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108TH CONGRESS
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H. R. 4200

[Report No. 108–491]

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2004

Mr. HUNTER (for himself and Mr. SKELTON) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

MAY 14, 2004

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 22, 2004]

A BILL

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2005".

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

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Sec. 102. Navy and Marine Corps.
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Sec. 216. Space Based Radar.
Sec. 217. Mark–54 Torpedo Product Improvement Program.

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Sec. 332. Defense business enterprise architecture, system accountability, and conditions for obligation of funds for defense business system modernization.
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Subtitle C—Other Matters

Sec. 3131. Transfers and reprogrammings of National Nuclear Security Administration funds.
Sec. 3132. National Academy of Sciences study on management by Department of Energy of high-level radioactive waste.
Sec. 3133. Contract to review Waste Isolation Pilot Plant, New Mexico.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Relaxation of quantity restrictions on disposal of manganese ferro in National Defense Stockpile.
Sec. 3303. Revision of earlier authority to dispose of certain materials in National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Authorization of appropriations for Maritime Administration.

Sec. 3502. Extension of authority to provide war risk insurance for merchant marine vessels.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term "congressional defense committees" has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Army as follows:

(1) For aircraft, $2,805,941,000.

(2) For missiles, $1,414,321,000.

(3) For weapons and tracked combat vehicles, $1,739,695,000.

(4) For ammunition, $1,729,402,000.

(5) For other procurement, $4,313,640,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Navy as follows:

(1) For aircraft, $8,912,667,000.

(2) For weapons, including missiles and torpedoes, $2,253,454,000.

(3) For ammunition, $870,840,000.

(4) For shipbuilding and conversion, $10,120,027,000.

(5) For other procurement, $4,876,725,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Marine Corps in the amount of $1,315,103,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement for the Air Force as follows:

(1) For aircraft, $13,649,174,000.

(2) For ammunition, $1,396,457,000.

(3) For missiles, $4,638,313,000.

(4) For other procurement, $13,229,257,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2005 for Defense-wide procurement in the amount of $2,950,702,000.

Subtitle B—Program Matters

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR THE LIGHT-WEIGHT 155–MILLIMETER HOWITZER PROGRAM.

The Secretary of the Army and the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, jointly enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of the light-weight 155-millimeter howitzer.

SEC. 112. DDG–51 MODERNIZATION PROGRAM.

(a) ACCELERATION OF MODERNIZATION PROGRAM.—The Secretary of the Navy shall accelerate the program for in-service modernization of the DDG–51 class of destroyers. As part of that modernization program, the Secretary shall include additional emphasis on determining a means to reduce crew size from approximately 300 to about 200.

(b) REPORT.—Not later than March 31, 2005, the Secretary of the Navy shall submit to the congressional defense committees a report on the steps taken as of that date to carry out subsection (a).

SEC. 113. REPEAL OF AUTHORITY FOR PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS.

Section 126 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1410; 10 U.S.C. 7291 note) is repealed.

SEC. 114. FORCE PROTECTION FOR ASYMMETRIC THREAT ENVIRONMENT.

(a) REQUIREMENT FOR ASYMMETRIC THREAT ASSESSMENT.—(1) The Secretary of Defense shall require the Secretary of each military department to perform an assessment of the survivability and suitability against asymmetrical threats of each of the following military systems under the jurisdiction of that Secretary:

(A) Each manned ground system or war-fighter survivability system that may be required to deploy in an asymmetrical threat environment.

(B) Each manned airborne system that may be required to deploy in an asymmetrical threat environment.

(2) For each system covered by paragraph (1), the Secretary concerned shall establish the key performance parameters for survivability and suitability against asymmetric threats.

(3) The assessments under paragraph (1) shall be completed not later than July 1, 2005.

(4) The Secretary of each military department shall review annually the assessments under paragraph (1) conducted by that Secretary to ensure that the assessments remains relevant to the asymmetric threat environment.

(b) REQUIREMENT FOR FORCE PROTECTION.—(1) The Secretary of Defense shall require the Secretary of each military department, for each system covered by subsection (a)(1) under that Secretary's jurisdiction, either to—

(A) take each of the force protection or survivability steps specified in paragraph (2); or

(B) restrict the system from deployment to an asymmetrical threat environment.

(2) The force protection or survivability steps for a system covered by subsection (a)(1) are the following:

(A) Development of force protection or survivability enhancements for the system that meet the key performance parameters established for that system under subsection (a)(2).

(B) Budgeting for in-service modification programs for the system to provide force protection and survivability enhancements developed under subparagraph (A).

(C) Development of tactics, techniques, and procedures for the system to maximize force protection and survivability.

(c) WAIVER.—The Secretary of Defense may waive the applicability of subsection (b) to a system covered by subsection (a)(1) if the Secretary determines that, but for such a waiver, the Department would be unable to meet national security objectives. Whenever the Secretary makes such a determination and authorizes such a waiver, the Secretary shall submit notice of such waiver and of the Secretary's determination and the reasons therefor in writing to the congressional defense committees.

(d) REQUIREMENT FOR NEW DEVELOPMENT MILITARY ACQUISITION PROGRAMS.—The Secretary of Defense shall require the Secretary of each military department, for each military acquisition program that has not entered low-rate initial production as of the date of the enactment of this Act, to include in the development of that program—

(1) as part of the system requirements development, assessments of war-fighter survivability and of system suitability against asymmetrical threats; and

(2) as part of the documentation of system requirements, requirements for key performance parameters for force protection and survivability.

(e) ASYMMETRICAL THREAT ENVIRONMENT.—For purposes of this section, the term "asymmetrical threat environment", with respect to a manned system, means a security, stability, or peacekeeping operation in which the system is

deployed or any other such environment in which an asymmetrical threat may exist (or, in the case of a manned airborne system, another such environment in which airborne operations would subject the system to a ground-based asymmetrical threat).

SEC. 115. ALLOCATION OF EQUIPMENT AUTHORIZED BY THIS TITLE TO BE MADE ON BASIS OF UNITS DEPLOYED OR PREPARING TO DEPLOY.

The Secretary of Defense shall provide that, in the allocation to operational units of equipment acquired using funds authorized to be appropriated by this title, priority shall be given to units that are deployed to, or preparing to deploy to, Operation Iraqi Freedom or Operation Enduring Freedom, regardless of the status of those units as active, Guard, or reserve component units.

SEC. 116. MULTIYEAR PROCUREMENT AUTHORITY FOR KC–767 TANKER AIRCRAFT ACQUISITION PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—(1) The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of 80 KC–767 tanker aircraft.

(2) Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this sub-

section may be for any period not in excess of eight program years.

(b) LIMITATION.—Subsection (b) of section 135 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1413; 10 U.S.C. 2401a note) is repealed.

(c) RELATIONSHIP TO PREVIOUS LAW.—The multiyear procurement authority in subsection (a) may not be executed under section 135 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1413; 10 U.S.C. 2401a note) or under section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117).

SEC. 117. OTHER MATTERS RELATING TO KC–767 TANKER AIRCRAFT ACQUISITION PROGRAM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) aerial refueling capability for the Armed Forces is a critical combat force multiplier;

(2) the Nation must expeditiously proceed with a program to replace the Air Force's aging fleet of aerial refueling tankers;

(3) in pursuing an aerial refueling tanker program, the Department of Defense should take full ad-

vantage of the United States commercial aircraft production base; and

(4) anyone suspected of involvement in improper or illegal activities associated with such a program should be investigated and, if warranted, prosecuted to the fullest extent of the law.

(b) REQUIREMENT FOR RENEGOTIATION OF CONTRACT.—The Secretary of the Air Force shall enter into one or more contracts for the Air Force multiyear tanker aircraft program, provided that any such contract is negotiated after June 1, 2004.

(c) REVIEW BY OUTSIDE PANEL.—(1) The Secretary of Defense shall establish a panel of experts from outside the Department of Defense to review any proposed contract for the multiyear tanker aircraft program. The panel shall be comprised of individuals who, by reason of education, training, or experience, have expertise relevant to the evaluation of a proposed contract for the lease or procurement of aircraft under that program.

(2) The panel shall review any proposed contract for the multiyear tanker aircraft program to assess, and assist the Secretary of the Air Force in determining, whether the Air Force would under that contract obtain the best value for funds expended. The panel shall serve in whatever manner the Secretary of Defense determines is appropriate to

provide an independent review of any such proposed contract. The Secretary shall provide for the panel to make a determination of, and to advise the Secretary of the Air Force on, what would constitute a fair and reasonable contract for that program.

(d) REPORT.—The Secretary of Defense shall provide for the panel established under subsection (c) to submit a report providing the results of its review to the Secretary of the Air Force and the congressional defense committees.

(e) MULTIYEAR TANKER AIRCRAFT PROGRAM DEFINED.—In this section, the term "multiyear tanker aircraft program" means the program for—

(1) lease of no more than 20 aerial refueling aircraft for the Air Force authorized under section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284), subject to section 135(a) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1413); and

(2) procurement of no more than 80 KC–767 tanker aircraft for which a multiyear procurement contract is authorized by section 116(a) of this Act.

(f) INTERPRETATION.—Section 134 of the National Defense Authorization Act for Fiscal Year 2004 (Public

Law 108–136; 117 Stat. 1412) is amended by adding at the end the following new subsection:

"(c) INTERPRETATION.—Nothing in subsection (b) or section 1111 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1215) is intended to prohibit the Secretary of the Air Force from executing the program described in section 135(a) of this Act and section 116 of the National Defense Authorization Act for Fiscal Year 2005.".

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $9,478,164,000.

(2) For the Navy, $16,047,841,000.

(3) For the Air Force, $21,527,967,000.

(4) For Defense-wide activities, $21,074,389,000, of which $305,135,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2005.—Of the amounts authorized to be appropriated by section 201, $11,067,698,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research, applied research, and advanced technology development" means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. FUTURE COMBAT SYSTEMS PROGRAM STRATEGY.

(a) PROGRAM STRATEGY REQUIRED.—The Secretary of the Army shall establish and implement a program strategy for the Future Combat Systems acquisition program of the Army. The purpose of the program strategy shall be to provide an effective, affordable, producible, and supportable military capability with a realistic schedule and a robust cost estimate.

(b) ELEMENTS OF PROGRAM STRATEGY.—The program strategy shall—

(1) require the release, at the design readiness review, of not less than 90 percent of engineering drawings for the building of prototypes;

(2) require, before facilitating production or contracting for items with long lead times, that an acceptable demonstration be carried out of the performance of the information network, including the performance of the Joint Tactical Radio System and the Warfighter Information Network-Tactical; and

(3) require, before the initial production decision, that an acceptable demonstration be carried out of the collective capability of each system to meet system-of-systems requirements when integrated with the information network.

(c) REQUIRED SUBMISSIONS TO CONGRESS.—Before convening the Milestone B update for the Future Combat Systems acquisition program required by the Future Combat Systems acquisition decision memorandum, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress each of the following documents:

(1) The independent cost estimate with respect to the program prepared by the cost analysis improvement group of the Office of the Secretary of Defense.

(2) A report, prepared by an independent panel, on the maturity levels of the critical technologies with respect to the program, including an assessment of those technologies that are likely to require a decision to use an alternative approach.

(3) A report, prepared by the chief information officer of the Army, describing—

(A) the status of the development and integration of the network and the command, control, computers, communications, intelligence, surveillance, and reconnaissance components; and

(B) the progress made toward meeting the requirements for network-centric capabilities as set forth by such officer.

(4) A report identifying the key performance parameters with respect to the program, with all objectives and thresholds quantified, together with the supporting analytical rationale.

(d) LIMITATION ON FUNDING.—(1) Except as provided in paragraph (2), the Secretary of the Army may not obligate, from amounts made available for fiscal year 2005, more than $2,200,000,000 for the Future Combat Systems acquisition program.

(2) The limitation in paragraph (1) shall not apply after the Secretary of the Army submits to Congress the Secretary's certification that the Secretary has established and implemented the program strategy required by subsection (a).

SEC. 212. COLLABORATIVE PROGRAM FOR RESEARCH AND DEVELOPMENT OF VACUUM ELECTRONICS TECHNOLOGIES.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish a program for research and development in advanced vacuum electronics to meet the requirements of the Department of Defense electromagnetic systems.

(b) DESCRIPTION OF PROGRAM.—The program under subsection (a) shall be carried out collaboratively by the Director of Defense Research and Engineering, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Army, and other appropriate elements of the Department of Defense. The program shall include the following activities:

(1) Activities needed for development and maturation of advanced vacuum electronics technologies needed to meet the requirements of the Department of Defense.

(2) Identification of legacy and developmental electromagnetic systems for use of advanced vacuum electronics under the program.

(c) REPORT.—Not later than January 31, 2005, the Director of Defense Research and Engineering shall submit to the congressional defense committees a report on the implementation of the program under subsection (a). The report shall include the following:

(1) Identification of the officer to have lead responsibility for carrying out the program.

(2) A description of the management plan for the program and any agreements relating to that plan.

(3) A schedule for the program.

(4) Identification of the funding required for fiscal year 2006 and for the future-years defense program to carry out the program.

(5) A list of program capability goals and objectives.

(d) FUNDING.—Of the funds authorized to be appropriated in section 201—

(1) $13,500,000 shall be available in program element 62771N for applied research in vacuum electronics; and

(2) $5,000,000 shall be available in program element 63771N for advanced technology development in vacuum electronics.

SEC. 213. ANNUAL COMPTROLLER GENERAL REPORT ON JOINT STRIKE FIGHTER PROGRAM.

(a) ANNUAL GAO REVIEW.—The Comptroller General shall conduct an annual review of the Joint Strike Fighter aircraft program and shall, not later than March 15 of each year, submit to Congress a report on the results of the most recent review. With each such report, the Comptroller General shall submit a certification as to whether the Comptroller General has had access to sufficient information to enable the Comptroller General to make informed judgments on the matters covered by the report.

(b) MATTERS TO BE INCLUDED.—Each report on the Joint Strike Fighter aircraft program under subsection (a) shall include the following with respect to system development and demonstration under the program:

(1) The extent to which such system development and demonstration is meeting established goals, including the goals established for performance, cost, and schedule.

(2) The plan for such system development and demonstration (leading to production) for the fiscal

year that begins in the year in which the report is submitted.

(3) The Comptroller General's conclusion regarding whether such system development and demonstration (leading to production) is likely to be completed at a total cost not in excess of the amount specified (or to be specified) for such purpose in the Selected Acquisition report for the Joint Strike Fighter aircraft program under section 2432 of title 10, United States Code, for the first quarter of the fiscal year during which the report of the Comptroller General is submitted.

(c) REQUIREMENT TO SUPPORT ANNUAL GAO REVIEW.—The Secretary of Defense and the prime contractor for the Joint Strike Fighter aircraft program shall provide to the Comptroller General such information on that program as the Comptroller General considers necessary to carry out the responsibilities of the Comptroller General under this section, including such information as is necessary for the purposes of subsection (b)(3).

(d) TERMINATION.—No report is required under this section after the report that, under subsection (a), is required to be submitted not later than March 15, 2009.

SEC. 214. AMOUNTS FOR UNITED STATES JOINT FORCES COMMAND TO BE DERIVED ONLY FROM DEFENSE-WIDE AMOUNTS.

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

"§ 232. United States Joint Forces Command: amounts for research, development, test, and evaluation to be derived only from Defense-wide amounts

"(a) REQUIREMENT.—Amounts for research, development, test, and evaluation for the United States Joint Forces Command shall be derived only from amounts made available to the Department of Defense for Defense-wide research, development, test, and evaluation.

"(b) SEPARATE DISPLAY IN BUDGET.—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for research, development, test, and evaluation for the United States Joint Forces Command shall be set forth under the account of the Department of Defense for Defense-wide research, development, test, and evaluation.".

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

"232. United States Joint Forces Command: amounts for research, development, test, and evaluation to be derived only from Defense-wide amounts.".

SEC. 215. AUTHORITY OF DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

Section 2374a(a) of title 10, United States Code, is amended by striking "acting through the Director of the Defense Advanced Research Projects Agency" and inserting "acting through the Director of Defense Research and Engineering".

SEC. 216. SPACE BASED RADAR.

(a) LIMITATION.—In carrying out the Space Based Radar program, the Secretary of Defense may not authorize that program to proceed into the system development and procurement phase referred to as Milestone B until the Secretary—

(1) submits to the congressional defense committees, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate a report described in subsection (b); and

(2) a period of 30 days has elapsed after the date on which such report is submitted.

(b) REPORT.—A report under this subsection is a report on the Space Based Radar program in which the Sec-

retary of Defense sets forth the following with respect to that program:

(1) A description of the technical system concept selected.

(2) A description of the concept of operations associated with the technical system concept selected.

(3) An independent cost estimate for development and procurement under the program.

(4) The acquisition strategy for the program.

SEC. 217. MARK–54 TORPEDO PRODUCT IMPROVEMENT PROGRAM.

Of the amount provided in section 201 for research, development, test, and evaluation for the Navy, $2,000,000 within the budget line designated as line 120 shall be available for the Mark-54 Torpedo Product Improvement Program.

Subtitle C—Ballistic Missile Defense

SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

(a) AUTHORITY.—Funds described in subsection (b) may, upon approval by the Secretary of Defense, be used for the development and fielding of ballistic missile defense capabilities.

(b) COVERED FUNDS.—Subsection (a) applies to funds appropriated for fiscal year 2005 or fiscal year 2006 for research, development, test, and evaluation for the Missile Defense Agency.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SECTION 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $25,838,611,000.

(2) For the Navy, $29,523,490,000.

(3) For the Marine Corps, $3,637,615,000.

(4) For the Air Force, $27,143,566,000.

(5) For Defense-wide activities, $17,317,406,000.

(6) For the Army Reserve, $2,003,728,000.

(7) For the Naval Reserve, $1,240,038,000.

(8) For the Marine Corps Reserve, $188,696,000

(9) For the Air Force Reserve, $2,226,790,000

(10) For the Army National Guard, $4,425,686,000.

(11) For the Air National Guard, $4,448,938,000.

(12) For the United States Court of Appeals for the Armed Forces, $10,825,000.

(13) For Environmental Restoration, Army, $400,948,000.

(14) For Environmental Restoration, Navy, $266,820,000.

(15) For Environmental Restoration, Air Force, $397,368,000.

(16) For Environmental Restoration, Defense-wide, $23,684,000

(17) For Environmental Restoration, Formerly Used Defense Sites, $216,516,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $59,000,000.

(19) For Cooperative Threat Reduction programs, $409,200,000.

(20) For the Overseas Contingency Operations Transfer Fund, $5,000,000.

(21) For the Defense Industrial Base Capabilities Fund, $50,000,000

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces and other

activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $372,886,000.

(2) For the National Defense Sealift Fund, $1,219,252,000.

(3) For the Defense Working Capital Fund, Defense Commissary, $1,175,000,000

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Defense Health Program, $17,811,586,000, of which—

(1) $17,374,544,000 is for Operation and Maintenance;

(2) $72,407,000 is for Research, Development, Test, and Evaluation; and

(3) $364,635,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Chemical

Agents and Munitions Destruction, Defense, $1,371,990,000, of which—

(A) $1,138,801,000 is for Operation and Maintenance;

(B) $154,209,000 is for Research, Development, Test, and Evaluation; and

(C) $78,980,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $852,697,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise pro-

vided for, for the Office of the Inspector General of the Department of Defense, $193,562,000, of which—

(1) $191,362,000 is for Operation and Maintenance;

(2) $2,100,000 is for Research, Development, Test, and Evaluation; and

(3) $100,000 is for Procurement.

SEC. 304. REIMBURSEMENT OF MEMBERS OF THE ARMED FORCES WHO PURCHASED PROTECTIVE BODY ARMOR DURING SHORTAGE OF DEFENSE STOCKS OF BODY ARMOR.

(a) REIMBURSEMENT AUTHORIZED.—The Secretary of Defense may reimburse a member of the Armed Forces for the cost of protective body armor purchased by the member, or by another person on behalf of the member, for use by the member while deployed in connection with Operation Noble Eagle, Operation Enduring Freedom, or Operation Iraqi Freedom if the member was not issued protective body armor before the member became engaged in operations in areas or situations described in section 310(a)(2) of title 37, United States Code.

(b) DURATION OF AUTHORITY.—Reimbursement may be provided under subsection (a) for protective body armor purchased during the period beginning on September 11, 2001, and ending on December 31, 2003. Not later than

60 days after the date of the enactment of this Act, the Secretary shall implement regulations to expedite the provision of such reimbursement.

Subtitle B—Environmental Provisions

SEC. 311. REPORT REGARDING ENCROACHMENT ISSUES AFFECTING UTAH TEST AND TRAINING RANGE, UTAH.

(a) REPORT REQUIRED.—The Secretary of the Air Force shall prepare a report that outlines current and anticipated encroachments on the use and utility of the special use airspace of the Utah Test and Training Range in the State of Utah, including encroachments brought about through actions of other Federal agencies. The Secretary shall include such recommendations as the Secretary considers appropriate regarding any legislative initiatives necessary to address encroachment problems identified by the Secretary in the report.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit the report to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate.

Subtitle C—Workplace and Depot Issues

SEC. 321. SIMPLIFICATION OF ANNUAL REPORTING REQUIREMENTS CONCERNING FUNDS EXPENDED FOR DEPOT MAINTENANCE AND REPAIR WORKLOADS.

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

"(d) ANNUAL REPORT AND REVIEW.—(1) Not later than April 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of the funds referred to in subsection (a) that was expended during the preceding fiscal year, and are projected to be expended in the current fiscal year and next fiscal year, for performance of depot-level maintenance and repair workloads by the public and private sectors.

"(2) Not later than 60 days after the date on which the Secretary submits a report under paragraph (1), the Comptroller General shall submit to Congress the Comptroller General's views on whether—

"(A) the Department of Defense has complied with the requirements of subsection (a) during the preceding fiscal year covered by the report; and

"(B) the expenditure projections for the current fiscal year and next fiscal year are reasonable.".

SEC. 322. REPEAL OF ANNUAL REPORTING REQUIREMENT CONCERNING MANAGEMENT OF DEPOT EMPLOYEES.

(a) REPEAL.—Section 2472 of title 10, United States Code, is amended—

(1) by striking "(a) PROHIBITION ON MANAGEMENT BY END STRENGTH.—"; and

(2) by striking subsection (b).

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2472. Prohibition on management of depot employees by end strength".

(2) The table of sections at the beginning of chapter 146 of such title is amended by striking the item relating to section 2472 and inserting the following new item:

"2472. Prohibition on management of depot employees by end strength.".

SEC. 323. PUBLIC-PRIVATE COMPETITION FOR WORK PERFORMED BY CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Section 2461(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5)(A) A function of the Department of Defense performed by 10 or more civilian employees may not be con-

verted, in whole or in part, to performance by a contractor unless, the conversion is based on the results of a public-private competition process that—

"(i) formally compares the cost of civilian employee performance of the function with the costs of performance by a contractor;

"(ii) creates an agency tender, including a most efficient organization plan, in accordance with Office of Management and Budget Circular A–76, as implemented on May 29, 2003;

"(iii) determines whether the submitted offers meet the needs of the Department of Defense with respect to factors other than cost, including quality and reliability;

"(iv) requires continued performance of the function by civilian employees if the cost of performance of the function by a contractor would, over all performance periods required by the solicitation, cost less than—

"(I) 10 percent of the personnel-related costs for performance of that activity or function in the agency tender; or

"(II) $10,000,000; and

"(v) provides no advantage to an offeror for a proposal to reduce costs for the Department of Defense by—

"(I) not making an employer-sponsored health insurance plan available to the workers who are to be employed in the performance of such function under a contract; or

"(II) offering to such workers an employer-sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than that which is paid by the Department of Defense for health benefits for civilian employees under chapter 89 of title 5.

"(B) Any modification, reorganization, division, or other change in the organization of a function of the Department of Defense so that is performed by less than 10 civilian employees of the Department of Defense and, therefore, excluded from subparagraph (A), is prohibited.

"(C) Any function that is performed by civilian employees of the Department of Defense and is proposed to be reengineered, reorganized, modernized, upgraded, expanded, or changed in order to become more efficient, but the civilian employees would still provide essentially the same service, is subject to the competition requirement in subparagraph (A).

"(D) The cost savings requirement specified in subparagraph (A) does not apply to any contracts for special studies and analyses, construction services, architectural services, medical services, scientific and technical services related to (but not in support of) research and development, and depot-level maintenance and repair services.

"(E) The Secretary of Defense may waive the competition requirement in specific instances if—

"(i) the written waiver is prepared by the Secretary of Defense, or the relevant Assistant Secretary or agency head;

"(ii) the written waiver is accompanied by a detailed determination that national security interests are so compelling as to preclude compliance with the requirement for a public-private competition; and

"(iii) a copy of the waiver is published in the Federal Register within 10 working days after the date on which the waiver is invoked, although use of the waiver need not be delayed until its publication.".

(b) RELATION TO PILOT PROGRAM.—Paragraph (5) of section 2461(b) of title 10, United States Code, as added by subsection (a) shall not apply with respect to the pilot program for best-value source selection for performance of information technology services authorized by section 336 of the National Defense Authorization Act for Fiscal Year

2004 (Public Law 108–136; 117 Stat. 1444; 10 U.S.C. 2461 note).

SEC. 324. PUBLIC-PRIVATE COMPETITION PILOT PROGRAM.

(a) PURPOSE.—The Secretary of Defense shall establish a pilot program to examine the use of the public-private competition process of Office of Management and Budget Circular A–76 on new requirements, as defined by such Circular, and functions currently being performed by contractors that could be performed by civilian employees.

(b) DURATION.—The Secretary of Defense shall carry out the pilot program during fiscal years 2005 and 2006.

(c) REQUIREMENT FOR PUBLIC-PRIVATE COMPETITION FOR NEW WORK.—(1) By the end of the pilot project, the Secretary of Defense shall have allowed civilian employees to compete through the standard competition process of Office of Management and Budget Circular A–76 for new requirements, as defined by such Circular, that are approximately one-tenth in value of the funds spent by the Department of Defense during the two fiscal years of the pilot project on all functions that are considered new requirements, as defined by such Circular.

(2) The Department of Defense shall not receive credit towards compliance with the pilot program for subjecting to public-private competition—

(A) any contract to be awarded to small business concerns that meet the requirements under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and regulations under that section;

(B) any contract to be performed by contractor employees who are represented by a private sector labor union; or

(C) any contract related to special studies and analyses, construction services, architectural services, medical services, scientific and technical services related to (but not in support of) research and development, and depot-level maintenance and repair services.

(d) FUNCTIONS PERFORMED BY CONTRACTORS.—(1) By the end of the pilot project, the Secretary of Defense shall have subjected a number of contractor employees to public-private competition through the standard competition process of Office of Management and Budget Circular A–76 that is approximately one-tenth of the number of civilian employees subject to public-private competition during the two fiscal years of the pilot project.

(2) The Department of Defense shall, to the extent possible, subject to public-private competition those positions held by contractor employees that are associated with functions that are or have been performed at least in part by

Federal employees at any time on or after October 1, 1980; and

(3) Subsection (c)(2) shall also apply to this subsection.

(e) WAIVER.—The implementation of the pilot project may be waived if—

(1) the written waiver is prepared by the Secretary of Defense;

(2) the written waiver is accompanied by a detailed determination that national security interests are so compelling as to preclude compliance with the competition requirement; and

(3) a copy of the waiver is published in the Federal Register within 10 working days after the date on which the waiver is invoked, although use of the waiver need not be delayed until its publication.

(f) REPORT.—At the end of each fiscal year of the pilot program, the Inspector General of the Department of Defense shall submit to Congress a report on the results of the pilot program, including the extent to which the Department of Defense complied with the requirements of this section.

SEC. 325. SENSE OF CONGRESS ON EQUITABLE LEGAL STANDING FOR CIVILIAN EMPLOYEES.

It is the sense of Congress that, in order to ensure that, when public-private competitions are held, they are conducted as fairly, effectively, and efficiently as possible, competing parties, both Department of Defense civilian employees (or their representatives) and contractors (or their representatives) should receive comparable treatment throughout the competition regarding access to relevant information and legal standing to challenge the way a competition has been conducted at all appropriate forums, including the General Accounting Office and the United States Court of Federal Claims.

SEC. 326. COMPETITIVE SOURCING REPORTING REQUIREMENT.

(a) REPORT REQUIRED.—Not later than February 1, 2005, the Inspector General of the Department of Defense shall submit to Congress a report addressing whether the Department of Defense—

(1) employs a sufficient number of adequately trained civilian employees to conduct satisfactorily, taking into account equity, efficiency and expeditiousness, all of the public-private competitions that are scheduled to be undertaken by the Department of Defense during the next fiscal year (including a sufficient number of employees to formulate satisfactorily

the performance work statements and most efficient organization plans for the purposes of such competitions) and to administer any resulting contracts; and

(2) has implemented a comprehensive and reliable system to track and assess the cost and quality of the performance of functions of the Department of Defense by service contractors, to update the records of such costs and the assessments each fiscal quarter, and to make such information available in reports to Congress and the public, including through the use of electronic means, except that proprietary information and information to which section 552(b)(1) of title 5, United States Code, applies shall be excised from information published or reports made available.

(b) ELEMENTS OF TRACKING SYSTEM.—The system of the Department of Defense for tracking cost and quality of performance of a function under a service contract shall include at least the following data elements:

(1) The contract number and the applicable Federal supply class or service code.

(2) The name, business address, and business telephone of the agency official who supervises the service contract.

(3) The statutory, regulatory, or other authority for entering into the service contract and, if a public-

private competition was not used in the determination of whether to provide for performance of the activity or function by a contractor, an explanation of the reasons for not doing so.

(4) The cost to the Department of Defense of conducting the public-private competition under Office of Management and Budget Circular A–76, if one was undertaken, including the cost of consultants as well as civilian employees.

(5) In the case of a function formerly performed by civilian employees, the actual cost of the performance by such employees.

(6) The cost to the Department of Defense of civilian employee performance of the function under the most efficient organization plan.

(7) The anticipated cost of contractor performance, based on the award.

(8) The cost to the Department of Defense for performance of the function by the contractor.

(9) A description of the quality control process used by the agency in connection with monitoring the contract performance (including the applicable quality control standards and the frequency of the quality control reports), together with an assessment of wheth-

er the contractor achieved, exceeded, or failed to achieve the quality control standards.

(c) ASSESSMENT OF TRACKING SYSTEM.—The Inspector General of the Department of Defense shall include in the report required by subsection (a) an assessment of the comprehensiveness and reliability of the Department of Defense system for tracking cost and quality of performance of a function under a service contract, including compliance with each of the requirements specified in subsection (b). The Inspector General shall base the assessment on an audit of a representative sample of service contracts. The report shall also include recommendations by the Inspector General regarding how weaknesses identified in the Department of Defense infrastructure for competitive sourcing can be rectified, whether through the use of different processes or the availability of additional employees, additional training, or additional resources.

Subtitle D—Information Technology

SEC. 331. PREPARATION OF DEPARTMENT OF DEFENSE PLAN FOR TRANSITION TO INTERNET PROTOCOL VERSION 6.

(a) TRANSITION PLAN.—The Secretary of Defense shall prepare a plan to provide for the transition of Department of Defense information technology systems to Internet Pro-

tocol version 6 from the present use of Internet Protocol version 4 and other network protocols. The plan shall outline the networking and security system equipment that will need to be replaced, including the timing and costs of such replacement, address how the current and new networks and security systems will be managed, and assess the potential impact of the transition, include any proposed measures to alleviate any adverse affects. In preparing the transition plan, the Secretary shall compare private industry plans for the transition to Internet Protocol version 6.

(b) TESTING AND EVALUATION FOR INTERNET PROTOCOL.—To determine whether a change to the use of Internet Protocol version 6 will support Department of Defense requirements, the Secretary of Defense shall provide for a rigorous, real-world end-to-end testing of Internet Protocol version 6, as proposed for use by the Department, to evaluate the following:

(1) The ability of Internet Protocol version 6, with its "best effort" quality of service, to satisfactory support the Department's multiple applications and other information technology systems, including the use of Internet Protocol version 6 over bandwidth-constrained tactical circuits.

(2) The ability of the Department's networks using Internet Protocol version 6 to respond to, and perform under, heavy loading of the core networks.

