 authority, direction, and control of the Director of that
22 facility. The Director of each facility of the Retirement
23 Home is subject to the authority, direction, and control
24 of the Chief Operating Officer.

1 “(e) PROPERTY AND FACILITIES.—(1) The Retirement Home shall include such property and facilities as
2 may be acquired under paragraph (2) or accepted under
3 section 1515(f) for inclusion in the Retirement Home.

4 “(2) The Secretary of Defense may acquire, for the
5 benefit of the Retirement Home, property and facilities
6 for inclusion in the Retirement Home.

7 “(3) The Secretary of Defense may dispose of any
8 property of the Retirement Home, by sale, lease, or other-
9 wise, that the Secretary determines is excess to the needs
10 of the Retirement Home. The proceeds from such a dis-
11 posal of property shall be deposited in the Armed Forces
12 Retirement Home Trust Fund. No such disposal of real
13 property shall be effective earlier than 120 days after the
14 date on which the Secretary transmits a notification of
15 the proposed disposal to the Committees on Armed Serv-
16 ices of the Senate and the House of Representatives.

17 “(f) DEPARTMENT OF DEFENSE SUPPORT.—The
18 Secretary of Defense may make available from the Depart-
19 ment of Defense to the Retirement Home, on a non-
20 reimbursable basis, administrative support and office serv-
21 ices, legal and policy planning assistance, access to inves-
22 tigative facilities of the Inspector General of the Depart-
23 ment of Defense and of the military departments, and any
24

1 other support necessary to enable the Retirement Home
2 to carry out its functions under this title.

3 “(g) ACCREDITATION.—The Chief Operating Officer
4 shall endeavor to secure for each facility of the Retirement
5 Home accreditation by a nationally recognized civilian ac-
6 crediting organization, such as the Continuing Care Ac-
7 creditation Commission and the Joint Commission for Ac-
8 creditation of Health Organizations.

9 “(h) ANNUAL REPORT.—The Secretary of Defense
10 shall transmit to Congress an annual report on the finan-
11 cial and other affairs of the Retirement Home for each
12 fiscal year.”.

13 **SEC. 1044. CHIEF OPERATING OFFICER.**

14 (a) ESTABLISHMENT AND AUTHORITY OF POSI-
15 TION.—Section 1515 (24 U.S.C. 415) is amended to read
16 as follows:

17 **“SEC. 1515. CHIEF OPERATING OFFICER.**

18 “(a) APPOINTMENT.—(1) The Secretary of Defense
19 shall appoint the Chief Operating Officer of the Retire-
20 ment Home. The Secretary of Defense may make the ap-
21 pointment without regard to the provisions of title 5,
22 United States Code, governing appointments in the civil
23 service.

24 “(2) The Chief Operating Officer shall serve at the
25 pleasure of the Secretary of Defense.

1 “(3) The Secretary of Defense shall evaluate the per-
2 formance of the Chief Operating Officer at least once each
3 year.

4 “(b) QUALIFICATIONS.—To qualify for appointment
5 as the Chief Operating Officer, a person shall—

6 “(1) be a continuing care retirement community
7 professional;

8 “(2) have appropriate leadership and manage-
9 ment skills; and

10 “(3) have experience and expertise in the oper-
11 ation and management of retirement homes and in
12 the provision of long-term medical care for older per-
13 sons.

14 “(c) RESPONSIBILITIES.—(1) The Chief Operating
15 Officer shall be responsible to the Secretary of Defense
16 for the overall direction, operation, and management of
17 the Retirement Home and shall report to the Secretary
18 on those matters.

19 “(2) The Chief Operating Officer shall supervise the
20 operation and administration of the Armed Forces Retire-
21 ment Home—Washington and the Armed Forces Retire-
22 ment Home—Gulfport, including the Local Boards of
23 those facilities.

24 “(3) The Chief Operating Officer shall perform the
25 following duties:

1 “(A) Issue, and ensure compliance with, appro-
2 priate rules for the operation of the Retirement
3 Home.

4 “(B) Periodically visit, and inspect the oper-
5 ation of, the facilities of the Retirement Home.

6 “(C) Periodically examine and audit the ac-
7 counts of the Retirement Home.

8 “(D) Establish any advisory body or bodies that
9 the Chief Operating Officer considers to be nec-
10 essary.

11 “(d) COMPENSATION.—(1) The Secretary of Defense
12 may prescribe the pay of the Chief Operating Officer with-
13 out regard to the provisions of title 5, United States Code,
14 governing classification and pay, except that the basic pay,
15 including locality pay, of the Chief Operating Officer may
16 not exceed the limitations established in section 5307 of
17 such title.

18 “(2) In addition to basic pay and any locality pay
19 prescribed for the Chief Operating Officer, the Secretary
20 may award the Chief Operating Officer, not more than
21 once each year, a bonus based on the performance of the
22 Chief Operating Officer for the year. The Secretary shall
23 prescribe the amount of any such bonus.

24 “(e) ADMINISTRATIVE STAFF.—(1) The Chief Oper-
25 ating Officer may, subject to the approval of the Secretary

1 of Defense, appoint a staff to assist in the performance
2 of the Chief Operating Officer's duties in the overall ad-
3 ministration of the Retirement Home.

4 “(2) The Chief Operating Officer shall prescribe the
5 rates of pay applicable to the members of the staff ap-
6 pointed under paragraph (1), without regard to the provi-
7 sions of title 5, United States Code, regarding classifica-
8 tion and pay, except that—

9 “(A) a staff member who is a member of the
10 Armed Forces on active duty or who is a full-time
11 officer or employee of the United States may not re-
12 ceive additional pay by reason of service on the ad-
13 ministrative staff; and

14 “(B) the limitations in section 5373 of title 5,
15 United States Code, relating to pay set by adminis-
16 trative action, shall apply to the rates of pay pre-
17 scribed under this paragraph.

18 “(f) ACCEPTANCE OF GIFTS.—(1) The Chief Oper-
19 ating Officer may accept gifts of money, property, and fa-
20 cilities on behalf of the Retirement Home.

21 “(2) Monies received as gifts, or realized from the
22 disposition of property and facilities received as gifts, shall
23 be deposited in the Armed Forces Retirement Home Trust
24 Fund.”.

1 (b) TRANSFER OF AUTHORITIES.—(1) The following
2 provisions are amended by striking “Retirement Home
3 Board” each place it appears and inserting “Chief Oper-
4 ating Officer”:

5 (A) Section 1512 (24 U.S.C. 412), relating to
6 eligibility and acceptance for residence in the Armed
7 Forces Retirement Home.

8 (B) Section 1513(a) (24 U.S.C. 412(a)), relat-
9 ing to services provided to residents of the Armed
10 Forces Retirement Home.

11 (C) Section 1518(e) (24 U.S.C. 418(e)), relat-
12 ing to inspection of the Armed Forces Retirement
13 Home.

14 (2) Section 1519(e) (24 U.S.C. 419(e)), relating to
15 authority to invest funds in the Armed Forces Retirement
16 Home Trust Fund, is amended by striking “Director” and
17 inserting “Chief Operating Officer”.

18 (3) Section 1521(a) (24 U.S.C. 421(a)), relating to
19 payment of residents for services, is amended by striking
20 “Chairman of the Armed Forces Retirement Board” and
21 inserting “Chief Operating Officer”.

22 (4) Section 1522 (24 U.S.C. 422), relating to author-
23 ity to accept certain uncompensated services, is
24 amended—

25 (A) in subsection (a)—

1 (i) by striking “Chairman of the Retirement
2 Home Board or the Director of each es-
3 tablishment” and inserting “Chief Operating
4 Officer or the Director of a facility”; and

5 (ii) by striking “unless” and all that fol-
6 lows through “Retirement Home Board”;

7 (B) in subsection (b)(1)—

8 (i) by striking “Chairman of the Retirement
9 Home Board or the Director of the estab-
10 lishment” and inserting “Chief Operating Offi-
11 cer or the Director of a facility”; and

12 (ii) by inserting “offering the services”
13 after “notify the person”;

14 (C) in subsection (b)(2), by striking “Chair-
15 man” and inserting “Chief Operating Officer”;

16 (D) in subsection (c), by striking “Chairman of
17 the Retirement Home Board or the Director of an
18 establishment” and inserting “Chief Operating Offi-
19 cer or the Director of a facility”; and

20 (E) in subsection (e)—

21 (i) by striking “Chairman of the Retirement
22 Board or the Director of the establish-
23 ment” in the first sentence and inserting “Chief
24 Operating Officer or the Director of a facility”;
25 and

1 (ii) by striking “Chairman” in the second
2 sentence and inserting “Chief Operating Offi-
3 cer”.

4 (5) Section 1523(b) (24 U.S.C. 423(b)), relating to
5 preservation of historic buildings and grounds at the
6 Armed Forces Retirement Home—Washington, is amend-
7 ed by striking “Chairman of the Retirement Home Board”
8 and inserting “Chief Operating Officer”.

9 **SEC. 1045. RESIDENTS OF RETIREMENT HOME.**

10 (a) REPEAL OF REQUIREMENT OF RESIDENT TO RE-
11 APPLY AFTER SUBSTANTIAL ABSENCE.—Subsection (e)
12 of section 1512 (24 U.S.C. 412) is repealed.

13 (b) FEES PAID BY RESIDENTS.—Section 1514 (24
14 U.S.C. 414) is amended to read as follows:

15 **“SEC. 1514. FEES PAID BY RESIDENTS.**

16 “(a) MONTHLY FEES.—The Director of each facility
17 of the Retirement Home shall collect a monthly fee from
18 each resident of that facility.

19 “(b) DEPOSIT OF FEES.—The Directors shall deposit
20 fees collected under subsection (a) in the Armed Forces
21 Retirement Home Trust Fund.

22 “(c) FIXING FEES.—(1) The Chief Operating Offi-
23 cer, with the approval of the Secretary of Defense, shall
24 from time to time prescribe the fees required by subsection
25 (a). Changes to such fees shall be based on the financial

1 needs of the Retirement Home and the ability of the resi-
2 dents to pay. A change of a fee may not take effect until
3 120 days after the Secretary of Defense transmits a notifi-
4 cation of the change to the Committees on Armed Services
5 of the Senate and the House of Representatives.

6 “(2) The fee shall be fixed as a percentage of the
7 monthly income and monthly payments (including Federal
8 payments) received by a resident. The fee shall be subject
9 to a limitation on maximum monthly amount. The per-
10 centage shall be the same for each facility of the Retire-
11 ment Home. The Secretary of Defense may make any ad-
12 justment in a percentage or limitation on maximum
13 amount that the Secretary determines appropriate.

14 “(d) TRANSITIONAL FEE STRUCTURES.—(1) Until
15 different fees are prescribed and take effect under sub-
16 section (c), the percentages and limitations on maximum
17 monthly amount that are applicable to fees charged resi-
18 dents of the Retirement Home are (subject to any adjust-
19 ment that the Secretary of Defense determines appro-
20 priate) as follows:

21 “(A) For months beginning before January 1,
22 2002—

23 “(i) for a permanent health care resident,
24 65 percent (without limitation on maximum
25 monthly amount); and

1 “(ii) for a resident who is not a permanent
2 health care resident, 40 percent (without limita-
3 tion on maximum monthly amount).

4 “(B) For months beginning after December 31,
5 2001—

6 “(i) for an independent living resident, 35
7 percent, but not to exceed \$1,000 each month;

8 “(ii) for an assisted living resident, 40 per-
9 cent, but not to exceed \$1,500 each month; and

10 “(iii) for a long-term care resident, 65 per-
11 cent, but not to exceed \$2,500 each month.

12 “(2) Notwithstanding the limitations on maximum
13 monthly amount prescribed under subsection (c) or set
14 forth in paragraph (1)(B), until an independent living
15 resident or assisted living resident of the Armed Forces
16 Retirement Home—Gulfport occupies a renovated room at
17 that facility, as determined by the Secretary of Defense,
18 the limitation on maximum monthly amount applicable to
19 the resident for months beginning after December 31,
20 2001, shall be—

21 “(A) in the case of an independent living resi-
22 dent, \$800; and

23 “(B) in the case of an assisted living resident,
24 \$1,300.

1 **SEC. 1046. LOCAL BOARDS OF TRUSTEES.**

2 Section 1516 (24 U.S.C. 416) is amended to read as
3 follows:

4 **“SEC. 1516. LOCAL BOARDS OF TRUSTEES.**

5 “(a) ESTABLISHMENT.—Each facility of the Retire-
6 ment Home shall have a Local Board of Trustees.

7 “(b) DUTIES.—The Local Board for a facility shall
8 serve in an advisory capacity to the Director of the facility
9 and to the Chief Operating Officer.

10 “(c) COMPOSITION.—(1) The Local Board for a facil-
11 ity shall consist of at least 11 members who (except as
12 otherwise specifically provided) shall be appointed by the
13 Secretary of Defense in consultation with each of the Sec-
14 retaries of the military departments concerned. At least
15 one member of the Local Board shall have a perspective
16 that is oriented toward the Retirement Home overall. The
17 Local Board for a facility shall consist of the following
18 members:

19 “(A) One member who is a civilian expert in
20 nursing home or retirement home administration
21 and financing from the geographical area of the fa-
22 cility.

23 “(B) One member who is a civilian expert in
24 gerontology from the geographical area of the facil-
25 ity.

1 “(C) One member who is a service expert in fi-
2 nancial management.

3 “(D) One representative of the Department of
4 Veterans Affairs regional office nearest in proximity
5 to the facility, who shall be designated by the Sec-
6 retary of Veterans Affairs.

7 “(E) One representative of the resident advi-
8 sory committee or council of the facility, who shall
9 be a nonvoting member.

10 “(F) One enlisted representative of the Serv-
11 ices’ Retiree Advisory Council.

12 “(G) The senior noncommissioned officer of one
13 of the Armed Forces.

14 “(H) One senior representative of the military
15 hospital nearest in proximity to the facility.

16 “(I) One senior judge advocate from one of the
17 Armed Forces.

18 “(J) The Director of the facility, who shall be
19 a nonvoting member.

20 “(K) One senior representative of one of the
21 chief personnel officers of the Armed Forces.

22 “(L) Other members designated by the Sec-
23 retary of Defense (if the Local Board is to have
24 more than 11 members).

1 “(2) The Secretary of Defense shall designate one
2 member of a Local Board to serve as the chairman of the
3 Local Board at the pleasure of the Secretary of Defense.

4 “(d) TERMS.—(1) Except as provided in subsections
5 (e), (f), and (g), the term of office of a member of a Local
6 Board shall be five years.

7 “(2) Unless earlier terminated by the Secretary of
8 Defense, a person may continue to serve as a member of
9 the Local Board after the expiration of the member’s term
10 until a successor is appointed or designated, as the case
11 may be.

12 “(e) EARLY EXPIRATION OF TERM.—A member of
13 a Local Board who is a member of the Armed Forces or
14 an employee of the United States serves as a member of
15 the Local Board only for as long as the member is as-
16 signed to or serving in a position for which the duties in-
17 clude the duty to serve as a member of the Local Board.

18 “(f) VACANCIES.—(1) A vacancy in the membership
19 of a Local Board shall be filled in the manner in which
20 the original appointment or designation was made, as the
21 case may be.

22 “(2) A member appointed or designated to fill a va-
23 cancy occurring before the end of the term of the prede-
24 cessor of the member shall be appointed or designated,

1 as the case may be, for the remainder of the term for
2 which the predecessor was appointed.

3 “(3) A vacancy in a Local Board shall not affect its
4 authority to perform its duties.

5 “(g) EARLY TERMINATION.—The Secretary of De-
6 fense may terminate the appointment of a member of a
7 Local Board before the expiration of the member’s term
8 for any reason that the Secretary determines appropriate.

9 “(h) COMPENSATION.—(1) Except as provided in
10 paragraph (2), a member of a Local Board shall—

11 “(A) be provided a stipend consistent with the
12 daily government consultant fee for each day on
13 which the member is engaged in the performance of
14 services for the Local Board; and

15 “(B) while away from home or regular place of
16 business in the performance of services for the Local
17 Board, be allowed travel expenses (including per
18 diem in lieu of subsistence) in the same manner as
19 a person employed intermittently in Government
20 under sections 5701 through 5707 of title 5, United
21 States Code.

22 “(2) A member of a Local Board who is a member
23 of the Armed Forces on active duty or a full-time officer
24 or employee of the United States shall receive no addi-

1 tional pay by reason of serving a member of a Local
2 Board.”.

3 **SEC. 1047. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF**
4 **FACILITIES.**

5 Section 1517 (24 U.S.C. 417) is amended to read as
6 follows:

7 **“SEC. 1517. DIRECTORS, DEPUTY DIRECTORS, AND STAFF**
8 **OF FACILITIES.**

9 “(a) **APPOINTMENT.**—The Secretary of Defense shall
10 appoint a Director and a Deputy Director for each facility
11 of the Retirement Home.

12 “(b) **DIRECTOR.**—The Director of a facility shall—

13 “(1) be a member of the Armed Forces serving
14 on active duty in a grade above lieutenant colonel or
15 commander;

16 “(2) have appropriate leadership and manage-
17 ment skills; and

18 “(3) be required to pursue a course of study to
19 receive certification as a retirement facilities director
20 by an appropriate civilian certifying organization, if
21 the Director is not so certified at the time of ap-
22 pointment.

23 “(c) **DUTIES OF DIRECTOR.**—(1) The Director of a
24 facility shall be responsible for the day-to-day operation

1 of the facility, including the acceptance of applicants to
2 be residents of that facility.

3 “(2) The Director of a facility shall keep accurate
4 and complete records of the facility.

5 “(d) DEPUTY DIRECTOR.—(1) The Deputy Director
6 of a facility shall—

7 “(A) be a civilian with experience as a con-
8 tinuing care retirement community professional or a
9 member of the Armed Forces serving on active duty
10 in a grade above major or lieutenant commander;
11 and

12 “(B) have appropriate leadership and manage-
13 ment skills.

14 “(2) The Deputy Director of a facility shall—

15 “(A) be appointed without regard to the provi-
16 sions of title 5, United States Code, governing ap-
17 pointments in the competitive service; and

18 “(B) serve at the pleasure of the Secretary of
19 Defense, without regard to the provisions of title 5,
20 United States Code.

21 “(e) DUTIES OF DEPUTY DIRECTOR.—The Deputy
22 Director of a facility shall, under the authority, direction,
23 and control of the Director of the facility, perform such
24 duties as the Director may assign.

1 “(f) STAFF.—(1) The Director of a facility may, sub-
2 ject to the approval of the Chief Operating Officer, ap-
3 point and prescribe the pay of such principal staff as the
4 Director considers appropriate to assist the Director in op-
5 erating the facility.

6 “(2) The principal staff of a facility shall include per-
7 sons with experience and expertise in the operation and
8 management of retirement homes and in the provision of
9 long-term medical care for older persons.

10 “(3) The Director of a facility may exercise the au-
11 thority under paragraph (1) without regard to the provi-
12 sions of title 5, United States Code, governing appoint-
13 ments in the competitive service, classification, and pay,
14 except that the limitations in section 5373 of such title
15 (relating to pay set by administrative action) shall apply
16 to the rates of pay prescribed under this paragraph.

17 “(g) ANNUAL EVALUATION OF DIRECTORS.—(1) The
18 Chief Operating Officer shall evaluate the performance of
19 each of the Directors of the facilities of the Retirement
20 Home each year.

21 “(2) The Chief Operating Officer shall submit to the
22 Secretary of Defense any recommendations regarding a
23 Director that the Chief Operating Officer determines ap-
24 propriate taking into consideration the annual evalua-
25 tion.”.

1 **SEC. 1048. DISPOSITION OF EFFECTS OF DECEASED PER-**
2 **SONS AND UNCLAIMED PROPERTY.**

3 (a) **LEGAL REPRESENTATION FOR RETIREMENT**
4 **HOME.**—Subsection (b)(2)(A) of section 1520 (24 U.S.C.
5 420) is amended by inserting “who is a full-time officer
6 or employee of the United States or a member of the
7 Armed Forces on active duty” after “may designate an
8 attorney”.

9 (b) **CORRECTION OF REFERENCE.**—Subsection
10 (b)(1)(B) of such section is amended by inserting “Armed
11 Forces” before “Retirement Home Trust Fund”.

12 **SEC. 1049. TRANSITIONAL PROVISIONS.**

13 Part B is amended by striking sections 1531, 1532,
14 and 1533 and inserting the following:

15 **“SEC. 1531. TEMPORARY CONTINUATION OF ARMED**
16 **FORCES RETIREMENT HOME BOARD.**

17 “Until the Secretary of Defense appoints the first
18 Chief Operating Officer after the enactment of the Na-
19 tional Defense Authorization Act for Fiscal Year 2002,
20 the Armed Forces Retirement Home Board, as constituted
21 on the day before the date of the enactment of that Act,
22 shall continue to serve and shall perform the duties of the
23 Chief Operating Officer.

1 **“SEC. 1532. TEMPORARY CONTINUATION OF DIRECTOR OF**
2 **THE ARMED FORCES RETIREMENT HOME—**
3 **WASHINGTON.**

4 “The person serving as the Director of the Armed
5 Forces Retirement Home—Washington on the day before
6 the enactment of the National Defense Authorization Act
7 for Fiscal Year 2002 may continue to serve as the Direc-
8 tor of that facility until April 2, 2002.

9 **“SEC. 1533. TEMPORARY CONTINUATION OF INCUMBENT**
10 **DEPUTY DIRECTORS.**

11 “A person serving as the Deputy Director of a facility
12 of the Retirement Home on the day before the enactment
13 of the National Defense Authorization Act for Fiscal Year
14 2002 may continue to serve, at the pleasure of the Sec-
15 retary of Defense, as the Deputy Director until the date
16 on which a Deputy Director is appointed for that facility
17 under section 1517, except that the service in that position
18 may not continue under this section after December 31,
19 2004.”

20 **SEC. 1050. CONFORMING AND CLERICAL AMENDMENTS**
21 **AND REPEALS OF OBSOLETE PROVISIONS.**

22 (a) CONFORMING AMENDMENTS.—(1) Section
23 1513(b) (24 U.S.C. 413(b)), relating to services provided
24 to residents of the Armed Forces Retirement Home, is
25 amended by striking “maintained as a separate establish-
26 ment” in the second sentence.

1 (2) The heading for section 1519 (24 U.S.C. 419)
2 is amended to read as follows:

3 **“SEC. 1519. ARMED FORCES RETIREMENT HOME TRUST**
4 **FUND.”.**

5 (3) Section 1520 (24 U.S.C. 420), relating to disposi-
6 tion of effects of deceased persons and unclaimed prop-
7 erty, is amended—

8 (A) in subsection (a), by striking “each facility
9 that is maintained as a separate establishment” and
10 inserting “a facility”;

11 (B) in subsection (b)(2)(A), by striking “main-
12 tained as a separate establishment”; and

13 (C) in subsection (e), by striking “Directors”
14 and inserting “Director of the facility”.

15 (4)(A) Section 1523 (24 U.S.C. 423), relating to
16 preservation of historic buildings and grounds at the
17 Armed Forces Retirement Home—Washington, is amend-
18 ed by striking “United States Soldiers’ and Airmen’s
19 Home” each place it appears and inserting “Armed Forces
20 Retirement Home—Washington”.

21 (B) The heading for such section is amended to read
22 as follows:

- “Sec. 1518. Inspection of Retirement Home.
 “Sec. 1519. Armed Forces Retirement Home Trust Fund.
 “Sec. 1520. Disposition of effects of deceased persons; unclaimed property.
 “Sec. 1521. Payment of residents for services.
 “Sec. 1522. Authority to accept certain uncompensated services.
 “Sec. 1523. Preservation of historic buildings and grounds at the Armed Forces Retirement Home—Washington.

“PART B—TRANSITIONAL PROVISIONS

- “Sec. 1531. Temporary Continuation of Armed Forces Retirement Home Board.
 “Sec. 1532. Temporary Continuation of Director of the Armed Forces Retirement Home—Washington.
 “Sec. 1533. Temporary Continuation of Incumbent Deputy Directors.”.

1 **SEC. 1051. AMENDMENTS OF OTHER LAWS.**

2 (a) **EMPLOYEE PERFORMANCE APPRAISALS.**—Sec-
 3 tion 4301(2) of title 5, United States Code, is amended—

4 (1) by striking “or” at the end of subparagraph
 5 (G);

6 (2) by striking “and” at the end of subpara-
 7 graph (H) and inserting “or”; and

8 (3) by inserting at the end the following new
 9 subparagraph:

10 “(I) the Chief Operating Officer and the
 11 Deputy Directors of the Armed Forces Retire-
 12 ment Home; and”.

13 (b) **EXCLUSION OF CERTAIN OFFICERS FROM CER-**
 14 **TAIN LIMITATIONS APPLICABLE TO GENERAL AND FLAG**
 15 **OFFICERS ON ACTIVE DUTY.**—(1) Section 525 of title 10,
 16 United States Code, is amended by adding at the end the
 17 following new subsection:

1 “(e) An officer while serving as a Director of the
2 Armed Forces Retirement Home, if serving in the grade
3 of major general or rear admiral, is in addition to the
4 number that would otherwise be permitted for that offi-
5 cer’s armed force for that grade under subsection (a).”.

6 (2)(A) Section 526 of such title is amended by adding
7 at the end the following new subsection:

8 “(e) EXCLUSION OF DIRECTORS OF ARMED FORCES
9 RETIREMENT HOME.—The limitations of this section do
10 not apply to a general or flag officer while the officer is
11 assigned as the Director of a facility of the Armed Forces
12 Retirement Home.”.

13 (B) Subsection (d) of such section is amended by in-
14 serting “RESERVE COMPONENT” after “EXCLUSION OF
15 CERTAIN”.

16 (3) Section 688(e)(2) of such title is amended by add-
17 ing at the end the following new subparagraph:

18 “(D) A general officer or flag officer assigned
19 as the Director of a facility of the Armed Forces Re-
20 tirement Home for the period of active duty to which
21 ordered.”.