(c) SUBMISSION OF PLAN AND RESULTS.—Not later than March 31, 2005, the Secretary of Defense shall submit to the congressional defense committees a report containing the transition plan prepared under subsection (a) and the results of the tests conducted under subsection (b).

SEC. 332. DEFENSE BUSINESS ENTERPRISE ARCHITECTURE, SYSTEM ACCOUNTABILITY, AND CONDITIONS FOR OBLIGATION OF FUNDS FOR DEFENSE BUSINESS SYSTEM MODERNIZATION.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by inserting before section 2223 the following new section:

"§ 2222. Defense business systems: architecture, accountability, and modernization

"(a) CONDITIONS FOR OBLIGATION OF FUNDS FOR DEFENSE BUSINESS SYSTEM MODERNIZATION.—Effective January 1, 2005, funds appropriated to the Department of Defense may not be obligated for a defense business system modernization that will have a total cost in excess of $1,000,000 unless—

"(1) the approval authority designated for the defense business system certifies to the Defense Busi-

ness Systems Management Committee established by section 186 of this title that the defense business system modernization—

"(A) is in compliance with the enterprise architecture developed under subsection (b), or such compliance is waived in writing by the approval authority as a result of the investment review process conducted under subsection (d) for the defense business system modernization; and

"(B) will be acquired or developed in a manner consistent with the system acquisition regulations and instructions of the Department of Defense; and

"(2) the Defense Business Systems Management Committee approves the certification by the approval authority.

"(b) ENTERPRISE ARCHITECTURE FOR DEFENSE BUSINESS SYSTEMS.—Not later than September 30, 2005, the Secretary of Defense, acting through the Defense Business Systems Management Committee, shall develop—

"(1) an enterprise architecture to cover all defense business systems, and the functions and activities supported by defense business systems, which shall be sufficiently defined to effectively guide, constrain, and permit implementation of interoperable defense

business system solutions and consistent with the policies and procedures established by the Director of the Office of Management and Budget, and

"(2) a transition plan for implementing the enterprise architecture for defense business systems.

"(c) APPROVAL AUTHORITIES AND ACCOUNTABILITY FOR DEFENSE BUSINESS SYSTEMS.—The Secretary of Defense shall delegate responsibility for the planning, design, acquisition, deployment, operation, maintenance, modernization, and oversight of defense business systems as follows:

"(1) The Under Secretary of Defense for Acquisition, Technology and Logistics shall be responsible and accountable for any defense business system the primary purpose of which is to support acquisition activities, logistics activities, or installations and environment activities of the Department of Defense.

"(2) The Under Secretary of Defense (Comptroller) shall be responsible and accountable for any defense business system the primary purpose of which is to support financial management activities or strategic planning and budgeting activities of the Department of Defense.

"(3) The Under Secretary of Defense for Personnel and Readiness shall be responsible and ac-

countable for any defense business system the primary purpose of which is to support human resource management activities of the Department of Defense.

"(4) The Assistant Secretary of Defense for Networks and Information Integration and the Chief Information Officer of the Department of Defense shall be responsible and accountable for any defense business system the primary purpose of which is to support information technology infrastructure or information assurance activities of the Department of Defense.

"(5) The Deputy Secretary of Defense or an Under Secretary of Defense, as designated by the Secretary of Defense, shall be responsible for any defense business system the primary purpose of which is to support any activity of the Department of Defense not covered by paragraphs (1) through (4).

"(d) DEFENSE BUSINESS SYSTEM INVESTMENT REVIEW.—(1) The Secretary of Defense shall require each approval authority designated under subsection (c) to establish, not later than March 15, 2005, an investment review process, consistent with section 11312 of title 40, to review the planning, design, acquisition, development, deployment, operation, maintenance, modernization, and project cost benefits and risks of all defense business systems for which

the approval authority is responsible. The investment review process so established shall specifically address the responsibilities of approval authorities under subsection (a).

"(2) The review of defense business systems under the investment review process shall include the following:

"(A) Review and approval by an investment review board of each defense business system as an investment before the obligation of funds on the system.

"(B) Periodic review, but not less than annually, of every defense business system investment.

"(C) Representation on each investment review board by appropriate officials from among the armed forces, combatant commands, the Joint Chiefs of Staff, and Defense Agencies.

"(D) Use of threshold criteria to ensure an appropriate level of review within the Department of Defense of, and accountability for, defense business system investments depending on scope, complexity, and cost.

"(e) BUDGET INFORMATION.—In the materials that the Secretary submits to Congress in support of the budget submitted by the President to Congress under section 1105 of title 31 for fiscal year 2006 and fiscal years thereafter, the Secretary of Defense shall—

"(1) identify the approval authority for each defense business system; and

"(2) for each defense business system for which funding is proposed in the budget—

"(A) certify that the defense business system complies with the defense business enterprise architecture; or

"(B) explain why funds for such system are necessary to maintain a mission critical or mission essential system of the Department of Defense, notwithstanding its noncompliance with the defense business enterprise architecture.

"(f) CONGRESSIONAL REPORTS.—Not later than March 15 of each year from 2005 through 2009, the Secretary of Defense shall submit to the congressional defense committees a report on Department of Defense compliance with the requirements of this section. The first report shall define plans and commitments for meeting the requirements of subsection (a), including specific milestones and performance measures. Subsequent reports shall—

"(1) describe actions taken and planned for meeting the requirements of subsection (a), including—

"(A) specific milestones and actual performance against specified performance measures,

and any revision of such milestones and performance measures; and

"(B) specific actions on the defense business system modernizations submitted for certification under such subsection;

"(2) identify the number of defense business system modernizations so certified;

"(3) identify any defense business system modernization with an obligation in excess of $1,000,000 during the preceding fiscal year that was not certified under subsection (a), and the reasons for the waiver; and

"(4) discuss specific improvements in business operations and cost savings resulting from successful defense business systems modernization efforts.

"(g) DEFINITIONS.—In this section:

"(1) The term 'approval authority', with respect to a defense business system, means the Department of Defense official responsible for the defense business system, as designated by subsection (c).

"(2) The term 'defense business system' means an information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and informa-

tion technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management.

"(3) The term 'defense business system modernization' means—

"(A) the acquisition or development of a new defense business system; or

"(B) any significant modification or enhancement of an existing defense business system (other than necessary to maintain current services).

"(4) The term 'enterprise architecture' has the meaning given that term in section 3601(4) of title 44.

"(5) The terms 'information system' and 'information technology' have the meanings given those terms in section 11101 of title 40.

"(6) The term 'national security system' has the meaning given that term in section 2315 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2223 the following new item:

"2222. Defense business systems: architecture, accountability, and modernization.".

(b) DEFENSE BUSINESS SYSTEM MANAGEMENT COMMITTEE.—Chapter 7 of such title is amended by adding at the end the following new section:

"§ 186. Defense business system management Committee

"(a) ESTABLISHMENT.—The Secretary of Defense shall establish a Defense Business Systems Management Committee, to be composed of the following persons:

"(1) The Deputy Secretary of Defense, who shall serve as the chairman of the Committee.

"(2) The Under Secretary of Defense for Acquisition, Logistics, and Technology.

"(3) The Under Secretary of Defense for Personnel and Readiness.

"(4) The Under Secretary of Defense (Comptroller).

"(5) The Assistant Secretary of Defense for Networks and Information Integration.

"(6) The Secretaries of the military departments and the heads of the Defense Agencies.

"(7) Such additional personnel of the Department of Defense (including personnel assigned to the Joint Chiefs of Staff and combatant commands) as are designated by the Secretary of Defense.

"(b) DUTIES.—(1) In addition to any other matters assigned to the Committee by the Secretary of Defense, the Committee shall—

"(A) recommend to the Secretary of Defense policies and procedures necessary to effectively integrate the requirements of section 2222 of this title into all business activities and any transformation, reform, reorganization, or process improvement initiatives undertaken within the Department of Defense; and

"(B) review and approve any major update of the defense business enterprise architecture developed under subsection (b) of section 2222 of this title, including evolving the architecture, and of defense business systems modernization plans.

"(2) The Committee shall be responsible for coordinating defense business system modernization initiatives to maximize benefits and minimize costs for the Department of Defense and periodically report to the Secretary on the status of defense business system modernization efforts.

"(3) The Committee shall ensure that funds are obligated for defense business system modernization in a manner consistent with section 2222 of this title.

"(c) DEFINITIONS.—In this section, the terms 'defense business system' and 'defense business system moderniza-

tion' have the meanings given such terms in section 2222 of this title.".

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

"186. Defense Business System Management Committee.".

(c) DELEGATION OF ADMINISTRATIVE RESPONSIBILITY.—The delegation of responsibility for the planning, design, acquisition, deployment, operation, maintenance, modernization, and oversight of defense business systems required by subsection (c) of section 2222 of title 10, United States Code, as added by subsection (a)(1), shall be completed not later than 60 days after the date of the enactment of this Act.

(d) RELATION TO ANNUAL REGISTRATION REQUIREMENTS.—Nothing in sections 186 and 2222 of title 10, United States Code, as added by this section, shall be construed to alter the requirements of section 8084 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 117 Stat. 1091), with regard to information technology systems (as defined in subsection (d) of such section).

(e) REPEAL OF OBSOLETE FINANCIAL MANAGEMENT ENTERPRISE ARCHITECTURE REQUIREMENTS.—Section 1004 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 10 U.S.C. 113 note) is repealed.

SEC. 333. ESTABLISHMENT OF JOINT PROGRAM OFFICE TO IMPROVE INTEROPERABILITY OF BATTLEFIELD MANAGEMENT COMMAND AND CONTROL SYSTEMS.

(a) OFFICE FOR FAMILY OF INTEROPERABLE PICTURES.—The Secretary of Defense shall designate a single joint program office in the Department of Defense for the management of battlefield management command and control systems of the Armed Forces, known as the "Family of Interoperable Pictures", to improve the interoperability of such systems so that members of the Armed Forces may access a common operational picture of the battlefield. The office shall include at a minimum the Single Integrated Air Picture, the Single Integrated Ground Picture, the Single Integrated Maritime Picture, the Special Operations Forces Picture, and the Single Integrated Space Picture. The Secretary shall provide for the head of the office to be selected on a rotating basis among related offices of the Army, Navy, Air Force, and Marine Corps.

(b) COMMON SYSTEMS ARCHITECTURE.—The Secretary of Defense shall develop, implement, and maintain a common systems architecture for all battlefield management command and control systems included in the Family of Interoperable Pictures.

(c) CONSOLIDATED PROGRAM ELEMENTS.—All funds for development and procurement related to the Family of

Interoperable Pictures shall be consolidated under the office designated under subsection (a).

(d) PROGRAM DEVELOPMENT.—The head of the office designated under subsection (a), subject to the authority, direction, and control of the Secretary of Defense, shall—

(1) establish and control the performance specifications for the battlefield management command and control systems included in the Family of Interoperable Pictures;

(2) establish and control the standards for development of the software and equipment for the Family of Interoperable Pictures;

(3) establish and control the standards for operation of the Family of Interoperable Pictures; and

(4) develop a single, unified concept of operations for all users of the Family of Interoperable Pictures.

Subtitle E—Readiness Reporting Requirements

SEC. 341. ANNUAL REPORT ON DEPARTMENT OF DEFENSE OPERATION AND FINANCIAL SUPPORT FOR MILITARY MUSEUMS.

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

"§ 489. Annual report on Department of Defense operation and financial support for military museums

"(a) REPORT REQUIRED.—As part of the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, but in no case later than March 15 of each year, the Secretary of Defense shall submit a report identifying all museums that, during the preceding fiscal year—

"(1) were operated by the Department of Defense or a military department; or

"(2) were otherwise supported using funds appropriated to the Department of Defense.

"(b) CONTENT OF REPORT.—For each museum identified in a report under this section, the Secretary of Defense shall include in the report the following:

"(1) The purpose and functions of the museum and the justification for the museum

"(2) A description of the facilities dedicated to the museum.

"(3) An itemized listing of the funds appropriated to the Department of Defense that were obligated to support the museum during the fiscal year covered by the report, as well as any other Federal funds, funds from a nonappropriated fund instrumen-

tality account of the Department of Defense, and non-Federal funds obligated to support the museum.

"(4) The number of civilian employees of the Department of Defense who serve full-time or part-time at the museum.

"(5) The number of members of the armed forces who serve full-time or part-time at the museum.".

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

"489. Annual report on Department of Defense operation and financial support for military museums.".

SEC. 342. REPORT ON DEPARTMENT OF DEFENSE PROGRAMS FOR PREPOSITIONING OF MATERIAL AND EQUIPMENT.

(a) SECRETARY OF DEFENSE ASSESSMENT AND REPORT.—(1) The Secretary of Defense shall conduct an assessment of the programs of the Department of Defense for the prepositioning of material and equipment. Such assessment shall particularly focus on how those programs will be incorporated into achievement of the goals of the Secretary of Defense (referred to as the "10–30–30" goals) for the Armed Forces to have the capability, from the onset of a contingency situation, of deploying forces to a distant theater within 10 days, defeating an enemy within 30 days,

and being ready for an additional conflict within another 30 days.

(2) The Secretary shall submit to Congress a report on such assessment not later than October 1, 2005.

(b) MATTERS TO BE INCLUDED.—The assessment under subsection (a) shall include the prepositioning programs of each of the Armed Forces and of the United States Special Operations Command as well as assessment of each of the following:

(1) Use of prepositioned equipment as part of Operation Iraqi Freedom and Operation Enduring Freedom and potential solutions to identified challenges.

(2) Changes to doctrine, strategy, and transportation plans to support the goals of the Secretary described in subsection (a) and referred to as the 10–30–30 goals in light of the current lift constraints facing both land and sea components of lift as well as the emerging mobility requirements.

(3) Modifications of the prepositioning programs of the Armed Forces in order to adapt to pending modularity concepts, future force structure changes, and new sea basing concepts in relation to current and potential areas of instability.

(4) Joint operations and training that include theater opening requirements at potential aerial and sea ports of debarkation, joint force reception capabilities, joint theater distribution operations, and use of joint prepositioned stocks and systems.

Subtitle F—Other Matters

SEC. 351. EXTENSION OF ARSENAL SUPPORT PROGRAM INITIATIVE.

(a) DURATION OF PROGRAM.—Subsection (a) of section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 10 U.S.C. 4551 note) is amended by striking "2004" and inserting "2008".

(b) ADDITIONAL REPORT REQUIRED.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking "2004" and inserting "2008"; and

(2) in paragraph (2), by striking "2003" and inserting "2007".

SEC. 352. LIMITATION ON PREPARATION OR IMPLEMENTATION OF MID-RANGE FINANCIAL IMPROVEMENT PLAN.

Amounts appropriated to the Department of Defense for fiscal year 2005 for operation and maintenance may not be obligated for the purpose of preparing or imple-

menting the Mid-Range Financial Improvement Plan until the Secretary of Defense submits a report to the congressional defense committees containing, for each of the military departments and the Defense Agencies—

(1) an explanation of the manner in which funds will be used for such purpose during that fiscal year; and

(2) an estimate of the costs for future fiscal years to prepare and implement the plan.

SEC. 353. PROCUREMENT OF FOLLOW-ON CONTRACTS FOR THE OPERATION OF FIVE CHAMPION-CLASS T–5 TANK VESSELS.

The Secretary of the Navy may consider bids or proposals for the follow-on contracts for the Department of the Navy contracts for the operation of five Champion-class T–5 tank vessels only from an entity that is a citizen under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802).

SEC. 354. SENSE OF CONGRESS ON AMERICA'S NATIONAL WORLD WAR I MUSEUM.

(a) FINDINGS.—The Congress finds as follows:

(1) The Liberty Memorial Museum in Kansas City, Missouri, was built in 1926 in honor of those individuals who served in World War I in defense of liberty and the Nation.

(2) The Liberty Memorial Association, a non-profit organization which originally built the Liberty Memorial Museum, is responsible for the finances, operations, and collections management of the Liberty Memorial Museum.

(3) The Liberty Memorial Museum is the only public museum in the Nation that exists for the exclusive purpose of interpreting the experiences of the United States and its allies in the World War I years (1914–1918), both on the battlefield and on the home front.

(4) The Liberty Memorial Museum project began after the 1918 Armistice through the efforts of a large-scale, grass-roots civic and fundraising effort by the citizens and veterans of the Kansas City metropolitan area. After the conclusion of a national architectural design competition, ground was broken in 1921, construction began in 1923, and the Liberty Memorial Museum was opened to the public in 1926.

(5) In 1994, the Liberty Memorial Museum closed for a massive restoration and expansion project. The restored museum reopened to the public on Memorial Day, 2002, during a gala rededication ceremony.

(6) Exhibits prepared for the original museum buildings presaged the dramatic, underground expansion of core exhibition gallery space, with over 30,000 square feet of new interpretive and educational exhibits currently in development. The new exhibits, along with an expanded research library and archives, will more fully utilize the many thousands of historical objects, books, maps, posters, photographs, diaries, letters, and reminiscences of World War I participants that are preserved for posterity in the Liberty Memorial Museum's collections. The new core exhibition is scheduled to open on Veterans Day, 2006.

(7) The City of Kansas City, the State of Missouri, and thousands of private donors and philanthropic foundations have contributed millions of dollars to build and later to restore this national treasure. The Liberty Memorial Museum continues to receive the strong support of residents from the States of Missouri and Kansas and across the Nation.

(8) Since the restoration and rededication of 2002, the Liberty Memorial Museum has attracted thousands of visitors from across the United States and many foreign countries.

(9) There remains a need to preserve in a museum setting evidence of the honor, courage, patriot-

ism, and sacrifice of those Americans who offered their services and who gave their lives in defense of liberty during World War I, evidence of the roles of women and African Americans during World War I, and evidence of other relevant subjects.

(10) The Liberty Memorial Museum seeks to educate a diverse group of audiences through its comprehensive collection of historical materials, emphasizing eyewitness accounts of the participants on the battlefield and the home front and the impact of World War I on individuals, then and now. The Liberty Memorial Museum continues to actively acquire and preserve such materials.

(11) A great opportunity exists to use the invaluable resources of the Liberty Memorial Museum to teach the "Lessons of Liberty" to the Nation's schoolchildren through on-site visits, classroom curriculum development, distance learning, and other educational initiatives.

(12) The Liberty Memorial Museum should always be the Nation's museum of the national experience in the World War I years (1914–1918), where people go to learn about this critical period and where the Nation's history of this monumental struggle will be preserved so that generations of the 21st

century may understand the role played by the United States in the preservation and advancement of democracy, freedom, and liberty in the early 20th century.

(13) This initiative to recognize and preserve the history of the Nation's sacrifices in World War I will take on added significance as the Nation approaches the centennial observance of this event.

(14) It is fitting and proper to refer to the Liberty Memorial Museum as "America's National World War I Museum".

(b) SENSE OF CONGRESS.—The Congress—

(1) recognizes the Liberty Memorial Museum in Kansas City, Missouri, including the museum's future and expanded exhibits, collections, library, archives, and educational programs, as "America's National World War I Museum";

(2) recognizes that the continuing collection, preservation, and interpretation of the historical objects and other historical materials held by the Liberty Memorial Museum enhance the knowledge and understanding of the Nation's people of the American and allied experience during the World War I years (1914–1918), both on the battlefield and on the home front;

(3) commends the ongoing development and visibility of "Lessons of Liberty" educational outreach programs for teachers and students throughout the Nation; and

(4) encourages the need for present generations to understand the magnitude of World War I, how it shaped the Nation, other countries, and later world events, and how the sacrifices made then helped preserve liberty, democracy, and other founding principles for generations to come.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2005, as follows:

(1) The Army, 482,400.

(2) The Navy, 365,900.

(3) The Marine Corps, 175,000.

(4) The Air Force, 359,700.

SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Effective October 1, 2004, section 691(b) of title 10, United States Code, is amended as follows:

(1) NAVY.—Paragraph (2) is amended by striking "373,800" and inserting "365,900".

(2) AIR FORCE.—Paragraph (4) is amended by striking "359,300" and inserting "359,700".

SEC. 403. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2005, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

(1) The Army National Guard of the United States, 10,300.

(2) The Army Reserve, 5,000.

(3) The Naval Reserve, 6,200.

(4) The Marine Corps Reserve, 2,500.

(5) The Air National Guard of the United States, 10,100.

(6) The Air Force Reserve, 3,600.

SEC. 404. ACCOUNTING AND MANAGEMENT OF RESERVE COMPONENT PERSONNEL PERFORMING ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY FOR OPERATIONAL SUPPORT.

(a) STRENGTH AUTHORIZATIONS.—Section 115 of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by inserting "unless on active duty pursuant to subsection (b)" after "active-duty personnel";

(2) in subsection (a)(1)(B), by inserting "unless on active duty or full-time National Guard duty pursuant to subsection (b)" after "reserve personnel";

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

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

"(b) CERTAIN RESERVES ON ACTIVE DUTY TO BE AUTHORIZED BY LAW.—(1) Congress shall annually authorize the maximum number of members of a reserve component permitted to be on active duty or full-time National Guard duty at any given time who are called or ordered to—

"(A) active duty under section 12301(d) of this title for the purpose of providing operational support, as prescribed in regulation issued by the Secretary of Defense;

"(B) full-time National Guard duty under section 502(f)(2) of title 32 for the purpose of providing operational support when authorized by the Secretary of Defense;

"(C) active duty under section 12301(d) of this title or full-time National Guard duty under section 502(f) of title 32 for the purpose of preparing for and performing funeral honors functions for funerals of veterans under section 1491 of this title;

"(D) active duty or retained on active duty under sections 12301(g) of this title while in a captive status; or

"(E) active duty or retained on active duty under 12301(h) or 12322 of this title for the purpose of medical evaluation or treatment.

"(2) A member of a reserve component who exceeds either of the following limits shall be included in the strength authorized under subparagraph (A) or subparagraph (B), as appropriate, of subsection (a)(1):

"(A) A call or order to active duty or full-time National Guard duty that specifies a period greater than three years.

"(B) The cumulative periods of active duty and full-time National Guard duty performed by the member exceed 1095 days in the previous 1460 days.

"(3) In determining the period of active service under paragraph (2), the following periods of active service performed by a member shall not be included:

"(A) All periods of active duty performed by a member who has not previously served in the Selected Reserve of the Ready Reserve.

"(B) All periods of active duty or full-time National Guard duty for which the member is exempt from strength accounting under paragraphs (1) through (7) of subsection (i).".

(b) LIMITATION ON APPROPRIATIONS.—Subsection (c) of such section (as redesignated by subsection (a)(3)) is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) the use of reserve component personnel to perform active duty or full-time National Guard duty under subsection (b) unless the strength for such personnel for that reserve component for that fiscal year has been authorized by law.".

(c) AUTHORITY FOR SECRETARY OF DEFENSE VARIANCES IN MAXIMUM STRENGTHS.—Subsection (f) of

such section (as redesignated by subsection (a)(2)) is amended—

(1) by striking "END" in the heading;

(2) by striking "and" at the end of paragraph (2);

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

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

"(4) increase the maximum strength authorized pursuant to subsection (b)(1) for a fiscal year for certain reserves on active duty for any of the reserve components by a number equal to not more than 10 percent of that strength.".

(d) CONFORMING AMENDMENTS TO SECTION 115.—Such section is further amended as follows:

(1) Subsection (e) (as redesignated by subsection (a)(3)) is amended—

(A) in paragraph (1), by striking "subsection (a) or (c)" and inserting "subsection (a) or (d)"; and

(B) in paragraph (2)—

(i) by striking "subsections (a) and (c)"; and inserting "subsections (a) and (d)";

(ii) by striking "pursuant to subsection (e)) and subsection (c)" and inserting "pursuant to subsection (f)) and subsection (d)" each place it appears.

(2) Subsection (g) (as redesignated by subsection (a)(3)) is amended by striking "subsection (e)(1)" in paragraph (2) and inserting "subsection (f)(1)".

(3) Subsection (i) (as redesignated by subsection (a)(3)) is amended to read as follows:

"(i) CERTAIN PERSONNEL EXCLUDED FROM COUNTING FOR ACTIVE-DUTY END STRENGTHS.—In counting personnel for the purpose of the end strengths authorized pursuant to subsection (a)(1), persons in the following categories shall be excluded:

"(1) Members of a reserve component ordered to active duty under section 12301(a) of this title.

"(2) Members of a reserve component in an active status ordered to active duty under section 12301(b) of this title.

"(3) Members of the Ready Reserve ordered to active duty under section 12302 of this title.

"(4) Members of the Selected Reserve of the Ready Reserve or members of the Individual Ready Reserve mobilization category described in section

10144(b) of this title ordered to active duty under section 12304 of this title.

"(5) Members of the National Guard called into Federal service under section 12406 of this title.

"(6) Members of the militia called into Federal service under chapter 15 of this title.

"(7) Members of reserve components on active duty for training.

"(8) Members of the Selected Reserve of the Ready Reserve on active duty to support programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (22 U.S.C. 5952(b)).

"(9) Members of the National Guard on active duty or full-time National Guard duty for the purpose of carrying out drug interdiction and counter-drug activities under section 112 of title 32.

"(10) Members of a reserve component on active duty under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)) for the administration of the Selective Service System.

"(11) Members of the National Guard on full-time National Guard duty for the purpose of providing command, administrative, training, or support services for the National Guard Challenge Program authorized by section 509 of title 32.".

(e) MILITARY TO MILITARY CONTACT STRENGTH ACCOUNTING.—Subsection (f) of section 168 of such title is amended to read as follows:

"(f) ACTIVE DUTY END STRENGTHS.—A member of a reserve component who is engaged in activities authorized under this section shall not be counted for purposes of the following personnel strength limitations:

"(1) The end strength for active-duty personnel authorized pursuant to section 115(a)(1) of this title for the fiscal year in which the member carries out the activities referred to under this section.

"(2) The authorized daily average for members in pay grades E–8 and E–9 under section 517 of this title for the calendar year in which the member carries out such activities.

(3) The authorized strengths for commissioned officers under section 523 of this title for the fiscal year in which the member carries out such activities.

(f) E–8 AND E–9 STRENGTH ACCOUNTING.—Subsection (a) of section 517 of such title is amended by striking "(other than for training) in connection with organizing, administering, recruiting, instructing, or training the reserve component of an armed force." and inserting "as authorized under section 115(a)(1)(B) or 115(b) of this

title, or excluded from counting for active duty end strengths under section 115(i) of this title.".

(g) FIELD GRADE OFFICER STRENGTH ACCOUNTING.—(1) Paragraph (1) of section 523(b) of such title is amended to read as follows:

"(A) on active duty as authorized under section 115(a)(1)(B) or 115(b)(1) of this title, or excluded from counting for active duty end strengths under section 115(i) of this title;

"(B) on active duty under section 10211, 10302 through 10305, or 12402 of this title or under section 708 of title 32; or

"(C) on full-time National Guard duty."; and

(2) Paragraph (7) of section 523(b) is amended by striking "Reserve or retired officers" and inserting "Retired officers".

(h) ACTIVE GUARD AND RESERVE FIELD GRADE OFFICER STRENGTH ACCOUNTING.—Paragraph (2) of section 12011(e) of such title is amended to read as follows:

"(2) Full-time National Guard duty (other than for training) under section 502(f) of title 32, except for duty under section 115(b)(1)(B) and (C) of this title and section 115(i)(9) of this title.".

(i) WARRANT OFFICER ACTIVE-DUTY LIST EXCLUSION.—Paragraph (1) of section 582 of such title is amended to read as follows:

"(1) Reserve warrant officers—

"(A) on active duty as authorized under section 115(a)(1)(B) or 115(b)(1) of this title, or excluded from counting for active duty end strengths under section 115(i) of this title; or

"(B) on full-time National Guard duty.".

(j) OFFICER ACTIVE-DUTY LIST, APPLICABILITY OF CHAPTER.—Paragraph (1) of section 641 of such is amended to read as follows:

"(1) Reserve officers—

"(A) on active duty authorized under section 115(a)(1)(B) or 115(b)(1) of this title, or excluded from counting for active duty end strengths under section 115(i) of this title;

"(B) on active duty under section 3038, 5143, 5144, 8038, 10211, 10301 through 10305, 10502, 10505, 10506(a), 10506(b), 10507, or 12402 of this title or section 708 of title 32; or

"(C) on full-time National Guard duty.".

(k) STRENGTH ACCOUNTING FOR MEMBERS PERFORMING DRUG INTERDICTION AND COUNTER-DRUG AC-

TIVITIES.—Section 112 of title 32, United States Code, is amended—

(1) by striking subsection (e);

(2) by redesignating subsections (f), (g), (h) and (i) as subsections (e), (f), (g) and (h) respectively; and

(3) in paragraph (1) of subsection (e), as redesignated by paragraph (2), by striking "for a period of more than 180 days" each place it appears.

(l) REPORT.—Not later than June 1, 2005, the Secretary of Defense shall report to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the Secretary's recommendations regarding the exemptions provided in paragraphs (8) through (11) by section 115(i) of title 10, United States Code, as amended by this section. The recommendations shall address the manner in personnel covered by those exemptions shall be accounted for in authorizations provided by section 115 of such title. The objective of the analysis should be to terminate the need for such exemptions after September 30, 2006.

(m) REGULATIONS.—The Secretary of Defense shall prescribe by regulation the meaning of the term "operational support" for purposes of paragraph (1) of subsection (b) of section 115 of title 10, United States Code, as added by subsection (a).

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2005, as follows:

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

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 83,400.

(4) The Marine Corps Reserve, 39,600.

(5) The Air National Guard of the United States, 106,800.

(6) The Air Force Reserve, 76,100.

(7) The Coast Guard Reserve, 10,000.

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

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

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory partici-

pation in training) without their consent at the end of the fiscal year.

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2005, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 26,476.

(2) The Army Reserve, 14,970.

(3) The Naval Reserve, 14,152.

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

(5) The Air National Guard of the United States, 12,225.

(6) The Air Force Reserve, 1,900.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2005 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,299.

(2) For the Army National Guard of the United States, 25,076.

(3) For the Air Force Reserve, 9,954.

(4) For the Air National Guard of the United States, 22,956.

SEC. 414. FISCAL YEAR 2005 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2005, may not exceed the following:

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

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

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2005, may not exceed 795.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2005, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term "non-dual status technician" has the meaning given that term in section 10217(a) of title 10, United States Code.

Subtitle C—Authorizations of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2005 a total of $104,647,558,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2005.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2005 from the Armed Forces Retirement Home Trust Fund the sum of $61,195,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—General and Flag Officer Matters

SEC. 501. LENGTH OF SERVICE FOR SERVICE CHIEFS.

(a) CHIEF OF STAFF OF THE ARMY.—Paragraph (1) of section 3033(a) of title 10, United States Code, is amended—

(1) by striking "for a period of four years" in the first sentence; and

(2) by striking the second and third sentences and inserting the following: "The Chief of Staff serves at the pleasure of the President for a term of four years. The President may extend the service of an officer as Chief of Staff for an additional period of not to exceed two years. In time of war or during a national emergency declared by Congress, the President may extend the service of an officer as Chief of Staff for such additional periods as the President determines necessary, except that the total period of an officer's service as Chief of Staff may not exceed eight years.".

(b) CHIEF OF NAVAL OPERATIONS.—Paragraph (1) of section 5033(a) of such title is amended by striking the third and fourth sentences and inserting the following: "The

Chief of Naval Operations serves at the pleasure of the President. The President may extend the service of an officer as Chief of Naval Operations for an additional period of not to exceed two years. In time of war or during a national emergency declared by Congress, the President may extend the service of an officer as Chief of Naval Operations for such additional periods as the President determines necessary, except that the total period of an officer's service as Chief of Naval Operations may not exceed eight years.".

(c) COMMANDANT OF THE MARINE CORPS.—Paragraph (1) of section 5043(a) of such title is amended by striking the third and fourth sentences and inserting the following: "The Commandant serves at the pleasure of the President. The President may extend the service of an officer as Commandant for an additional period of not to exceed two years. In time of war or during a national emergency declared by Congress, the President may extend the service of an officer as Commandant for such additional periods as the President determines necessary, except that the total period of an officer's service as Commandant may not exceed eight years.".