22 (4) Section 690 of title 10, United States Code, is
23 amended—

24 (A) in subsection (a)—

1 (i) by striking the second sentence and in-
 2 serting the following: “The following officers
 3 are not counted for the purposes of this sub-
 4 section.”; and

5 (ii) by adding at the end the following:

6 “(1) A retired officer ordered to active duty for
 7 a period of 60 days or less.

8 “(2) A general or flag officer who is assigned
 9 as the Director of a facility of the Armed Forces Re-
 10 tirement Home for the period of active duty to which
 11 ordered.”; and

12 (B) in subsection (b), by adding at the end of
 13 paragraph (2) the following new subparagraph:

14 “(E) A general officer or flag officer assigned
 15 as the Director of a facility of the Armed Forces Re-
 16 tirement Home for the period of active duty to which
 17 ordered.”.

18 **Subtitle E—Other Matters**

19 **SEC. 1061. REQUIREMENT TO CONDUCT CERTAIN PRE-** 20 **VIOUSLY AUTHORIZED EDUCATIONAL PRO-** 21 **GRAMS FOR CHILDREN AND YOUTH.**

22 (a) NATIONAL GUARD CHALLENGE PROGRAM.—Sec-
 23 tion 509(a) of title 32, United States Code, is amended
 24 by striking “The Secretary of Defense may” and inserting
 25 “The Secretary of Defense shall”.

1 (b) STARBASE PROGRAM.—Section 2193b(a) of
2 title 10, United States Code, is amended by striking “The
3 Secretary of Defense may” and inserting “The Secretary
4 of Defense shall”.

5 **SEC. 1062. AUTHORITY TO ENSURE DEMILITARIZATION OF**
6 **SIGNIFICANT MILITARY EQUIPMENT FOR-**
7 **MERLY OWNED BY THE DEPARTMENT OF DE-**
8 **FENSE.**

9 (a) PROHIBITION.—It is unlawful for any person to
10 possess significant military equipment formerly owned by
11 the Department of Defense unless—

12 (1) the military equipment has been demili-
13 tarized in accordance with standards prescribed by
14 the Secretary of Defense;

15 (2) the person is in possession of the military
16 equipment for the purpose of demilitarizing the
17 equipment pursuant to a Federal Government con-
18 tract; or

19 (3) the person is specifically authorized by law
20 or regulation to possess the military equipment.

21 (b) REFERRAL TO ATTORNEY GENERAL.—The Sec-
22 retary of Defense shall notify the Attorney General of any
23 potential violation of subsection (a) of which the Secretary
24 becomes aware.

1 (c) AUTHORITY TO REQUIRE DEMILITARIZATION.—

2 (1) The Attorney General may require any person who,
3 in violation of subsection (a), is in possession of significant
4 military equipment formerly owned by the Department of
5 Defense—

6 (A) to demilitarize the equipment;

7 (B) to have the equipment demilitarized by a
8 third party; or

9 (C) to return the equipment to the Federal
10 Government for demilitarization.

11 (2) When the demilitarization of significant military
12 equipment is carried out pursuant to subparagraph (A)
13 or (B) of paragraph (1), an officer or employee of the
14 United States designated by the Attorney General shall
15 have the right to confirm, by inspection or other means
16 authorized by the Attorney General, that the equipment
17 has been demilitarized.

18 (3) If significant military equipment is not demili-
19 tarized or returned to the Federal Government for demili-
20 tarization as required under paragraph (1) within a rea-
21 sonable period after the Attorney General notifies the per-
22 son in possession of the equipment of the requirement to
23 do so, the Attorney General may request that a court of
24 the United States issue a warrant authorizing the seizure
25 of the military equipment in the same manner as is pro-

1 vided for a search warrant. If the court determines that
2 there is probable cause to believe that the person is in
3 possession of significant military equipment in violation of
4 subsection (a), the court shall issue a warrant authorizing
5 the seizure of such equipment.

6 (d) DEMILITARIZATION OF EQUIPMENT.—(1) The
7 Attorney General shall transfer any military equipment re-
8 turned to the Federal Government or seized pursuant to
9 subsection (c) to the Department of Defense for demili-
10 tarization.

11 (2) If the person in possession of significant military
12 equipment obtained the equipment in accordance with any
13 other provision of law, the Secretary of Defense shall bear
14 all costs of transportation and demilitarization of the
15 equipment and shall either—

16 (A) return the equipment to the person upon
17 completion of the demilitarization; or

18 (B) reimburse the person for the cost incurred
19 by that person to acquire the equipment if the Sec-
20 retary determines that the cost to demilitarize and
21 return the property to the person would be prohibi-
22 tive.

23 (e) ESTABLISHMENT OF DEMILITARIZATION STAND-
24 ARDS.—(1) The Secretary of Defense shall prescribe regu-

1 lations regarding the demilitarization of military equip-
2 ment.

3 (2) The regulations shall be designed to ensure
4 that—

5 (A) the equipment, after demilitarization, does
6 not constitute a significant risk to public safety and
7 does not have—

8 (i) a significant capability for use as a
9 weapon; or

10 (ii) a uniquely military capability; and

11 (B) any person from whom private property is
12 taken for public use under this section receives just
13 compensation for the taking of the property.

14 (3) The regulations shall, at a minimum, define—

15 (A) the classes of significant military equipment
16 requiring demilitarization before disposal; and

17 (B) what constitutes demilitarization for each
18 class of significant military equipment.

19 (f) DEFINITION OF SIGNIFICANT MILITARY EQUIP-
20 MENT.—In this section, the term “significant military
21 equipment” means equipment that has a capability de-
22 scribed in clause (i) or (ii) of subsection (e)(2) and—

23 (1) is a defense article listed on the United
24 States Munitions List maintained under section 38
25 of the Arms Export Control Act (22 U.S.C. 2778)

1 that is designated on that list as significant military
2 equipment; or

3 (2) is designated by the Secretary of Defense
4 under the regulations prescribed under subsection
5 (e) as being equipment that it is necessary in the in-
6 terest of public safety to demilitarize before disposal
7 by the United States.

8 **SEC. 1063. CONVEYANCES OF EQUIPMENT AND RELATED**
9 **MATERIALS LOANED TO STATE AND LOCAL**
10 **GOVERNMENTS AS ASSISTANCE FOR EMER-**
11 **GENCY RESPONSE TO A USE OR THREAT-**
12 **ENED USE OF A WEAPON OF MASS DESTRUC-**
13 **TION.**

14 Section 1412(e) of the Defense Against Weapons of
15 Mass Destruction Act of 1996 (title XIV of Public Law
16 104–201; 110 Stat. 2718; 50 U.S.C. 2312(e)) is amended
17 by adding at the end the following new paragraph:

18 “(5) A conveyance of ownership of United
19 States property to a State or local government, with-
20 out cost and without regard to subsection (f) and
21 title II of the Federal Property and Administrative
22 Services Act of 1949 (or any other provision of law
23 relating to the disposal of property of the United
24 States), if the property is equipment, or equipment
25 and related materials, that is in the possession of

1 the State or local government on the date of the en-
2 actment of the National Defense Authorization Act
3 for Fiscal Year 2002 pursuant to a loan of the prop-
4 erty as assistance under this section.”.

5 **SEC. 1064. AUTHORITY TO PAY GRATUITY TO MEMBERS OF**
6 **THE ARMED FORCES AND CIVILIAN EMPLOY-**
7 **EES OF THE UNITED STATES FOR SLAVE**
8 **LABOR PERFORMED FOR JAPAN DURING**
9 **WORLD WAR II.**

10 (a) PAYMENT OF GRATUITY AUTHORIZED.—The
11 Secretary of Veterans Affairs may pay a gratuity to a cov-
12 ered veteran or civilian internee, or to the surviving spouse
13 of a covered veteran or civilian internee, in the amount
14 of \$20,000.

15 (b) COVERED VETERAN OR CIVILIAN INTERNEE DE-
16 FINED.—In this section, the term “covered veteran or ci-
17 vilian internee” means any individual who—

18 (1) was a member of the Armed Forces, a civil-
19 ian employee of the United States, or an employee
20 of a contractor of the United States during World
21 War II;

22 (2) served in or with United States combat
23 forces during World War II;

1 (3) was captured and held as a prisoner of war
2 or prisoner by Japan in the course of such service;
3 and

4 (4) was required by the Imperial Government of
5 Japan, or one or more Japanese corporations, to
6 perform slave labor during World War II.

7 (c) RELATIONSHIP TO OTHER PAYMENTS.—Any
8 amount paid a person under this section for activity de-
9 scribed in subsection (b) is in addition to any other
10 amount paid such person for such activity under any other
11 provision of law.

12 **SEC. 1065. RETENTION OF TRAVEL PROMOTIONAL ITEMS.**

13 (a) IN GENERAL.—To the extent provided in sub-
14 section (b), a Federal employee, member of the foreign
15 service, member of a uniformed service, any family mem-
16 ber or dependent of such an employee or member, or other
17 individual traveling at Government expense who receives
18 a promotional item (including frequent flyer miles, up-
19 grades, or access to carrier clubs or facilities) as a result
20 of using travel or transportation services procured by the
21 United States or accepted under section 1353 of title 31,
22 United States Code, may retain the promotional item for
23 personal use if the promotional item is obtained under the
24 same terms as those offered to the general public and at
25 no additional cost to the Government.

1 (b) APPLICABILITY TO EXECUTIVE BRANCH ONLY.—

2 Subsection (a)—

3 (1) applies only to travel that is at the expense
4 of the executive branch; and

5 (2) does not apply to travel by any officer, em-
6 ployee, or other official of the Government outside
7 the executive branch.

8 (c) CONFORMING AMENDMENT.—Section 6008 of the
9 Federal Acquisition Streamlining Act of 1994 (Public Law
10 103–355; 5 U.S.C. 5702 note) is amended by adding at
11 the end the following new subsection:

12 “(d) INAPPLICABILITY TO EXECUTIVE BRANCH.—
13 The guidelines issued under subsection (a) and the re-
14 quirement under subsection (b) shall not apply to any
15 agency of the executive branch or to any Federal employee
16 or other personnel in the executive branch.”.

17 (d) APPLICABILITY.—This section shall apply with
18 respect to promotional items received before, on, or after
19 the date of enactment of this Act.

20 **SEC. 1066. RADIATION EXPOSURE COMPENSATION ACT**
21 **MANDATORY APPROPRIATIONS.**

22 Section 3(e) of the Radiation Exposure Compensation
23 Act (42 U.S.C. 2210 note) is amended to read as follows:

24 “(e) APPROPRIATION.—

1 “(1) IN GENERAL.—Subject to the limits in
2 paragraph (2), there are appropriated, out of any
3 money in the Treasury not otherwise appropriated,
4 for the fiscal year 2002, and each fiscal year there-
5 after through 2011, such sums as may be necessary
6 to the Fund for the purpose of making payments to
7 eligible beneficiaries under this Act.

8 “(2) LIMITATION.—Amounts appropriated pur-
9 suant to paragraph (1) may not exceed—

10 “(A) in fiscal year 2002, \$172,000,000;

11 “(B) in fiscal year 2003, \$143,000,000;

12 “(C) in fiscal year 2004, \$107,000,000;

13 “(D) in fiscal year 2005, \$65,000,000;

14 “(E) in fiscal year 2006, \$47,000,000;

15 “(F) in fiscal year 2007, \$29,000,000;

16 “(G) in fiscal year 2008, \$29,000,000;

17 “(H) in fiscal year 2009, \$23,000,000;

18 “(I) in fiscal year 2010, \$23,000,000; and

19 “(J) in fiscal year 2011, \$17,000,000.”.

20 **SEC. 1067. LEASING OF NAVY SHIPS FOR UNIVERSITY NA-**
21 **TIONAL OCEANOGRAPHIC LABORATORY SYS-**
22 **TEM.**

23 Subsection (g) of section 2667 of title 10, United
24 States Code (section 1061, National Defense Authoriza-

1 tion Act, 1998, P.L. 105–85) is amended by adding a new
2 paragraph at the end as follows:

3 “(3) The requirements of paragraph (1) shall
4 not apply to renewals or extensions of a lease with
5 a selected institution for operation of a ship within
6 the University National Oceanographic Laboratory
7 System, if—

8 “(A) use of the ship is restricted to feder-
9 ally supported research programs and non-Fed-
10 eral uses under specific conditions with ap-
11 proval by the Secretary of the Navy;

12 “(B) because of the anticipated value to
13 the Navy of the oceanographic research and
14 training that will result from the ship’s oper-
15 ation, no monetary lease payments are required
16 from the lessee under the initial lease or under
17 any renewals or extensions; and

18 “(C) the lessee is required to maintain the
19 ship in a good state of repair readiness, and ef-
20 ficient operating conditions, conform to all ap-
21 plicable regulatory requirements, and assume
22 full responsibility for the safety of the ship, its
23 crew, and scientific personnel aboard.”.

1 **SEC. 1068. SMALL BUSINESS PROCUREMENT COMPETITION.**

2 (a) DEFINITION OF COVERED CONTRACTS.—Section
3 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4))
4 is amended—

5 (1) by inserting after “bundled contract” the
6 following: “, the aggregate dollar value of which is
7 anticipated to be less than \$5,000,000, or any con-
8 tract, whether or not the contract is a bundled con-
9 tract, the aggregate dollar value of which is antici-
10 pated to be \$5,000,000 or more”;

11 (2) by striking “In the” and inserting the fol-
12 lowing:

13 “(A) IN GENERAL.—In the”; and

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

15 “(B) CONTRACTING GOALS.—

16 “(i) IN GENERAL.—A contract award
17 under this paragraph to a team that is
18 comprised entirely of small business con-
19 cerns shall be counted toward the small
20 business contracting goals of the con-
21 tracting agency, as required by this Act.

22 “(ii) PREPONDERANCE TEST.—The
23 ownership of the small business that con-
24 ducts the preponderance of the work in a
25 contract awarded to a team described in
26 clause (i) shall determine the category or

1 type of award for purposes of meeting the
2 contracting goals of the contracting agen-
3 cy.”.

4 (b) PROPORTIONATE WORK REQUIREMENTS FOR
5 BUNDLED CONTRACTS.—

6 (1) SECTION 8.—Section 8(a)(14)(A) of the
7 Small Business Act (15 U.S.C. 637(a)(14)(A)) is
8 amended—

9 (A) in clause (i), by striking “and” at the
10 end;

11 (B) in clause (ii), by striking the period at
12 the end and inserting “; and”; and

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

14 “(iii) notwithstanding clauses (i) and (ii), in the
15 case of a bundled contract—

16 “(I) the concern will perform work for at
17 least 33 percent of the aggregate dollar value of
18 the anticipated award;

19 “(II) no other concern will perform a
20 greater proportion of the work on that contract;
21 and

22 “(III) no other concern that is not a small
23 business concern will perform work on the con-
24 tract.”.

1 (2) QUALIFIED HUBZONE SMALL BUSINESS
2 CONCERNS.—Section 3(p)(5)(A)(i)(III) of the Small
3 Business Act (15 U.S.C. 632(p)(5)(A)(i)(III)) is
4 amended—

5 (A) in item (bb), by striking “and” at the
6 end;

7 (B) by redesignating item (cc) as item
8 (dd); and

9 (C) by inserting after item (bb) the fol-
10 lowing:

11 “(cc) notwithstanding items
12 (aa) and (bb), in the case of a
13 bundled contract, the concern will
14 perform work for at least 33 per-
15 cent of the aggregate dollar value
16 of the anticipated award, no
17 other concern will perform a
18 greater proportion of the work on
19 that contract, and no other con-
20 cern that is not a small business
21 concern will perform work on the
22 contract; and”.

23 (3) SECTION 15.—Section 15(o)(1) of the Small
24 Business Act (15 U.S.C. 644(o)(1)) is amended—

1 (A) in subparagraph (A), by striking
2 “and” at the end;

3 (B) in subparagraph (B), by striking the
4 period at the end and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(C) notwithstanding subparagraphs (A) and
7 (B), in the case of a bundled contract—

8 “(i) the concern will perform work for at
9 least 33 percent of the aggregate dollar value of
10 the anticipated award;

11 “(ii) no other concern will perform a great-
12 er proportion of the work on that contract; and

13 “(iii) no other concern that is not a small
14 business concern will perform work on the con-
15 tract.”.

16 (c) SMALL BUSINESS PROCUREMENT COMPETITION
17 PILOT PROGRAM.—

18 (1) DEFINITIONS.—In this subsection—

19 (A) the term “Administrator” means the
20 Administrator of the Small Business Adminis-
21 tration;

22 (B) the term “Federal agency” has the
23 same meaning as in section 3 of the Small
24 Business Act (15 U.S.C. 632);

1 (C) the term “Program” means the Small
2 Business Procurement Competition Program es-
3 tablished under paragraph (2);

4 (D) the term “small business concern” has
5 the same meaning as in section 3 of the Small
6 Business Act (15 U.S.C. 632); and

7 (E) the term “small business-only joint
8 ventures” means a team described in section
9 15(e)(4) of the Small Business Act (15 U.S.C.
10 644(e)(4)) comprised of only small business
11 concerns.

12 (2) ESTABLISHMENT OF PROGRAM.—The Ad-
13 ministrators shall establish in the Small Business Ad-
14 ministration a pilot program to be known as the
15 “Small Business Procurement Competition Pro-
16 gram”.

17 (3) PURPOSES OF PROGRAM.—The purposes of
18 the Program are—

19 (A) to encourage small business-only joint
20 ventures to compete for contract awards to ful-
21 fill the procurement needs of Federal agencies;

22 (B) to facilitate the formation of joint ven-
23 tures for procurement purposes among small
24 business concerns;

1 (C) to engage in outreach to small busi-
2 ness-only joint ventures for Federal agency pro-
3 curement purposes; and

4 (D) to engage in outreach to the Director
5 of the Office of Small and Disadvantaged Busi-
6 ness Utilization and the procurement officer
7 within each Federal agency.

8 (4) OUTREACH.—Under the Program, the Ad-
9 ministrator shall establish procedures to conduct
10 outreach to small business concerns interested in
11 forming small business-only joint ventures for the
12 purpose of fulfilling procurement needs of Federal
13 agencies, subject to the rules of the Administrator,
14 in consultation with the heads of those Federal
15 agencies.

16 (5) REGULATORY AUTHORITY.—The Adminis-
17 trator shall promulgate such regulations as may be
18 necessary to carry out this subsection.

19 (6) SMALL BUSINESS ADMINISTRATION DATA-
20 BASE.—The Administrator shall establish and main-
21 tain a permanent database that identifies small busi-
22 ness concerns interested in forming small business-
23 only joint ventures, and shall make the database
24 available to each Federal agency and to small busi-

1 ness concerns in electronic form to facilitate the for-
2 mation of small business-only joint ventures.

3 (7) **TERMINATION OF PROGRAM.**—The Program
4 (other than the database established under para-
5 graph (6)) shall terminate 3 years after the date of
6 enactment of this Act.

7 (8) **REPORT TO CONGRESS.**—Not later than 60
8 days before the date of termination of the Program,
9 the Administrator shall submit a report to Congress
10 on the results of the Program, together with any
11 recommendations for improvements to the Program
12 and its potential for use Governmentwide.

13 (9) **RELATIONSHIP TO OTHER LAWS.**—Nothing
14 in this subsection waives or modifies the applicability
15 of any other provision of law to procurements of any
16 Federal agency in which small business-only joint
17 ventures may participate under the Program.

18 **SEC. 1069. CHEMICAL AND BIOLOGICAL PROTECTIVE**
19 **EQUIPMENT FOR MILITARY AND CIVILIAN**
20 **PERSONNEL OF THE DEPARTMENT OF DE-**
21 **FENSE.**

22 (a) **REPORT REQUIRED.**—(1) Not later than 120
23 days after the date of the enactment of this Act, the Sec-
24 retary of Defense shall submit to Congress a report on
25 the requirements of the Department of Defense, including

1 the reserve components, for chemical and biological protec-
2 tive equipment.

3 (2) The report shall set forth the following:

4 (A) A description of any current shortfalls in
5 requirements for chemical and biological protective
6 equipment, whether for individuals or units, for mili-
7 tary personnel.

8 (B) A plan for providing appropriate chemical
9 and biological protective equipment for all military
10 personnel and for all civilian personnel of the De-
11 partment of Defense.

12 (C) An assessment of the costs associated with
13 carrying out the plan under subparagraph (B).

14 (b) SENSE OF CONGRESS.—It is the sense of Con-
15 gress that the Secretary of Defense should consider uti-
16 lizing funds available to the Secretary for chemical and
17 biological defense programs, including funds available for
18 such program under this Act and funds available for such
19 programs under the 2001 Emergency Supplemental Ap-
20 propriations Act for Recovery from and Response to Ter-
21 rorist Attacks on the United States, to provide an appro-
22 priate level of protection from chemical and biological at-
23 tack, including protective equipment, for all military per-
24 sonnel and for all civilian personnel of the Department of

1 Defense who are not currently protected from chemical or
2 biological attack.

3 **SEC. 1070. AUTHORIZATION OF THE SALE OF GOODS AND**
4 **SERVICES BY THE NAVAL MAGAZINE, INDIAN**
5 **ISLAND.**

6 The Secretary of the Navy may sell to a person out-
7 side the Department of Defense articles and services pro-
8 vided by the Naval Magazine, Indian Island facility that
9 are not available from any United States commercial
10 source: *Provided*, That a sale pursuant to this section shall
11 conform to the requirements of section 2563 (c) and (d)
12 of title 10, United States Code: *Provided further*, That the
13 proceeds from the sales of articles and services under this
14 section shall be credited to operation and maintenance
15 funds of the Navy, that are current when the proceeds
16 are received.

17 **SEC. 1071. ASSISTANCE FOR FIREFIGHTERS.**

18 Section 33(e) of the Federal Fire Prevention and
19 Control Act of 1974 (15 U.S.C. 2229(e)) is amended by
20 striking paragraph (2) and inserting the following new
21 paragraphs:

22 “(2) \$600,000,000 for fiscal year 2002.

23 “(3) \$800,000,000 for fiscal year 2003.

24 “(4) \$1,000,000,000 for fiscal year 2004.”.

1 **SEC. 1072. PLAN TO ENSURE EMBARKATION OF CIVILIAN**
2 **GUESTS DOES NOT INTERFERE WITH OPER-**
3 **ATIONAL READINESS AND SAFE OPERATION**
4 **OF NAVY VESSELS.**

5 (a) PLAN.—The Secretary of the Navy shall, not later
6 than February 1, 2002, submit to Congress a plan to en-
7 sure that the embarkation of selected civilian guests does
8 not interfere with the operational readiness and safe oper-
9 ation of Navy vessels. The plan shall include, at a
10 minimum—

11 (1) procedures to ensure that guest embar-
12 kations are conducted only within the framework of
13 regularly scheduled operations and that underway
14 operations are not conducted solely to accommodate
15 nonofficial civilian guests,

16 (2) guidelines for the maximum number of
17 guests that can be embarked on the various classes
18 of Navy vessels,

19 (3) guidelines and procedures for supervising ci-
20 vilians operating or controlling any equipment on
21 Navy vessels,

22 (4) guidelines to ensure that proper standard
23 operating procedures are not hindered by activities
24 related to hosting civilians,

25 (5) any other guidelines or procedures the Sec-
26 retary shall consider necessary or appropriate.

1 (b) DEFINITION.—For the purposes of this section,
2 civilian guests are defined as civilians invited to embark
3 on Navy ships solely for the purpose of furthering public
4 awareness of the Navy and its mission. It does not include
5 civilians conducting official business.

6 **SEC. 1073. MODERNIZING AND ENHANCING MISSILE WING**
7 **HELICOPTER SUPPORT—STUDY AND PLAN.**

8 (a) REPORT AND RECOMMENDATIONS.—With the
9 submission of the fiscal year 2003 budget request, the Sec-
10 retary of Defense shall provide to the congressional de-
11 fense committees a report and the Secretary's rec-
12 ommendations on options for providing the helicopter sup-
13 port missions for the ICBM wings at Minot AFB, North
14 Dakota; Malmstrom AFB, Montana; and F.E. Warren
15 AFB, Wyoming, for as long as these missions are re-
16 quired.

17 (b) OPTIONS.—Options to be reviewed include—

18 (1) the Air Force's current plan for replace-
19 ment or modernization of UH-1N helicopters cur-
20 rently flown by the Air Force at the missile wings;

21 (2) replacement of the UH-1N helicopters cur-
22 rently flown by the Air Force with UH-60 Black
23 Hawk helicopters, the UH-1Y, or another platform;

24 (3) replacement of UH-1N helicopters with
25 UH-60 helicopters and transition of the mission to

1 the Army National Guard, as detailed in a Novem-
2 ber 2000 Air Force Space Command/Army National
3 Guard plan, “ARNG Helicopter Support to Air
4 Force Space Command”;

5 (4) replacement of UH-1N helicopters with
6 UH-60 helicopters or another platform, and estab-
7 lishment of composite units combining active duty
8 Air Force and Army National Guard personnel; and

9 (5) other options as the Secretary deems appro-
10 priate.

11 (c) FACTORS.—Factors to be considered in this anal-
12 ysis include—

13 (1) any implications of transferring the heli-
14 copter support missions on the command and control
15 of and responsibility for missile field force protec-
16 tion;

17 (2) current and future operational require-
18 ments, and the capabilities of the UH-1N, the UH-
19 60 or other aircraft to meet them;

20 (3) cost, with particular attention to opportuni-
21 ties to realize efficiencies over the long run;

22 (4) implications for personnel training and re-
23 tention; and

24 (5) evaluation of the assumptions used in the
25 plan specified in subsection (b)(3).

1 (d) CONSIDERATION.—The Secretary shall consider
2 carefully the views of the Secretary of the Army, Secretary
3 of the Air Force, Commander in Chief of the United
4 States Strategic Command, and the Chief of the National
5 Guard Bureau.