(d) CHIEF OF STAFF OF THE AIR FORCE.—Paragraph (1) of section 8033(a) of such title is amended to read as follows:

(1) by striking "for a period of four years" in the first sentence; and

(2) by striking the second and third sentences and inserting the following: "The Chief of Staff serves at the pleasure of the President for a period of four years. The President may extend the service of an officer as Chief of Staff for an additional period of not to exceed two years. In time of war or during a national emergency declared by Congress, the President may extend the service of an officer as Chief of Staff for such additional periods as the President determines necessary, except that the total period of an officer's service as Chief of Staff may not exceed eight years.".

SEC. 502. REPEAL OF REQUIREMENT THAT DEPUTY CHIEFS AND ASSISTANT CHIEFS OF NAVAL OPERATIONS BE SELECTED FROM OFFICERS IN THE LINE OF THE NAVY.

(a) DEPUTY CHIEFS OF NAVAL OPERATIONS.—Section 5036(a) of title 10, United States Code, is amended by striking "in the line".

(b) ASSISTANT CHIEFS OF NAVAL OPERATIONS.—Section 5037(a) of such title is amended by striking "in the line".

SEC. 503. INCREASE IN AGE LIMIT FOR DEFERRAL OF MANDATORY RETIREMENT FOR UP TO 10 SENIOR GENERAL AND FLAG OFFICERS.

Section 1251(b) of title 10, United States Code, is amended by striking "64 years of age" and inserting "66 years of age".

SEC. 504. INCREASED FLEXIBILITY FOR VOLUNTARY RETIREMENT FOR MILITARY OFFICERS.

(a) IN GENERAL.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "except as provided in paragraph (2)" and inserting "subject to paragraphs (2) and (3)"; and

(ii) by striking ", for not less than six months";

(B) by redesignating paragraph (3) as paragraph (4); and

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

"(2) In order to be eligible for voluntary retirement under this title in a grade below the grade of lieutenant colonel or commander, a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph

(1) must have served on active duty in that grade for not less than six months.

"(3)(A) In order to be eligible for voluntary retirement in a grade above major or lieutenant commander and below brigadier general or rear admiral (lower half), a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than three years, except that the Secretary of Defense may authorize the Secretary of the military department concerned to reduce such period to a period not less than two years.

"(B) In order to be eligible for voluntary retirement in a grade above colonel or captain, in the case of the Navy, a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than one year.

"(C) An officer in a grade above major general or rear admiral may be retired in the highest grade in which the officer served on active duty satisfactorily for not less than one year, upon approval by the Secretary of the military department concerned and concurrence by the Secretary of Defense. The function of the Secretary of Defense under the preceding sentence may only be delegated to a civilian official in the Office of the Secretary of Defense appointed by

the President, by and with the advice and consent of the Senate.

"(D) The President may waive subparagraph (A), (B) or (C) in individual cases involving extreme hardship or exceptional or unusual circumstances. The authority of the President under the preceding sentence may not be delegated.";

(2) in subsection (b), by inserting "or whose service on active duty in that grade was not determined to be satisfactory by the Secretary of the military department concerned" after "specified in subsection (a)";

(3) by striking subsection (c); and

(4) by redesignating subsection (d) as subsection (c) and in that subsection—

(A) in paragraph (3)—

(i) in subparagraph (A)—

(I) by inserting "(i)" after "(3)(A)";

(II) by inserting "and below brigadier general or rear admiral (lower half)" after "lieutenant commander";

(III) by inserting ", except that the Secretary of Defense may authorize the Secretary of the military depart-

ment concerned to reduce such period to a period not less than two years" after "three years"; and

(IV) by adding at the end the following new clauses:

"(ii) In order to be credited with satisfactory service in a grade above colonel or captain, in the case of the Navy, a person covered by paragraph (1) must have served satisfactorily in that grade (as determined by the Secretary of the military department concerned) as a reserve commissioned officer in active status, or in a retired status on active duty, for not less than one year.

"(iii) An officer covered by paragraph (1) who is in a grade above the grade of major general or rear admiral may be retired in the highest grade in which the officer served satisfactorily for not less than one year, upon approval by the Secretary of the military department concerned and concurrence by the Secretary of Defense. The function of the Secretary of Defense under the preceding sentence may only be delegated to a civilian official in the Office of the Secretary of Defense appointed by the president, by and with the advice and consent of the Senate.";

(ii) in subparagraphs (D) and (E), by striking subparagraph (A)" and inserting "subparagraph (A)(i)"; and

(iii) by striking subparagraph (F); and

(B) by striking paragraphs (5) and (6); and

(5) by striking subsection (e).

(b) CONFORMING AMENDMENTS.—Section 1406(i)(2) of such title is amended—

(1) in the paragraph heading, by striking "MEMBERS" and all that follows through "SATISFACTORILY" and inserting "ENLISTED MEMBERS REDUCED IN GRADE";

(2) by striking "a member" and inserting "an enlisted member";

(3) by striking "1998—" and all that follows through "is reduced in" and inserting "1998, is reduced in";

(4) by striking "; or" and inserting a period; and

(5) by striking subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the determination of the retired grade of members of the Armed Forces retiring on or after the date of the enactment of this Act.

SEC. 505. REPEAL OF REQUIREMENT THAT NO MORE THAN 50 PERCENT OF ACTIVE DUTY GENERAL AND FLAG OFFICERS BE IN GRADES ABOVE BRIGADIER GENERAL AND REAR ADMIRAL (LOWER HALF).

(a) REPEAL OF DISTRIBUTION REQUIREMENT.—Subsection (a) of section 525 of title 10, United States Code, is repealed.

(b) REORGANIZATION OF SECTION.—Such section is further amended—

(1) by striking "(b)(1) No appointment" and inserting "(a) LIMITATION ON NUMBER OF GENERAL AND FLAG OFFICERS IN SENIOR GRADES.—(1) No appointment"; and

(2) by striking "(3) An officer" and inserting "(b) SPECIAL RULES AND EXCEPTIONS.—(1) An officer"; and

(3) by redesignating paragraphs (4), (5), (6), (7), and (8) as paragraphs (2), (3), (4), (5), and (6), respectively.

(c) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section (as designated by subsection (a)(2)) is amended as follows:

(A) Paragraph (1) (as redesignated by subsection (a)(2)), paragraph (2)(A) (as redesignated by subsection (a)(3)), and paragraph (6) (as redesignated by

subsection (a)(3)) are amended by striking "paragraph (1) or (2)" and inserting "subsection (a)".

(B) Paragraph (3)(A) (as so redesignated) is amended by striking "under the first sentence of paragraph (1) or (2), as applicable" and inserting "under subsection (a)".

(C) Paragraph (4) (as so redesignated) and the first and third sentences of paragraph (5) (as so redesignated) are amended by striking "paragraph (1)" and inserting "subsection (a)(1)".

(D) The second sentence of paragraph (5) (as so redesignated) is amended by striking "paragraph (1) or (2)" and inserting "subsection (a)(2)".

(2) Subsection (c) of such section is amended—

(A) by striking "(c)(1)" and inserting '(c) 'REALLOCATION AUTHORITY.—(1)";

(B) in paragraph (1)(A), by striking "subsection (b)(1)" and inserting "subsection (a)(1)";

(C) in paragraph (1)(B), by striking "subsection (b)(2)" and inserting "subsection (a)(2)"; and

(D) in paragraph (3)(A), by striking "subsection (b)" and inserting "subsections (a) and (b)".

(3) Subsection (d) of such section is amended by inserting "SPECIAL RULE FOR OFFICERS FORMERLY ON JOINT CHIEFS OF STAFF.—" after "(d)".

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 525. Distribution in grade: general and flag officers on active duty".

(2) The item relating to such section in the table of sections at the beginning of chapter 32 of such title is amended to read as follows:

"525. Distribution in grade: general and flag officers on active duty.".

SEC. 506. REVISION TO TERMS FOR ASSISTANTS TO THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF FOR NATIONAL GUARD AND RESERVE MATTERS.

(a) CODIFICATION AND REVISION.—Chapter 5 of title 10, United States Code, is amended by adding at the end a new section 156 consisting of—

(1) the following section heading:

"§ 156. Assistants to the Chairman for National Guard matters and for Reserve matters";

and

(2) a text consisting of the text of subsections (a) through (f)(1) of section 901 of the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 155 note), revised—

(A) in subsection (c), by deleting "two years" and inserting "four years"; and

(B) in subsection (f), by deleting "(1)".

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

"156. Assistants to the Chairman for National Guard members and for Reserve matters.".

(c) CONFORMING REPEAL.—Section 901 of the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 155 note) is repealed.

SEC. 507. SUCCESSION FOR POSITION OF CHIEF, NATIONAL GUARD BUREAU.

(a) DESIGNATION OF SENIOR OFFICER IN NATIONAL GUARD BUREAU.—Section 10502 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) SUCCESSION.—(1) Unless otherwise directed by the President or Secretary of Defense, when there is a vacancy in the office of the Chief of the National Guard Bureau or in the event the Chief of the National Guard Bureau is unable to perform the duties of that office, the senior of the officers specified in paragraph (2) shall serve as the acting Chief until a successor is appointed or the Chief once again is able to perform the duties of that office.

"(2) The officers specified in this paragraph are the following:

"(A) The senior officer of the Army National Guard of the United States on duty with the National Guard Bureau.

"(B) The senior officer of the Air National Guard of the United States on duty with the National Guard Bureau.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 10502. Chief of the National Guard Bureau: appointment; adviser on National Guard matters; grade; succession".

(2) The item relating to such section in the table of sections at the beginning of chapter 1011 of such title is amended to read as follows:

"10502. Chief of the National Guard Bureau: appointment; adviser on National Guard matters; grade; succession.".

(c) REPEALER.—Subsections (d) and (e) of section 10505 of such title are repealed.

SEC. 508. TITLE OF VICE CHIEF OF THE NATIONAL GUARD BUREAU CHANGED TO DIRECTOR OF THE JOINT STAFF OF THE NATIONAL GUARD BUREAU.

(a) IN GENERAL.—Section 10505 of title 10, United States Code, as amended by section 507(c), is amended by striking "Vice Chief of the National Guard Bureau" each place it appears in subsections (a), (b), and (c) and insert-

ing "Director of the Joint Staff of the National Guard Bureau".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 10505. Director of the Joint Staff of the National Guard Bureau".

(2) The item relating to such section in the table of sections at the beginning of chapter 1011 of such title is amended to read as follows:

"10505. Director of the Joint Staff of the National Guard Bureau.".

SEC. 509. TWO-YEAR EXTENSION OF AUTHORITY TO WAIVE REQUIREMENT THAT RESERVE CHIEFS AND NATIONAL GUARD DIRECTORS HAVE SIGNIFICANT JOINT DUTY EXPERIENCE.

(a) EXTENSION.—Sections 3038(b)(4), 5143(b)(4), 5144(b)(4), 8038(b)(4), and 10506(a)(3)(D) of title 10, United States Code, are amended by striking "December 31, 2004," and inserting "December 31, 2006,".

(b) FUTURE COMPLIANCE.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a plan for ensuring that all officers selected after December 31, 2006, for recommendation for appointment as a Reserve chief or National Guard director have significant joint duty experience, as required

by law, and may be so recommended without requirement for a wavier of such requirement. Such plan shall be developed in coordination with the Chairman of the Joint Chiefs of Staff.

SEC. 510. REPEAL OF DISTRIBUTION REQUIREMENTS FOR NAVAL RESERVE FLAG OFFICERS.

Subsection (c) of 12004 of title 10, United States Code, is amended—

(1) by striking "(1)" after "(c)"; and

(2) by striking the second sentence and all that follows through the end of the subsection.

Subtitle B—Other Officer Personnel Policy Matters

SEC. 511. TRANSITION OF ACTIVE-DUTY LIST OFFICER FORCE TO ALL REGULAR STATUS.

(a) REPEAL OF REQUIREMENT THAT ACTIVE-DUTY OFFICERS SERVE IN A RESERVE COMPONENT FOR AT LEAST ONE YEAR BEFORE RECEIVING A REGULAR COMMISSION.—Section 532 of title 10, United States Code, is amended by striking subsection (e).

(b) REVISION TO QUALIFICATIONS FOR ORIGINAL APPOINTMENT AS A COMMISSIONED OFFICER.—(1) Section 532 of such title is further amended by adding at the end the following new subsection:

"(f) The Secretary of Defense may waive the requirement of paragraph (1) of subsection (a) with respect to a person who has been lawfully admitted to the United States for permanent residence when the Secretary determines that the national security so requires, but only for an original appointment in a grade below the grade of major or lieutenant commander.".

(2) Section 619(d) of such title is amended by adding at the end the following new paragraph:

"(5) An officer of the Army, Air Force, or Marine Corps in the grade of captain, or of the Navy in the grade of lieutenant, who is not a citizen of the United States.".

(c) REPEAL OF LIMITATIONS ON TOTAL STRENGTH OF REGULAR COMMISSIONED OFFICERS ON ACTIVE-DUTY.—Section 522 of such title is repealed. The table of sections at the beginning of chapter 31 of such title is amended by striking the item relating to that section.

(d) AUTHORITY FOR ORIGINAL APPOINTMENT OF REGULAR OFFICERS IN JUNIOR GRADES TO BE MADE BY PRESIDENT ALONE.—Section 531(a) of such title is amended to read as follows:

"(a)(1) Original appointments in the grades of second lieutenant, first lieutenant, and captain in the Regular Army, Regular Air Force, and Regular Marine Corps and

in the grades of ensign, lieutenant (junior grade), and lieutenant in the Regular Navy shall be made by the President alone.

"(2) Original appointments in the grades of major, lieutenant colonel, and colonel in the Regular Army, Regular Air Force, and Regular Marine Corps and in the grades of lieutenant commander, commander, and captain in the Regular Navy shall be made by the President, by and with the advice and consent of the Senate.".

(e) TERMINATION OF REQUIREMENT OF 6 YEARS SERVICE IN A RESERVE COMPONENT FOR NONREGULAR SERVICE RETIREMENT ELIGIBILITY.—(1) Section 12731(a)(3) of such title is amended by inserting after "(3)" the following: "in the case of a person who completed the service requirements of paragraph (2) before the date of the enactment of the National Defense Authorization Act for Fiscal Year 2005,".

(f) ALL REGULAR OFFICER APPOINTMENTS FOR STUDENTS ATTENDING UNIVERSITY OF HEALTH SCIENCES.—Section 2114(b) of such title is amended by striking the first two sentences and inserting the following: "They shall be appointed in a regular component of the uniformed services and shall serve on active duty as a second lieutenant or ensign (or the equivalent).".

SEC. 512. MANDATORY RETENTION ON ACTIVE DUTY TO QUALIFY FOR RETIREMENT PAY.

Section 12686(a) of title 10, United States Code, is amended by inserting "(other than the retirement system under chapter 1223 of this title)" after "retirement system".

SEC. 513. DISTRIBUTION IN GRADE OF MARINE CORPS RESERVE OFFICERS IN AN ACTIVE STATUS IN GRADES BELOW BRIGADIER GENERAL

The table in section 12005(c)(1) of title 10, United States Code, is amended to read as follows:

"Colonel	*2 percent*
Lieutenant colonel	*8 percent*
Major	*16 percent*
Captain	*39 percent*
First lieutenant and second lieutenant (when combined with the number authorized for general officer grades under section 12004 of this title)	*35 percent.".*

SEC. 514. TUITION ASSISTANCE FOR OFFICERS.

(a) AUTHORITY TO REDUCE OR WAIVE ACTIVE DUTY SERVICE OBLIGATION.—Subsection (b) of section 2007 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting "or full-time National Guard duty" after "active duty" each place it appears; and

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

"(2) Notwithstanding paragraph (1), the Secretary of the military department may reduce or waive the active duty service obligation—

"(A) in the case of a commissioned officer who is subject to mandatory separation;

"(B) in the case of a commissioned officer who has completed the period of active duty service in support of a contingency operation; or

"(C) in other exigent circumstances as determined by the Secretary.'.

(b). INCREASE IN TUITION ASSISTANCE AUTHORIZED FOR ARMY OFFICERS IN THE SELECTED RESERVE.—Paragraph (1) of section 2007(c) of title 10, United States Code, is amended to read as follows:

"(1) Subject to paragraphs (2) and (3), the Secretary of the Army may pay the charges of an educational institution for the tuition or expenses of an officer in the Selected Reserve of the Army National Guard or the Army Reserve for education or training of such officer.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) may, at the discretion of the Secretary concerned, be applied to a service obligation incurred by an officer serving on active duty as of the date of the enactment of this Act.

Subtitle C—Reserve Component Matters

SEC. 521. REVISION TO STATUTORY PURPOSE OF THE RESERVE COMPONENTS.

Subsection 10102 of title 10, United States Code, is amended by striking ", during" and all that follows through "planned mobilization,".

SEC. 522. IMPROVED ACCESS TO RESERVE COMPONENT MEMBERS FOR ENHANCED TRAINING.

(a) RESERVE COMPONENTS GENERALLY.— Section 12301 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "(other than for training)";

(2) in subsection (c)—

(A) in the first sentence, by striking "(other than for training)" and inserting "as provided in subsection (a)"; and

(B) in the second sentence, by striking "ordered to active duty (other than for training)" and inserting "so ordered to active duty"; and

(3) in subsection (e), by striking "(other than for training)" and inserting "as provided in subsection (a)".

(b) READY RESERVE.—Section 12302 of such title is amended by striking "(other than for training)" in subsections (a) and (c).

(c) ORDER TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.—Section 12304(a) of such title is amended by striking "(other than for training)".

(d) STANDBY RESERVE.—Section 12306 of such title is amended—

(1) in subsection (a), by striking "(other than for training) only"; and

(2) in subsection (b), by striking "(other than for training)" in paragraphs (1) and (2) and inserting "as provided in section 12301(a) of this title".

(d) STANDBY RESERVE.—Section 12306 of such title is amended by striking "(other than for training)" each place it appears and inserting "as provided in section 12301(a)".

SEC. 523. STATUS UNDER DISABILITY RETIREMENT SYSTEM FOR RESERVE MEMBERS RELEASED FROM ACTIVE DUTY DUE TO INABILITY TO PERFORM WITHIN 30 DAYS OF CALL TO ACTIVE DUTY.

(a) IN GENERAL.—Chapter 61 of title 10, United States Code, is amended by inserting after section 1206 the following new section:

"§ 1206a. Reserve component members unable to perform duties when ordered to active duty: disability system processing

"(a) MEMBERS RELEASED FROM ACTIVE DUTY WITHIN 30 DAYS.—A member of a reserve component who is ordered to active duty for a period of more than 30 days and is released from active duty within 30 days of commencing such period of active duty for a reason stated in subsection (b) shall be considered for all purposes under this chapter to have been serving under an order to active duty for a period of 30 days or less.

"(b) APPLICABLE REASONS FOR RELEASE.—Subsection (a) applies in the case of a member released from active duty because of a failure to meet—

"(1) physical standards for retention; or

"(2) medical or dental standards for deployment due to a preexisting condition not aggravated during the period of active duty.

"(c) SAVINGS PROVISION FOR MEDICAL CARE PROVIDED WHILE ON ACTIVE DUTY.—Notwithstanding subsection (a), any benefit under chapter 55 of this title received by a member described in subsection (a) or a dependent of such member before or during the period of active duty shall not be subject to recoupment or otherwise affected.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1206 the following new item:

"1206a. Reserve component members unable to perform duties when ordered to active duty: disability system processing.".

SEC. 524. FEDERAL CIVIL SERVICE MILITARY LEAVE FOR RESERVE AND NATIONAL GUARD CIVILIAN TECHNICIANS.

Section 6323(d)(1) of title 5, United States Code is amended by striking "(other than active duty during a war or national emergency declared by the President or Congress)".

SEC. 525. EXPANDED EDUCATIONAL ASSISTANCE AUTHORITY FOR OFFICERS COMMISSIONED THROUGH ROTC PROGRAM AT MILITARY JUNIOR COLLEGES.

(a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE ON ACTIVE DUTY.—Section 2107(c) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(5)(A) The Secretary of the Army may provide an individual who received a commission as a Reserve officer in the Army from a military junior college through a program under this chapter and who does not have a baccalaureate degree with financial assistance for pursuit of a baccalaureate degree.

"(B) Such assistance is in addition to any financial assistance provided under paragraph (1), (3), or (4).

"(C) The agreement and reimbursement requirements established in section 2005 of this title are applicable to financial assistance under this paragraph.

"(D) An officer receiving financial assistance under this paragraph shall be attached to the unit of the Army at the educational institution at which the officer is pursuing a baccalaureate degree and shall be considered to be a member of the Senior Reserve Officers' Training Corps on inactive duty for training, as defined in section 101(23) of title 38.

"(E) A qualified officer who did not previously receive financial assistance under this section is eligible to receive educational assistance under this paragraph.

"(F) A Reserve officer may not be called or ordered to active duty for a deployment while participating in the program under this paragraph.

"(G) Any service obligation incurred by an officer under an agreement entered into under this paragraph shall be in addition to any service obligation incurred by that officer under any other provision of law or agreement.

"(H) The amount obligated during any fiscal year under this paragraph and paragraph (4) of section 2107a(c) of this title may not exceed a total of $1,500,000.".

(b) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE IN TROOP PROGRAM UNITS.—Section 2107a(c) of such title is amended by adding at the end the following new paragraphs:

"(4)(A) The Secretary of the Army may provide an individual who received a commission as a Reserve officer in the Army from a military junior college through a program under this chapter and who does not have a baccalaureate degree with financial assistance for pursuit of a baccalaureate degree.

"(B) Such assistance is in addition to any provided under paragraph (1) or (2).

"(C) The agreement and reimbursement requirements established in section 2005 of this title are applicable to financial assistance under this paragraph.

"(D) An officer receiving financial assistance under this paragraph shall be attached to the unit of the Army at the educational institution at which the officer is pursuing a baccalaureate degree and shall be considered to be a member of the Senior Reserve Officers' Training Corps on inactive duty for training, as defined in section 101(23) of title 38.

"(E) A qualified officer who did not previously receive financial assistance under this section is eligible to receive educational assistance under this paragraph.

"(F) A Reserve officer may not be called or ordered to active duty for a deployment while participating in the program under this paragraph.

"(G) Any service obligation incurred by an officer under an agreement entered into under this paragraph shall be in addition to any service obligation incurred by that officer under any other provision of law or agreement.".

"(H) As provided in subparagraph (H) of section 2107(c)(5) of this title, the amount obligated during any fiscal year under this paragraph and paragraph (5) of section 2107(c) of this title may not exceed a total of $1,500,000.".

(c) REPEAL OF SUNSET PROVISION FOR FINANCIAL ASSISTANCE PROGRAM FOR STUDENTS NOT ELIGIBLE FOR ADVANCED TRAINING.—Section 2103a of such title is amended by striking subsection (d).

(d) ANNUAL IMPLEMENTATION REPORT.—The Secretary of the Army shall submit to the Committees on Armed Services of the Senate and House of Representatives an annual report, for each of the next six years after the enactment of this Act, providing information on the experience of the Department of Defense during the preceding year under paragraph (5) of section 2107(c) of title 10, United States Code, as added by subsection (a), and under paragraph (4) of section 2107a(c) of title 10, United States Code,

as added by subsection (b). The report for with respect to any year shall be submitted not later March 31 of the following year.

SEC. 526. EFFECT OF APPOINTMENT OR COMMISSION AS OFFICER ON ELIGIBILITY FOR SELECTED RESERVE EDUCATION LOAN REPAYMENT PROGRAM FOR ENLISTED MEMBERS.

(a) CONTINUATION OF LOAN REPAYMENT.—Section 16301(a) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "The Secretary" in the first sentence and inserting "Except as provided in paragraph (3), the Secretary of Defense"; and

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

"(3) In the case of a commitment made by the Secretary of Defense after the date of the enactment of this paragraph to repay a loan under paragraph (1) conditioned upon the performance by the borrower of service as an enlisted member under paragraph (2), the Secretary shall repay the loan for service performed by the borrower as an officer (rather than as an enlisted member) in the case of a borrower who, after such commitment is entered into and while performing service as an enlisted member,

accepts an appointment or commission as a warrant officer or commissioned officer of the Selected Reserve.''.

(b) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 16301 of title 10, United States Code, as amended by subsection (a), to make loan repayments on behalf of members of the reserve components who accept an appointment or commission as a warrant officer or commissioned officer of the Selected Reserve may not exceed $1,000,000.

SEC. 527. NUMBER OF STARBASE ACADEMIES IN A STATE.

Paragraph (3) of section 2193b(c) of title 10, United States Code, is amended to read as follows:

''(3)(A) Subject to subparagraph (B), the Secretary may not support the establishment in any State of more than two academies.

''(B) The Secretary may waive the limitation in subparagraph (A). Any such waiver shall be made under criteria to be prescribed by the Secretary.''.

SEC. 528. COMPTROLLER GENERAL ASSESSMENT OF INTEGRATION OF ACTIVE AND RESERVE COMPONENTS OF THE NAVY.

(a) ASSESSMENT.—The Comptroller General shall review the plan of the Secretary of the Navy for, and implementation by the Secretary of, initiatives undertaken with-

in the Navy to improve the integration of the active and reserve components of the Navy in peacetime and wartime operations resulting from—

(1) the Naval Reserve Redesign Study carried out by the Navy: and

(2) the zero-based review of reserve component force structure undertaken by the commander of the Fleet Forces Command of the Navy during fiscal year 2004.

(b) REPORT.—No later than March 31, 2005, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the results of the review under subsection (a). The Comptroller General shall include in the report recommendations for improved active and reserve component integration in the Navy.

(c) LIMITATION.—No funds appropriated or otherwise made available by this Act may be obligated or expended to decommission a Naval Reserve or Marine Corps Reserve aviation squadron until 90 days after the date on which the report required by subsection (b) is submitted to the Committees on Armed Services of the Senate and House of Representatives.

(d) MATTERS TO BE EXAMINED.—In conducting the review, the Comptroller General shall examine the following:

(1) The criteria the Navy used to determine the following with respect to integration of the active and reserve components of the Navy:

(A) The future mix of active and reserve component force structure.

(B) Organization of command and control elements.

(C) Manpower levels.

(D) Basing changes.

(2) The extent to which the plans of the Navy for improving the integration of the active and reserve components of the Navy considered each of the following:

(A) The new Fleet Response Plan of the Navy.

(B) The flexible deployment concept.

(C) Global operations.

(D) Emerging mission requirements.

(E) Other evolving initiatives.

(3) The manner in which the timing of the execution of planned active and reserve integration initiatives will correlate with the funding of those initia-

tives, including consideration of an evaluation of the adequacy of the funding allocated to those integration initiatives.

(4) For naval aviation forces, the extent to which the active and reserve component integration plans of the Navy will affect factors such as—

(A) common training and readiness standards for active and reserve forces;

(B) reserve component access to the same equipment as the active component;

(C) relationships between command and headquarters elements of active and reserve forces; and

(D) trends in the use by the Navy of units referred to as "associate" units or "blended" units.

(E) Basing of future aviation forces.

(F) Employment of Naval Reserve aviation forces and personnel in peacetime and wartime operations.

SEC. 529. OPERATIONAL ACTIVITIES CONDUCTED BY THE NATIONAL GUARD UNDER AUTHORITY OF TITLE 32.

(a) IN GENERAL.—Title 32, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 9—OPERATIONS OF A NATIONAL OR FEDERAL INTEREST

"Sec.
"901. Operational activities.
"902. Operational duty.
"903. Funding assistance.
"904. Operations requests.

"§ 901. Operational activities

"The Secretary of Defense may provide funds in advance or on a reimbursable basis to a Governor to employ National Guard units and individuals to conduct operational activities that the Secretary determines to be in the national interest. The Secretary of Defense shall prescribe regulations to implement this chapter.

"§ 902. Operational duty

"All duty performed under this chapter shall be considered to be full-time National Guard duty under section 502(f) of this title. Members of the National Guard performing full-time National Guard duty in the Active Guard and Reserve Program may support or execute operational activities performed by the National Guard under this chapter.

"§ 903. Funding assistance

"When the Secretary of Defense determines that certain operational activities of the National Guard are in the national interest under section 901 of this title, the Secretary shall provide funds to a State in an amount that the Secretary determines is appropriate for the following costs of

the operational activities from funds available to the Department for related purposes:

"(1) The pay, allowances, clothing, subsistence, gratuities, travel, and related expenses of personnel of the National Guard of that State.

"(2) The operation and maintenance of the equipment and facilities of the National Guard of that State.

"(3) The procurement of services and equipment, and the leasing of equipment, for the National Guard of that State.

"§ 904. Operations requests

"(a) REQUESTS.—A Governor of a State may request funding assistance for the operational activities of the National Guard of that State from the Secretary of Defense. Any such request shall include the following:

"(1) The specific intended operational activities of the National Guard of that State.

"(2) An explanation of why the operational activities are in the national interest.

"(3) A certification that operational activities are to be conducted at a time when the personnel involved are not in Federal service.

"(4) A certification that participation by National Guard personnel in the operational activities is

service in addition to training required under section 502 of this title.".

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

"9. Operations of a National or Federal Interest ..... 901".

(c) CONFORMING AMENDMENT.—Section 115(h) of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i) CERTAIN FULL-TIME NATIONAL GUARD DUTY PERSONNEL EXCLUDED FROM COUNTING FOR FULL-TIME NATIONAL GUARD DUTY END STRENGTHS.—In counting full-time National Guard duty personnel for the purpose of end-strengths authorized pursuant to subsection (a)(1), persons involuntarily performing operational activities under chapter 9 of title 32 shall be excluded.".

SEC. 530. ARMY PROGRAM FOR ASSIGNMENT OF ACTIVE COMPONENT ADVISERS TO UNITS OF THE SELECTED RESERVE.

(a) CHANGE IN MINIMUM NUMBER REQUIRED TO BE ASSIGNED.—Section 414(c)(1) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 12001 note) is amended by striking "5,000" and inserting "3,500".

(b) LIMITATION ON REDUCTIONS.—Notwithstanding the amendment made by subsection (a), the Secretary of the

Army may not reduce the number of active component Reserve support personnel below the number of such personnel as of the date of the enactment of this Act until the report required by subsection (c) has been submitted.

(c) REPORT.—Not later than March 31, 2005, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the support by active components of the Army for training and readiness of the Army National Guard and Army Reserve. The report shall include an evaluation and determination of each of the following:

(1) The effect on the ability of the Army to improve such training and readiness resulting from the reduction under the amendment made by subsection (a) in the minimum number of active component Reserve support personnel.

(2) The adequacy of having 3,500 members of the Army (the minimum number required under the law as so amended) assigned as active component Reserve support personnel in order to meet emerging training requirements in the Army reserve components in connection with unit and force structure conversions and preparations for wartime deployment

(3) The nature and effectiveness of efforts by the Army to reallocate the 3,500 personnel assigned as ac-

tive component Reserve support personnel to higher priority requirements and to expand the use of reservists on active duty to meet reserve component training needs.

(4) Whether the Army is planning further reductions in the number of active component Reserve support personnel and, if so, the scope and rationale for those reductions.

(5) Whether an increase in Army reserve component full-time support personnel will be required to replace the loss of active component Reserve support personnel.

(d) DEFINITION.—In this section, the term "active component Reserve support personnel" means the active component Army personnel assigned as advisers to units of the Selected Reserve of the Ready Reserve of the Army pursuant to section 414 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 12001 note).

Subtitle D—Joint Officer Management

SEC. 531. STRATEGIC PLAN TO LINK JOINT OFFICER DEVELOPMENT TO OVERALL MISSIONS AND GOALS OF DEPARTMENT OF DEFENSE.

(a) PLAN REQUIRED.—(1) The Secretary of Defense shall develop a strategic plan for joint officer management and joint professional military education that links joint officer development to the accomplishment of the overall missions and goals of the Department of Defense, as set forth in the most recent national military strategy under section 153(d) of title 10, United States Code. Such plan shall be developed for the purpose of ensuring that sufficient numbers of qualified officers are available as necessary to meet the needs of the Department for qualified officers who are operationally effective in the joint environment.

(2) The Secretary shall develop the strategic plan with the advice of the Chairman of the Joint Chiefs of Staff.

(b) MATTERS TO BE INCLUDED.—As part of the strategic plan under subsection (a), the Secretary shall include the following:

(1) A statement of the levels of joint officer resources needed to be available to properly support the overall missions of the Department of Defense, with such resources to be specified by the number of officers

with the joint specialty, the number of officers required for service in joint duty assignment positions, and the training and education resources required.