6 **SEC. 1074. SENSE OF THE SENATE THAT THE SECRETARY**
7 **OF THE TREASURY SHOULD IMMEDIATELY**
8 **ISSUE SAVINGS BONDS, TO BE DESIGNATED**
9 **AS “UNITY BONDS”, IN RESPONSE TO THE**
10 **TERRORIST ATTACKS AGAINST THE UNITED**
11 **STATES ON SEPTEMBER 11, 2001.**

12 (a) FINDINGS.—The Senate finds that—

13 (1) a national tragedy occurred on September
14 11, 2001, whereby enemies of freedom and democ-
15 racy attacked the United States of America and in-
16 jured or killed thousands of innocent victims;

17 (2) the perpetrators of these reprehensible at-
18 tacks destroyed brick and mortar buildings, but the
19 American spirit and the American people have be-
20 come stronger as they have united in defense of
21 their country;

22 (3) the American people have responded with
23 incredible acts of heroism, kindness, and generosity;

24 (4) the outpouring of volunteers, blood donors,
25 and contributions of food and money demonstrates

1 that America will unite to provide relief to the vic-
2 tims of these cowardly terrorist acts;

3 (5) the American people stand together to resist
4 all attempts to steal their freedom; and

5 (6) united, Americans will be victorious over
6 their enemies, whether known or unknown.

7 (b) SENSE OF THE SENATE.—It is the sense of the
8 Senate that—

9 (1) the Secretary of the Treasury should—

10 (A) immediately issue savings bonds, to be
11 designated as “Unity Bonds”; and

12 (B) report quarterly to Congress on the
13 revenue raised from the sale of Unity Bonds;
14 and

15 (2) the proceeds from the sale of Unity Bonds
16 should be directed to the purposes of rebuilding
17 America and fighting the war on terrorism.

18 **SEC. 1075. PERSONNEL PAY AND QUALIFICATIONS AU-**
19 **THORITY FOR DEPARTMENT OF DEFENSE**
20 **PENTAGON RESERVATION CIVILIAN LAW EN-**
21 **FORCEMENT AND SECURITY FORCE.**

22 Section 2674(b) of title 10, United States Code, is
23 amended—

24 (1) by inserting “(1)” before the text in the
25 first paragraph of that subsection;

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

3 (3) by adding at the end the following new
4 paragraph:

5 “(2) For positions whose permanent duty station is
6 the Pentagon Reservation, the Secretary, in his sole and
7 exclusive discretion, may without regard to the pay provi-
8 sions of title 5, fix the rates of basic pay for such positions
9 occupied by civilian law enforcement and security per-
10 sonnel appointed under the authority of this section so as
11 to place such personnel on a comparable basis with other
12 similar Federal law enforcement and security organiza-
13 tions within the vicinity of the Pentagon Reservation, not
14 to exceed basic pay for personnel performing similar duties
15 in the Uniformed Division of the Secret Service or the
16 Park Police.

17 **SEC. 1076. WAIVER OF VEHICLE WEIGHT LIMITS DURING**
18 **PERIODS OF NATIONAL EMERGENCY.**

19 Section 127 of title 23, United States Code, is
20 amended by adding at the end the following:

21 “(h) WAIVER FOR A ROUTE IN STATE OF MAINE
22 DURING PERIODS OF NATIONAL EMERGENCY.—

23 “(1) IN GENERAL.—Notwithstanding any other
24 provision of this section, the Secretary, in consulta-
25 tion with the Secretary of Defense, may waive or

1 limit the application of any vehicle weight limit es-
 2 tablished under this section with respect to the por-
 3 tion of Interstate Route 95 in the State of Maine be-
 4 tween Augusta and Bangor for the purpose of mak-
 5 ing bulk shipments of jet fuel to the Air National
 6 Guard Base at Bangor International Airport during
 7 a period of national emergency in order to respond
 8 to the effects of the national emergency.

9 “(2) APPLICABILITY.—Emergency limits estab-
 10 lished under paragraph (1) shall preempt any incon-
 11 sistent State vehicle weight limits.”.

12 **TITLE XI—DEPARTMENT OF DE-**
 13 **FENSE CIVILIAN PERSONNEL**
 14 **POLICY**

15 **Subtitle A—Intelligence Personnel**

16 **SEC. 1101. AUTHORITY TO INCREASE MAXIMUM NUMBER**
 17 **OF POSITIONS IN THE DEFENSE INTEL-**
 18 **LIGENCE SENIOR EXECUTIVE SERVICE.**

19 Section 1606(a) of title 10, United States Code, is
 20 amended by striking “517.” and inserting the following:
 21 “517, except that the Secretary may increase such max-
 22 imum number by one position for each Senior Intelligence
 23 Service position in the Central Intelligence Agency that
 24 is permanently eliminated by the Director of Central Intel-
 25 ligence after the date of the enactment of the National

1 Defense Authorization Act for Fiscal Year 2002. In no
2 event may the number of positions in the Defense Intel-
3 ligence Senior Executive Service exceed 544.”.

4 **SEC. 1102. CONTINUED APPLICABILITY OF CERTAIN CIVIL**
5 **SERVICE PROTECTIONS FOR EMPLOYEES IN-**
6 **TEGRATED INTO THE NATIONAL IMAGERY**
7 **AND MAPPING AGENCY FROM THE DEFENSE**
8 **MAPPING AGENCY.**

9 Section 1612(b) of title 10, United States Code, is
10 amended by adding at the end the following new para-
11 graph:

12 “(4)(A) If not otherwise applicable to an employee
13 described in subparagraph (B), subchapters II and IV of
14 chapter 75 of title 5 shall continue to apply to the em-
15 ployee for as long as the employee serves on and after Oc-
16 tober 1, 1996, without a break in service, as an employee
17 of the Department of Defense in any position, or succes-
18 sively in two or more positions, in the National Imagery
19 and Mapping Agency.

20 “(B) This paragraph applies to a person who—

21 “(i) on September 30, 1996, was employed as
22 an employee of the Department of Defense in a posi-
23 tion in the Defense Mapping Agency to whom sub-
24 chapters II and IV of title 5 applied; and

1 “(ii) on October 1, 1996, became an employee
2 of the National Imagery and Mapping Agency under
3 paragraph 1601(a) of this title.”.

4 **Subtitle B—Matters Relating to** 5 **Retirement**

6 **SEC. 1111. FEDERAL EMPLOYMENT RETIREMENT CREDIT** 7 **FOR NONAPPROPRIATED FUND INSTRUMENT-** 8 **TALITY SERVICE.**

9 (a) CIVIL SERVICE RETIREMENT SYSTEM.—(1) Sec-
10 tion 8332(b) of title 5, United States Code, is amended—

11 (A) by striking “and” at the end of paragraph
12 (15);

13 (B) by striking the period at the end of para-
14 graph (16) and inserting “; and”;

15 (C) by inserting after paragraph (16) the fol-
16 lowing new paragraph:

17 “(17) service performed by any individual as an
18 employee of a nonappropriated fund instrumentality
19 of the Department of Defense or the Coast Guard
20 described in section 2105(c) of this title that is not
21 covered by paragraph (16), if the individual elects
22 (in accordance with regulations prescribed by the Of-
23 fice) at the time of separation from service to have
24 such service credited under this paragraph.”;

1 (D) in the last sentence, by inserting “or (17)”
2 after “service of the type described in paragraph
3 (16)”;

4 (E) by inserting after the last sentence the fol-
5 lowing: “Service credited under paragraph (17) may
6 not also be credited under any other retirement sys-
7 tem provided for employees of a nonappropriated
8 fund instrumentality.”.

9 (2) Section 8334 of such title is amended by adding
10 at the end the following new subsection:

11 “(o) Notwithstanding subsection (c), no deposit may
12 be made with respect to service credited under section
13 8332(b)(17) of this title.”.

14 (3) Section 8339 of such title is amended by adding
15 at the end the following new subsection:

16 “(u) The annuity of an employee retiring under this
17 subchapter with service credited under section
18 8332(b)(17) of this title shall be reduced to the maximum
19 amount necessary to ensure that the present value of the
20 annuity payable to the employee is actuarially equivalent
21 to the present value of the annuity that would be payable
22 to the employee under this subchapter if it were computed
23 on the basis of service that does not include service cred-
24 ited under section 8332(b)(17) of this title. The amount
25 of the reduction shall be computed under regulations pre-

1 scribed by the Office of Personnel Management for the
2 administration of this subsection.”.

3 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

4 (1) Section 8411 of such title is amended—

5 (A) in subsection (b)—

6 (i) by striking “and” at the end of para-
7 graph (4);

8 (ii) by striking the period at the end of
9 paragraph (5) and inserting “; and”; and

10 (iii) by inserting after paragraph (5) the
11 following new paragraph:

12 “(6) service performed by any individual as an
13 employee of a nonappropriated fund instrumentality
14 of the Department of Defense or the Coast Guard
15 described in section 2105(c) of this title, if the indi-
16 vidual elects (in accordance with regulations pre-
17 scribed by the Office) at the time of separation from
18 service to have such service credited under this para-
19 graph.”; and

20 (B) by adding at the end the following new sub-
21 section:

22 “(k)(1) The Office of Personnel Management shall
23 accept, for the purposes of this chapter, the certification
24 of the head of a nonappropriated fund instrumentality of
25 the United States concerning service of the type described

1 in subsection (b)(6) that was performed for such non-
2 appropriated fund instrumentality.

3 “(2) Service credited under subsection (b)(6) may not
4 also be credited under any other retirement system pro-
5 vided for employees of a nonappropriated fund instrumen-
6 tality.”.

7 (2)(A) Section 8422 of such title is amended by add-
8 ing at the end the following new subsection:

9 “(g) No deposit may be made with respect to service
10 credited under section 8411(b)(6) of this title.”.

11 (B) The heading for such section is amended to read
12 as follows:

13 **“§ 8422. Deductions from pay; contributions for other**
14 **service”.**

15 (C) The item relating to such section in the table of
16 contents at the beginning of chapter 84 of title 5, United
17 States Code, is amended to read as follows:

“8422. Deductions from pay; contributions for other service.”.

18 (3) Section 8415 of such title is amended by adding
19 at the end the following new subsection:

20 “(j) The annuity of an employee retiring under this
21 chapter with service credited under section 8411(b)(6) of
22 this title shall be reduced to the maximum amount nec-
23 essary to ensure that the present value of the annuity pay-
24 able to the employee under this subchapter is actuarially
25 equivalent to the present value of the annuity that would

1 be payable to the employee under this subchapter if it were
 2 computed on the basis of service that does not include
 3 service credited under section 8411(b)(6) of this title. The
 4 amount of the reduction shall be computed under regula-
 5 tions prescribed by the Office of Personnel Management
 6 for the administration of this subsection.”.

7 (c) APPLICABILITY.—The amendments made by this
 8 section shall apply only to separations from service as an
 9 employee of the United States on or after the date of the
 10 enactment of this Act.

11 **SEC. 1112. IMPROVED PORTABILITY OF RETIREMENT COV-**
 12 **ERAGE FOR EMPLOYEES MOVING BETWEEN**
 13 **CIVIL SERVICE EMPLOYMENT AND EMPLOY-**
 14 **MENT BY NONAPPROPRIATED FUND INSTRU-**
 15 **MENTALITIES.**

16 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
 17 8347(q) of title 5, United States Code, is amended—

18 (1) in paragraph (1)—

19 (A) by inserting “and” at the end of sub-
 20 paragraph (A);

21 (B) by striking subparagraph (B); and

22 (C) by redesignating subparagraph (C) as
 23 subparagraph (B); and

24 (2) in paragraph (2)(B)—

25 (A) by striking “vested”; and

1 (B) by striking “, as the term” and all
 2 that follows through “such system”.

3 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

4 Section 8461(n) of such title is amended—

5 (1) in paragraph (1)—

6 (A) by inserting “and” at the end of sub-
 7 paragraph (A);

8 (B) by striking subparagraph (B); and

9 (C) by redesignating subparagraph (C) as
 10 subparagraph (B); and

11 (2) in paragraph (2)(B)—

12 (A) by striking “vested”; and

13 (B) by striking “, as the term” and all
 14 that follows through “such system”.

15 **SEC. 1113. REPEAL OF LIMITATIONS ON EXERCISE OF VOL-**
 16 **UNTARY SEPARATION INCENTIVE PAY AU-**
 17 **THORITY AND VOLUNTARY EARLY RETIRE-**
 18 **MENT AUTHORITY.**

19 Section 1153(b) of the Floyd D. Spence National De-
 20 fense Authorization Act for Fiscal Year 2001 (as enacted
 21 into law by Public Law 106–398; 114 Stat. 1654A–323)
 22 is amended—

23 (1) in paragraph (1), by striking “Subject to
 24 paragraph (2), the” and inserting “The”;

25 (2) by striking paragraph (2); and

1 (3) by redesignating subparagraphs (A) and
2 (B) as paragraphs (1) and (2), respectively.

3 **Subtitle C—Other Matters**

4 **SEC. 1121. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR**
5 **THE CORPS OF CADETS AT THE UNITED**
6 **STATES MILITARY ACADEMY.**

7 Section 4337 of title 10, United States Code, is
8 amended by striking the second sentence and inserting the
9 following: “The chaplain is entitled to a housing allowance
10 equal to the basic allowance for housing that is applicable
11 for an officer in pay grade O–5 at the Academy under
12 section 403 of title 37, and to fuel and light for quarters
13 in kind.”.

14 **SEC. 1122. STUDY OF ADEQUACY OF COMPENSATION PRO-**
15 **VIDED FOR TEACHERS IN THE DEPARTMENT**
16 **OF DEFENSE OVERSEAS DEPENDENTS’**
17 **SCHOOLS.**

18 (a) REQUIREMENT FOR STUDY.—The Comptroller
19 General shall carry out a study of the adequacy of the
20 pay and other elements of the compensation provided for
21 teachers in the defense dependents’ education system es-
22 tablished under the Defense Dependents’ Education Act
23 of 1978 (20 U.S.C. 921 et seq.).

1 (b) SPECIFIC CONSIDERATIONS.—In carrying out the
2 study, the Comptroller General shall consider the following
3 issues:

4 (1) Whether the compensation is adequate for
5 recruiting and retaining high quality teachers.

6 (2) Whether any revision of the Defense De-
7 partment Overseas Teachers Pay and Personnel
8 Practices Act (20 U.S.C. 901 et seq) or the regula-
9 tions under that Act is advisable to address any
10 problems identified with respect to the recruitment
11 and retention of high quality teachers or for other
12 purposes.

13 (c) REPORT.—The Comptroller General shall submit
14 a report on the results of the study to Congress not later
15 than March 1, 2002. The report shall include the fol-
16 lowing:

17 (1) The Comptroller General's conclusions on
18 the issues considered.

19 (2) Any recommendations for actions that the
20 Comptroller General considers appropriate.

1 **SEC. 1123. PILOT PROGRAM FOR PAYMENT OF RETRAINING**
2 **EXPENSES INCURRED BY EMPLOYERS OF**
3 **PERSONS INVOLUNTARILY SEPARATED FROM**
4 **EMPLOYMENT BY THE DEPARTMENT OF DE-**
5 **FENSE.**

6 (a) **AUTHORITY.**—The Secretary of Defense may
7 carry out a pilot program in accordance with this section
8 to facilitate the reemployment of employees of the Depart-
9 ment of Defense who are being separated as described in
10 subsection (b) by providing employers outside the Federal
11 Government with retraining incentive payments to encour-
12 age those employers to hire, train, and retain such employ-
13 ees.

14 (b) **COVERED EMPLOYEES.**—A retraining incentive
15 payment may be made under subsection (c) with respect
16 to a person who—

17 (1) has been involuntarily separated from em-
18 ployment by the United States due to—

19 (A) a reduction in force (within the mean-
20 ing of chapter 35 of title 5, United States
21 Code); or

22 (B) a relocation resulting from a transfer
23 of function (within the meaning of section 3503
24 of title 5, United States Code), realignment, or
25 change of duty station; and

26 (2) when separated—

1 (A) was employed without time limitation
2 in a position in the Department of Defense;

3 (B) had been employed in such position or
4 any combination of positions in the Department
5 of Defense for a continuous period of at least
6 one year;

7 (C) was not a reemployed annuitant under
8 subchapter III of chapter 83 of title 5, United
9 States Code, chapter 84 of such title, or an-
10 other retirement system for employees of the
11 Federal Government;

12 (D) was not eligible for an immediate an-
13 nuity under subchapter III of chapter 83 of
14 title 5, United States Code, or subchapter II of
15 chapter 84 of such title; and

16 (E) was not eligible for disability retire-
17 ment under any of the retirement systems re-
18 ferred to in subparagraph (C).

19 (c) RETRAINING INCENTIVE.—(1) Under the pilot
20 program, the Secretary may pay a retraining incentive to
21 any person outside the Federal Government that, pursu-
22 ant to an agreement entered into under subsection (d),
23 employs a former employee of the United States referred
24 to in subsection (b).

1 (2) For employment of a former employee that is con-
2 tinuous for one year, the amount of any retraining incen-
3 tive paid to the employer under paragraph (1) shall be
4 the lesser of—

5 (A) the amount equal to the total cost incurred
6 by the employer for any necessary training provided
7 to the former employee in connection with the em-
8 ployment by that employer, as determined by the
9 Secretary taking into consideration a certification by
10 the employer under subsection (d); or

11 (B) \$10,000.

12 (3) For employment of a former employee that termi-
13 nates within one year after the employment begins, the
14 amount of any retraining incentive paid to the employer
15 under paragraph (1) shall be equal to the amount that
16 bears the same ratio to the amount computed under para-
17 graph (2) as the period of continuous employment of the
18 employee by that employer bears to one year.

19 (4) The cost of the training of a former employee of
20 the United States for which a retraining incentive is paid
21 to an employer under this subsection may include any cost
22 incurred by the employer for training that commenced for
23 the former employee after the former employee, while still
24 employed by the Department of Defense, received a notice
25 of the separation from employment by the United States.

1 (5) Not more than one retraining incentive may be
2 paid with respect to a former employee under this sub-
3 section.

4 (d) EMPLOYER AGREEMENT.—Under the pilot pro-
5 gram, the Secretary shall enter into an agreement with
6 an employer outside the Federal Government that provides
7 for the employer—

8 (1) to employ a person described in subsection
9 (b) for at least one year for a salary or rate of pay
10 that is mutually agreeable to the employer and such
11 person; and

12 (2) to certify to the Secretary the cost incurred
13 by the employer for any necessary training provided
14 to such person in connection with the employment of
15 the person by that employer.

16 (e) NECESSARY TRAINING.—For the purposes of this
17 section, the necessity of training provided a former em-
18 ployee of the Department of Defense shall be determined
19 under regulations prescribed by the Secretary of Defense
20 for the administration of this section.

21 (f) TERMINATION OF PILOT PROGRAM.—No retrain-
22 ing incentive may be paid under this section for training
23 commenced after September 30, 2005.

1 **SEC. 1124. PARTICIPATION OF PERSONNEL IN TECHNICAL**
2 **STANDARDS DEVELOPMENT ACTIVITIES.**

3 Subsection (d) of section 12 of the National Tech-
4 nology Transfer and Advancement Act of 1995 (109 Stat.
5 783; 15 U.S.C. 272 note) is amended—

6 (1) by redesignating paragraph (4) as para-
7 graph (5); and

8 (2) by inserting after paragraph (3) the fol-
9 lowing new paragraph (4):

10 “(4) EXPENSES OF GOVERNMENT PER-
11 SONNEL.—Section 5946 of title 5, United States
12 Code, shall not apply with respect to any activity of
13 an employee of a Federal agency or department that
14 is determined by the head of that agency or depart-
15 ment as being an activity undertaken in carrying out
16 this subsection.”.

17 **SEC. 1125. AUTHORITY TO EXEMPT CERTAIN HEALTH CARE**
18 **PROFESSIONALS FROM EXAMINATION FOR**
19 **APPOINTMENT IN THE COMPETITIVE CIVIL**
20 **SERVICE.**

21 (a) **AUTHORITY TO EXEMPT.**—Chapter 81 of title
22 10, United States Code, is amended by adding at the end
23 the following new section:

1 **“§ 1599d. Appointment in competitive civil service of**
2 **certain health care professionals: exemp-**
3 **tion from examination**

4 “(a) **AUTHORITY TO EXEMPT.**—The Secretary of De-
5 fense may appoint in the competitive civil service without
6 regard to the provisions of subchapter I of chapter 33 of
7 title 5 (other than sections 3303, 3321, and 3328 of such
8 title) an individual who has a recognized degree or certifi-
9 cate from an accredited institution in a covered health-
10 care profession or occupation.

11 “(b) **COVERED HEALTH-CARE PROFESSION OR OC-**
12 **CUPATION.**—For purposes of subsection (a), a covered
13 health-care profession or occupation is any of the fol-
14 lowing:

15 “(1) Physician.

16 “(2) Dentist.

17 “(3) Podiatrist.

18 “(4) Optometrist.

19 “(5) Pharmacist.

20 “(6) Nurse.

21 “(7) Physician assistant.

22 “(8) Audiologist.

23 “(9) Expanded-function dental auxiliary.

24 “(10) Dental hygienist.

25 “(c) **PREFERENCES IN HIRING.**—In using the au-
26 thority provided by this section, the Secretary shall apply

1 the principles of preference for the hiring of veterans and
 2 other persons established in subchapter I of chapter 33
 3 of title 5.”.

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

“1599d. Appointment in competitive civil service of certain health care profes-
 sionals: exemption from examination.”.

7 **SEC. 1126. PROFESSIONAL CREDENTIALS.**

8 (a) IN GENERAL.—Chapter 57 of title 5, United
 9 States Code, as amended by this Act, is amended by add-
 10 ing at the end the following:

11 **“§ 5758. Expenses for credentials**

12 “(a) An agency may use appropriated or other avail-
 13 able funds to pay for—

14 “(1) employee credentials, including profes-
 15 sional accreditation, State-imposed and professional
 16 licenses, and professional certifications; and

17 “(2) examinations to obtain such credentials.

18 “(b) No authority under subsection (a) may be exer-
 19 cised on behalf of any employee occupying or seeking to
 20 qualify for appointment to any position which is excepted
 21 from the competitive service because of its confidential,
 22 policy-determining, policy-making, or policy-advocating
 23 character.”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 2 The table of sections for chapter 57 of title 5, United
 3 States Code, is amended by adding at the end the fol-
 4 lowing:

“5758. Expenses for credentials.”.

5 **TITLE XII—MATTERS RELATING**
 6 **TO OTHER NATIONS**
 7 **Subtitle A—Cooperative Threat Re-**
 8 **duction With States of the**
 9 **Former Soviet Union**

10 **SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT RE-**
 11 **DUCTION PROGRAMS AND FUNDS.**

12 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
 13 poses of section 301 and other provisions of this Act, Co-
 14 operative Threat Reduction programs are the programs
 15 specified in section 1501(b) of the National Defense Au-
 16 thorization Act for Fiscal Year 1997 (Public Law 104–
 17 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

18 (b) FISCAL YEAR 2002 COOPERATIVE THREAT RE-
 19 Duction FUNDS DEFINED.—As used in this title, the
 20 term “fiscal year 2002 Cooperative Threat Reduction
 21 funds” means the funds appropriated pursuant to the au-
 22 thorization of appropriations in section 301 for Coopera-
 23 tive Threat Reduction programs.

24 (c) AVAILABILITY OF FUNDS.—Funds appropriated
 25 pursuant to the authorization of appropriations in section

1 301 for Cooperative Threat Reduction programs shall be
2 available for obligation for three fiscal years.

3 **SEC. 1202. FUNDING ALLOCATIONS.**

4 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
5 \$403,000,000 authorized to be appropriated to the De-
6 partment of Defense for fiscal year 2002 in section
7 301(23) for Cooperative Threat Reduction programs, not
8 more than the following amounts may be obligated for the
9 purposes specified:

10 (1) For strategic offensive arms elimination in
11 Russia, \$133,405,000.

12 (2) For strategic nuclear arms elimination in
13 Ukraine, \$51,500,000.

14 (3) For weapons of mass destruction infrastruc-
15 ture elimination in Ukraine, \$6,024,000.

16 (4) For weapons of mass destruction infrastruc-
17 ture elimination in Kazakhstan, \$6,000,000.

18 (5) For weapons transportation security in Rus-
19 sia, \$9,500,000.

20 (6) For weapons storage security in Russia,
21 \$56,000,000.

22 (7) For implementation of a cooperative pro-
23 gram with the Government of Russia to eliminate
24 the production of weapons grade plutonium at Rus-
25 sian reactors, \$41,700,000.

1 (8) For biological weapons proliferation preven-
2 tion activities in the former Soviet Union,
3 \$17,000,000.

4 (9) For chemical weapons destruction in Rus-
5 sia, \$50,000,000.

6 (10) For activities designated as Other Assess-
7 ments/Administrative Support, \$13,221,000.

8 (11) For defense and military contacts,
9 \$18,650,000.

10 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
11 FUNDS FOR OTHER PURPOSES.—No fiscal year 2002 Co-
12 operative Threat Reduction funds may be obligated or ex-
13 pended for a purpose other than a purpose listed in para-
14 graphs (1) through (11) of subsection (a) until 30 days
15 after the date that the Secretary of Defense submits to
16 Congress a report on the purpose for which the funds will
17 be obligated or expended and the amount of funds to be
18 obligated or expended. Nothing in the preceding sentence
19 shall be construed as authorizing the obligation or expend-
20 iture of fiscal year 2002 Cooperative Threat Reduction
21 funds for a purpose for which the obligation or expendi-
22 ture of such funds is specifically prohibited under this title
23 or any other provision of law.

24 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
25 AMOUNTS.—(1) Subject to paragraph (2), in any case in

1 which the Secretary of Defense determines that it is nec-
2 essary to do so in the national interest, the Secretary may
3 obligate amounts appropriated for fiscal year 2002 for a
4 purpose listed in any of the paragraphs in subsection (a)
5 in excess of the amount specifically authorized for such
6 purpose.

7 (2) An obligation of funds for a purpose stated in
8 any of the paragraphs in subsection (a) in excess of the
9 specific amount authorized for such purpose may be made
10 using the authority provided in paragraph (1) only after—

11 (A) the Secretary submits to Congress notifica-
12 tion of the intent to do so together with a complete
13 discussion of the justification for doing so; and

14 (B) 15 days have elapsed following the date of
15 the notification.