(2) An assessment of the available and projected joint officer development resources (including officers, educational and training resources, and availability of joint duty assignment positions and tours of duty) necessary to achieve the levels specified under paragraph (1).

(3) Identification of any problems or issues arising from linking resources for joint officer development to accomplishment of the objective of meeting the levels specified under paragraph (1) to resolve those problems and issues and plans.

(4) A description of the process for identification of the requirement for joint specialty officers.

(5) A description of the career development and management of joint specialty officers and of any changes to be made to facilitate achievement of the levels of resources specified in paragraph (1), including additional education requirements, promotion opportunities, and assignments to fill joint assignments.

(c) INCLUSION OF RESERVE COMPONENT OFFICERS.—In developing the strategic plan required by subsection (a),

the Secretary shall include joint officer development for officers on the reserve active-status list in the plan.

(d) REPORT.—The Secretary shall submit the plan developed under this section to the Committees on Armed Services of the Senate and House of Representatives not later than January 15, 2006.

(e) ADDITIONAL ASSESSMENT.—Not later than January 15, 2007, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives, as a follow-on to the report under subsection (d), a report providing an assessment of, and initiatives to improve, the performance in joint matters of the following:

(1) Senior civilian officers and employees in the Office of the Secretary of Defense, the Defense Agencies, and the military departments.

(2) Senior noncommissioned officers.

(3) Senior leadership in the reserve components.

SEC. 532. JOINT REQUIREMENTS FOR PROMOTION TO FLAG OR GENERAL OFFICER GRADE.

(a) EFFECTIVE DATE FOR JOINT SPECIALTY OFFICER REQUIREMENT.—Subsection (a)(2) of section 619a of title 10, United States Code, is amended by striking "September 30, 2007" and inserting "September 30, 2008".

(b) EXCEPTION TO JOINT DUTY REQUIREMENT FOR OFFICERS SERVING IN JOINT DUTY ASSIGNMENT WHEN CONSIDERED FOR PROMOTION.—Subsection (b)(4) of such section is amended by striking "if—" and all that follows through "(B) the officer's" and inserting "if the officer's".

SEC. 533. CLARIFICATION OF TOURS OF DUTY QUALIFYING AS A JOINT DUTY ASSIGNMENT.

(a) CONSECUTIVE TOURS OF DUTY IN JOINT DUTY ASSIGNMENTS.—Section 668(c) of title 10, United States Code, is amended by striking "within the same organization".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply in the case of a joint duty assignment completed by an officer before the date of the enactment of this Act, except in the case of an officer has continued in joint duty assignments, without a break in service in such assignments, between the end of such assignment and the date of the enactment of this Act.

SEC. 534. AUTHORITY FOR RESERVE OFFICERS TO QUALIFY AS JOINT SPECIAL OFFICERS.

(a) AUTHORITY.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking "on the active-duty list".

(b) NOMINATIONS FOR SELECTION.—Subsection (b) of such section is amended in the second sentence—

(1) by striking "and" after "military department,"; and

(2) by inserting after "such date," the following: ", and each reserve component officer in an active status who is not on the active-duty list,".

(c) CONFORMING AMENDMENTS.—(1) Section 662 of such title is amended—

(A) in subsection (a), by inserting "on the active-duty list" after "qualifications of officers" in the matter preceding paragraph (1); and

(B) in subsection (b), by inserting "on the active-duty list" after "preceding fiscal year of officers" in the first sentence.

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

"§ 662. Promotion policy objectives for joint officers on the active-duty list".

(B) The item relating to such section in the table of sections at the beginning of chapter 38 of such title is amended to read as follows:

"662. Promotion policy objectives for joint officers on the active-duty list.".

(d) ANNUAL REPORT TO CONGRESS.—(1) Section 667 of such title is amended—

(A) by redesignating paragraph (18) as paragraph (19); and

(B) by inserting after paragraph (17) the following new paragraph (18):

"(18) The implementation of authority under section 661 of this title to certify reserve component officers as joint specialty officers, together with the number of reserve component officers who were so certified during the reporting period.".

(2) The Secretary of Defense shall include in the annual report of the Secretary to Congress for fiscal year 2005, as part of the material included in that report pursuant to paragraph (18) of section 667 of title 10, United States Code, a summary of the joint officer management policies adopted for reserve component officers pursuant to the amendments made by subsections (a) and (b).

Subtitle E—Professional Military Education

SEC. 541. IMPROVEMENT TO PROFESSIONAL MILITARY EDUCATION IN THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Part III of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 107 as chapter 106A; and

(2) by inserting before chapter 108 the following new chapter:

"CHAPTER 107—PROFESSIONAL MILITARY EDUCATION

"Sec.
"2151. Definitions
"2152. Professional military education: general requirements.
"2153. Capstone course: newly selected general and flag officers.
"2154. Joint professional military education: three-phase approach.
"2155. Intermediate level service colleges: written examination for selection for attendance.
"2156. Joint professional military education phase II program of instruction.
"2157. Intermediate and senior level service colleges; Joint Forces Staff College: duration of principle course of instruction.
"2158. Annual report to Congress.

"§ 2151. Definitions

(a) JOINT PROFESSIONAL MILITARY EDUCATION.—Joint professional military education consists of the rigorous and thorough instruction and examination of officers of the armed forces in an environment designed to promote a theoretical and practical in-depth understanding of joint matters and, specifically, of the subject matter covered. The subject matter to be covered by joint professional military education shall include at least the following:

"(1) Integrated employment of land, sea, and air forces.

"(2) National military strategy.

"(3) Strategic planning.

"(4) Contingency planning.

"(5) Command and control of combat operations under unified command.

"(6) Joint and combined operations.

"(7) Joint doctrine.

"(8) Joint logistics.

"(9) Joint communications.

"(10) Joint intelligence.

"(11) Campaign planning.

"(12) Joint military command and control systems and the interface of those systems with national command systems.

"(13) Joint force development, including mobilization.

"(14) Joint requirements development.

"(15) Military history.

"(16) Awareness of cultures in areas outside of the United States where United States forces may operate or of forces of foreign countries with whom United States forces may operate.

"(b) OTHER DEFINITIONS.—In this chapter:

"(1) The term 'senior level service school' means any of the following:

"(A) The Army War College.

"(B) The College of Naval Warfare.

"(C) The Air War College.

"(D) The Marine Corps University.

"(2) The term 'intermediate level service school' means any of the following:

"(A) The United States Army Command and General Staff College.

"(B) The College of Naval Command and Staff.

"(C) The Air Command and Staff College.

"(D) The Marine Corps Command and Staff College.

"§ 2152. Joint professional military education: general requirements

"(a) IN GENERAL.—The Secretary of Defense shall implement a coherent and comprehensive framework for the joint professional military education of officers, including officers nominated under section 661 of this title for the joint specialty.

"§ 2153. Capstone course: newly selected general and flag officers

"(a) REQUIREMENT.—Each officer selected for promotion to the grade of brigadier general or, in the case of the Navy, rear admiral (lower half) shall be required, after such selection, to attend a military education course designed specifically to prepare new general and flag officers to work with the other armed forces.

"(b) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the Secretary of Defense may waive subsection (a)—

"(A) in the case of an officer whose immediately previous assignment was in a joint duty assignment and who is thoroughly familiar with joint matters;

"(B) when necessary for the good of the service;

"(C) in the case of an officer whose proposed selection for promotion is based primarily upon scientific and technical qualifications for which joint requirements do not exist (as determined under regulations prescribed under section 619(e)(4) of this title); and

"(D) in the case of a medical officer, dental officer, veterinary officer, medical service officer, nurse, biomedical science officer, or chaplain.

"(2) The authority of the Secretary of Defense to grant a waiver under paragraph (1) may only be delegated to the Deputy Secretary of Defense, an Under Secretary of Defense, or an Assistant Secretary of Defense. Such a waiver may be granted only on a case-by-case basis in the case of an individual officer.

"§ 2154. Joint professional military education: three-phase approach

"(a) THREE-PHASE APPROACH.—The Secretary of Defense shall implement a three-phase approach to joint professional military education, as follows:

"(1) There shall be a course of instruction, designated and certified by the Secretary of Defense as Phase I instruction, consisting all the elements of a joint professional military education (as specified in section 2151(a) of this title), in addition to the principal curriculum taught to all officers at an intermediate level service school.

"(2) There shall be a course of instruction, designated and certified by the Secretary of Defense as Phase II instruction, consisting of a joint professional military education curriculum taught in residence at—

"(A) the Joint Forces Staff College; or

"(B) a senior level service school that has been designated and certified by the Secretary of Defense as a joint professional military education institution.

"(3) There shall be a course of instruction, designated and certified by the Secretary of Defense as the Capstone course, for officers selected for promotion to the grade of brigadier general or, in the case of the Navy, rear admiral (lower half) and offered in accordance with section 2153 of this title.

"(b) SEQUENCED APPROACH.—The Secretary shall require the sequencing of joint professional military edu-

cation so that the standard sequence of assignments for such education requires an officer to complete Phase I instruction before proceeding to Phase II instruction, as provided in section 2156(a) of this title.

"§ 2155. Intermediate level service school: written examination for selection for attendance

"(a) REQUIREMENT.—The Secretary of each military department shall require that performance on a comprehensive written examination shall constitute not less than 20 percent of the evaluation criteria for selection of any officer for full-time attendance at an intermediate level service school under the jurisdiction of the Secretary. Such an examination shall be designed so as to require substantive knowledge of military history, national military strategy, service and joint doctrine, and such other subjects as the Secretary may require. Such an examination shall be required for each class entering an intermediate level service school after September 30, 2007.

"(b) SELECTION FROM DIFFERENT SERVICE.—The Secretary of a military department, in considering candidates for full-time attendance at an intermediate level service school under the jurisdiction of the Secretary who are officers of an armed force other than the armed force that administers that service school, shall consider such an officer to be qualified for selection for such attendance if

the officer has met all the requirements for attendance at the equivalent intermediate level service school of that officer's own armed force.

"§ 2156. Joint professional military education phase II program of instruction

"(a) PREREQUISITE OF COMPLETION OF JOINT PROFESSIONAL MILITARY EDUCATION I PROGRAM OF INSTRUCTION.—(1) After September 30, 2009, an officer of the armed forces may not be accepted for, or assigned to, a program of instruction designated by the Secretary of Defense as joint professional military education Phase II unless the officer has successfully completed a program of instruction designated by the Secretary of Defense as joint professional military education Phase I.

"(2) The Chairman of the Joint Chiefs of Staff may grant exceptions to the requirement under paragraph (1). Such an exception may be granted only on a case-by-case basis for compelling cause, as determined by the Chairman. An officer selected to receive such an exception shall be required to demonstrate a knowledge of joint matters and other aspects of the Phase I curriculum that, to the satisfaction of the Chairman, qualifies the officer to meet the minimum requirements established for entry into Phase II instruction without first completing Phase I instruction. The number of officers selected to attend an offering of the prin-

cipal course of instruction at the Joint Forces Staff College or a senior level service school designated by the Secretary of Defense as a joint professional military education institution who have not completed Phase I instruction should comprise no more than 10 percent of the total number of officers selected.

"(b) PHASE II REQUIREMENTS.—The Secretary shall require that the curriculum for Phase II joint professional military education at any school—

"(1) focus on developing joint attitudes and perspectives and honing joint warfighting skills; and

"(2) be structured —

"(A) so as to adequately prepare students to perform effectively in an assignment to a joint, multiservice organization; and

"(B) so that students progress from a basic knowledge of joint matters learned in Phase I instruction to the level of expertise necessary for successful performance in the joint arena.

"(c) CURRICULUM CONTENT.—In addition to the subjects specified in section 2151(a) of this title, the curriculum for Phase II joint professional military education shall include the following:

"(1) National security strategy.

"(2) Theater strategy and campaigning.

"(3) Joint planning processes and systems.

"(4) Joint, interagency, and multinational capabilities and the integration of those capabilities.

"(d) STUDENT RATIO; FACULTY RATIO.—(1) For courses of instruction in a Phase II program of instruction that is offered at senior level service school that has been designated by the Secretary of Defense as a joint professional military education institution—

"(1) the percentage of students enrolled in any such course who are officers of the armed force that administers the school may not exceed 60 percent, with the remaining services proportionally represented; and

"(2) of the faculty at the school who are active-duty officers who provide instruction in such courses, the percentage who are officers of the armed force that administers the school may not exceed 60 percent, with the remaining services proportionally represented.

"§ 2157. Intermediate and senior level service schools; Joint Forces Staff College: duration of principle course of instruction

"(a) SERVICE SCHOOLS.—The duration of the principal course of instruction offered at each intermediate level service school and each senior level service school may not

be less than 10 months of resident instruction. The Secretary of Defense may waive the requirement in the preceding sentence during a period of war or during a national emergency declared by the President or the Congress.

"(b) JOINT FORCES STAFF COLLEGE.—(1) The duration of the principal course of instruction offered at the Joint Forces Staff College may not be less than 10 weeks of resident instruction.

"(2) In this subsection, the term 'principal course of instruction' means any course of instruction offered at the Joint Forces Staff College as Phase II joint professional military education.

"§ 2158. Annual report to Congress

"The Secretary of Defense shall include in the annual report of the Secretary to Congress under section 113(c) of this title, for the period covered by the report, the following information (which shall be shown for the Department of Defense as a whole and separately for the Army, Navy, Air Force, and Marine Corps and each reserve component):

"(1) The number of officers who successfully completed a joint professional military education phase II course and were not selected for promotion.

"(2) The number of officer students and faculty members assigned by each service to the professional

military schools of the other services and to the joint schools.".

(b) TRANSFER OF OTHER PROVISIONS.—Subsections (b) and (c) of section 663 of title 10, United States Code, are transferred to section 2151 of such title, as added by subsection (a), and added at the end thereof.

(c) CONFORMING AMENDMENTS.—(1) Section 663 of such title, as amended by subsection (b), is further amended—

(A) by striking subsections (a) and (e); and

(B) by striking "(d) POST-EDUCATION JOINT DUTY ASSIGNMENTS.—(1) The" and inserting "(a) JOINT SPECIALTY OFFICERS.—The";

(C) by striking "(2)(A) The Secretary" and inserting "(b) OTHER OFFICERS.—(1) The Secretary";

(D) by striking "in subparagraph (B)' and inserting "in paragraph (2)";

(E) by striking "(B) The Secretary" and inserting "(2) The Secretary"; and

(F) by striking "in subparagraph (B)' and inserting "in paragraph (1)".

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

"§ 633. Joint duty assignments after completion of joint professional military education".

(B) The item relating to that section in the table of sections at the beginning of chapter 38 of such title is amended to read as follows:

"633. Joint duty assignments after completion of joint professional military education.".

(d) CONFORMING REPEAL.—Section 1123(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1556) is repealed.

(e) CLERICAL AMENDMENT.—The tables of chapters at the beginning of subtitle A, and at the beginning of part III of subtitle A, of title 10, United States Code, are amended by striking the item relating to chapter 107 and inserting the following:

"106A. Educational Assistance for Persons Enlisting for Active Duty 2141
"107. Professional Military Education ..... 2151".

SEC. 542. RIBBONS TO RECOGNIZE COMPLETION OF JOINT PROFESSIONAL MILITARY EDUCATION.

(a) IN GENERAL.—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1134. Joint professional military education ribbon: award

"(a) JPME I.—The Secretary of Defense may award a ribbon, of appropriate design, as approved by the Sec-

retary, to any person who successfully completes a program of instruction approved by the Secretary as qualifying for credit as the Joint Professional Military Education Phase I program of instruction.

"(b) JPME II.—The Secretary of Defense may award a device, of appropriate design, as approved by the Secretary, for wear with the ribbon awarded under subsection (a), to any person who successfully completes a program of instruction approved by the Secretary as qualifying for credit as the Joint Professional Military Education Phase II course of instruction.".

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

"1134. Joint professional military education ribbon: award.".

(b) EFFECTIVE DATE.—Section 1134 of title 10, United States Code, as added by subsection (a), shall apply with respect to the successful completion of a joint professional military education program of instruction after November 29, 1989.

SEC. 543. INCREASE IN NUMBER OF PRIVATE-SECTOR CIVILIANS WHO MAY BE ENROLLED FOR INSTRUCTION AT NATIONAL DEFENSE UNIVERSITY.

Section 2167(a) of title 10, United States Code, is amended by striking "10" and inserting "20".

SEC. 544. REQUIREMENT FOR COMPLETION OF PHASE I JOINT PROFESSIONAL MILITARY EDUCATION BEFORE PROMOTION TO COLONEL OR NAVY CAPTAIN.

(a) IN GENERAL.—Chapter 36 of title 10, United States Code, is amended by inserting after section 619a the following new section:

"§ 619b. Eligibility for consideration for promotion: joint professional military education required before promotion to colonel or Navy captain; exceptions

"(a) GENERAL RULE.—After September 30, 2007, an officer on the active-duty list of the Army, Air Force, or Marine Corps may not be appointed to the grade of colonel, and an officer on the active-duty list of the Navy may not be appointed to the grade of captain, unless the officer has successfully completed a program of instruction approved by the Secretary as qualifying for credit as the Joint Professional Military Education Phase I or Phase II program of instruction.

"(b) EXCEPTIONS.—Subject to subsection (c), the Secretary of Defense may waive subsection (a) in the following circumstances:

"(1) When necessary for the good of the service.

"(2) In the case of an officer whose proposed selection for promotion is based primarily upon sci-

entific and technical qualifications for which joint requirements do not exist.

"(3) In the case of—

"(A) a medical officer, dental officer, veterinary officer, medical service officer, nurse, or biomedical science officer;

"(B) a chaplain; or

"(C) a judge advocate.

"(c) WAIVER TO BE INDIVIDUAL.—A waiver may be granted under subsection (b) only on a case-by-case basis in the case of an individual officer.

"(d) SPECIAL RULE FOR GOOD-OF-THE-SERVICE WAIVER.—In the case of a waiver under subsection (b)(1), the Secretary shall provide that the first duty assignment as a colonel or Navy captain of the officer for whom the waiver is granted shall be to a program of joint professional military education.

"(e) LIMITATION ON DELEGATION OF WAIVER AUTHORITY.—The authority of the Secretary of Defense to grant a waiver under subsection (b) (other than under paragraph (1) of that subsection) may be delegated only to the Deputy Secretary of Defense, an Under Secretary of Defense, or an Assistant Secretary of Defense.

"(f) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section. The regula-

tions shall specifically identify for purposes of subsection (b)(2) those categories of officers for which selection for promotion to colonel or, in the case of the Navy, captain is based primarily upon scientific and technical qualifications for which joint requirements do not exist.".

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

"619b. Eligibility for consideration for promotion: joint professional military education required before promotion to colonel or Navy captain; exceptions.".

Subtitle F—Other Education and Training Matters

SEC. 551. COLLEGE FIRST DELAYED ENLISTMENT PROGRAM.

(a) CODIFICATION AND EXTENSION OF ARMY PROGRAM.—(1) Chapter 31 of title 10, United States Code, is amended by inserting after section 510 the following new section:

"§ 511. College First Program

"(a) PROGRAM AUTHORITY.—The Secretary of each military department may establish a program to increase the number of, and the level of the qualifications of, persons entering the armed forces as enlisted members by encouraging recruits to pursue higher education or vocational or technical training before entry into active service.

"(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—The Secretary concerned may—

"(1) exercise the authority under section 513 of this title—

"(A) to accept the enlistment of a person as a Reserve for service in the Selected Reserve or Individual Ready Reserve of a reserve component, notwithstanding the scope of the authority under subsection (a) of that section, in the case of the Army National Guard of the United States or Air National Guard of the United States; and

"(B) to authorize, notwithstanding the period limitation in subsection (b) of that section, a delay of the enlistment of any such person in a regular component under that subsection for the period during which the person is enrolled in, and pursuing a program of education at, an institution of higher education, or a program of vocational or technical training, on a full-time basis that is to be completed within the maximum period of delay determined for that person under subsection (c); and

"(2) subject to paragraph (2) of subsection (d) and except as provided in paragraph (3) of that subsection, pay an allowance to a person accepted for en-

listment under paragraph (1)(A) for each month of the period during which that person is enrolled in and pursuing a program described in paragraph (1)(B).

"(c) MAXIMUM PERIOD OF DELAY.—The period of delay authorized a person under paragraph (1)(B) of subsection (b) may not exceed the 30-month period beginning on the date of the person's enlistment accepted under paragraph (1)(A) of such subsection.

"(d) ALLOWANCE.—(1) The monthly allowance paid under subsection (b)(2) shall be equal to the amount of the subsistence allowance provided for certain members of the Senior Reserve Officers' Training Corps with the corresponding number of years of participation under section 209(a) of title 37. The Secretary concerned may supplement that stipend by an amount not to exceed $225 per month.

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

"(3) A member of the Selected Reserve of a reserve component may be paid an allowance under this section only for months during which the member performs satisfactorily as a member of a unit of the reserve component that trains as prescribed in section 10147(a)(1) of this title or section 502(a) of title 32. Satisfactory performance shall be deter-

mined under regulations prescribed by the Secretary concerned.

"(4) An allowance under this section is in addition to any other pay or allowance to which a member of a reserve component is entitled by reason of participation in the Ready Reserve of that component.

"(e) RECOUPMENT OF ALLOWANCE.—(1) A person who, after receiving an allowance under this section, fails to complete the total period of service required of that person in connection with delayed entry authorized for the person under section 513 shall repay the United States the amount which bears the same ratio to the total amount of that allowance paid to the person as the unserved part of the total required period of service bears to the total period.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) A discharge of a person in bankruptcy under title 11 that is entered less than five years after the date on which the person was, or was to be, enlisted in the regular Army pursuant to the delayed entry authority under section 513 does not discharge that person from a debt arising under paragraph (1).

"(4) The Secretary concerned may waive, in whole or in part, a debt arising under paragraph (1) in any case

for which the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(f) SPECIAL PAY AND BONUSES.—Upon enlisting in the regular component of the member's armed force, a person who initially enlisted as a Reserve under this section may, at the discretion of the Secretary concerned, be eligible for all regular special pays, bonuses, education benefits, and loan repayment programs.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 510 the following new item:

"511. College First Program".

(b) REPEAL OF ARMY COLLEGE FIRST PROGRAM.—Section 573 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 513 note) is repealed. The Secretary of the Army shall treat the program under section 511 of title 10, United States Code, as added by subsection (a), as a continuation of the program under the section repealed by the preceding sentence.

(c) EFFECTIVE DATE.—Section 511 of title 10, United States Code, as added by subsection (a), and the repeal made by subsection (b) shall take effect on October 1, 2004.

(d) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 511 of title 10, United States Code, as added

by subsection (a), to pay allowances to persons accepted for enlistment as a Reserve for service in the Selected Reserve or Individual Ready Reserve of a reserve component using the expanded authority provided by the amendment made by subsection (a) may not exceed $5,000,000. The authority to pay allowances under such section shall not be considered to be an expanded authority to the extent that the authority to pay such allowances was available under section 573 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 513 note), before the repeal of such section by subsection (b).

SEC. 552. STANDARDIZATION OF AUTHORITY TO CONFER DEGREES ON GRADUATES OF COMMUNITY COLLEGE OF THE AIR FORCE WITH AUTHORITY FOR OTHER SCHOOLS OF AIR UNIVERSITY.

(a) CHANGE IN DEGREE CONFERRING AUTHORITY.—Section 9315(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "Air Education and Training Command of the Air Force" and inserting "Air University"; and

(2) in paragraph (2), by striking "Air Education and Training Command of the Air Force" and inserting "Air University".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—(1) Subsection (a) of section 9317 of such title is amended—

(1) by striking "may confer—" and inserting "may confer degrees as follows:";

(2) by striking "the" in paragraphs (1), (2), and (3) after the paragraph designation and inserting "The";

(3) by striking the semicolon at the end of paragraph (1) and inserting a period;

(4) by striking "; and" at the end of paragraph (2) and inserting a period; and

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

"(4) An associate level degree upon graduates of the Community College of the Air Force.".

(c) CLERICAL AMENDMENTS.—The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 901 of such title, are amended by striking the matter between the colon and the last word.

SEC. 553. CHANGE IN TITLES OF HEADS OF THE NAVAL POSTGRADUATE SCHOOL.

(a) PRESIDENT OF THE SCHOOL.—(1)(A) Section 7042 of title 10, United States Code, is amended by striking

"Superintendent" each place it appears in the text and inserting "President".

(B) The heading of such section is amended to read as follows:

"§ 7042. President; assistants".

(2)(A) Section 7044 of such title is amended by striking "Superintendent" and inserting "President of the school";

(B) Sections 7048(a) and 7049(e) of such title are amended by striking "Superintendent" and inserting "President";

(b) PROVOST AND ACADEMIC DEAN.—(1)(A) Subsection (a) of section 7043 of title 10, United States Code, is amended to read as follows:

"(a) There is at the Naval Postgraduate School the civilian position of Provost and Academic Dean. The Provost and Academic Dean shall be appointed, to serve for periods of not more than five years, by the Secretary of the Navy after consultation with the Naval Postgraduate School Board of Advisors and consideration of the recommendation of the leadership and faculty of the Naval Postgraduate School.".

(B) Subsection (b) of such section is amended by striking "Academic Dean" and inserting "Provost and Academic Dean".

(C) The heading of such section is amended to read as follows:

"§ 7043. Provost and Academic Dean".

(2) Section 5102(c)(10) of title 5, United States Code, is amended by striking "Academic Dean" and inserting "Provost and Academic Dean".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 605 of such title is amended by striking the items related to sections 7042 and 7043 and inserting the following new items:

"7042. President; assistants.
"7043. Provost and Academic Dean.".

SEC. 554. INCREASE FROM TWO YEARS TO THREE YEARS IN PERIOD FOR WHICH EDUCATIONAL LEAVE OF ABSENCE MAY BE AUTHORIZED.

Section 708(a) of title 10, United States Code, is amended by striking "two years" and inserting "three years".

SEC. 555. CORRECTION TO DISPARATE TREATMENT OF DISABILITIES SUSTAINED DURING ACCESSION TRAINING.

(a) ELIGIBILITY OF ACADEMY CADETS AND MIDSHIPMEN FOR DISABILITY RETIRED PAY.—(1) Section 1217 of title 10, United States Code, is amended to read as follows:

"§ 1217. Cadets, midshipmen, and aviation cadets: applicability of chapter

"(a) This chapter applies to cadets at the United States Military Academy, the United States Air Force Academy, and the United States Coast Guard Academy and midshipmen of the Navy, but only with respect to physical disabilities incurred after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2005.

"(b) Monthly cadet pay and monthly midshipman pay under section 203(c) of title 37 shall be considered to be basic pay for purposes of this chapter and the computation of retired pay and severance and separation pay to which entitlement is established under this chapter.".

(2) The item related to section 1217 in the table of sections at the beginning of chapter 61 of such title is amended to read as follows:

"1217. Cadets, midshipmen, and aviation cadets: applicability of chapter.".

(b) MEDICAL AND DENTAL CARE FOR SENIOR ROTC MEMBERS AND APPLICANTS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1074a the following new section:

"§ 1074b. Medical and dental care: members of, and designated applicants for membership in, Senior ROTC

"(a) Under joint regulations prescribed by the administering Secretaries, the following persons are entitled to the benefits described in subsection (b):

"(1) A member of, and a designated applicant for membership in, Senior ROTC who incurs or aggravates an injury, illness, or disease in the line of duty while performing duties pursuant to section 2109 of this title.

"(2) A member of, and a designated applicant for membership in, Senior ROTC who incurs or aggravates an injury, illness, or disease while traveling directly to or from the place at which that member or applicant is to perform or has performed duties pursuant to section 2109 of this title.

"(3) Each member of, and each designated applicant for membership in, Senior ROTC who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight immediately before the commencement of duties performed pursuant to section 2109 of this title or, while remaining overnight, between successive periods of performing duties pursuant to section 2109 of this title, at or in the vicinity of the site of the duties performed pursuant to

section 2109 of this title, if the site is outside reasonable commuting distance from the residence of the member or designated applicant.

"(b) A person described in subsection (a) is entitled to—

"(1) the medical and dental care appropriate for the treatment of the injury, illness, or disease of that person until the resulting disability cannot be materially improved by further hospitalization or treatment; and

"(2) subsistence during hospitalization.

"(c) A member of, and each designated applicant for membership in, Senior ROTC is not entitled to benefits under subsection (b) if the injury, illness, or disease or aggravation of an injury, illness, or disease of that person described in subsection (a)(2) is the result of the gross negligence or the misconduct of the member or applicant for membership in Senior ROTC.

"(d) In this section, the term 'Senior ROTC' means a program under chapter 103 of this title.".

(2) Section 1074b of title 10, United States Code, as added by paragraph (1), shall apply with respect to injuries, illnesses, and diseases incurred or aggravated on or after the date of the enactment of this Act.

(3) The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1074a the following new item:

"1074b. Medical and dental care: members of, and designated applicants for membership in, Senior ROTC.".

SEC. 556. PRAYER AT MILITARY SERVICE ACADEMY ACTIVITIES.

(a) AUTHORITY OF SUPERINTENDENT.—The Superintendent of a service academy may have in effect such policy as the Superintendent considers appropriate with respect to the offering of a voluntary, nondenominational prayer at an otherwise authorized activity of the academy, subject to such limitations as the President may prescribe.

(b) SERVICE ACADEMIES.—For purposes of this section, the term "service academy" means any of the following:

(1) The United States Military Academy.

(2) The United States Naval Academy.

(3) The United States Air Force Academy.

SEC. 557. REVISION TO CONDITIONS ON SERVICE OF OFFICERS AS SERVICE ACADEMY SUPERINTENDENTS.

(a) REPEAL OF REQUIREMENT THAT OFFICERS RETIRE AFTER SERVICE AS SUPERINTENDENT.—Sections 3921, 6371, and 8921 of title 10, United States Code, are repealed.

(b) MINIMUM THREE-YEAR TOUR OF DUTY AS SUPERINTENDENT.—

(1) MILITARY ACADEMY.—Section 4333a of such title is amended to read as follows:

"§ 4333a. Superintendent: length of assignment

"An officer who is detailed to the position of Superintendent of the Academy shall be so detailed for a period of not less than three years. In any case in which an officer serving as Superintendent is reassigned or retires before having completed three years service as Superintendent, or otherwise leaves that position (other than due to death) without having completed three years service in that position, the Secretary of the Army shall submit to Congress notice that such officer left the position of Superintendent without having completed three years service in that position, together with a statement of the reasons why that officer did not complete three years service in that position.".

(2) NAVAL ACADEMY.—Section 6951a of such title is amended—

(A) by striking the second sentence of subsection (b); and

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

"(c) An officer who is detailed to the position of Superintendent shall be so detailed for a period of not less than

three years. In any case in which an officer serving as Superintendent is reassigned or retires before having completed three years service as Superintendent, or otherwise leaves that position (other than due to death) without having completed three years service in that position, the Secretary of the Navy shall submit to Congress notice that such officer left the position of Superintendent without having completed three years service in that position, together with a statement of the reasons why that officer did not complete three years service in that position.".

(3) AIR FORCE ACADEMY.—Section 9333a of such title is amended to read as follows:

"§ 9333a. Superintendent: length of assignment

"An officer who is detailed to the position of Superintendent of the Academy shall be so detailed for a period of not less than three years. In any case in which an officer serving as Superintendent is reassigned or retires before having completed three years service as Superintendent, or otherwise leaves that position (other than due to death) without having completed three years service in that position, the Secretary of the Air Force shall submit to Congress notice that such officer left the position of Superintendent without having completed three years service in that position, together with a statement of the reasons why that officer did not complete three years service in that position.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 367 of such title is amended by striking the item relating to section 3921.

(2) The table of sections at the beginning of chapter 403 of such title is amended to read as follows:

"4333a. Superintendent: length of assignment."

(3) The table of sections at the beginning of chapter 573 of such title is amended by striking the item relating to section 6371.

(4) The table of sections at the beginning of chapter 867 of such title is amended by striking the item relating to section 8921.

(5) The table of sections at the beginning of chapter 903 of such title is amended to read as follows:

"9333a. Superintendent: length of assignment."

SEC. 558. CODIFICATION OF PROHIBITION ON IMPOSITION OF CERTAIN CHARGES AND FEES AT THE SERVICE ACADEMIES.

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

"§ 4359. Cadets: charges and fees for attendance; limitation

"(a) PROHIBITION.—Except as provided in subsection (b), no charge or fee for tuition, room, or board for attendance at the Academy may be imposed unless the charge or fee is specifically authorized by a law enacted after October 5, 1994.

"(b) EXCEPTION.—The prohibition specified in subsection (a) does not apply with respect to any item or service provided to cadets for which a charge or fee is imposed as of October 5, 1994. The Secretary of Defense shall notify Congress of any change made by the Academy in the amount of a charge or fee authorized under this subsection.".

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

"4359. Cadets: charges and fees for attendance; limitation.".

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

"§ 6978. Midshipmen: charges and fees for attendance; limitation

"(a) PROHIBITION.—Except as provided in subsection (b), no charge or fee for tuition, room, or board for attendance at the Naval Academy may be imposed unless the

charge or fee is specifically authorized by a law enacted after October 5, 1994.

"(b) EXCEPTION.—The prohibition specified in subsection (a) does not apply with respect to any item or service provided to midshipmen for which a charge or fee is imposed as of October 5, 1994. The Secretary of Defense shall notify Congress of any change made by the Naval Academy in the amount of a charge or fee authorized under this subsection.".

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

"4359. Midshipmen: charges and fees for attendance; limitation.".

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

"§ 9359. Cadets: charges and fees for attendance; limitation

"(a) PROHIBITION.—Except as provided in subsection (b), no charge or fee for tuition, room, or board for attendance at the Academy may be imposed unless the charge or fee is specifically authorized by a law enacted after October 5, 1994.

"(b) EXCEPTION.—The prohibition specified in subsection (a) does not apply with respect to any item or service provided to cadets for which a charge or fee is imposed as of October 5, 1994. The Secretary of Defense shall notify

Congress of any change made by the Academy in the amount of a charge or fee authorized under this subsection.".

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

"9359. Cadets: charges and fees for attendance; limitation.".

(d) UNITED STATES COAST GUARD ACADEMY.—(1) Chapter 9 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 197. Cadets: charges and fees for attendance; limitation

"(a) PROHIBITION.—Except as provided in subsection (b), no charge or fee for tuition, room, or board for attendance at the Academy may be imposed unless the charge or fee is specifically authorized by a law enacted after October 5, 1994.

"(b) EXCEPTION.—The prohibition specified in subsection (a) does not apply with respect to any item or service provided to cadets for which a charge or fee is imposed as of October 5, 1994. The Secretary of Homeland Security shall notify Congress of any change made by the Academy in the amount of a charge or fee authorized under this subsection.".

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

"197. Cadets: charges and fees for attendance; limitation.".

(e) UNITED STATES MERCHANT MARINE ACADEMY.—Section 1303 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b), is amended by adding at the end the following new subsection:

"(j) LIMITATION ON CHARGES AND FEES FOR ATTENDANCE.—

"(1) Except as provided in paragraph (2), no charge or fee for tuition, room, or board for attendance at the Academy may be imposed unless the charge or fee is specifically authorized by a law enacted after October 5, 1994.

"(2)The prohibition specified in paragraph (1) does not apply with respect to any item or service provided to cadets for which a charge or fee is imposed as of October 5, 1994. The Secretary of Transportation shall notify Congress of any change made by the Academy in the amount of a charge or fee authorized under this paragraph.".

(f) REPEAL OF CODIFIED PROVISION.—Section 553 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 4331 note) is repealed.

SEC. 559. QUALIFICATIONS OF THE DEAN OF THE FACULTY OF UNITED STATES AIR FORCE ACADEMY.

Section 9335(a) of title 10, United States Code, is amended by inserting before the period at the end of the second sentence the following: ", except that, if the Dean is not an officer on active duty, the Dean shall be a retired officer or former officer, and a person may not be appointed or assigned as Dean unless that person holds the highest academic degree in that person's academic field".

Subtitle G—Medals and Decorations and Special Promotions and Appointments

SEC. 561. SEPARATE MILITARY CAMPAIGN MEDALS TO RECOGNIZE SERVICE IN OPERATION ENDURING FREEDOM AND SERVICE IN OPERATION IRAQI FREEDOM.

(a) REQUIREMENT.—The President shall establish a campaign medal specifically to recognize service by members of the uniformed services in Operation Enduring Freedom and a separate campaign medal specifically to recognize service by members of the uniformed services in Operation Iraqi Freedom.

(b) ELIGIBILITY.—Subject to such limitations as may be prescribed by the President, eligibility for a campaign medal established pursuant to subsection (a) shall be set forth in regulations to be prescribed by the Secretary con-

cerned (as defined in section 101 of title 10, United States Code). In the case of regulations prescribed by the Secretaries of the military departments, the regulations shall be subject to approval by the Secretary of Defense and shall be uniform throughout the Department of Defense.

SEC. 562. ELIGIBILITY OF ALL UNIFORMED SERVICES PERSONNEL FOR NATIONAL DEFENSE SERVICE MEDAL.

The President shall revise the criteria for eligibility for the decoration known as the National Defense Service Medal so as to extend such eligibility, with respect to service on or after September 11, 2001, to members of all of the uniformed services.

SEC. 563. AUTHORITY TO APPOINT BRIGADIER GENERAL CHARLES E. YEAGER, UNITED STATES AIR FORCE (RETIRED), TO THE GRADE OF MAJOR GENERAL ON THE RETIRED LIST.

The President is authorized to appoint, by and with the advice and consent of the Senate, Brigadier General Charles E. Yeager, United States Air Force (retired), to the grade of major general on the retired list of the Air Force. Any such appointment shall not affect the retired pay or other benefits of Charles E. Yeager or any benefits to which any other person is or may become entitled based upon his service.

SEC. 564. POSTHUMOUS COMMISSION OF WILLIAM MITCHELL IN THE GRADE OF MAJOR GENERAL IN THE ARMY.

(a) AUTHORITY.—The President, by and with the advice and consent of the Senate, may issue posthumously a commission as major general, United States Army, in the name of the late William Mitchell, formerly a colonel, United States Army, who resigned his commission on February 1, 1926.

(b) DATE OF COMMISSION.—A commission issued under subsection (a) shall issue as of the date of the death of William Mitchell on February 19, 1936.

(c) PROHIBITION OF BENEFITS.—No person is entitled to receive any bonus, gratuity, pay, allowance, or other financial benefit by reason of the enactment of this section.

Subtitle H—Military Justice Matters

SEC. 571. REVIEW ON HOW SEXUAL OFFENSES ARE COVERED BY UNIFORM CODE OF MILITARY JUSTICE.

(a) REVIEW REQUIRED.—The Secretary of Defense shall review the Uniform Code of Military Justice and the Manual for Courts-Martial with the objective of determining what changes are required to improve the ability of the military justice system to address issues relating to sexual assault and to conform the Uniform Code of Military

Justice and the Manual for Courts-Martial more closely to other Federal laws and regulations that address such issues.

(b) REPORT.—Not later than March 1, 2005, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the review carried out under subsection (a). The report shall include the recommendations of the Secretary for revisions to the Uniform Code of Military Justice and, for each such revision, the rationale behind that revision.

SEC. 572. SERVICE TIME NOT LOST WHEN CONFINED IN CONNECTION WITH TRIAL IF CONFINEMENT EXCUSED AS UNAVOIDABLE.

Section 972 of title 10, United States Code, is amended in each of subsections (a)(3) and (b)(3) by inserting after "the trial" the following: ", unless such confinement is excused as unavoidable".

SEC. 573. CLARIFICATION OF AUTHORITY OF MILITARY LEGAL ASSISTANCE COUNSEL TO PROVIDE MILITARY LEGAL ASSISTANCE WITHOUT REGARD TO LICENSING REQUIREMENTS.

Section 1044 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any law regarding the licensure of attorneys, a judge advocate or civilian attorney who

is authorized to provide military legal assistance is authorized to provide that assistance in any jurisdiction, subject to such regulations as may be prescribed by the Secretary concerned.

"(2) In this subsection, the term 'military legal assistance' includes—

"(A) legal assistance provided under this section; and

"(B) legal assistance contemplated by sections 1044a, 1044b, 1044c, and 1044d of this title.".

Subtitle I—Management and Administrative Matters

SEC. 581. THREE-YEAR EXTENSION OF LIMITATION ON REDUCTIONS OF PERSONNEL OF AGENCIES RESPONSIBLE FOR REVIEW AND CORRECTION OF MILITARY RECORDS.

Section 1559(a) of title 10, United States Code, is amended by striking "During fiscal years 2003, 2004, and 2005," and inserting "Before October 1, 2008,".

SEC. 582. STAFFING AND FUNDING FOR DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE (DPMO).

(a) MINIMUM LEVEL OF STAFFING.—Subparagraph (B) of section 1501(a)(5) of title 10, United States Code, is amended to read as follows:

"(B)(i) For any fiscal year—

"(I) the number of full-time Department of Defense personnel permanently assigned or detailed to the office shall be not less than 46 members of the armed forces and not less than 69 civilian employees of the Department of Defense; and

"(II) the number of permanent positions authorized for the office shall be not less than 46 positions for members of the armed forces and not less than 69 positions for civilian employees.

"(ii) No reductions below the numbers assigned or authorized under clause (i) may be made unless expressly authorized by law.

"(iii) If for any reason the number of military or civilian personnel assigned to the office should fall below the required level under clause (i)(I), the Secretary of Defense shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of the number of personnel so assigned and of the Secretary's plan to restore the staffing levels of the office to at least the required minimums under clause (i). The Secretary shall publish such notice and plan in the Federal Register.".

(b) MINIMUM LEVEL OF FUNDING.—Subparagraph (C) of such section is amended to read as follows:

"(C) For any fiscal year, the level of funding allocated to the office shall be not less than $16,000,000 unless a lower level of funding is expressly required by law.".

SEC. 583. PERMANENT ID CARDS FOR RETIREE DEPENDENTS AGE 70 AND OLDER.

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1060b. Military ID cards: dependents and survivors of retirees; issuance of permanent ID card after attaining 70 years of age

"(a) PERMANENT ID CARD AFTER AGE 70.—In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent who has attained 70 years of age. Such a permanent ID card shall be issued upon the expiration, after the retiree dependent attains 70 years of age, of any earlier, renewable military ID card or, if earlier, upon the request of such a retiree dependent after attaining age 70.

"(b) DEFINITIONS.—In this section:

"(1) The term 'military ID card' means a card or other form of identification used for purposes of demonstrating eligibility for any benefit from the Department of Defense.

"(2) The term "retiree dependent" means a person who is a dependent of a retired member of the uniformed services, or a survivor of a deceased retired member of the uniformed services, who is eligible for any benefit from the Department of Defense.".

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

"1060b. Military ID cards: dependents and survivors of retirees; issuance of permanent ID card after attaining 70 years of age.".

(b) EFFECTIVE DATE.—Section 1060b of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2004.

SEC. 584. AUTHORITY TO PROVIDE CIVILIAN CLOTHING TO MEMBERS TRAVELING IN CONNECTION WITH MEDICAL EVACUATION.

(a) AUTHORITY.—Section 1047 of title 10, United States Code, is amended—

(1) by inserting "(b) CERTAIN ENLISTED MEMBERS.—" before "The Secretary"; and

(2) by inserting after the section heading the following:

"(a) MEMBERS TRAVELING IN CONNECTION WITH MEDICAL EVACUATION.—The Secretary of the military department concerned may furnish civilian clothing to a member at a cost not to exceed $250, or reimburse a member

for the purchase of civilian clothing in an amount not to exceed $250, in the case of a member who—

"(1) is medically evacuated for treatment in a medical facility by reason of an illness or injury incurred or aggravated while on active duty; or

"(2) after being medically evacuated as described in paragraph (1), is in an authorized travel status from a medical facility to another location approved by the Secretary.".

(b) EFFECTIVE DATE.—Subsection (a) of section 1047 of title 10, United States Code, as added by subsection (a) shall take effect on October 1, 2004.

SEC. 585. AUTHORITY TO ACCEPT DONATION OF FREQUENT TRAVELER MILES, CREDITS, AND TICKETS TO FACILITATE REST AND RECUPERATION TRAVEL OF DEPLOYED MEMBERS OF THE ARMED FORCES AND THEIR FAMILIES.

(a) OPERATION HERO MILES.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2613. Acceptance of frequent traveler miles, credits, and tickets; use to facilitate rest and recuperation travel of deployed members and their families

"(a) AUTHORITY TO ACCEPT DONATION OF TRAVEL BENEFITS.—Subject to subsection (c), the Secretary of Defense may accept from any person or government agency the donation of travel benefits for the purposes of use under subsection (d).

"(b) TRAVEL BENEFIT DEFINED.—In the section, the term "travel benefit" means frequent traveler miles, credits for tickets, or tickets for air or surface transportation issued by an air carrier or a surface carrier, respectively, that serves the public.

"(c) CONDITION ON AUTHORITY TO ACCEPT DONATION.—The Secretary may accept a donation of a travel benefit under this section only if the air or surface carrier that is the source of the benefit consents to such donation. Any such donation shall be under such terms and conditions as the surface carrier may specify, and the travel benefit so donated may be used only in accordance with the rules established by the carrier.

"(d) USE OF DONATED TRAVEL BENEFITS.—A travel benefit accepted under this section may be used only for the purpose of—

"(1) facilitating the travel of a member of the armed forces who—

"(A) is deployed on active duty away from the permanent duty station of the member; and

"(B) is granted, during such deployment, rest and recuperative leave, emergency leave, convalescent leave, or another form of leave authorized for the member; or

"(2) facilitating the travel of family members of a member described in paragraph (1) in order to be reunited with the member.

"(e) ADMINISTRATION.—The Secretary shall designate a single office in the Department of Defense to carry out this section. That office shall be responsible for developing rules and procedures to facilitate the acceptance and distribution of travel benefit under this section.

"(f) STATUS OF BENEFITS RECEIVED.—A member of the armed forces, or a family member of a member of the armed forces, who receives a travel benefit under this section is deemed to recognize no income from the receipt or use of such benefit. A donors of a travel benefit under this section is deemed to obtain no tax benefit from such donation.

"(g) FAMILY MEMBER DEFINED.—In this section, the term 'family member' has the meaning given that term in section 411h(b)(1) of title 37.".

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

"2613. Acceptance of frequent traveler miles, credits, and tickets; use to facilitate rest and recuperation travel of deployed members and their families.".

SEC. 586. LIMITATION ON AMENDMENT OR CANCELLATION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO REASONABLE ACCESS TO MILITARY INSTALLATIONS FOR CERTAIN PERSONAL COMMERCIAL SOLICITATION.

An amendment to Department of Defense Directive 1344.7, "Personal Commercial Solicitation on DoD Installations", or cancellation of that directive, shall not take effect until after the end of the one-year period beginning on the date on which a report containing the results of the investigation regarding insurance premium allotment processing, which is underway as of the date of the enactment of this Act, is submitted to the Committee on Armed Services and the Committee on Government Reform of the House of Representatives and the Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

SEC. 587. ANNUAL IDENTIFICATION OF REASONS FOR DISCHARGES FROM THE ARMED FORCES DURING PRECEDING FISCAL YEAR.

Not later than January 1 each year, the Secretary of Defense shall submit to the Committees on Armed Services

of the Senate and House of Representatives a report on discharges from the Army, Navy, Air Force, and Marine Corps during the preceding fiscal year. Each such report shall show, in the aggregate and for each of those Armed Forces, the following:

(1) The total number of persons discharged during the preceding fiscal year.

(2) For each separation code, and for each reenlistment eligibility code, used by the Armed Forces, the number of those discharged persons assigned that code.

(3) For the persons assigned each such separation code, classification of discharges by age, by sex, by race, by military rank or grade, by time in service, by unit (shown at the small unit level), by military occupational specialty (or the equivalent), and by reenlistment eligibility code.

SEC. 588. AUTHORITY FOR FEDERAL RECOGNITION OF NATIONAL GUARD COMMISSIONED OFFICERS APPOINTED FROM FORMER COAST GUARD PERSONNEL.

Section 305(a) of title 32, United States Code, is amended—

(1) by striking "Army, Navy, Air Force, or Marine Corps" in paragraphs (2), (3), and (4) and inserting "armed forces"; and

(2) by striking "or the United States Air Force Academy" in paragraph (5) and inserting "the United States Air Force Academy, or the United States Coast Guard Academy".

SEC. 589. STUDY OF BLENDED WING CONCEPT FOR THE AIR FORCE.

(a) STUDY REQUIRED.—Not later than March 1, 2005, the Secretary of the Air Force shall submit to Congress a report on the blended wing concept for the Air Force. The report shall include the Secretary's findings as to the characteristics and locations that are considered favorable for a blended wing, a description of the manner in which current blended wings are functioning, and a statement of the current and future plans of the Air Force to implement the blended wing concept.

(b) SELECTION CRITERIA.—The report shall include a description of the criteria and attributes that the Secretary requires when choosing units to become blended wings.

SEC. 590. CONTINUATION OF IMPACT AID ASSISTANCE ON BEHALF OF DEPENDENTS OF CERTAIN MEMBERS DESPITE CHANGE IN STATUS OF MEMBER.

(a) SPECIAL RULE.—For purposes of computing the amount of a payment for an eligible local educational agency under subsection (a) of section 8003 of the Elementary and Secondary Education Act (20 U.S.C. 7703) for school year 2004–2005, the Secretary of Education shall continue to count as a child enrolled in a school of such agency under such subsection any child who—

(1) would be counted under paragraph (1)(B) of such subsection to determine the number of children who were in average daily attendance in the school; but

(2) due to the deployment of both parents or legal guardians of the child, the deployment of a parent or legal guardian having sole custody of the child, or the death of a military parent or legal guardian while on active duty (so long as the child resides on Federal property (as defined in section 8013(5) of such Act (7 U.S.C. 7713(5))), is not eligible to be so counted.

(b) TERMINATION.—The special rule provided under subsection (a) applies only so long as the children covered by such subsection remain in average daily attendance at

a school in the same local educational agency they attended before their change in eligibility status.

Subtitle J—Other Matters

SEC. 591. EMPLOYMENT PREFERENCES FOR SPOUSES OF CERTAIN DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES SUBJECT TO RELOCATION AGREEMENTS.

(a) SPOUSES OF CERTAIN CIVILIAN EMPLOYEES.—(1) Section 1784 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(h) INCLUSION OF SPOUSES OF CERTAIN DOD CIVILIAN EMPLOYEES SUBJECT TO RELOCATION AGREEMENTS.—(1) For the purposes of this section, the spouse of a civilian employee described in paragraph (2) shall be considered to be the spouse of a member of the armed forces.

"(2) An employee described in this paragraph is a Department of Defense employee who, pursuant to a mandatory mobility agreement executed as a condition of employment or pursuant to another civilian mobility program of the Department of Defense, has had a change of permanent duty assignment (A) that was based on the needs of the Government, and (B) that required a relocation of the employee's residence.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 1784. Employment opportunities: military spouses; certain Department of Defense civilian spouses subject to relocation agreements".

(2) The item relating to such section in the table of sections at the beginning of subchapter I of chapter 88 of such title is amended to read as follows:

"1784. Employment opportunities: military spouses; certain Department of Defense civilian spouses subject to relocation agreements.".

(c) EFFECTIVE DATE.—Subsection (h) of section 1784 of title 10, United States Code, as added by subsection (a), shall apply only with respect to spouses of employees described in paragraph (2) of that subsection who relocate their residence as a result of a permanent duty assignment specified in that paragraph that is effective on or after the date of the enactment of this Act.

SEC. 592. REPEAL OF REQUIREMENT TO CONDUCT ELECTRONIC VOTING DEMONSTRATION PROJECT FOR THE FEDERAL ELECTION TO BE HELD IN NOVEMBER 2004.

Section 1604 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107; 115 Stat. 1277; 42 U.S.C. 1977ff note) is repealed.

SEC. 593. EXAMINATION OF SEXUAL ASSAULT IN THE ARMED FORCES BY THE DEFENSE TASK FORCE ESTABLISHED TO EXAMINE SEXUAL HARASSMENT AND VIOLENCE AT THE MILITARY SERVICE ACADEMIES.

(a) EXTENSION OF TASK FORCE.—(1) The task force in the Department of Defense established by the Secretary of Defense pursuant to section 526 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1466) to examine matters relating to sexual harassment and violence at the United States Military Academy and United States Naval Academy shall continue in existence for a period of at least 18 months after the date as of which the task force would otherwise be terminated pursuant to subsection (i) of that section.

(2) Upon the completion of the functions of the task force referred to in paragraph (1) pursuant to section 526 of the National Defense Authorization Act for Fiscal Year 2004, the name of the task force shall be changed to the Defense Task Force on Sexual Assault in the Military Services, and the task force shall then carry out the functions specified in this section. The task force shall not begin to carry out the functions specified in this section until it has completed its functions under such section 526.

(b) EXAMINATION OF MATTERS RELATING TO SEXUAL ASSAULT IN THE ARMED FORCES.—The task force shall

conduct an examination of matters relating to sexual assault in cases in which members of the Armed Forces are either victims or commit acts of sexual assault.

(c) RECOMMENDATIONS.—The Task Force shall include in its report under subsection (e) recommendations of ways by which civilian officials within the Department of Defense and leadership within the Armed Forces may more effectively address matters relating to sexual assault. That report shall include an assessment of, and recommendations (including any recommendations for changes in law) for measures to improve, with respect to sexual assault, the following:

(1) Victim care and advocacy programs.

(2) Effective prevention.

(3) Collaboration among military investigative organizations with responsibility or jurisdiction.

(4) Coordination between military and civilian communities, including local support organizations.

(5) Reporting procedures, data collection, and tracking.

(6) Oversight of sexual assault programs.

(7) Military justice issues.

(8) Other issues identified by the task force relating to sexual assault.

(d) METHODOLOGY.—In carrying out its examination under subsection (b) and in formulating its recommendations under subsection (c), the task force shall consider the findings and recommendations of previous reviews and investigations of sexual assault conducted by the Department of Defense and the Armed Forces.

(e) REPORT.—(1) Not later than one year after the initiation of its examination under subsection (b), the task force shall submit to the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force a report on the activities of the task force and on the activities of the Department of Defense and the Armed Forces to respond to sexual assault.

(2) The report shall include the following:

(A) A description of any barrier to implementation of improvements as a result of previous efforts to address sexual assault.

(B) Other areas of concern not previously addressed in prior reports

(C) The findings and conclusions of the task force.

(D) Any recommendations for changes to policy and law that the task force considers appropriate.

(3) Within 90 days after receipt of the report under paragraph (1), the Secretary of Defense shall submit the

report, together with the Secretary's evaluation of the report, to the Committees on Armed Services of the Senate and House of Representatives.

(f) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to the Committees on Armed Services of the Senate and House of Representatives pursuant to subsection (e)(3).

SEC. 594. RENEWAL OF PILOT PROGRAM FOR TREATING GED AND HOME SCHOOL DIPLOMA RECIPIENTS AS HIGH SCHOOL GRADUATES FOR DETERMINATIONS OF ELIGIBILITY FOR ENLISTMENT.

Section 571(e) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 520 note) is amended to read as follows:

"(e) DURATION OF PILOT PROGRAM.—The pilot program shall be in effect during the period beginning on October 1, 2004, and ending on September 30, 2005.".

SEC. 595. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2005.—Of the amount author-

ized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $50,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2005, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2005 of—

(1) that agency's eligibility for the assistance; and

(2) the amount of the assistance for which that agency is eligible.

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

(d) DEFINITIONS.—In this section:

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

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

SEC. 596. SENIOR RESERVE OFFICER TRAINING CORPS AND RECRUITER ACCESS AT INSTITUTIONS OF HIGHER EDUCATION.

(a) CERTIFICATION OF COMPLIANCE WITH ROTC ACCESS PROVISIONS.—Subsection (a) of section 983 of title 10, United States Code, is amended—

(1) by inserting "(1)" before "No funds";

(2) by striking "prevents—" and inserting "prevents, either (or both) of the following:";

(3) by striking "(1) the" and inserting "(A) The";

(4) by striking "; or" and inserting a period;

(5) by striking "(2) a" and inserting "(B) A"; and

(6) by adding at the end the following:

"(2)(A) Not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2005 and annually thereafter, the Secretary of Defense shall request from each institution of higher education that has students participating in a Senior Reserve Officer Training Corps program during the then-current

academic year of that institution a certification that such institution, during the next academic year of the institution, will—

"(i) permit the Secretary of each military department to maintain a unit of the Senior Officer Training Corps (in accordance with subsection (a)) at that institution (or any subelement of that institution), should such Secretary elect to maintain such a unit; and

"(ii) if the Secretary of the military department concerned elects not to establish or maintain a unit of the Senior Reserve Officer Training Corps at that institution, permit a student of that institution (or any subelement of that institution) to enroll in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

"(B) Any certification under subparagraph (A) shall be made by the president of the institution (or equivalent highest ranking administrative official) and shall be submitted to the Secretary of Defense no later than 90 days after receipt of the request from the Secretary.

"(C) In the case of any institution from which a certification is requested under subparagraph (A), if the Secretary of Defense does not receive a certification in accordance with subparagraph (B), or if the certification does not

state that the university will comply with both clauses (i) and (ii) of subparagraph (A) during its next academic year, the Secretary shall make a determination under paragraph (1) as to whether the institution has a policy or practice described in that paragraph.".

(b) EQUAL TREATMENT OF MILITARY RECRUITERS WITH OTHER RECRUITERS.—Subsection (b)(1) of such section is amended—

(1) by striking "entry to campuses" and inserting "access to campuses"; and

(2) by inserting before the semicolon at the end the following: "in a manner that is at least equal in quality and scope to the access to campuses and to students that is provided to any other employer".

(c) PROHIBITION OF FUNDING FOR POST-SECONDARY SCHOOLS THAT PREVENT ROTC ACCESS OR MILITARY RECRUITING.—(1) Subsection (d) of such section is amended—

(A) in paragraph (1)—

(i) by striking "limitation established in subsection (a) applies" and inserting "limitations established in subsections (a) and (b) apply";

(ii) in subparagraph (B), by inserting "for any department or agency for which regular ap-

propriations are made" after "made available"; and

(iii) by adding at the end the following new subparagraphs:

"(C) Any funds made available for the Department of Homeland Security.

"(D) Any funds made available for the National Nuclear Security Administration of the Department of Energy.

"(E) Any funds made available for the Department of Transportation.

"(F) Any funds made available for the Central Intelligence Agency."; and

(B) by striking paragraph (2).

(2)(A) Subsection (b) of such section is amended by striking "subsection (d)(2)" and inserting "subsection (d)(1)".

(B) Subsection (e) of such section is amended by inserting ", to the head of each other department and agency the funds of which are subject to the determination," after "Secretary of Education".

(d) CODIFICATION AND EXTENSION OF EXCLUSION OF AMOUNTS TO COVER INDIVIDUAL PAYMENTS.—Subsection (d) of such section, as amended by subsection (c)(1), is further amended—

(1) by striking "The" after "(1)" and inserting "Except as provided in paragraph (2), the"; and

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

"(2) Any Federal funding specified in paragraph (1) that is provided to an institution of higher education, or to an individual, to be available solely for student financial assistance, related administrative costs, or costs associated with attendance, may be used for the purpose for which the funding is provided.".

(e) CONFORMING AMENDMENTS.—Subsections (a) and (b) of such section are amended by striking "(including a grant of funds to be available for student aid)".

(f) CONFORMING REPEAL OF CODIFIED PROVISION.—Section 8120 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 10 U.S.C. 983 note), is repealed

(g) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to funds appropriated for fiscal year 2005 and thereafter.

SEC. 597. REPORTS ON TRANSFORMATION MILESTONES.

(a) MILITARY TO CIVILIAN CONVERSIONS.—Not later than January 31, 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report providing information

as to the number of positions in the Department of Defense converted during the previous fiscal year from performance by military personnel to performance by civilian personnel. The report shall include—

(1) a description of the skill set of the positions converted;

(2) specification of the total cost of such conversions and how that cost is being paid for; and

(3) the number of positions in the Department of Defense projected for such conversion during the period from March 1, 2005, to January 31, 2006.

(b) CIVILIAN SKILLS CORPS FEASIBILITY STUDY.—(1) The Secretary of Defense shall conduct an Armed Forces-wide study of how a system to embed certain civilian expertise skill sets within the military on a temporary basis could be implemented. The study shall include consideration of all skills sets in which, as determined by the Secretary of Defense, there is a significant shortfall within the Armed Forces or which are high value, but of uncertain need. The study shall examine the feasibility of implementing a personnel system that expands the capability of the Armed Forces to rapidly access civilian volunteers with needed expertise outside of the reserve components.

(2) The Secretary shall submit to the congressional defense committees a report on the results of the study under paragraph (1) not later than March 31, 2005.

(c) MILITARY-TO-MILITARY CONVERSIONS.—Not later than March 31 of each of 2005, 2006, and 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the milestones within the multiyear transformation for internal military-to-military transitions. Each such report shall include—

(1) the number of units and personnel transferred and retrained within the previous fiscal year and what their new unit designations are; and

(2) a description of the transformation goals for the upcoming fiscal year and whether the previous years goals were met and why or why not.

(d) TRANSFORMATION TO BRIGADE STRUCTURE FOR THE ARMY.—No later than March 31 of each year, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the internal transformation of the Army from a division-orientated system to a brigade-orientated one. Such a report shall be submitted for each year until the Secretary of the Army certifies to those committees that the transformation of the Army to brigade level units has been completed.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SECTION 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2005.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2005 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2005, the rates of monthly basic pay for members of the uniformed services are increased by 3.5 percent.

SEC. 602. AUTHORITY TO PROVIDE FAMILY SEPARATION BASIC ALLOWANCE FOR HOUSING.

Section 403(d) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking "is entitled to" and inserting "may be paid"; and

(2) in paragraph (4), by striking the first sentence and inserting the following new sentence: "A family separation basic allowance for housing paid to a member under this subsection is in addition to any other allowance or per diem that the member receives under this title."

SEC. 603. GEOGRAPHIC BASIS FOR BASIC ALLOWANCE FOR HOUSING DURING SHORT CHANGES OF STATION FOR PROFESSIONAL MILITARY EDUCATION OR TRAINING.

Section 403(d)(3) of title 37, United States Code, is amended by adding at the end the following new subparagraph:

"(C) If the member is reassigned for a permanent change of station or permanent change of assignment from a duty station in the continental United States to another duty station in the continental United States for a period of not more than one year for the purpose of participating in professional military education or training classes, the Secretary concerned may base the amount of the basic allowance for housing for the member on the duty station to which the member is reassigned or the area in which the dependents reside, whichever the Secretary concerned determines to be most equitable.".

SEC. 604. IMMEDIATE LUMP-SUM REIMBURSEMENT FOR UNUSUAL NONRECURRING EXPENSES INCURRED BY MEMBERS SERVING OUTSIDE CONTINENTAL UNITED STATES.

(a) ELIGIBILITY FOR REIMBURSEMENT.—Section 405 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(d) LUMP-SUM REIMBURSEMENT FOR NONRECURRING EXPENSES.—In addition to providing a per diem under this section, the Secretary concerned may reimburse a member for actual expenses of a nonrecurring nature that the member incurs incident to serving on duty outside of the continental United States. The types of expenses for which reimbursement may be provided under this paragraph shall be limited to those expenses directly related to the conditions or location of the duty outside of the continental United States and either of a nature or a magnitude not normally incurred by members assigned to duty inside the continental United States. In determining the per diem to be paid under this section, the Secretary concerned shall not consider expenses for which reimbursement is provided under this paragraph.".

(b) USE OF DEFINED TERM CONTINENTAL UNITED STATES.—(1) Subsection (a) of such section is amended by striking "outside of the United States or in Hawaii or Alaska" and inserting "outside of the continental United States".

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

"§ 405. Travel and transportation allowances: per diem while on duty outside the continental United States".

(3) The table of sections at the beginning of chapter 7 of such title is amended by striking the item relating to section 405 and inserting the following new item:

"405. Travel and transportation allowances: per diem while on duty outside the continental United States.".

SEC. 605. INCOME REPLACEMENT PAYMENTS FOR RESERVES EXPERIENCING EXTENDED AND FREQUENT MOBILIZATION FOR ACTIVE DUTY SERVICE.