16 (3) The Secretary may not, under the authority pro-
17 vided in paragraph (1), obligate amounts for the purposes
18 stated in paragraph (7), (10) or (11) of subsection (a)
19 in excess of 115 percent of the amount specifically author-
20 ized for such purposes.

21 **SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.**

22 Section 1305 of the National Defense Authorization
23 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
24 794; 22 U.S.C. 5952 note) is amended—

1 (1) by inserting “(a) LIMITATION.—” before
2 “No fiscal year”;

3 (2) in subsection (a), as so designated, by in-
4 serting before the period at the end the following:
5 “until the Secretary of Defense submits to Congress
6 a certification that there has been—

7 “(1) full and accurate disclosure by Russia of
8 the size of its existing chemical weapons stockpile;

9 “(2) a demonstrated annual commitment by
10 Russia to allocate at least \$25,000,000 to chemical
11 weapons elimination;

12 “(3) development by Russia of a practical plan
13 for destroying its stockpile of nerve agents;

14 “(4) enactment of a law by Russia that pro-
15 vides for the elimination of all nerve agents at a sin-
16 gle site;

17 “(5) an agreement by Russia to destroy or con-
18 vert its chemical weapons production facilities at
19 Volgograd and Novocheboksark; and

20 “(6) a demonstrated commitment from the
21 international community to fund and build infra-
22 structure needed to support and operate the facil-
23 ity.”; and

24 (3) by adding at the end the following new sub-
25 section:

1 “(b) OMISSION OF CERTAIN INFORMATION.—The
2 Secretary may omit from the certification under sub-
3 section (a) the matter specified in paragraph (1) of that
4 subsection, and the certification with the matter so omit-
5 ted shall be effective for purposes of that subsection, if
6 the Secretary includes with the certification notice to Con-
7 gress of a determination by the Secretary that it is not
8 in the national security interests of the United States for
9 the matter specified in that paragraph to be included in
10 the certification, together with a justification of the deter-
11 mination.”.

12 **SEC. 1204. MANAGEMENT OF COOPERATIVE THREAT RE-**
13 **DUCTION PROGRAMS AND FUNDS.**

14 (a) AUTHORITY OVER MANAGEMENT.—The Sec-
15 retary of Defense shall have authority, direction, and con-
16 trol over the management of Cooperative Threat Reduc-
17 tion programs and the funds for such programs.

18 (b) IMPLEMENTING AGENT.—The Defense Threat
19 Reduction Agency shall be the implementing agent of the
20 Department of Defense for the functions of the Depart-
21 ment relating to Cooperative Threat Reduction programs.

22 (c) SPECIFICATION OF FUNDS IN DEPARTMENT OF
23 DEFENSE BUDGET.—The budget justification materials
24 submitted to Congress in support of the budget of the De-
25 partment of Defense for each fiscal year (as submitted

1 with the budget of the President under section 1105(a)
 2 of title 31, United States Code) shall include amounts, if
 3 any, requested for such fiscal year for Cooperative Threat
 4 Reduction programs.

5 **SEC. 1205. ADDITIONAL MATTER IN ANNUAL REPORT ON**
 6 **ACTIVITIES AND ASSISTANCE UNDER COOP-**
 7 **ERATIVE THREAT REDUCTION PROGRAMS.**

8 Section 1308(c) of the Floyd D. Spence National De-
 9 fense Authorization Act for Fiscal Year 2001 (at enacted
 10 by Public Law 106–398; 114 Stat. 1654A–341) is amend-
 11 ed by adding at the end of the following new paragraph:

12 “(6) A description of the amount of the finan-
 13 cial commitment from the international community,
 14 and from Russia, for the chemical weapons destruc-
 15 tion facility located at Shchuch’ye, Russia, for the
 16 fiscal year beginning in the year in which the report
 17 is submitted.”.

18 **Subtitle B—Other Matters**

19 **SEC. 1211. SUPPORT OF UNITED NATIONS-SPONSORED EF-**
 20 **FORTS TO INSPECT AND MONITOR IRAQI**
 21 **WEAPONS ACTIVITIES.**

22 (a) **LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-**
 23 **CAL YEAR 2002**—The total amount of the assistance for
 24 fiscal year 2002 that is provided by the Secretary of De-
 25 fense under section 1505 of the Weapons of Mass Destruc-

1 tion Control Act of 1992 (22 U.S.C. 5859a) as activities
 2 of the Department of Defense in support of activities
 3 under that Act may not exceed \$15,000,000.

4 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
 5 ANCE.—Subsection (f) of section 1505 of the Weapons of
 6 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
 7 is amended by striking “2001” and inserting “2002”.

8 **SEC. 1212. COOPERATIVE RESEARCH AND DEVELOPMENT**
 9 **PROJECTS WITH NATO AND OTHER COUN-**
 10 **TRIES.**

11 (a) ELIGIBILITY OF FRIENDLY FOREIGN COUN-
 12 TRIES.—Section 2350a of title 10, United States Code,
 13 is amended—

14 (1) in subsection (a)—

15 (A) by inserting “(1)” after “(a) AUTHOR-
 16 ITY TO ENGAGE IN COOPERATIVE R&D
 17 PROJECTS.—”;

18 (B) by striking “major allies of the United
 19 States or NATO organizations” and inserting
 20 “countries or organizations referred to in para-
 21 graph (2)”; and

22 (C) by adding at the end the following new
 23 paragraph:

24 “(2) The countries and organizations with which the
 25 Secretary may enter into a memorandum of agreement (or

1 other formal agreement) under paragraph (1) are as fol-
2 lows:

3 “(A) The North Atlantic Treaty Organization.

4 “(B) A NATO organization.

5 “(C) A member nation of the North Atlantic
6 Treaty Organization.

7 “(D) A major non-NATO ally.

8 “(E) Any other friendly foreign country.”;

9 (2) in subsection (b), by striking “its major
10 non-NATO allies” and inserting “a country or orga-
11 nization referred to in subsection (a)(2)”;

12 (3) in subsection (d)—

13 (A) in paragraph (1), by striking “the
14 major allies of the United States” and inserting
15 “countries and organizations referred to in sub-
16 section (a)(2)”;

17 (B) in paragraph (2)—

18 (i) by striking “major ally of the
19 United States” and inserting “country or
20 organization referred to in subsection
21 (a)(2)”;

22 (ii) by striking “ally’s” and inserting
23 “country’s or organization’s”;

24 (4) in subsection (e)(2)—

1 (A) in subparagraph (A), by striking “one
2 or more of the major allies of the United
3 States” and inserting “any country or organiza-
4 tion referred to in subsection (a)(2)”;

5 (B) in subparagraph (B), by striking
6 “major allies of the United States or NATO or-
7 ganizations” and inserting “countries and orga-
8 nizations referred to in subsection (a)(2)”;

9 (C) in subparagraph (C), by striking
10 “major allies of the United States” and insert-
11 ing “countries and organizations referred to in
12 subsection (a)(2)”;

13 (D) in subparagraph (D), by striking
14 “major allies of the United States” and insert-
15 ing “countries and organizations referred to in
16 subsection (a)(2)”;

17 (5) paragraphs (1)(A) and (4)(A) of subsection
18 (g), by striking “major allies of the United States
19 and other friendly foreign countries” and inserting
20 “countries referred to in subsection (a)(2)”;

21 (6) in subsection (i)—

22 (A) in paragraph (1), by striking “major
23 allies of the United States or NATO organiza-
24 tions” and inserting “countries and organiza-
25 tions referred to in subsection (a)(2)”;

1 (B) by striking paragraph (2); and

2 (C) by redesignating paragraph (4) as
3 paragraph (2), and by transferring that para-
4 graph, as so redesignated, within that sub-
5 section and inserting the paragraph after para-
6 graph (1).

7 (b) DELEGATION OF AUTHORITY TO DETERMINE
8 ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such
9 section is amended by striking “or the Under Secretary
10 of Defense for Acquisition and Technology” and inserting
11 “and to one other official of the Department of Defense”.

12 (c) REVISION OF REQUIREMENT FOR ANNUAL RE-
13 PORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of
14 such section is amended to read as follows:

15 “(2) Not later than January 1 of each year, the Sec-
16 retary of Defense shall submit to the Committees on
17 Armed Services and on Foreign Relations of the Senate
18 and to the Committees on Armed Services and on Inter-
19 national Relations of the House of Representatives a re-
20 port specifying—

21 “(A) the countries that are eligible to partici-
22 pate in a cooperative project agreement under this
23 section; and

24 “(B) the criteria used to determine the eligi-
25 bility of such countries.”.

1 (d) CONFORMING AMENDMENTS.—(1) The heading
2 of such section is amended to read as follows:

3 **“§ 2350a. Cooperative research and development**
4 **agreements: NATO and foreign coun-**
5 **tries”.**

6 (2) The item relating to such section in the table of
7 sections at the beginning of subchapter II of chapter 138
8 of title 10, United States Code, is amended to read as
9 follows:

“2350a. Cooperative research and development agreements: NATO and foreign
countries.”.

10 **SEC. 1213. INTERNATIONAL COOPERATIVE AGREEMENTS**
11 **ON USE OF RANGES AND OTHER FACILITIES**
12 **FOR TESTING OF DEFENSE EQUIPMENT.**

13 (a) AUTHORITY.—Chapter 138 of title 10, United
14 States Code, is amended by adding at the end the fol-
15 lowing new section:

16 **“§ 2350l. Cooperative use of ranges and other facili-**
17 **ties for testing of defense equipment:**
18 **agreements with foreign countries and**
19 **international organizations**

20 “(a) AUTHORITY.—The Secretary of Defense, with
21 the concurrence of the Secretary of State, may enter into
22 a memorandum of understanding (or other formal agree-
23 ment) with a foreign country or international organization
24 to provide reciprocal access by the United States and such

1 country or organization to each other's ranges and other
2 facilities for testing of defense equipment.

3 “(b) PAYMENT OF COSTS.—A memorandum or other
4 agreement entered into under subsection (a) shall include
5 provisions for charging a user of a range or other facility
6 for test and evaluation services furnished by the officers,
7 employees, or governmental agencies of the supplying
8 country or international organization under the memo-
9 randum or other agreement. The provisions for charging
10 a user shall conform to the following pricing principles:

11 “(1) The user shall be charged the amount
12 equal to the direct costs incurred by the country or
13 international organization to supply the services.

14 “(2) The user may also be charged indirect
15 costs of the use of the range or other facility, but
16 only to the extent specified in the memorandum or
17 other agreement.

18 “(c) RETENTION OF FUNDS COLLECTED BY THE
19 UNITED STATES.—Amounts collected from the user of a
20 range or other facility of the United States under a memo-
21 randum of understanding or other formal agreement en-
22 tered into under subsection (a) shall be credited to the
23 appropriation from which the costs incurred by the United
24 States in providing support for the use of the range or
25 other facility by that user were paid.

1 “(d) DELEGATION OF AUTHORITY.—The Secretary
2 of Defense may delegate only to the Deputy Secretary of
3 Defense and to one other official of the Department of
4 Defense authority to determine the appropriateness of the
5 amount of indirect costs charged the United States under
6 a memorandum or other agreement entered into under
7 subsection (a).

8 “(e) DEFINITIONS.—In this section:

9 “(1) The term ‘direct cost’, with respect to test-
10 ing and evaluation under a memorandum or other
11 agreement entered into under subsection (a)—

12 “(A) means any item of cost that—

13 “(i) is easily and readily identified to
14 a specific unit of work or output within the
15 range or other facility where the testing
16 and evaluation occurred under the memo-
17 randum or other agreement; and

18 “(ii) would not have been incurred if
19 the testing and evaluation had not taken
20 place; and

21 “(B) may include costs of labor, materials,
22 facilities, utilities, equipment, supplies, and any
23 other resources of the range or other facility
24 that are consumed or damaged in connection
25 with—

1 “(i) the conduct of the test and eval-
2 uation; or

3 “(ii) the maintenance of the range or
4 other facility for the use of the country or
5 international organization under the
6 memorandum or other agreement.

7 “(2) The term ‘indirect cost’, with respect to
8 testing and evaluation under a memorandum or
9 other agreement entered into under subsection (a)—

10 “(A) means any item of cost that cannot
11 readily be identified directly to a specific unit of
12 work or output; and

13 “(B) may include general and administra-
14 tive expenses for such activities as supporting
15 base operations, manufacturing, supervision,
16 procurement of office supplies, and utilities that
17 are accumulated costs allocated among several
18 users.”.

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

“2350l. Cooperative use of ranges and other facilities for testing of defense
equipment: agreements with foreign countries and international
organizations.”.

1 **SEC. 1214. CLARIFICATION OF AUTHORITY TO FURNISH NU-**
2 **CLEAR TEST MONITORING EQUIPMENT TO**
3 **FOREIGN GOVERNMENTS.**

4 (a) REDESIGNATION OF EXISTING AUTHORITY.—(1)
5 Section 2555 of title 10, United States Code, as added
6 by section 1203 of the Floyd D. Spence National Defense
7 Authorization Act for Fiscal Year 2001 (as enacted by
8 Public Law 106–398; 114 Stat. 1654A–324), is redesign-
9 nated as section 2565 of that title.