(a) IN GENERAL.—(1) Chapter 19 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 910. Replacement of lost income: involuntarily mobilized reserve component members subject to extended and frequent active duty service

"(a) PAYMENT REQUIRED.—The Secretary concerned shall pay to an eligible member of a reserve component of the armed forces an amount equal to the monthly active-duty income differential of the member, as determined by the Secretary. The payments shall be made on a monthly basis.

"(b) ELIGIBILITY.—Subject to subsection (c), a reserve component member is entitled to a payment under this section for any full month of active duty of the member, while on active duty under an involuntary mobilization order, following the date on which the member—

"(1) completes 12 continuous months of service on active duty under such an order;

"(2) completes 18 months on active duty during the previous 60 months under such an order; or

"(3) is involuntarily mobilized for service on active duty six months or less following the member's separation from the member's previous period of active duty.

"(c) MINIMUM AND MAXIMUM PAYMENT AMOUNTS.—(1) A payment under this section shall be made to a member for a month only if the amount of the monthly active-duty income differential for the month is greater than $50.

"(2) Notwithstanding the amount determined under subsection (d) for a member for a month, the monthly payment to a member under this section may not exceed $3,000.

"(d) MONTHLY ACTIVE-DUTY INCOME DIFFERENTIAL.—For purposes of this section, the monthly active-duty income differential of a member is the difference between—

"(1) the average monthly civilian income of the member; and

"(2) the member's total monthly military compensation.

"(e) DEFINITIONS.—In this section:

"(1) The term 'average monthly civilian income', with respect to a member of a reserve component, means the amount, determined by the Secretary concerned, of the earned income of the member for either the 12 months preceding the member's mobilization or the 12 months covered by the member's most recent Federal income tax filing, divided by 12.

"(2) The term 'total monthly military compensation' means the amount, computed on a monthly basis, of the sum of—

"(A) the amount of the regular military compensation (RMC) of the member; and

"(B) any amount of special pay or incentive pay and any allowance (other than an allowance included in regular military compensation) that is paid to the member on a monthly basis.".

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

"910. Replacement of lost income: involuntarily mobilized reserve component members subject to extended and frequent active duty service.".

(b) EFFECTIVE DATE.—Section 910 of title 37, United States Code, as added by subsection (a), shall apply for months after December 2004.

SEC. 606. AUTHORITY FOR CERTAIN MEMBERS DEPLOYED IN COMBAT ZONES TO RECEIVE LIMITED ADVANCES ON THEIR FUTURE BASIC PAY.

(a) ADVANCEMENT OF BASIC PAY.—(1) Chapter 3 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 212. Advancement of basic pay: members deployed in combat zones for more than one year

"(a) ELIGIBILITY; AMOUNT ADVANCED.—(1) If a member of the armed forces is assigned to duty in an area for which special pay under section 310 of this title is available and the assignment is pursuant to orders specifying an assignment of one year or more (or the assignment is otherwise extended beyond one year), the member may request, during the period of the assignment, the advanced payment of not more than three months of the basic pay of the member.

"(2) A request by a member described in paragraph (1) for the advanced payment of a single month of basic pay shall be granted. The Secretary concerned may grant a request for a second or third month of advanced basic

pay during the assignment for the member upon a showing of financial hardship.

"(b) RECOUPMENT OF ADVANCED PAY.—The Secretary concerned shall recoup an advance made on the basic pay of a member under this section in equal installments over a one-year period beginning as provided in subsection (c). If the member is serving on active duty for any month during the recoupment period, the amount of the installment for the month shall be deducted from the basic pay of the member for that month. The estate of a deceased member shall not be required to repay an advance made to the member under this section.

"(c) COMMENCEMENT OF RECOUPMENT.—(1) Except as provided in paragraph (2), the recoupment of basic pay advanced to a member under this section shall commence beginning with the first month that begins after the end of the assignment of the member to duty in an area for which special pay under section 310 of this title is available

"(2) A member of a reserve component who receives an advancement of basic pay under this section shall commence repayment of the advance beginning with the first month that begins after the the advanced pay is received.".

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

"212. Advancement of basic pay: members deployed in combat zones for more than one year.".

(b) EFFECTIVE DATE.—Section 212 of title 37, United States Code, as added by subsection (a), shall take effect October 1, 2004.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF BONUS AND SPECIAL PAY AUTHORITIES.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking "January 1, 2005" and inserting "January 1, 2006".

(c) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(d) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(e) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by

striking "December 31, 2004" and inserting "December 31, 2005".

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking "the date of the enactment of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 and ending on September 30, 2004" and inserting "October 30, 2000, and ending on December 31, 2005".

(h) REENLISTMENT BONUS FOR ACTIVE AND RESERVE MEMBERS.—Section 308(g) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(i) ENLISTMENT BONUS FOR ACTIVE AND RESERVE MEMBERS.—Section 309(e) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(j) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(k) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(l) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(m) RETENTION BONUS FOR MEMBERS WHO HAVE CRITICAL MILITARY SKILLS OR MEET OTHER CRITERIA.—Section 323(i) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(n) ACCESSION OR AFFILIATION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 612. REDUCTION IN REQUIRED SERVICE COMMITMENT TO RECEIVE ACCESSION BONUS FOR REGISTERED NURSES.

(a) REDUCTION.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "four years" and inserting "three years".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2004, and apply with respect to written agreements referred to in section 302d(a)(1) of title 37, United States Code, entered into on or after that date.

SEC. 613. INCREASE IN MAXIMUM MONTHLY RATE AUTHORIZED FOR HARDSHIP DUTY PAY.

(a) INCREASE.—Section 305(a) of title 37, United States Code, is amended by striking "$300" and inserting "$750".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2004.

SEC. 614. TERMINATION OF ASSIGNMENT INCENTIVE PAY FOR MEMBERS PLACED ON TERMINAL LEAVE.

(a) TERMINATION.—Subsection (e) of section 307a of title 37, United States Code, is amended to read as follows:

"(e) STATUS NOT AFFECTED BY TEMPORARY DUTY OR LEAVE.—The service of a member in an assignment referred to in subsection (a) shall not be considered discontinued during any period that the member is not performing service in the assignment by reason of —

"(1) the performance by the member of temporary duty pursuant to orders; or

"(2) the absence of the member for authorized leave, unless the member is placed on terminal leave and will not be returning to the assignment.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to agreements under section 307a(b) of title 37, United States Code, entered into on or after the date of the enactment of this Act.

SEC. 615. CONSOLIDATION OF REENLISTMENT AND ENLISTMENT BONUS AUTHORITIES FOR REGULAR AND RESERVE COMPONENTS.

(a) CONSOLIDATED REENLISTMENT BONUS AUTHORITY; ELIGIBILITY CRITERIA.—(1) Paragraph (1) of subsection (a) of section 308 of title 37, United States Code, is amended—

(A) by striking the matter preceding subparagraph (A) and inserting "The Secretary concerned may pay a bonus under paragraph (2) to a member of the armed forces serving in a regular component or reserve component of the armed force if the member—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) has completed at least 17 months of service in a regular or reserve component of the armed forces, but not more than 18 years of total military service;"; and

(C) by striking subparagraph (D) and all that follows through the period at the end of such paragraph and inserting the following:

"(D) reenlists or voluntarily extends the member's enlistment for a period of at least three years in a regular component or reserve component of the armed forces.".

(2) Paragraph (3) of such subsection is amended by striking "16 years" and inserting "20 years".

(3) Paragraph (5) of such subsection is amended to read as follows:

"(5) The Secretary of Defense, and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may waive all or part of the eligibility requirements specified in paragraph (1) in time of war or national emergency.".

(4) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)"; and

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

"(2) Notwithstanding the schedule established for making partial bonus payments under paragraph (1), a member of a reserve component entitled to a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.".

(5) Subsection (g) of such section is amended by striking "an active-duty reenlistment" and inserting "a reenlistment".

(b) CONSOLIDATED ENLISTMENT BONUS AUTHORITY.—Section 309(a) of such title is amended—

(1) by striking the first sentence and inserting the following: "(1) The Secretary concerned may pay a bonus this section to a person who enlists in a regular component or reserve component of the armed forces for a period of at least two years."; and

(2) by inserting after the first sentence, as so amended, the following new paragraph:

"(2) The amount of a bonus under this section may not exceed $20,000.".

(c) REPEAL OF SEPARATE REENLISTMENT AND ENLISTMENT BONUS AUTHORITY FOR RESERVE COMPONENTS.—(1) Sections 308b, 308c, 308g, 308h, and 308i of such title are repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking the items relating to sections 308b, 308c, 308h, and 308i.

(d) EFFECTIVE DATE.——(1) Except as provided by paragraphs (2) and (3), the amendments made by this section shall take effect October 1, 2004, and the amendments made by subsections (a) and (b) shall apply to reenlistments, the voluntary extension of enlistments, and enlistments referred to in section 308(a)(1) or 309(a) of title 37, United States Code, entered into on or after that date.

(2) The amendments made by subsection (c) shall take effect December 31, 2004, except that the repeal of section

308g of title 37, United States Code, shall take effect on the date of the enactment of this Act.

(3) In the case of a member of the Armed Forces who, on or before December 31, 2004, reenlisted, voluntarily extended the enlistment of the member, or enlisted in a reserve component of the Armed Forces, section 308b, 308c, 308h, or 308i of title 37, United States Code, whichever applies to the member, and as in effect on December 31, 2004, shall continue to apply with respect to the payment of a bonus under such section to the member.

(e) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under sections 308 and 309 of title 37, United States Code, to provide reenlistment and enlistment bonuses to members of the uniformed services using the expanded authority provided by the amendments made by subsections (a) and (b) may not exceed $20,000,000. The bonus authority available under such sections shall not be considered to be an expanded authority to the extent that the authority was available under a provision of law specified in subsection (c), before the repeal of the provision by such subsection.

SEC. 616. REVISION OF AUTHORITY TO PROVIDE FOREIGN LANGUAGE PROFICIENCY PAY.

(a) IN GENERAL.—(1) Section 316 of title 37, United States Code, is amended to read as follows:

"§ 316. Special pay: bonus for members with foreign language proficiency

"(a) BONUS AUTHORIZED.—The Secretary concerned may pay an annual bonus under this section to a member of the uniformed services who—

"(1) is qualified in a uniformed services specialty requiring proficiency in a foreign language identified by the Secretary concerned as a foreign language in which it is necessary to have personnel proficient because of national defense or public health considerations;

"(2) received training, under regulations prescribed by the Secretary concerned, designed to develop a proficiency in such a foreign language;

"(3) is assigned to duties requiring a proficiency in such a foreign language; or

"(4) is proficient in a foreign language for which the uniformed service may have a critical need, as determined by the Secretary concerned.

"(b) CERTIFICATION OF PROFICIENCY.—Except as provided in subsection (e), for a member described in subsection (a) to be eligible to receive or retain a bonus under this section, the Secretary concerned shall certify the member as being proficient in the foreign language for which bonus is offered.

"(c) DURATION OF CERTIFICATION.—Except as provided in subsection (e), the certification of a member as being proficient in a foreign language for purposes of receipt of a bonus under this section shall expire at the end of the 12-month period beginning on the first day of the first month beginning on or after the certification date.

"(d) BONUS AMOUNT; PAYMENT METHOD.—The maximum amount of the bonus paid under this section to a member may not exceed $12,000 for the 12-month period covered by the certification of the member. The Secretary concerned may pay the bonus in a single lump sum at the beginning of the certification period or in installments.

"(e) CERTIFICATION INTERRUPTED BY CONTINGENCY OPERATION.—(1) The Secretary concerned may waive the certification requirement under subsection (b) and pay a bonus under this section to a member described in subsection (a) who was previously certified in a foreign language, but whose certification expired under subsection (c), if—

"(A) the member is assigned to duty in connection with a contingency operation; and

"(B) the Secretary concerned determines that the member is unable to schedule or complete the certification required by subsection (b) because of that assignment.

"(2) For purposes of determining the amount of a bonus to be paid to a member under the authority of this subsection, the Secretary concerned shall treat the date on which the member was assigned to duty in connection with the contingency operation as equivalent to a certification date. In the case of a member whose certification expires during such duty assignment, the Secretary shall commence the next 12-month period effective as of the date on which the prior certification period expired.

"(3) A member who receives a bonus under the authority of this subsection shall complete the certification required by subsection (b) for the foreign language for which the bonus was paid not later than the end of the 180-day period beginning on the date on which the member is released from the assignment in connection with the contingency operation. The Secretary concerned may extend that period for a member in accordance with regulations prescribed under subsection (h). If the member fails to obtain the required certification before the end of the authorized period, the Secretary concerned may require the member to repay all or a portion of the bonus, in the manner provided in subsection (g).

"(f) RELATIONSHIP TO OTHER PAY OR ALLOWANCE.—A bonus under this section is in addition to any other pay

or allowance payable to a member under any other provision of law.

"(g) REPAYMENT OF BONUS.—(1) The Secretary concerned may require a member who receives a bonus under this section, but who does not satisfy an eligibility requirement specified in subsection (a) for the entire certification period, to repay to the United States an amount which bears the same ratio to the total amount of the bonus paid to the member as the unsatisfied portion of the certification period bears to the entire certification period.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States. A discharge in bankruptcy under title 11 that is entered for the member less than five years after the expiration of the certification period does not discharge the member from a debt arising under this paragraph. This paragraph applies to any case commenced under title 11 after the date of the enactment of this section.

"(h) REGULATIONS.—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary, by the Secretary of Homeland Security for the Coast Guard when the Coast Guard is not operating as a service in the Navy, by the Secretary of Health and Human Services for the Commissioned Corps of the Public Health Serv-

ice, and by the Secretary of Commerce for the National Oceanic and Atmospheric Administration.".

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 316 and inserting the following new item:

"316. Special pay: bonus for members with foreign language proficiency.".

(b) CONFORMING AMENDMENTS.—(1) Section 316a of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 316a.

SEC. 617. ELIGIBILITY OF RESERVE COMPONENT MEMBERS FOR CRITICAL SKILLS RETENTION BONUS AND EXPANSION OF AUTHORITY TO PROVIDE BONUS.

(a) INCLUSION OF RESERVE COMPONENT MEMBERS.—Section 323 of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "who is serving on active duty and" by inserting "who is serving on active duty in a regular component or in an active status in a reserve component and who"; and

(B) in paragraph (1), by inserting ", or remain in an active status in a reserve component," after "remain on active duty";

(2) in subsection (e)(2), by inserting "or service in a reserve component" after "period of active duty"; and

(3) in subsection (g), by striking "active duty" and inserting "service".

(b) INCLUSION OF MEMBERS SERVING PURSUANT TO INDEFINITE REENLISTMENT.—Subsection (a) of such section is further amended—

(1) by striking "or" at the end of paragraph (1);

(2) in paragraph (2)—

(A) by inserting "other than an enlisted member referred to in paragraph (3)," after "enlisted member,"; and

(B) by striking the period at the end and inserting "; or"; and

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

"(3) in the case of an enlisted member serving pursuant to an indefinite reenlistment, the member executes a written agreement to remain on active duty, or remain in an active status in a reserve component, for a period of at least one year.".

(c) ADDITIONAL CRITERIA FOR BONUS.—Such section is further amended—

(1) in subsection (a), by striking "designated critical military skill" and inserting "critical military skill designated under subsection (b) or satisfies such other criteria for the bonus established under such subsection";

(2) in subsection (b)—

(A) by striking "DESIGNATION OF CRITICAL SKILLS.—" and inserting "BASIS FOR BONUS.—(1)"; and

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

"(2) The Secretary of Defense, and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may establish such other criteria as the Secretary considers appropriate under which a retention bonus will be provided to an officer or enlisted member of the armed forces under subsection (a)."; and

(3) in subsection (h)(1), by striking "qualified in the critical military skills for which the bonuses were offered" and inserting "who were offered the bonuses".

(d) REPEAL OF SEPARATE SPECIAL AND INCENTIVE PAY AUTHORITIES FOR RESERVE COMPONENTS.—(1) Sections 302g, 308d, and 308e of such title are repealed.

(2) In the case of a member of the Armed Forces who, on or before December 31, 2004, entered into a written agreement under section 302g or 308e of title 37, United States Code, such section 302g or 308e, whichever applies to the member, and as in effect on December 31, 2004, shall continue to apply after that date with respect to the payment of special pay under such section to the member during the term of the agreement.

(e) CLERICAL AMENDMENTS.—(1) The heading of section 323 of such title is amended to read as follows:

"§ 323 Special pay: retention incentives for members qualified in a critical military skill or who satisfy other eligibility criteria".

(2) The table of sections at the beginning of chapter 5 of such title is amended—

(A) by striking the items relating to sections 302g, 308d, and 308e; and

(B) by striking the item relating to section 323 and inserting the following new item:

"323. Special pay: retention incentives for members qualified in a critical military skill or who satisfy other eligibility criteria.".

(f) EFFECTIVE DATE.—(1) Except as provided by paragraph (2), the amendments made by this section shall take effect October 1, 2004, and the amendments made by subsections (a), (b), and (c) shall apply to agreements, reenlistments, and the voluntary extension of enlistments re-

ferred to in section 323(a) of title 37, United States Code, entered into on or after that date.

(2) The amendments made by subsections (d)(1) and (e)(2)(A) shall take effect December 31, 2004.

(g) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 323 of title 37, United States Code, to provide retention bonuses to members of the uniformed services using the expanded authority provided by the amendments made by subsections (a), (b), and (c) may not exceed $10,000,000. The bonus authority available under such section shall not be considered to be an expanded authority to the extent that the authority was available under a provision of law specified in subsection (d), before the repeal of the provision by such subsection.

SEC. 618. ELIGIBILITY OF NEW RESERVE COMPONENT OFFICERS FOR ACCESSION OR AFFILIATION BONUS FOR OFFICERS IN CRITICAL SKILLS.

(a) ELIGIBILITY.—Subsection (a) of section 324 of title 37, United States Code, is amended to read as follows:

"(a) BONUS AUTHORIZED.—(1) The Secretary concerned may pay a bonus under this section—

"(A) to a person who executes a written agreement to accept a commission or an appointment as an officer of armed forces and serve on active duty in

a designated critical officer skill or serve in a reserve component of an armed force in a designated critical officer skill; or

"(B) to an officer of an armed force, including a warrant officer, but excluding an officer who has previously served in the Selected Reserve or an officer who is entitled to retired pay, who executes a written agreement to serve in a reserve component of an armed force in a designated critical officer skill after being discharged or released from active duty under honorable conditions, once the officer affiliates with a unit or position in the reserve component.

"(2) The written agreement under paragraph (1) between the Secretary concerned and a person or officer shall specify the period during which the person or officer will be required to serve in a designated critical officer skill to maintain entitlement to the bonus payment.".

(b) AMOUNT OF BONUS.—Subsection (c) of such section is amended to read as follows:

"(c) AMOUNT OF BONUS.—The Secretary concerned shall determine the amount of a bonus to be paid under subsection (a), except that a person may not receive a total of more than $60,000 in payments under this section".

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (d), by striking "accession" both places it appears;

(2) in subsection (e)—

(A) in the subsection heading, by striking "ACCESSION"; and

(B) by striking "an accession bonus" and inserting "a bonus"; and

(3) in subsection (f), by striking "active duty" and "accession" each place it appears.

(d) CLERICAL AMENDMENTS.—(1) The heading of section 324 of such title is amended to read as follows:

"§ 324. Special pay: accession or affiliation bonus for officers in designated critical skills".

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 324 and inserting the following new item:

"324. Special pay: accession or affiliation bonus for officers in designated critical skills.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2004, and apply to agreements referred to in section 324(a) of title 37, United States Code entered into on or after that date.

(f) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 324 of title 37, United States Code, as amended by subsections (a) and (b), to provide accession and

affilliation bonuses to members of the Armed Forces not previously eligible for such a bonus under such section may not exceed $5,000,000.

SEC. 619. ELIGIBILITY OF RESERVE COMPONENT MEMBERS FOR INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.

(a) ELIGIBILITY.—Section 326 of title 37, United States Code, is amended—

(1) in subsection (a), by inserting "of a regular or reserve component" after "an eligible member";

(2) in subsection (b)—

(A) by striking "if—" and all that follows through "at the time" and inserting "if, at the time"; and

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

(3) in subsection (c)(2), by inserting "regular or reserve component of the" after "chief personnel officer of the".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2004, and apply to agreements referred to in section 326(a) of title 37, United States Code, entered into on or after that date.

(c) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 326 of title 37, United States Code, as amended by subsection (a), to provide incentive bonuses to members of a reserve component of the Armed Forces may not exceed $3,000,000.

SEC. 620. AVAILABILITY OF HAZARDOUS DUTY INCENTIVE PAY FOR MILITARY FIREFIGHTERS.

(a) ADDITIONAL TYPE OF DUTY ENTITLED TO PAY.—Subsection (a) of section 301 of title 37, United States Code, is amended—

(1) by striking "or" at the end of paragraph (12);

(2) by redesignating paragraph (13) as paragraph (14); and

(3) by inserting after paragraph (12) the following new paragraph:

"(13) involving regular participating as a firefighting crew member, as determined by the Secretary concerned; or".".

(b) MONTHLY AMOUNT OF PAY.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking "(12)" and inserting "(13)"; and

(2) in paragraph (2)(A), by striking "(13)" and inserting "(14)".

(c) EFFECTIVE DATE.—The amendments made by subsection (a) and (b) shall take effect October 1, 2004.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXPANSION OF TRAVEL AND TRANSPORTATION ALLOWANCES TO ASSIST SURVIVORS OF A DECEASED MEMBER TO ATTEND BURIAL CEREMONY OF THE MEMBER.

(a) AUTHORIZED TRAVEL LOCATIONS.—Subsection (b) of section 411f of title 37, United States Code, is amended to read as follows:

"(b) AUTHORIZED LOCATIONS FOR TRAVEL; DURATION AND RATES.—(1) The allowances under subsection (a) may be provided for travel and transportation by eligible relatives of the deceased member to the place selected pursuant to section 1482(a)(8) of title 10 for disposition of the remains of the deceased member.

"(2) The allowances may not exceed the rates for two days and the time necessary for the travel.".

(b) ELIGIBLE RELATIVES.—Subsection (c)(1)(C) of such section is amended by striking "If no person described in subparagraph (A) or (B) is provided travel and trans-

portation allowances under subsection (a)(1), the" and inserting "The".

(c) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 411f of title 37, United States Code, as amended by subsections (a) and (b), to provide travel and transportation allowances, not previously available under such section, to survivors of deceased members of the uniformed services, and to provide such allowances to persons not previously eligible for such allowances, may not exceed $2,000,000.

SEC. 632. TRANSPORTATION OF FAMILY MEMBERS INCIDENT TO THE SERIOUS ILLNESS OR INJURY OF MEMBERS OF THE UNIFORMED SERVICES.

(a) REMOVAL OF LIMITATION ON NUMBER OF FAMILY MEMBERS.—Subsection (a)(1) of section 411h of title 37, United States Code, is amended by striking "not more than two family members" and inserting "a family member".

(b) FAMILY MEMBERS DESCRIBED.—Subsection (b)(1) of such section is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(E) other persons approved by the Secretary concerned.".

(c) AVAILABILITY OF PER DIEM.—Such section is further amended—

(1) in subsection (a)(1), by inserting "travel and" before "transportation"; and

(2) in subsection (c)—

(A) by inserting "(1)" after "(c)" ; and

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

"(2) In addition to the transportation authorized by subsection (a), the Secretary concerned may provide a per diem allowance or reimbursement for the actual and necessary expenses of the travel, or a combination thereof, but not to exceed the rates established under section 404(d) of this title.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2004, and apply to transportation described in section 411h of title 37, United States Code, provided on or after that date.

(e) LIMITATION ON FISCAL YEAR 2005 OBLIGATIONS.—During fiscal year 2005, obligations incurred under section 411h of title 37, United States Code, as

amended by subsections (a) and (b), to provide travel and transportation allowances, not previously available under such section, to family members of seriously ill or injured members of the uniformed services, and to provide such allowances to persons not previously eligible for such allowances, may not exceed $3,000,000.

SEC. 633. REIMBURSEMENT OF MEMBERS FOR CERTAIN LODGING COSTS INCURRED IN CONNECTION WITH STUDENT DEPENDENT TRAVEL.

Section 430(b) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) The transportation allowance paid to a member under paragraph (1) may include reimbursement, at a rate prescribed by the Secretaries concerned, for lodging costs incurred during the annual trip for which the allowance is paid when, for reasons beyond the control of the dependent child of the member, the child is required to procure accommodations while en route between the child's school and the member's duty station.".

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. COMPUTATION OF BENEFITS UNDER SURVIVOR BENEFIT PLAN FOR SURVIVING SPOUSES OVER AGE 62.

(a) PHASED INCREASE IN BASIC ANNUITY.—

(1) STANDARD ANNUITY.—

(A) INCREASE TO 55 PERCENT.—Clause (i) of subsection (a)(1)(B) of section 1451 of title 10, United States Code, is amended by striking "35 percent of the base amount." and inserting "the product of the base amount and the percent applicable to the month, as follows:

"(I) For a month before October 2005, the applicable percent is 35 percent.

"(II) For months after September 2005 and before April 2006, the applicable percent is 40 percent.

"(III) For months after March 2006 and before April 2007, the applicable percent is 45 percent.

"(IV) For months after March 2007 and before April 2008, the applicable percent is 50 percent.

"(V) For months after March 2008, the applicable percent is 55 percent.".

(B) COORDINATION WITH SAVINGS PROVISION UNDER PRIOR LAW.—Clause (ii) of such subsection is amended by striking ", at the time the beneficiary becomes entitled to the annuity,".

(2) RESERVE-COMPONENT ANNUITY.—Subsection (a)(2)(B)(i)(I) of such section is amended by striking "35 percent" and inserting "the percent specified under subsection (a)(1)(B)(i) as being applicable for the month".

(3) SURVIVORS OF ELIGIBLE PERSONS DYING ON ACTIVE DUTY, ETC.—

(A) INCREASE TO 55 PERCENT.—Clause (i) of subsection (c)(1)(B) of such section is amended—

(i) by striking "35 percent" and inserting "the applicable percent"; and

(ii) by adding at the end the following: "The percent applicable for a month under the preceding sentence is the percent specified under subsection (a)(1)(B)(i) as being applicable for that month.".

(B) COORDINATION WITH SAVINGS PROVISION UNDER PRIOR LAW.—Clause (ii) of such

subsection is amended by striking ", at the time the beneficiary becomes entitled to the annuity,".

(4) CLERICAL AMENDMENT.—The heading for subsection (d)(2)(A) of such section is amended to read as follows: "COMPUTATION OF ANNUITY.—".

(b) CORRESPONDING PHASED ELIMINATION OF SUPPLEMENTAL ANNUITY.—

(1) PHASED REDUCTION OF SUPPLEMENTAL ANNUITY.—Section 1457(b) of title 10, United States Code, is amended—

(A) by striking "5, 10, 15, or 20 percent" and inserting "the applicable percent"; and

(B) by inserting after the first sentence the following: "The percent used for the computation shall be an even multiple of 5 percent and, whatever the percent specified in the election, may not exceed 20 percent for months before October 2005, 15 percent for months after September 2005 and before April 2006, 10 percent for months after March 2006 and before April 2007, and 5 percent for months after March 2007 and before April 2008.".

(2) REPEAL UPON IMPLEMENTATION OF 55 PERCENT SBP ANNUITY.—Effective on April 1, 2008, chapter 73 of such title is amended—

(A) by striking subchapter III; and

(B) by striking the item relating to subchapter III in the table of subchapters at the beginning of that chapter.

(c) RECOMPUTATION OF ANNUITIES.—

(1) PERIODIC RECOMPUTATION REQUIRED.—Effective on the first day of each month specified in paragraph (2)—

(A) each annuity under section 1450 of title 10, United States Code, that commenced before that month, is computed under a provision of section 1451 of that title amended by subsection (a), and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that provision, as so amended, had been used for the initial computation of the annuity; and

(B) each supplemental survivor annuity under section 1457 of such title that commenced before that month and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that section, as amended by this section, had been used for the

initial computation of the supplemental survivor annuity.

(2) TIME FOR RECOMPUTATION.—The requirement under paragraph (1) for recomputation of certain annuities applies with respect to the following months:

(A) October 2005.

(B) April 2006.

(C) April 2007.

(D) April 2008.

(d) RECOMPUTATION OF RETIRED PAY REDUCTIONS FOR SUPPLEMENTAL SURVIVOR ANNUITIES.—The Secretary of Defense shall take such actions as are necessitated by the amendments made by subsection (b) and the requirements of subsection (c)(1)(B) to ensure that the reductions in retired pay under section 1460 of title 10, United States Code, are adjusted to achieve the objectives set forth in subsection (b) of that section.

SEC. 642. OPEN ENROLLMENT PERIOD FOR SURVIVOR BENEFIT PLAN COMMENCING OCTOBER 1, 2005.

(a) PERSONS NOT CURRENTLY PARTICIPATING IN SURVIVOR BENEFIT PLAN.—

(1) ELECTION OF SBP COVERAGE.—An eligible retired or former member may elect to participate in the Survivor Benefit Plan under subchapter II of

chapter 73 of title 10, United States Code, during the open enrollment period specified in subsection (f).

(2) ELECTION OF SUPPLEMENTAL ANNUITY COVERAGE.—An eligible retired or former member who elects under paragraph (1) to participate in the Survivor Benefit Plan at the maximum level may also elect during the open enrollment period to participate in the Supplemental Survivor Benefit Plan established under subchapter III of chapter 73 of title 10, United States Code.

(3) ELIGIBLE RETIRED OR FORMER MEMBER.—For purposes of paragraphs (1) and (2), an eligible retired or former member is a member or former member of the uniformed services who on the day before the first day of the open enrollment period is not a participant in the Survivor Benefit Plan and—

(A) is entitled to retired pay; or

(B) would be entitled to retired pay under chapter 1223 of title 10, United States Code, but for the fact that such member or former member is under 60 years of age.

(4) STATUS UNDER SBP OF PERSONS MAKING ELECTIONS.—

(A) STANDARD ANNUITY.—A person making an election under paragraph (1) by reason of eli-

gibility under paragraph (3)(A) shall be treated for all purposes as providing a standard annuity under the Survivor Benefit Plan.

(B) RESERVE-COMPONENT ANNUITY.—A person making an election under paragraph (1) by reason of eligibility under paragraph (3)(B) shall be treated for all purposes as providing a reserve-component annuity under the Survivor Benefit Plan.

(b) ELECTION TO INCREASE COVERAGE UNDER SBP.—A person who on the day before the first day of the open enrollment period is a participant in the Survivor Benefit Plan but is not participating at the maximum base amount or is providing coverage under the Plan for a dependent child and not for the person's spouse or former spouse may, during the open enrollment period, elect to—

(1) participate in the Plan at a higher base amount (not in excess of the participant's retired pay); or

(2) provide annuity coverage under the Plan for the person's spouse or former spouse at a base amount not less than the base amount provided for the dependent child.

(c) ELECTION FOR CURRENT SBP PARTICIPANTS TO PARTICIPATE IN SUPPLEMENTAL SBP.—

(1) ELECTION.—A person who is eligible to make an election under this paragraph may elect during the open enrollment period to participate in the Supplemental Survivor Benefit Plan established under subchapter III of chapter 73 of title 10, United States Code.

(2) PERSONS ELIGIBLE.—Except as provided in paragraph (3), a person is eligible to make an election under paragraph (1) if on the day before the first day of the open enrollment period the person is a participant in the Survivor Benefit Plan at the maximum level, or during the open enrollment period the person increases the level of such participation to the maximum level under subsection (b) of this section, and under that Plan is providing annuity coverage for the person's spouse or a former spouse.

(3) LIMITATION ON ELIGIBILITY FOR CERTAIN SBP PARTICIPANTS NOT AFFECTED BY TWO-TIER ANNUITY COMPUTATION.—A person is not eligible to make an election under paragraph (1) if (as determined by the Secretary concerned) the annuity of a spouse or former spouse beneficiary of that person under the Survivor Benefit Plan will be computed under section 1451(e) of title 10, United States Code. However, such a person may during the open enroll-

ment period waive the right to have that annuity computed under such section. Any such election is irrevocable. A person making such a waiver may make an election under paragraph (1) as in the case of any other participant in the Survivor Benefit Plan.

(d) MANNER OF MAKING ELECTIONS.—An election under this section must be made in writing, signed by the person making the election, and received by the Secretary concerned before the end of the open enrollment period. Any such election shall be made subject to the same conditions, and with the same opportunities for designation of beneficiaries and specification of base amount, that apply under the Survivor Benefit Plan or the Supplemental Survivor Benefit Plan, as the case may be. A person making an election under subsection (a) to provide a reserve-component annuity shall make a designation described in section 1448(e) of title 10, United States Code.

(e) EFFECTIVE DATE FOR ELECTIONS.—Any such election shall be effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

(f) OPEN ENROLLMENT PERIOD DEFINED.—The open enrollment period is the two-year period beginning on October 1, 2005.

(g) EFFECT OF DEATH OF PERSON MAKING ELECTION WITHIN TWO YEARS OF MAKING ELECTION.—If a person making an election under this section dies before the end of the two-year period beginning on the effective date of the election, the election is void and the amount of any reduction in retired pay of the person that is attributable to the election shall be paid in a lump sum to the person who would have been the deceased person's beneficiary under the voided election if the deceased person had died after the end of such two-year period.

(h) APPLICABILITY OF CERTAIN PROVISIONS OF LAW.—The provisions of sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to a person making an election, and to an election, under this section in the same manner as if the election were made under the Survivor Benefit Plan or the Supplemental Survivor Benefit Plan, as the case may be.

(i) ADDITIONAL PREMIUM.—The Secretary of Defense may require that the premium for a person making an election under subsection (a)(1) or (b) include, in addition to the amount required under section 1452(a) of title 10, United States Code, an amount determined under regulations prescribed by the Secretary of Defense for the purposes of this subsection. Any such amount shall be stated as a percentage of the base amount of the person making the elec-

tion and shall reflect the number of years that have elapsed since the person retired, but may not exceed 4.5 percent of that person's base amount.

(j) REPORT CONCERNING OPEN SEASON.—Not later than July 1, 2005, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the open season authorized by this section for the Survivor Benefit Plan. The report shall include the following:

(1) A description of the Secretary's plans for implementation of the open season.

(2) The Secretary's estimates of the costs associated with the open season, including any anticipated effect of the open season on the actuarial status of the Department of Defense Military Retirement Fund.

(3) Any recommendation by the Secretary for further legislative action.

SEC. 643. SOURCE OF FUNDS FOR SURVIVOR BENEFIT PLAN ANNUITIES FOR DEPARTMENT OF DEFENSE BENEFICIARIES OVER AGE 62.

(a) IN GENERAL.—Chapter 74 of title 10, United States Code, is amended as follows:

(1) Section 1465(b) of such title is amended by adding at the end the following new paragraph:

"(4) At the same time that the Secretary of Defense makes the determination required by paragraph (1) for any fiscal year, the Secretary shall determine the amount of the Treasury contribution to be made to the Fund for the next fiscal year under section 1466(b)(2)(E) of this title. That amount shall be determined in the same manner as the determination under paragraph (1) of the total amount of Department of Defense contributions to be made to the Fund during that fiscal year under section 1466(a) of this title, except that for purposes of this paragraph the Secretary, in making the calculations required by subparagraphs (A) and (B) of that paragraph, shall use the single level percentages determined under subsection (c)(5), rather than those determined under subsection (c)(1).".

(4) Section 1465(c) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting before the semicolon at the end the following: "and as if benefits under subchpater II of chapter 73 of this title for beneficiaries 62 years of age and older were computed for any fiscal year on the basis of the percentage of 35 percent, rather than any percentage otherwise applicable for that computation for that fiscal year"; and

(ii) in subparagraph (B), by inserting before the period at the end the following: "and as if benefits under subchapter II of chapter 73 of this title for beneficiaries 62 years of age and older were computed for any fiscal year on the basis of the percentage of 35 percent, rather than any percentage otherwise applicable for that computation for that fiscal year";

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph (5):

"(5) Whenever the Secretary carries out an actuarial valuation under paragraph (1), the Secretary shall include as part of such valuation the following:

"(A) A determination of a single level percentage determined in the same manner as applies under subparagraph (A) of paragraph (1), but determined as if benefits under subchapter II of chapter 73 of this title for beneficiaries 62 years of age and older were computed for any fiscal year on the basis of the percentage of 35 percent, rather than any percentage otherwise applicable for that computation for that fiscal year.

"(B) A determination of a single level percentage determined in the same manner as applies under subparagraph (B) of paragraph (1), but determined as if benefits under subchapter II of chapter 73 of this title for beneficiaries 62 years of age and older were computed for any fiscal year on the basis of the percentage of 35 percent, rather than any percentage otherwise applicable for that computation for that fiscal year.

Such single level percentages shall be used for the purposes of subsection (b)(4).".

(5) Section 1466(b) of such title is amended—

(A) in paragraph (1), by inserting "1465(b)(4)," after "1465(b)(3),"; and

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

"(E) The amount for that year determined by the Secretary of Defense under section 1465(b)(4) of this title for the cost to the Fund arising from increased amounts payable from the Fund by reason of benefits under subchapter II of chapter 73 of this title for beneficiaries 62 years of age and older being computed for any fiscal year on the basis of the percentage greater than 35 percent.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 1, 2004. If this Act is enacted after that date, the Secretary of Defense shall provide for such administrative adjustments as necessary to provide for payments made for any period during fiscal year 2005 before the date of the enactment of this Act to be treated as having been made in accordance with such amendments and for the provisions of those amendments to be implemented as if enacted as of September 30, 2004.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 651. CONSOLIDATION AND REORGANIZATION OF LEGISLATIVE PROVISIONS REGARDING DEFENSE COMMISSARY SYSTEM AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) PROVISIONS RELATED TO COMMISSARY STORES.—Chapter 147 of title 10, United States Code, is amended—

(1) by striking the table of sections at the beginning of the chapter and sections 2481, 2483, 2485, and 2487;

(2) by redesignating sections 2482, 2484, and 2486 as sections 2485, 2483 and 2484, respectively;

(3) by inserting after the chapter heading the following:

"Subchapter	*Sec.*
"I. Defense Commissary System	*2481*
"II. Relationship, Continuation, and Common Policies of Defense Commissary and Exchange Systems	*2487*
"III. Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities	*2491*

"SUBCHAPTER I—DEFENSE COMMISSARY SYSTEM

"Sec.
"2481. Existence and purpose of defense commissary system.
"2482. Commissary stores: criteria for establishment or closure; store size.
"2483. Commissary stores: use of appropriated funds to cover operating expenses.
"2484. Commissary stores: merchandise that may be sold; uniform surcharges and pricing.
"2485. Commissary stores: operation.

"§ 2481. Existence and purpose of defense commissary system

"(a) EXISTENCE OF SYSTEM.—The Secretary of the Defense shall operate, using funds appropriated to the Department of Defense, a world-wide system of commissary stores that sell, at reduced prices, food and other merchandise consistent with societal norms for product selection in commercial large-scale grocery stores in the United States to members of the uniformed services on active duty, members of the uniformed services entitled to retired pay, dependents of such members, and patrons authorized to use the system under chapter 54 of this title.

"(b) PURPOSE OF SYSTEM.—The purpose of the defense commissary system is to enhance the quality of life of members of the uniformed services, retired members, de-

pendents of such members, and other authorized patrons and to provide such members with an additional nonmonetary compensation in recognition of their service to the United States.

"(c) REDUCES PRICES DEFINED.—In this section, the term 'reduced prices' means prices for food and other merchandise determined using the price setting process specified in section 2484 of this title.

"§ 2482. Commissary stores: criteria for establishment or closure; store size

"(a) PRIMARY CONSIDERATION FOR ESTABLISHMENT.—The needs of members of the uniformed services on active duty and their dependents shall be the primary consideration whenever the Secretary of Defense—

"(1) assesses the need to establish a commissary store; and

"(2) selects the actual location for the store.

"(b) STORE SIZE.—In determining the size of a commissary store, the Secretary of Defense shall take into consideration the number of all authorized patrons of the defense commissary system who are likely to use the store.

"(c) CLOSURE CONSIDERATIONS.—(1) Whenever assessing whether to close a commissary store, the effect of the closure on the quality of life of members of the uniformed services and their dependents using the store and on the

welfare and security of the military community in which the commissary is located shall be the primary consideration. In all cases, the quality of life for military patrons shall take priority over any consideration of economic criteria relative to store financial performance.

"(2) The Secretary of Defense shall give the quality of life for members of a reserve component the same priority as the quality of life for active duty members whenever assessing whether to close a commissary store, including when the assessment is undertaken as a result of the closure or realignment of a military installation under a base closure law.

"(d) CONGRESSIONAL NOTIFICATION.—The closure of a commissary store shall not take effect until the end of the 90-day period beginning on the date on which the Secretary of Defense submits to Congress written notice of the reasons supporting the closure. The written notice shall include an assessment of the impact closure will have on the quality of life for military patrons and the welfare and security of the military community in which the commissary is located.";

(4) by inserting sections 2483 and 2484, as redesignated by paragraph (2), after section 2482, as added by paragraph (3);

(5) in section 2484, as redesignated by paragraph (2)—

(A) by striking subsections (a), (b), (c), and (g);

(B) by redesignating subsections (d), (e), and (f) as subsections (f), (g), and (h), respectively;

(C) by inserting before subsection (f), as so redesignated, the following new subsections:

"(a) IN GENERAL.—As provided in section 2481(a) of this title, commissary stores are intended to be similar to commercial grocery stores and may sell merchandise similar to that sold in commercial grocery stores. The Secretary of Defense shall ensure that the design and format of commissary stores are consistent with modern grocery store stockage and format.

"(b) REQUIRED COMMISSARY MERCHANDISE CATEGORIES.—Merchandise sold in, at, or by commissary stores shall include items in the following categories:

"(1) Meat, poultry, and seafood.

"(2) Nonalcoholic beverages.

"(3) Produce.

"(4) Grocery food, whether stored chilled, frozen, or at room temperature.

"(5) Dairy products.

"(6) Bakery and delicatessen items.

"(7) Nonfood grocery items.

"(8) Health and beauty aids.

"(9) Magazines and periodicals.

"(10) Telephone cards, greeting cards, and film and one-time use cameras.

"(c) INCLUSION OF GENERAL MERCHANDISE ITEMS.—(1) Among the various defense retail systems—

"(A) commissary stores shall be the primary Department of Defense-operated store for the sale of items described in paragraphs (1) through (7) of subsection (b); and

"(B) exchange stores shall continue to maintain the exclusive right to operate convenience stores, shopettes, and troop stores, including such stores established to support contingency operations.

"(2) Merchandise sold in commissary stores may include such general merchandise items as the Secretary of Defense may prescribe, except that the Secretary may not exclude seasonal items, tobacco products, pet supplies, batteries, potted plants and floral bouquets, women's hosiery, and school supplies, to the extent such products have been available in commissary stores before June 1, 2004, unless the Secretary determines that space or other considerations preclude the sale of all or some of the specified items. The

Secretary shall provide notice to Congress of any reduction in the availability of such items at least 30 days before the reduction takes effect.

"(3) A military exchange may be considered as the vendor for the purchase of tobacco products, greeting cards, and film and one-time use cameras and shall serve as the vendor for telephone cards. Subsections (e) and (f) shall not apply to the pricing of such an item when a military exchange serves as the vendor of the item. Commissary store and exchange prices shall be comparable for such an item.

"(4) During the two-year period ending March 31, 2007, the Secretary shall maintain sales data for commissary stores and exchange stores regarding the items identified in subsection (b)(10). Not later than August 1, 2007, the Secretary shall submit to Congress a report containing such sales data.

"(d) EXCLUDED GOODS OR SERVICES.—Commissary stores shall not offer film development services.

"(e) UNIFORM SALES PRICE SURCHARGE.—The Secretary of Defense shall apply a uniform surcharge equal to not more than five percent on the sales prices established under subsection (f) for each item of merchandise sold in, at, or by commissary stores.";

(D) in subsection (f), as so redesignated, by striking "(consistent with this section and section 2685 of this title)" in paragraph (1);

(E) in subsection (h), as so redesignated, by striking "Subsections (c) and (d)" and inserting "Subsections (e) and (f)"; and

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

"(i) USE OF SURCHARGE FOR CONSTRUCTION, REPAIR, IMPROVEMENT, AND MAINTENANCE.—(1)(A) The Secretary of Defense may use the proceeds from the surcharges imposed under subsection (e) only—

"(i) to acquire (including acquisition by lease), construct, convert, expand, improve, repair, maintain, and equip the physical infrastructure of commissary stores and central product processing facilities of the defense commissary system; and

"(ii) to cover environmental evaluation and construction costs related to activities described in clause (i), including costs for surveys, administration, overhead, planning, and design.

"(B) In subparagraph (A), the term 'physical infrastructure' includes real property, utilities, and equipment (installed and free standing and including computer equip-

ment), necessary to provide a complete and usable commissary store or central product processing facility.

"(2)(A) The Secretary of Defense may authorize a nonappropriated fund instrumentality of the United States to enter into a contract for construction of a shopping mall or similar facility for a commissary store and one or more nonappropriated fund instrumentality activities. The Secretary may use the proceeds of surcharges under subsection (e) to reimburse the nonappropriated fund instrumentality for the portion of the cost of the contract that is attributable to construction of the commissary store or to pay the contractor directly for that portion of such cost.

"(B) In subparagraph (A), the term 'construction', with respect to a facility, includes acquisition, conversion, expansion, installation, or other improvement of the facility.

"(3) The Secretary of Defense, with the approval of the Director of the Office of Management and Budget, may obligate anticipated proceeds from the surcharges under subsection (e) for any use specified in paragraph (1) or (2), without regard to fiscal year limitations, if the Secretary determines that such obligation is necessary to carry out any use of such adjustments or surcharges specified in such paragraph.

"(4) Revenues received by the Secretary of Defense from the following sources or activities of commissary store facilities shall be available for the purposes set forth in paragraphs (1), (2), and (3):

"(A) Sale of recyclable materials.

"(B) Sale of excess and surplus property.

"(C) License fees.

"(D) Royalties.

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

(6) by inserting section 2485, as redesignated by paragraph (2), after section 2484, as amended by paragraph (5); and

(7) in section 2485, as redesignated by paragraph (2)—

(A) in subsection (a)(2), by adding at the end the following new sentence: "Until December 31, 2009, the Defense Commissary Agency is not required to conduct any cost-comparison study under the policies and procedures of Office of Management and Budget Circular A–76 relating to the possible contracting out of commissary store functions.";

(B) in subsection (b)(2), by striking "section 2484" and inserting "section 2483";

(C) in subsection (c)(2), by adding at the end the following new sentences: "The chairman of the governing board shall be a commissioned officer or member of the senior executive service who has demonstrated experience or knowledge relevant to the management of the defense commissary system. In selecting other members of the governing board, the Secretary shall give priority to persons with experience related to logistics, military personnel, military entitlements or other experiences of value of management of commissaries."; and

(D) by adding at the end the following new subsections:

"(d) ASSIGNMENT OF ACTIVE DUTY MEMBERS.—(1) Except as provided in paragraph (2), members of the armed forces on active duty may not be assigned to the operation of a commissary store.

"(2)(A) The Secretary of Defense may assign an officer on the active-duty list to serve as the Director of the Defense Commissary Agency.

"(B) Not more than 18 members (in addition to the officer referred to in subparagraph (A)) of the armed forces

on active duty may be assigned to the Defense Commissary Agency. Members who may be assigned under this subparagraph to regional headquarters of the agency shall be limited to enlisted members assigned to duty as advisers in the regional headquarters responsible for overseas commissaries and to veterinary specialists.

"(e) REIMBURSEMENT FOR USE OF COMMISSARY FACILITIES BY MILITARY DEPARTMENTS.—(1) The Secretary of a military department shall pay the Defense Commissary Agency the amount determined under paragraph (2) for any use of a commissary facility by the military department for a purpose other than commissary sales or operations in support of commissary sales.

"(2) The amount payable under paragraph (1) for use of a commissary facility by a military department shall be equal to the share of depreciation of the facility that is attributable to that use, as determined under regulations prescribed by the Secretary of Defense.

"(3) The Director of the Defense Commissary Agency shall credit amounts paid under paragraph (1) for use of a facility to an appropriate account to which proceeds of a surcharge applied under section 2484(e) of this title are credited.

"(4) This subsection applies with respect to a commissary facility that is acquired, constructed, converted, ex-

panded, installed, or otherwise improved (in whole or in part) with the proceeds of a surcharge applied under section 2484(e) of this title.

"(f) DONATION OF UNUSABLE FOOD.—(1) The Secretary of Defense may donate food described in paragraph (2) to any of the following entities:

"(A) A charitable nonprofit food bank that is designated by the Secretary of Defense or the Secretary of Health and Human Services as authorized to receive such donations.

"(B) A State or local agency that is designated by the Secretary of Defense or the Secretary of Health and Human Services as authorized to receive such donations.

"(C) A chapter or other local unit of a recognized national veterans organization that provides services to persons without adequate shelter and is designated by the Secretary of Veterans Affairs as authorized to receive such donations.

"(D) A not-for-profit organization that provides care for homeless veterans and is designated by the Secretary of Veterans Affairs as authorized to receive such donations.

"(2) Food that may be donated under this subsection is commissary store food, mess food, meals ready-to-eat

(MREs), rations known as humanitarian daily rations (HDRs), and other food available to the Secretary of Defense that—

"(A) is certified as edible by appropriate food inspection technicians;

"(B) would otherwise be destroyed as unusable; and

"(C) in the case of commissary store food, is unmarketable and unsaleable.

"(3) In the case of commissary store food, a donation under this subsection shall take place at the site of the commissary store that is donating the food.

"(4) This subsection does not authorize any service (including transportation) to be provided in connection with a donation under this subsection.

"(g) COLLECTION OF DISHONORED CHECKS.—(1) The Secretary of Defense may impose a charge for the collection of a check accepted at a commissary store that is not honored by the financial institution on which the check is drawn. The imposition and amounts of charges shall be consistent with practices of commercial grocery stores regarding dishonored checks.

"(2)(A) The following persons are liable to the United States for the amount of a check referred to in paragraph

(1) that is returned unpaid to the United States, together with any charge imposed under that paragraph:

"(i) The person who presented the check.

"(ii) Any person whose status and relationship to the person who presented the check provide the basis for that person's eligibility to make purchases at a commissary store.

"(B) Any amount for which a person is liable under subparagraph (A) may be collected by deducting and withholding such amount from any amounts payable to that person by the United States.

"(3) Amounts collected as charges imposed under paragraph (1) shall be credited to the commissary trust revolving fund.

"(4) Appropriated funds may be used to pay any costs incurred in the collection of checks and charges referred to in paragraph (1). An appropriation account charged a cost under the preceding sentence shall be reimbursed the amount of that cost out of funds in the commissary trust revolving fund.

"(5) In this subsection, the term 'commissary trust revolving fund' means the trust revolving fund maintained by the Department of Defense for surcharge collections and proceeds of sales of commissary stores.

"(h) RELEASE OF CERTAIN COMMERCIALLY VALUABLE INFORMATION TO PUBLIC.—(1) The Secretary of Defense may limit the release to the public of any information described in paragraph (2) if the Secretary determines that it is in the best interest of the Department of Defense to limit the release of such information. If the Secretary determines to limit the release of any such information, the Secretary may provide for limited release of such information in accordance with paragraph (3).

"(2) Paragraph (1) applies to the following:

"(A) Information contained in the computerized business systems of commissary stores or the Defense Commissary Agency that is collected through or in connection with the use of electronic scanners in commissary stores, including the following information:

"(i) Data relating to sales of goods or services.

"(ii) Demographic information on customers.

"(iii) Any other information pertaining to commissary transactions and operations.

"(B) Business programs, systems, and applications (including software) relating to commissary operations that were developed with funding derived from commissary surcharges.

"(3)(A) The Secretary of Defense may, using competitive procedures, enter into a contract to sell information described in paragraph (2).

"(B) The Secretary of Defense may release, without charge, information on an item sold in commissary stores to the manufacturer or producer of that item or an agent of the manufacturer or producer.

"(C) The Secretary of Defense may, by contract entered into with a business, grant to the business a license to use business programs referred to in paragraph (2)(B), including software used in or comprising any such program. The fee charged for the license shall be based on the costs of similar programs developed and marketed by businesses in the private sector, determined by means of surveys.

"(D) Each contract entered into under this paragraph shall specify the amount to be paid for information released or a license granted under the contract, as the case may be.

"(4) Information described in paragraph (2) may not be released, under paragraph (3) or otherwise, in a form that identifies any customer or that provides information making it possible to identify any customer.

"(5) Amounts received by the Secretary under this section shall be credited to funds derived from commissary surcharges applied under section 2484(e) of this title, shall be

merged with those funds, and shall be available for the same purposes as the funds with which merged.".

(b) RELATION BETWEEN DEFENSE COMMISSARY AND EXCHANGE SYSTEMS.—Chapter 147 of title 10, United States Code, is further amended—

(1) by inserting after section 2485, as amended by subsection (a)(7), the following:

"SUBCHAPTER II—RELATIONSHIP, CONTINUATION, AND COMMON POLICIES OF DEFENSE COMMISSARY AND EXCHANGE SYSTEMS

"Sec.
"2487. Existence and purpose of defense commissary system.
"2488. Combined exchange and commissary stores.
"2489. Overseas commissary and exchange stores: access and purchase restrictions.

"§ 2487. Relationship between defense commissary system and exchange stores system

"(a) SEPARATE SYSTEMS.—(1) Except as provided in paragraph (2), the defense commissary system and the exchange stores system shall be operated as separate systems of the Department of Defense.

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

"(A) Combined exchange and commissary stores operated under the authority provided by section 2489 of this title.

"(B) NEXMART stores of the Navy Exchange Service Command established before October 1, 2003.

"(b) CONSOLIDATION OR OTHER ORGANIZATIONAL CHANGES OF DEFENSE RETAIL SYSTEMS.—(1) The operation and administration of the defense retail systems may not be consolidated or otherwise merged unless the consolidation or merger is specifically authorized by an Act of Congress.

"(2) In this subsection, the term 'defense retail systems' means the defense commissary system and exchange stores system and other revenue-generating facilities operated by nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces";

(2) by redesignating sections 2488, 2489, 2489a as sections 2495, 2495a, and 2495b, respectively; and

(3) by redesignating sections 2490a and 2492 as sections 2488 and 2489, respectively, and inserting such sections after section 2487, as added by paragraph (1).

(c) MWR PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.—Chapter 147 of title 10, United States Code, is further amended—

(1) by inserting after section 2489, as redesignated and moved by subsection (b)(3), the following:

"SUBCHAPTER III—MORALE, WELFARE, AND RECREATION PROGRAMS AND NON-APPROPRIATED FUND INSTRUMENTALITIES

"Sec.
"2491. Uniform funding and management of morale, welfare, and recreation programs.
"2491a. Department of Defense golf courses: limitation on use of appropriated funds.
"2491b. Use of appropriated funds for operation of Armed Forces Recreation Center, Europe: limitation.
"2491c. Retention of morale, welfare, and recreation funds by military installations: limitation.
"2492. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide and obtain goods and services.
"2493. Fisher Houses: administration as nonappropriated fund instrumentality.
"2494. Nonappropriated fund instrumentalities: furnishing utility services for morale, welfare, and recreation purposes.
"2495. Nonappropriated fund instrumentalities: purchase of alcoholic beverages.
"2495a. Overseas package stores: treatment of United States wines.
"2495b. Sale or rental of sexually explicit material prohibited.";

(2) by redesignating section 2494 as section 2491 and inserting such section after the table of sections at the beginning of subchapter III, as added by paragraph (1);

(3) by redesignating section 2482a as section 2492 and inserting such section before section 2493;

(4) by inserting after section 2493 the following new section:

"§ 2494. Nonappropriated fund instrumentalities: furnishing utility services for morale, welfare, and recreation purposes

"Appropriations for the Department of Defense may be used to provide utility services for—

"(1) buildings on military installations authorized by regulation to be used for morale, welfare, and recreation purposes; and

"(2) other morale, welfare, and recreation activities for members of the armed forces."; and

(5) by inserting sections 2495, 2495a, and 2495b, as redesignated by subsection (b)(2), after section 2494, as added by paragraph (4).

(d) INCLUSION OF OTHER TITLE 10 PROVISIONS.—Sections 2246, 2247, and 2219 of title 10, United States Code, are—

(1) transferred to chapter 147 of such title;

(2) inserted after section 2491, as redesignated and moved by subsection (c)(2); and

(3) redesignated as sections 2491a, 2491b, and 2491c, respectively.

(e) CONFORMING AMENDMENTS.—(1) Section 977 of title 10, United States Code, is repealed.

(2) Section 2868 of such title is amended by striking "for—" and all that follows through the period at the end and inserting "for buildings constructed at private cost, as authorized by law.".

(3) Section 367 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1987; 10 U.S.C. 2482 note) is repealed.

(f) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 49 of title 10, United States Code, is amended by striking the item relating to section 977.

(2) The table of sections at the beginning of chapter 132 of such title is amended by striking the item relating to section 2219.

(3) The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the items relating to sections 2246 and 2247.

SEC. 652. CONSISTENT STATE TREATMENT OF DEPARTMENT OF DEFENSE NONAPPROPRIATED FUND HEALTH BENEFITS PROGRAM.

Section 349 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2727) is amended by adding at the end the following new subsection:

"(c) TREATMENT OF PROGRAM AS FEDERAL HEALTH BENEFIT PROGRAM.—(1) No State tax, fee, other monetary payment, or State health plan requirement, may be imposed, directly or indirectly, on the Nonappropriated Fund Uniform Health Benefits Program of the Department of Defense, or on a carrier or an underwriting or plan administration contractor of the Program, to the same extent as such prohibition applies to the health insurance program

authorized by chapter 89 of title 5, United States Code, under section 8909(f) of such title.

"(2) Paragraph (1) shall not be construed to exempt the Nonappropriated Fund Uniform Health Benefits Program of the Department of Defense, or any carrier or underwriting or plan administration contractor of the Program from the imposition, payment, or collection of a tax, fee, or other monetary payment on the net income or profit accruing to, or realized by, the Program or by such carrier or contractor from business conducted under the Program, so long as the tax, fee, or payment is applicable to a broad range of business activity.

"(3) In this section, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and any political subdivision or other non-Federal authority thereof.".

SEC. 653. COOPERATION AND ASSISTANCE FOR QUALIFIED SCOUTING ORGANIZATIONS SERVING DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OVERSEAS.

(a) AUTHORITY TO COOPERATE AND PROVIDE ASSISTANCE.—Subsection (a) of section 2606 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "Subject to subsection (b)" and inserting "In the interest of promoting the recognized morale, welfare, and recreation of members of the armed forces"; and

(2) in subsection (b), by striking "and may" and all that follows through "armed forces".

(b) TREATMENT OF ORGANIZATIONS AND EMPLOYEES.—Such section is further amended—

(1) by striking subsections (e) and (f);

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

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

"(c) TREATMENT AS NONAPPROPRIATED FUND INSTRUMENTALITIES.—(1) Subject to paragraphs (2) and (3), to the extent a qualified scouting organization is providing services for members of the armed forces and their dependents, or civilian employees of the Department of Defense

and their dependents, at a location outside the United States consistent with the regulations prescribed under subsection (b), the qualified scouting organization shall be a nonappropriated fund instrumentality of the Department of Defense.

"(2) Notwithstanding treatment as a nonappropriated fund instrumentality of the Department of Defense, personnel of the qualified scouting organization who are performing duties in connection with cooperation and assistance provided under subsection (a) may continue such policies and procedures related to personnel management and such other policies or procedures established by the qualified scouting organization as the personnel consider appropriate, subject to the approval of the qualified scouting organization.

"(3) A qualified scouting organization operating outside the United States may operate as a private association overseas for the purpose of raising funds. Any funds so raised may not be commingled with amounts retained in a nonappropriated morale, welfare, and recreation account of the Department of Defense.

"(d) TREATMENT AS NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES.—(1) Personnel of a qualified scouting organization who are performing duties in connection with cooperation and assistance provided under sub-

section (a) for members of the armed forces and their dependents, or civilian employees of the Department of Defense and their dependents, shall be nonappropriated fund instrumentality employees of the United States for any period during which the personnel perform such duties.

"(2) Such personnel of a qualified scouting organization shall receive the same benefits, entitlements, and logistical support as other nonappropriated fund instrumentality employees, except that such personnel—

"(A) shall be allowed to decline to participate in retirement programs or other personnel management policies or procedures available to other nonappropriated fund instrumentality employees and elect to continue the programs, policies or procedures made available by the qualified scouting organization; and

"(B) shall not receive nonappropriated fund instrumentality employment credit nor rehire priority.

"(3) In the regulations prescribed under subsection (b), the Secretary of Defense may authorize the use of funds appropriated to the Department of Defense to pay costs of such personnel of a qualified scouting organization, including reimbursement of the personnel or the qualified scouting organization, in the case of those retirement, personnel management, and other compensation programs regarding which

the personnel have elected to continue the programs made available to them by the qualified scouting organization.".

(c) CONFORMING AND CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "AUTHORITY TO COOPERATE AND PROVIDE ASSISTANCE.—" after "(a)";

(2) in subsection (c), by inserting "BASIS FOR COOPERATION AND ASSISTANCE.—";

(3) in subsection (e), as redesignated by subsection (b)(2)—

(A) by inserting "PROVISION OF TRANSPORTATION, SPACE, AND SERVICES.—" after "(e)"; and

(B) in the matter preceding paragraph (1), by inserting ", using the authority of subsection (d)(3)" after "furnished";

(4) in subsection (f), as redesignated by subsection (b)(2), by inserting "TRANSPORTATION OF SUPPLIES.—" after "(f)"; and

(5) in subsection (g), by inserting "DEFINITION.—" after "(g)".

Subtitle F—Other Matters

SEC. 661. REPEAL OF REQUIREMENT THAT MEMBERS ENTITLED TO BASIC ALLOWANCE FOR SUBSISTENCE PAY SUBSISTENCE CHARGES WHILE HOSPITALIZED.

(a) REPEAL.—(1) Section 1075 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 55 of such title is amended by striking the item relating to section 1075.

(b) CONFORMING AMENDMENT REGARDING MILITARY-CIVILIAN HEALTH SERVICES PARTNERSHIP PROGRAM.—Section 1096(c) of such title is amended—

(1) by inserting "who is a dependent" after "covered beneficiary"; and

(2) by striking "shall pay" and all that follows through the period at the end of paragraph (2) and inserting "shall pay the charges prescribed by section 1078 of this title.".

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

SEC. 662. CLARIFICATION OF EDUCATION LOANS QUALIFYING FOR EDUCATION LOAN REPAYMENT PROGRAM FOR RESERVE COMPONENT HEALTH PROFESSIONS OFFICERS.

Section 16302(a)(5) of title 10, United States Code, is amended by inserting "a basic professional qualifying degree (as determined under regulations prescribed by the Secretary of Defense) or graduate education in" after "regarding".

SEC. 663. SURVEY AND ANALYSIS OF EFFECT OF EXTENDED AND FREQUENT MOBILIZATION OF RESERVISTS FOR ACTIVE DUTY SERVICE ON RESERVIST INCOME.

(a) SURVEY OF MOBILIZED RESERVISTS TO DETERMINE DIFFERENTIAL BETWEEN PRIVATE SECTOR INCOME AND MILITARY COMPENSATION.—(1) The Secretary of Defense shall conduct a survey involving members of the reserve components who serve, or have served, on active duty in support of a contingency operation at any time during the period beginning on September 11, 2001, and ending on September 30, 2005, to determine the extent to which such members sustained a reduction in monthly income during the period of the active duty service compared to the average monthly civilian income of the members during the 12 months preceding their mobilization.

(2) At least 50 percent of the total number of members of the reserve components who have served on active duty in support of a contingency operation at any time during the period specified in paragraph (1) shall be included in the survey.

(b) CALCULATION OF INCOME DIFFERENTIAL.—For each member surveyed under subsection (a) who reports that total monthly military compensation during the active duty service of the member was less, or appeared to be less, than the average monthly civilian income of the member, the Secretary of Defense, in cooperation with the member, shall calculate the monthly active-duty income differential for the member.

(c) DEFINITIONS USED IN CONDUCTING SURVEY AND CALCULATIONS.—In this section:

(1) The term "monthly active-duty income differential", with respect to a member of a reserve component surveyed under subsection (a), means the difference between—

(A) the average monthly civilian income of the member; and

(B) the total monthly military compensation of the member.