10 (2) The table of sections at the beginning of chapter
11 152 of that title is amended by striking the item relating
12 to section 2555, as so added, and inserting the following
13 new item:

“2565. Nuclear test monitoring equipment: furnishing to foreign governments.”.

14 (b) CLARIFICATION OF AUTHORITY.—Section 2565
15 of that title, as so redesignated by subsection (a), is fur-
16 ther amended—

17 (1) in subsection (a)—

18 (A) by striking “CONVEY OR” in the sub-
19 section heading and inserting “TRANSFER
20 TITLE TO OR OTHERWISE”;

21 (B) in paragraph (1)—

22 (i) by striking “convey” and inserting
23 “transfer title”; and

24 (ii) by striking “and” at the end;

1 (C) by striking the period at the end of
2 paragraph (2) and inserting “; and”; and

3 (D) by adding at the end the following new
4 paragraph:

5 “(3) inspect, test, maintain, repair, or replace
6 any such equipment.”; and

7 (2) in subsection (b)—

8 (A) by striking “conveyed or otherwise pro-
9 vided” and inserting “provided to a foreign gov-
10 ernment”;

11 (B) by inserting “and” at the end of para-
12 graph (1);

13 (C) by striking “; and” at the end of para-
14 graph (2) and inserting a period; and

15 (D) by striking paragraph (3).

16 **SEC. 1215. PARTICIPATION OF GOVERNMENT CONTRAC-**
17 **TORS IN CHEMICAL WEAPONS INSPECTIONS**
18 **AT UNITED STATES GOVERNMENT FACILI-**
19 **TIES UNDER THE CHEMICAL WEAPONS CON-**
20 **VENTION.**

21 (a) **AUTHORITY.**—Section 303(b)(2) of the Chemical
22 Weapons Convention Implementation Act of 1998 (22
23 U.S.C. 6723(b)(2)) is amended by inserting after “des-
24 ignation of employees of the Federal Government” the fol-
25 lowing: “(and, in the case of an inspection of a United

1 States Government facility, the designation of contractor
2 personnel who shall be led by an employee of the Federal
3 Government)”.

4 (b) CREDENTIALS.—Section 304(c) of such Act (22
5 U.S.C. 6724(c)) is amended by striking “Federal govern-
6 ment” and inserting “Federal Government (and, in the
7 case of an inspection of a United States Government facil-
8 ity, any accompanying contractor personnel)”.

9 **SEC. 1216. AUTHORITY TO TRANSFER NAVAL VESSELS TO**
10 **CERTAIN FOREIGN COUNTRIES.**

11 (a) TRANSFERS BY GRANT.—The President is au-
12 thorized to transfer vessels to foreign countries on a grant
13 basis under section 516 of the Foreign Assistance Act of
14 1961 (22 U.S.C. 2321j) as follows:

15 (1) POLAND.—To the Government of Poland,
16 the OLIVER HAZARD PERRY class guided missile
17 frigate WADSWORTH (FFG 9).

18 (2) TURKEY.—To the Government of Turkey,
19 the KNOX class frigates CAPODANNO (FF 1093),
20 THOMAS C. HART (FF 1092), DONALD B.
21 BEARY (FF 1085), McCANDLESS (FF 1084),
22 REASONER (FF 1063), and BOWEN (FF 1079).

23 (b) TRANSFERS BY SALE.—The President is author-
24 ized to transfer vessels to foreign governments and foreign

1 governmental entities on a sale basis under section 21 of
2 the Arms Export Control Act (22 U.S.C. 2761) as follows:

3 (1) TAIWAN.—To the Taipei Economic and
4 Cultural Representative Office in the United States
5 (which is the Taiwan instrumentality designated
6 pursuant to section 10(a) of the Taiwan Relations
7 Act), the KIDD class guided missile destroyers
8 KIDD (DDG 993), CALLAGHAN (DDG 994),
9 SCOTT (DDG 995), and CHANDLER (DDG 996).

10 (2) TURKEY.—To the Government of Turkey,
11 the OLIVER HAZARD PERRY class guided missile
12 frigates ESTOCIN (FFG 15) and SAMUEL
13 ELIOT MORISON (FFG 13).

14 (c) ADDITIONAL CONGRESSIONAL NOTIFICATION
15 NOT REQUIRED.—Except as provided in subsection (d),
16 the following provisions do not apply with respect to trans-
17 fers authorized by this section:

18 (1) Section 516(f) of the Foreign Assistance
19 Act of 1961 (22 U.S.C. 2321j(f)).

20 (2) Section 524 of the Foreign Operations, Ex-
21 port Financing, and Related Programs Appropria-
22 tion Act, 2001 (as enacted by Public Law 106–429;
23 114 Stat. 1900A–30) and any similar successor pro-
24 vision.

1 (d) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
2 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
3 of a vessel transferred to another country on a grant basis
4 under section 516 of the Foreign Assistance Act of 1961
5 (22 U.S.C. 2321j) pursuant to authority provided by sub-
6 section (a) shall not be counted for the purposes of sub-
7 section (g) of that section in the aggregate value of excess
8 defense articles transferred to countries under that section
9 in any fiscal year.

10 (e) COSTS OF TRANSFERS ON GRANT BASIS.—Any
11 expense incurred by the United States in connection with
12 a transfer authorized by this section shall be charged to
13 the recipient (notwithstanding section 516(e)(1) of the
14 Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)))
15 in the case of a transfer authorized to be made on a grant
16 basis under subsection (a).

17 (f) REPAIR AND REFURBISHMENT IN UNITED
18 STATES SHIPYARDS.—To the maximum extent prac-
19 ticable, the President shall require, as a condition of the
20 transfer of a vessel under this section, that the country
21 to which the vessel is transferred have such repair or re-
22 furbishment of the vessel as is needed, before the vessel
23 joins the naval forces of that country, performed at a ship-
24 yard located in the United States, including a United
25 States Navy shipyard.

1 (g) EXPIRATION OF AUTHORITY.—The authority to
2 transfer a vessel under this section shall expire at the end
3 of the 2-year period beginning on the date of the enact-
4 ment of this Act.

5 **SEC. 1217. ACQUISITION OF LOGISTICAL SUPPORT FOR SE-**
6 **CURITY FORCES.**

7 Section 5 of the Multinational Force and Observers
8 Participation Resolution (22 U.S.C. 3424) is amended by
9 adding at the end the following new subsection:

10 “(d)(1) The United States may use contractors to
11 provide logistical support to the Multinational Force and
12 Observers under this section in lieu of providing such sup-
13 port through a logistical support unit composed of mem-
14 bers of the United States Armed Forces.

15 “(2) Notwithstanding subsections (a) and (b) and
16 section 7(b), support by a contractor under this subsection
17 may be provided without reimbursement whenever the
18 President determines that such action enhances or sup-
19 ports the national security interests of the United
20 States.”.

1 **SEC. 1218. PERSONAL SERVICES CONTRACTS TO BE PER-**
2 **FORMED BY INDIVIDUALS OR ORGANIZA-**
3 **TIONS ABROAD.**

4 Section 2 of the State Department Basic Authorities
5 Act of 1956 (22 U.S.C. 2669) is amended by adding at
6 the end the following:

7 “(n) exercise the authority provided in sub-
8 section (c), upon the request of the Secretary of De-
9 fense or the head of any other department or agency
10 of the United States, to enter into personal service
11 contracts with individuals to perform services in sup-
12 port of the Department of Defense or such other de-
13 partment or agency, as the case may be.”.

14 **SEC. 1219. ALLIED DEFENSE BURDENSARING.**

15 It is the sense of the Senate that—

16 (1) the efforts of the President to increase de-
17 fense burdendsharing by allied and friendly nations
18 deserve strong support;

19 (2) host nations support agreements with those
20 nations in which United States military personnel
21 are assigned to permanent duty ashore should be ne-
22 gotiated consistent with section 1221(a)(1) of the
23 National Defense Authorization Act for Fiscal Year
24 1998 (P.L. 105–85) which sets forth a goal of ob-
25 taining financial contributions from host nations
26 that amount to 75 percent of the nonpersonnel costs

1 incurred by the United States Government for sta-
2 tioning military personnel in those nations.

3 **SEC. 1220. RELEASE OF RESTRICTION ON USE OF CERTAIN**
4 **VESSELS PREVIOUSLY AUTHORIZED TO BE**
5 **SOLD.**

6 Section 3603(a) of the Strom Thurmond National
7 Defense Authorization Act for Fiscal Year 1999 (Public
8 Law 105–261; 112 Stat. 2273) is amended by striking
9 “for full use as an oiler”.

10 **TITLE XIII—CONTINGENT AU-**
11 **THORIZATION OF APPRO-**
12 **PRIATIONS**

13 **SEC. 1301. AUTHORIZATION OF APPROPRIATIONS CONTIN-**
14 **MENT ON INCREASED ALLOCATION OF NEW**
15 **BUDGET AUTHORITY.**

16 (a) IN GENERAL.—Notwithstanding any other provi-
17 sion of this Act, the total amounts authorized to be appro-
18 priated under subtitle A of title I, sections 201, 301, and
19 302, and division B are authorized to be appropriated in
20 accordance with those provisions without reduction under
21 section 1302 only if—

22 (1) the Chairman of the Committee on the
23 Budget of the Senate—

24 (A) determines, for the purposes of section
25 217(b) of the Concurrent Resolution on the

1 Budget for Fiscal Year 2002, that the appro-
2 priation of all of the amounts specified in sec-
3 tion 1302 would not, when taken together with
4 all other previously enacted legislation (except
5 for legislation enacted pursuant to section 211
6 of such concurrent resolution) reduce the on-
7 budget surplus below the level of the Medicare
8 Hospital Insurance Trust Fund surplus in any
9 fiscal year covered by the concurrent resolution;
10 and

11 (B) increases the allocation of new budget
12 authority for defense spending in accordance
13 with section 217(a) of the Concurrent Resolu-
14 tion on the Budget for Fiscal Year 2002; or

15 (2) the Senate—

16 (A) by a vote of at least three-fifths of the
17 Members of the Senate duly chosen and sworn,
18 waives the point of order under section 302(f)
19 of the Congressional Budget and Impoundment
20 Control Act of 1974 with respect to an appro-
21 priation bill or resolution that provides new
22 budget authority for the National Defense
23 major functional category (050) in excess of the
24 amount specified for the defense category in

1 section 203(c)(1)(A) of the Concurrent Resolu-
2 tion on the Budget for Fiscal Year 2002; and
3 (B) approves the appropriation bill or reso-
4 lution.

5 (b) FULL OR PARTIAL AUTHORIZATION.—(1) If the
6 total amount of the new budget authority allocated or
7 available for the National Defense major functional cat-
8 egory (050) for fiscal year 2002 is increased as described
9 in subsection (a) by at least \$18,448,601,000 over the
10 amount of the new budget authority allocated for that cat-
11 egory for fiscal year 2002 by the Concurrent Resolution
12 on the Budget for Fiscal Year 2002, the reductions under
13 section 1302 shall not be made.

14 (2) If the total amount of new budget authority allo-
15 cated or available for the National Defense major func-
16 tional category (050) for fiscal year 2002 is increased as
17 described in subsection (a) by less than \$18,448,601,000
18 over the amount of the new budget authority allocated for
19 that category for fiscal year 2002 by the Concurrent Reso-
20 lution on the Budget for Fiscal Year 2002, each of the
21 total amounts referred to in section 1302 shall be reduced
22 by a proportionate amount of the difference between
23 \$18,448,601,000 and the amount of the increase in the
24 allocated new budget authority.

1 **SEC. 1302. REDUCTIONS.**

2 Until such time as the amount of the new budget au-
3 thority allocated or available for the National Defense
4 major functional category (050) for fiscal year 2002 is in-
5 creased as described in section 1301(a), the total amounts
6 authorized to be appropriated by provisions of this Act are
7 reduced as follows:

8 (1) For the total amount authorized to be ap-
9 propriated for procurement by subtitle A of title I,
10 the reduction is \$2,100,854,000.

11 (2) For the total amount authorized to be ap-
12 propriated for research, development, test and eval-
13 uation by section 201, the reduction is
14 \$3,033,434,000.

15 (3) For the total amount authorized to be ap-
16 propriated for operation and maintenance by section
17 301, the reduction is \$8,737,773,000.

18 (4) For the total amount authorized to be ap-
19 propriated for working capital and revolving funds
20 by section 302, the reduction is \$1,018,394,000.

21 (5) For the total amount authorized to be ap-
22 propriated by division B, the reduction is
23 \$348,065,000.

1 **SEC. 1303. REFERENCE TO CONCURRENT RESOLUTION ON**
2 **THE BUDGET FOR FISCAL YEAR 2002.**

3 For the purposes of this title, a reference to the Con-
4 current Resolution on the Budget for Fiscal Year 2002
5 is a reference to House Concurrent Resolution 83 (107th
6 Congress, 1st session).

Passed the Senate October 2, 2001.

Attest:

Secretary.

107TH CONGRESS
1ST SESSION

S. 1419

AN ACT

To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.