(2) The term "average monthly civilian income", with respect to a member of a reserve component sur-

veyed under subsection (a), means the amount, determined by the Secretary of Defense, of the earned income of the member for the 12 months preceding the first mobilization of the member during the period specified in subsection (a)(1), divided by 12.

(3) The term "total monthly military compensation", with respect to a member of a reserve component surveyed under subsection (a), means the amount, computed on a monthly basis, of the sum of—

(A) the amount of the regular military compensation (RMC), as defined in section 101(25) of title 37, United States Code, of the member during the period specified in subsection (a)(1); and

(B) any amount of special pay or incentive pay and any allowance (other than an allowance included in regular military compensation) that is paid to the member on a monthly basis during the period specified in subsection (a)(1).

(d) COLLECTION OF DEMOGRAPHIC DATA.—The Secretary of Defense shall collect demographic data regarding each member of a reserve component surveyed under subsection (a), including, at a minimum, data on the following:

(1) Reserve component.

(2) Unit of assignment.

(3) Grade.

(4) Age.

(5) Years of service.

(6) Sex.

(7) Marital status.

(8) Number of dependents.

(9) General category of private-sector employment, as determined by the Secretary, but to include an employment category to cover members who are self-employed.

(10) Military occupational specialty, including specifying all surveyed members who are serving in a critical wartime specialty.

(11) Length of service on active duty during the most recent mobilization.

(12) Number of times mobilized since September 11, 2001.

(e) EFFECT OF INCOME LOSS ON RETENTION.—The Secretary of Defense shall include in the survey a question to solicit information from each member of a reserve component surveyed under subsection (a) regarding the likely effect of a reoccurring monthly active-duty income differen-

tial for the member while serving on active duty on the decision of the member to remain in the reserve component.

(f) ANALYSIS OF SURVEY DATA.—(1) At a minimum, the Secretary of Defense shall determine, for each variable listed in paragraphs (2) through (12) of subsection (d), the number of members of the reserve components surveyed under subsection (a) who sustained a monthly active-duty income differential for any month during their active duty service and compare and contrast that number with the number of members who did not experience a monthly active-duty income differential.

(2) The Secretary shall also determine the average amount of the active-duty income differential by reserve component for each variable within the characteristics listed in paragraphs (2) through (12) of subsection (d).

(g) SUBMISSION OF SURVEY RESULTS AND RECOMMENDATIONS.—Not later than January 31, 2006, the Secretary of Defense shall submit to Congress and the Comptroller General a report containing the results of the surveys conducted under subsection (a), including the results of the analysis of survey data required by subsection (e). The Secretary shall include such recommendations as the Secretary considers appropriate regarding alternatives for restoring income lost by members of the reserve compo-

nents who sustained a monthly active-duty income differential during their active duty service.

(h) COMPTROLLER GENERAL EVALUATION.—Not later than March 31, 2006, the Comptroller General shall submit to Congress an assessment of the findings and recommendations contained in the report of the Secretary of Defense submitted under subsection (g).

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Enhanced Benefits for Reserves

SEC. 701. DEMONSTRATION PROJECT FOR TRICARE COVERAGE FOR READY RESERVE MEMBERS.

(a) DEMONSTRATION PROGRAM.—Section 1076b of title 10, United States Code, is amended to read as follows:

"§ 1076b. TRICARE demonstration project: coverage for members of the Ready Reserve

"(a) IN GENERAL.—(1) The Secretary of Defense shall conduct a demonstration project beginning in fiscal year 2005 to test whether TRICARE coverage for certain Ready Reserve members and their families enhances medical readiness and retention of such members.

"(2) Under the demonstration project required by paragraph (1), within the scope of the project, as established by the Secretary, members of the Ready Reserve may be

allowed to enroll for coverage under the TRICARE Standard option of the TRICARE program and receive benefits under such enrollment for any period that the member—

"(A) is not eligible for health care benefits under an employer-sponsored health benefits plan; and

"(B) either—

"(i) is not on active duty; or

"(ii) is on active duty but under a call or order to active duty for a period of 30 days or less.

"(3) A member allowed to enroll in TRICARE Standard under the demonstration project may enroll for self-only coverage or self and family coverage.

"(b) SCOPE OF COVERAGE .—A member and the dependents of a member enrolled in TRICARE Standard under this section shall be entitled to the same benefits and shall pay the same charges as are provided under section 1079 of this title.

"(c) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section. The Secretary shall prescribe a premium for self only coverage and a premium for self and family coverage.

"(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be

the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

"(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

"(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

"(d) CONDITIONS OF ELIGIBILITY.—(1) The Secretary of Defense may establish other conditions of eligibility, including requiring a member to submit any certification that the Secretary considers appropriate to substantiate the member's assertion that the member is not eligible for health care benefits under any other health benefits plan.

"(2) In the case of any member who is self-employed and not eligible for coverage under any other employer-

sponsored health benefits plan, the member shall not be considered eligible to enroll under this section if the member's income in the prior calendar year exceeded $40,000.

"(e) SCOPE AND TERMS OF DEMONSTRATION PROJECT.—The geographic scope and priorities for enrollment under the demonstration program, if any, shall be established by the Secretary of Defense. The Secretary may establish such other terms and conditions for the demonstration project required by subsection (a) as the Secretary determines appropriate to accomplish its purposes.

"(f) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after December 31, 2007.

"(g) EVALUATION OF DEMONSTRATION AND REPORT TO CONGRESS.—Not later than March 1, 2007, the Secretary shall provide to Congress a report on the results of the demonstration project required by this section. Such report shall include an analysis of the impact of the demonstration on medical readiness and retention of the members who enrolled, an assessment of the costs and benefits of any improvements in medical readiness or retention, and recommendations concerning TRICARE Standard coverage for Ready Reserve members.

"(h) DEFINITION.—In this section, the term 'TRICARE Standard' means the option of the TRICARE

program that is also known as the Civilian Health and Medical Program of the Uniformed Services, as defined in section 1072(4) of this title.".

(b) TERMINATION OF COVERAGE UNDER SUPERSEDED PROVISION OF LAW.—An enrollment in TRICARE under section 1076b of title 10, United States Code, as in effect before the date of the enactment of this Act may not continue after such date.

(c) SITE IDENTIFICATION.—(1) Not later than 60 days after the date of enactment of this Act, the Secretary of Defense, in consultation with the Committees on Armed Services of the Senate and the House of Representatives, shall identify not less than 10 sites that meet the criteria specified in paragraph (2) for the conduct of the demonstration project required under section 1076b of title 10, United States Code, as amended by this section.

(2) For purposes of paragraph (1), the sites selected for the conduct of the demonstration project shall be areas of the United States that include a substantial number of personnel expected to be ordered to active duty for a period of more than 30 days.

(d) INDEPENDENT EVALUATION AND REPORTS.—(1) The Comptroller General shall conduct an evaluation of the demonstration project required under section 1076b of title

10, United States Code (as amended by this section) The evaluation shall include an assessment of the following:

(A) Compliance by the Department of Defense with the requirements under section 1076b of title 10, United States Code (as amended by this section).

(B) A description of the effects of the demonstration project on medical readiness and retention of the participants compared to nonparticipants.

(C) The number of Ready Reserve members and their dependents opting to participate in the demonstration project.

(D) An analysis of how the demonstration project affects the overall accessibility of care in the direct and purchased care systems and a description of the unintended effects (if any) upon the normal treatment priority system.

(E) A description of the difficulties (if any) experienced by the Department of Defense in managing the demonstration project.

(F) Any impact of the demonstration project on employers, including causing them to discontinue health care insurance benefits for employees who are members of the reserves.

(G) A recommendation whether to extend the demonstration project or make the project permanent.

(H) A determination of whether the terms and conditions of the demonstration project should be continued or modified if the project is extended or expanded.

(I) Implications on cost, medical readiness, recruitment, and retention if the demonstration project was made available to all reservists meeting the enrollment criteria throughout the United States and its territories.

(J) Any additional elements that the Comptroller General determines are appropriate to assess the demonstration project.

(2) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives—

(A) an interim report on the evaluation under this section not later than 12 months after the date on which the demonstration project begins operation; and

(B) a final report on the evaluation under this section not later than March 1, 2007.

SEC. 702. COMPTROLLER GENERAL REPORT ON THE COST AND FEASIBILITY OF PROVIDING PRIVATE HEALTH INSURANCE STIPENDS FOR MEMBERS OF THE READY RESERVES.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study on the cost and feasibility of providing a stipend to members of the Ready Reserves to offset the cost of continuing private health insurance coverage for the member's dependents when the member is on active duty for a period of more than 30 days, with the dependents being ineligible to enroll in the TRICARE program and payment of the stipend ending when the member is no longer on active duty.

(b) MATTERS COVERED.—The study shall include the following matters:

(1) Recommendation for a benefit amount and cost to the Department of Defense.

(2) Potential effects on medical readiness, recruitment, and retention.

(3) The extent to which the Reserves and members of their families might participate under the stipend program.

(4) Administrative and management considerations for the Department of Defense.

(5) Impact of pre-existing conditions on continuity of care for dependents.

(6) Possible implications for employers.

(c) REPORT.—Not later than March 31, 2005, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study under this section.

SEC. 703. IMPROVEMENT OF MEDICAL SERVICES FOR ACTIVATED MEMBERS OF THE READY RESERVE AND THEIR FAMILIES.

(a) REQUIREMENT FOR TRICARE COVERAGE FOR DEPENDENTS OF MEMBERS OF RESERVE COMPONENTS CALLED TO ACTIVE DUTY.—Paragraph (1) of section 1074(d) of title 10, United States Code, is amended—

(1) by inserting "a dependent of" after "chapter,";

(2) by inserting "a dependent of a member" after "treated as being"; and

(3) by striking "the later of" and all that follows through the period at the end of subparagraph (B) and inserting "the date described in paragraph (3).".

(b) AUTHORITY FOR TRICARE COVERAGE FOR MEMBERS OF RESERVE COMPONENTS CALLED TO ACTIVE DUTY.—Section 1074(d) of such title is further amended—

(1) by striking paragraph (3);

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by inserting after paragraph (1) the following new paragraphs:

"(2) The Secretary of Defense may, beginning on the date described in paragraph (3), provide a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, such medical and dental care (in addition to care for which the member is eligible under section 1074a(f) of this title or other provisions of law) the Secretary determines appropriate.

"(3) The date referred to in paragraphs (1) and (2) with respect to a member is the later of the date that is—

"(A) the date of the issuance of the delayed-effective-date active-duty order; or

"(B) 90 days before the date on which the period of active duty is to commence under such order for that member.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2005.

SEC. 704. MODIFICATION OF WAIVER OF CERTAIN DEDUCTIBLES UNDER TRICARE PROGRAM.

Section 1095d(a) of title 10, United States Code, is amended in paragraphs (1) and (2) by striking "less than

one year" each place it appears and inserting "more than 30 days".

SEC. 705. AUTHORITY FOR PAYMENT BY UNITED STATES OF ADDITIONAL AMOUNTS BILLED BY HEALTH CARE PROVIDERS TO ACTIVATED RESERVE MEMBERS.

Section 1079(h) of title 10, United States Code, is amended by adding at the end of paragraph (4) the following new subparagraph:

"(C) In the case of services billed to a dependent referred to in subsection (a) of a member of a reserve component who is ordered to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title, the regulations shall provide that, in addition to amounts otherwise payable by the United States, the Secretary may pay the amount referred to in subparagraph (B)(i) for the services.".

SEC. 706. EXTENSION OF TRANSITIONAL HEALTH CARE BENEFITS AFTER SEPARATION FROM ACTIVE DUTY.

(a) EXTENSION OF TRANSITIONAL HEALTH CARE BENEFITS.—Paragraph (3) of section 1145(a) of title 10, United States Code, is amended to read as follows:

"(3) Transitional health care shall be available under this subsection for a period beginning on the date on which the member is separated from active duty and ending on the earlier of—

"(A) 180 days after the date on which the member is separated from active duty; or

"(B) the date on which the member and dependents of the member are covered by a health plan sponsored by an employer.".

(b) LIMITATION.—During the period beginning on January 1, 2005, and ending on September 30, 2005, not more than $170,000,000 of the amount appropriated pursuant to the authorization for operations and maintenance for the Defense Health Program in section 303(a) may be used for transitional health care under section 1145(a) of title 10, United States Code, as amended by this section.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to separations from active duty that take effect on or after January 1, 2005.

Subtitle B—Other Benefits Improvements

SEC. 711. COVERAGE OF CERTAIN YOUNG CHILDREN UNDER TRICARE DENTAL PROGRAM.

(a) COVERAGE OF CERTAIN YOUNG CHILDREN.—Section 1076a(k)(2) of title 10, United States Code, is amended

by inserting after "by reason of" the following: "the dependent's young age on the date of death of the member of".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 712. COMPTROLLER GENERAL REPORT ON PROVISION OF HEALTH AND SUPPORT SERVICES FOR EXCEPTIONAL FAMILY MEMBER PROGRAM ENROLLEES.

(a) EVALUATION REQUIREMENT.—The Comptroller General shall evaluate the effect of the Exceptional Family Member Program (in this section referred to as "EFMP") on health and support services in selected civilian communities near military installations with a high concentration of EFMP enrollees.

(b) MATTERS COVERED.—The evaluation under subsection (a) shall include a discussion of the following:

(1) Communities that have high concentrations of EFMP enrollees that use State and local health and support services.

(2) Needs of EFMP enrollees, if any, that are not met by State and local health and support services.

(3) The burdens, financial and otherwise, placed on State and local health and support services by EFMP enrollees and their families.

(4) The ability of the TRICARE program to meet the needs of EFMP enrollees and their families.

(5) Reasons for any limitations of the TRICARE program, the EFMP, and State and local health and support services in providing assistance to EFMP enrollees and their families.

(6) Recommendations for more effectively meeting the needs of EFMP enrollees and their families.

(c) COMMUNITIES COVERED.—The evaluation under subsection (a) shall examine no fewer than four civilian communities, as determined by the Comptroller General, that have high concentrations of EFMP enrollees and that are near several military installations, including at least two military installations with tenants from more than one of the Armed Forces.

(d) DEFINITIONS.—In this section:

(1) The term "health and support services" means services provided to children and other dependents with special needs, including specialized day care, mental health day treatment services, respite services, counseling, and other such services provided for children and other dependents with special needs.

(2) The term "TRICARE program" has the meaning given that term in section 1072(7) of title 10, United States Code.

(e) REPORT.—Not later than March 31, 2005, the Comptroller General shall submit to the Armed Services Committees of the Senate and the House of Representatives a report on the results of the evaluation required under subsection (a), with findings and recommendations.

SEC. 713. EXCEPTIONAL ELIGIBILITY FOR TRICARE PRIME REMOTE.

Section 1079(p) of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) The Secretary of Defense may provide for coverage of a dependent referred to in subsection (a) who is not described in paragraph (3) if the Secretary determines that exceptional circumstances warrant such coverage.".

SEC. 714. TRANSITION TO HOME HEALTH CARE BENEFIT UNDER SUB-ACUTE CARE PROGRAM.

Section 1074j of title 10, United States Code, is amended in subsection (b)(3)—

(1) by inserting "(A)" after "(3)"; and

(2) by adding at the end the following:

"(B) The Secretary of Defense shall establish procedures for the transition to and implementation of the home

health care benefit required by subparagraph (A). The Secretary may provide in such procedures that covered beneficiaries who, before the implementation of such benefit, received home health care under this chapter in excess of such benefit, may continue to receive such care for such time as the Secretary considers appropriate.".

SEC. 715. REQUIREMENT RELATING TO PRESCRIPTION DRUG BENEFITS FOR MEDICARE-ELIGIBLE ENROLLEES UNDER DEFENSE HEALTH CARE PLANS.

Section 1074g(a)(6) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(6)"; and

(2) by adding at the end the following:

"(B) For a medicare-eligible beneficiary, the cost-sharing requirements may not be in excess of the cost-sharing requirements applicable to all other beneficiaries covered by section 1086 of this title. For purposes of the preceding sentence, a medicare-eligible beneficiary is a beneficiary eligible for health benefits under section 1086 of this title pursuant to subsection (d)(2) of such section.".

SEC. 716. PROFESSIONAL ACCREDITATION OF MILITARY DENTISTS.

Section 1077(c) of title 10, United States Code, is amended—

(1) by striking "A" and inserting "(1) Except as provided in paragraph (2), a"; and

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

"(2)(A) Dependents who have not attained age 13 and who are participating under a dental plan established under section 1076a of this title may be treated by post-graduate dental students in eligible dental treatment facilities if—

"(i)(I) treatment of pediatric dental patients is required to comply with American Dental Association accreditation standards; or

"(II) pediatric dental training is required to enable post-graduate dental students to provide dental care for such dependents outside the United States; and

"(ii) there are insufficient numbers of children eligible to be provided dental care under section 1076(a) of this title to meet such standards or training requirements.

"(B) The total number of dependents who may be treated under this paragraph may not exceed 2,000 in any fiscal year.

"(C) In this paragraph, an eligible dental treatment facility is a dental treatment facility with a post-graduate dental education program accredited by the American Dental Association.".

SEC. 717. ADDITION OF CERTAIN UNREMARRIED FORMER SPOUSES TO PERSONS ELIGIBLE FOR DENTAL INSURANCE PLAN OF RETIREES OF THE UNIFORMED SERVICES.

(a) ELIGIBILITY OF CERTAIN FORMER SPOUSES FOR DENTAL COVERAGE.—(1) Section 1076c(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) A person who—

"(i) is an unremarried former spouse of a member described in paragraph (1) or (2);

"(i) is described in section 1072(2)(F)(i) of this title; and

"(ii) does not have dental coverage under an employer-sponsored health plan.".

(b) EFFECTIVE DATE.—Section 1076c(b)(6) of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act.

SEC. 718. WAIVER OF COLLECTION OF PAYMENTS DUE FROM CERTAIN PERSONS UNAWARE OF LOSS OF CHAMPUS ELIGIBILITY.

(a) AUTHORITY TO WAIVE COLLECTION.—The Secretary of Defense may waive (in whole or in part) the collection of payments otherwise due from a person described in subsection (b) as a result of the receipt by the person of health benefits under section 1086 of title 10, United States Code, after the termination of the person's eligibility for such benefits and may also authorize continued coverage of benefits under section 1086 of such title for such person for the period described in subsection (c).

(b) PERSONS ELIGIBLE.—A person shall be eligible for relief under subsection (a) if the person—

(1) is a person described in paragraph (1) of subsection (d) of section 1086, of title 10, United States Code;

(2) in the absence of such paragraph, would have been eligible for health benefits under such section;

(3) at the time of the receipt of such benefits, satisfies the criteria specified in subparagraph (B) of paragraph (2) of such subsection; and

(4) was unaware of the loss of eligibility to receive health benefits at the time they were received.

(c) EXTENT OF AUTHORITY.—The authority to waive the collection of payments and to continue coverage of bene-

fits under this section shall apply during the period beginning on July 1, 1999, and ending on December 31, 2004, under terms established by the Secretary of Defense.

(d) QUARTERLY REPORTS.—(1) The Secretary of Defense shall provide quarterly reports to the Committees on Armed Services of the Senate and House of Representatives regarding—

(A) efforts by the Department of Defense to identify persons who satisfy the criteria specified in subparagraph (B) of subsection (d)(2) of section 1086 of title 10, United States Code, and would be eligible for health benefits under such section if the criteria specified in subparagrpah (A) were also satisfied; and

(B) actions taken by the Department with respect to persons identified under subparagraph (B) of this paragraph.

(2) The first report under paragraph (1) shall be submitted not later than 30 days after the end of the first quarter of fiscal year 2005.

Subtitle C—Planning, Programming, and Management

SEC. 721. PILOT PROGRAM FOR TRANSFORMATION OF HEALTH CARE DELIVERY.

(a) FINDINGS.—(1) Congress finds the following:

(A) Historically, providing military health care to military beneficiaries has centered on building a military medical treatment facility and providing a full range of services on a military installation.

(B) Traditionally, in many locations the majority of military personnel and their dependents who are eligible beneficiaries of the military health care system do not live on military installations.

(C) As the cost of repairing, replacing, recapitalizing, or expanding aging military treatment facilities and maintaining adequate health care services on military installations increases, the Department of Defense will be challenged to find new, more cost-effective ways of providing enhanced health care for military and civilian beneficiaries of the Department of Defense health care system.

(2) In view of these findings, the Secretary of Defense is directed to examine feasible and cost-effective methods for leveraging and expanding non-military health care resources to provide health care to military beneficiaries. Furthermore, the Secretary of Defense shall conduct a pilot program in accordance with this section.

(b) PILOT PROGRAM PURPOSES.—The Secretary of Defense shall conduct a pilot program at one or more military installations for purposes of testing—

(1) the feasibility and cost effectiveness of expanding use of non-military health care resources, particularly in cases in which such use would reduce or eliminate the need for military medical construction projects;

(2) initiatives that build cooperative health care arrangements and agreements between military installations and local and regional non-military health care systems; and

(3) development of an integrated, long range business plan for the delivery of health care services for military beneficiaries, incorporating present and potential future capabilities in the non-military health care sector.

(c) REQUIREMENTS OF PILOT PROGRAM.—In conducting the pilot program, the Secretary of Defense shall—

(1) identify and analyze health care delivery options that range from outsourcing all health care delivery services to the private sector to providing some health care services in military facilities located on the installation;

(2) determine the cost avoidance or savings resulting from innovative partnerships between the Department of Defense and the private sector and limiting recapitalization costs in military facilities;

(3) study the potential, viability, cost efficiency, and health care effectiveness of Department of Defense health care providers delivering health care in civilian community hospitals;

(4) determine the opportunities for and barriers to coordinating and leveraging the use of existing health care resources, including Federal, State, local, and contractor assets; and

(5) develop recommendations for a model health care delivery system that may be used at other military installations.

(d) CONSULTATION REQUIREMENTS.—The Secretary of Defense shall develop the pilot program in consultation with the Secretaries of the military departments, representatives from the military installation selected for the pilot program, Federal, State, and local entities, and the TRICARE managed care support contractor with responsibility for that installation.

(e) SELECTION OF MILITARY INSTALLATION.—The pilot program shall be implemented at one or more military installations selected by the Secretary of Defense. At least one of the selected military installations shall meet the following criteria:

(1) The military installation is an Army installation located in a rural area.

(2) The military installation has members of the Armed Forces on active duty and members of reserve components of the Armed Forces that use the installation as a training and operational base, with members routinely deploying in support of the global war on terrorism.

(3) The number of members of the Armed Forces on active duty permanently assigned to the military installation is expected to increase over the next five years.

(4) One or more partnerships exist at the military installation with civilian health care entities in the form of limited specialty care services in the military medical treatment facility on the installation.

(5) There is a military treatment facility on the installation that does not have inpatient or trauma center care capabilities.

(6) There is a civilian community hospital within 15 miles of the military installation with limited capability to expand inpatient care beds, intensive care, and specialty services.

(7) There is no civilian hospital with a trauma center within 50 miles from the military installation.

(f) DURATION OF PILOT PROGRAM.—Implementation of the pilot program developed under this subsection shall

begin not later than May 1, 2005, and shall be conducted during fiscal years 2005, 2006, and 2007.

(g) FUNDS.—For fiscal year 2005, not more than $5,000,000 of the amount appropriated pursuant to the authorization for operations and maintenance for the Defense Health Program in section 303(a) may be used to conduct the pilot program under this section.

(h) REPORTS.—Not later than July 1, 2005, the Secretary of Defense shall submit an interim report to the Committees on Armed Services of the Senate and of the House of Representatives describing the details of the pilot program. Not later than July 1, 2007, the Secretary of Defense shall submit to such committees a final report describing the results of the pilot program with recommendations for a model health care delivery system for other military installations.

SEC. 722. STUDY OF PROVISION OF TRAVEL REIMBURSEMENT TO HOSPITALS FOR CERTAIN MILITARY DISABILITY RETIREES.

(a) STUDY.—The Secretary of Defense shall conduct a study of the feasibility, and of the desirability, of providing that a member of the uniformed services retired under chapter 61 of title 10, United States Code, for a combat-related disability (as defined in section 1413a(e) of that title) shall be provided reimbursement for the travel expenses of such

member for travel, during the two-year period beginning on the date of the retirement of the member, to a military treatment facility for medical care. The Secretary shall include in that study consideration of whether reimbursement under such a plan should, as nearly as practicable, be under the same terms and conditions, and at the same rate, as apply to beneficiary travel reimbursement provided by the Secretary of Veterans Affairs under section 111 of title 38, United States Code.

(b) REPORT.—The Secretary of Defense shall submit to the congressional defense committees a report providing the results of the study under subsection (a). Such report shall be submitted not later than March 1, 2005.

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

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

SEC. 801. RAPID ACQUISITION AUTHORITY TO RESPOND TO COMBAT EMERGENCIES.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410p. Rapid acquisition authority to respond to combat emergencies

"(a) RAPID ACQUISITION AUTHORITY.—The Secretary of Defense may rapidly acquire, in accordance with this section, equipment needed by a combatant commander to eliminate a combat capability deficiency that has resulted in combat fatalities.

"(b) PROCESS FOR RAPID ACQUISITION.—Not later than 30 days after the date of the enactment of this section, the Secretary of Defense shall develop a process for the rapid acquisition authority provided by subsection (a) and submit to Congress a detailed explanation of the process, including procedures to be followed in carrying out the process. The process shall provide for the following:

"(1) A requirement that the process may be used only to acquire the minimum amount of equipment needed until the needs of the combatant commander can be fulfilled under existing acquisition statutes, policies, directives, and regulations.

"(2) A goal of awarding a contract for the equipment within 15 days after receipt of a request from a commander.

"(3) In a case in which the equipment cannot be acquired without an extensive delay, a requirement for an interim solution to minimize the combat capa-

bility deficiency and combat fatalities until the equipment can be acquired.

"(4) Waiver of the applicability of all policies, directives, and regulations related to—

"(A) the establishment of the requirement for the equipment;

"(B) the research, development, test, and evaluation of the equipment; and

"(C) the solicitation and selection of sources, and the award of the contract, for procurement of the equipment.

"(5) Such other procedures or requirements as the Secretary considers appropriate.

"(c) WAIVER OF CERTAIN STATUTES.—For purposes of exercising the authority provided by subsection (a) with respect to equipment, laws relating to the following shall not apply:

"(A) The establishment of the requirement for the equipment.

"(B) The research, development, test, and evaluation of the equipment.

"(C) The solicitation and selection of sources, and the award of the contract, for procurement of the equipment.

"(d) LIMITATIONS.—The rapid acquisition authority provided by subsection (a) may be used only—

"(1) after the Secretary of Defense, without delegation, determines in writing that there exists a combat capability deficiency that has resulted in combat fatalities; and

"(2) to acquire equipment in an amount aggregating not more than $100,000,000 during a fiscal year.

"(e) SOURCE OF FUNDS.—For acquisitions under this section to be made during any fiscal year, the Secretary may use any funds made available to the Department of Defense for that fiscal year.

"(f) NOTIFICATION TO CONGRESS AFTER EACH USE OF AUTHORITY.—The Secretary of Defense shall notify the congressional defense committees within 15 days after each use of the authority provided by subsection (a). Each such notice shall identify the equipment to be acquired, the amount to be expended for such acquisition, and the source of funds for such acquisition.

"(g) COMBATANT COMMANDER.—In this section, the term 'combatant commander' means the commander of a unified combatant command with authority for the conduct of operations in a specific area of responsibility or who oth-

erwise has authority to conduct operations at the direction of the President or Secretary of Defense.".

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

"2410p. Rapid acquisition authority to respond to combat emergencies.".

SEC. 802. DEFENSE ACQUISITION WORKFORCE CHANGES.

(a) SELECTION CRITERIA AND PROCEDURES.—Section 1732(b)(1)(A) of title 10, United States Code, is amended by striking "within grade GS–13 or above of the General Schedule" and inserting "in any position designated by the Secretary of Defense".

(b) CRITICAL ACQUISITION POSITIONS.—Section 1733 of such title is amended by striking subsection (b) and inserting the following:

"(b) DESIGNATION OF CRITICAL ACQUISITION.—(1) The Secretary of Defense shall designate the acquisition positions in the Department of Defense that are critical acquisition positions. Such positions shall include the following:

"(A) Program executive officer.

"(B) Program manager of a major defense acquisition program (as defined in section 2430 of this title) or of a significant nonmajor defense acquisition program (as defined in section 1737(a)(3) of this title).

"(C) Deputy program manager of a major defense acquisition program.

"(D) Any other acquisition position of significant responsibility determined by the Secretary to be critical.

"(2) The Secretary shall annually publish a list of the positions designated under this subsection.".

(c) SCHOLARSHIP PROGRAMS.—Section 1742 of such title is amended—

(1) by inserting "(a) PROGRAMS.—" at the beginning of the text; and

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

"(b) SCHOLARSHIP PROGRAM REQUIREMENTS.—With respect to any scholarship program conducted under this section, the Secretary of Defense and the participant shall agree in writing to the terms of the scholarship. The agreement shall include the obligations of the Secretary and the participant, as well as actions available for either party to take if there is a failure to meet the obligations under the agreement.".

SEC. 803. LIMITATION ON TASK AND DELIVERY ORDER CONTRACTS.

Subsection 2304a(f) of title 10, United States Code, is amended to read as follows:

"(f) CONTRACT PERIOD.—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover any base period up to five years and may extend the contract period for one or more successive periods pursuant to an option provided in the contract or a modification to the contract.".

SEC. 804. FUNDING FOR CONTRACT CEILINGS FOR CERTAIN MULTIYEAR PROCUREMENT CONTRACTS.

(a) MULTIYEAR CONTRACTS RELATING TO PROPERTY.—Section 2306b(g) of title 10, United States Code, is amended—

(1) by inserting "(1)" before "Before any";

(2) by striking "Committee" through "House of Representatives" and inserting "congressional defense committees"; and

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

"(2) In the case of a contract described in subsection (a) with a cancellation ceiling described in paragraph (1), if the budget for the contract does not include proposed funding for the costs of contract cancellation up to the cancellation ceiling established in the contract, the head of the agency concerned shall, as part of the certification required by subsection (i)(1)(A), give written notification to the congressional defense committees of—

"(A) the cancellation ceiling amounts planned for each program year in the proposed multiyear procurement contract, together with the reasons for the amounts planned;

"(B) the extent to which costs of contract cancellation are not included in the budget for the contract; and

"(C) a financial risk assessment of not including budgeting for costs of contract cancellation, including proposed funding sources to meet such cancellation costs if the contract is canceled.".

(b) MULTIYEAR CONTRACTS RELATING TO SERVICES.—Section 2306c(d) of title 10, United States Code, is amended—

(1) in paragraphs (1), (3), and (4), by striking "committees of Congress named in paragraph (5)" and inserting "congressional defense committees" each place it appears; and

(2) by amending paragraph (5) to read as follows:

"(5) In the case of a contract described in subsection (a) with a cancellation ceiling described in paragraph (4), if the budget for the contract does not include proposed funding for the costs of contract cancellation up to the cancellation ceiling established in the contract, the head of the

agency concerned shall give written notification to the congressional defense committees of—

"(A) the cancellation ceiling amounts planned for each program year in the proposed multiyear procurement contract, together with the reasons for the amounts planned;

"(B) the extent to which costs of contract cancellation are not included in the budget for the contract; and

"(C) a financial risk assessment of not including budgeting for costs of contract cancellation, including proposed funding sources to meet such cancellation costs if the contract is canceled."

SEC. 805. INCREASED THRESHOLD FOR REQUIRING CONTRACTORS TO PROVIDE SPECIFIED EMPLOYEE INFORMATION TO COOPERATIVE AGREEMENT HOLDERS.

Section 2416(d) of title 10, United States Code, is amended by striking "$500,000" and inserting "$1,000,000".

SEC. 806. EXTENSION OF AUTHORITY FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.

Section 4202(e) of the Clinger-Cohen Act (division D of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304

note) is amended by striking "January 1, 2006" and inserting "October 1, 2009".

SEC. 807. AUTHORITY TO ADJUST ACQUISITION-RELATED DOLLAR THRESHOLDS FOR INFLATION.

(a) INFLATION ADJUSTMENT AUTHORITY.—The FAR Council and the heads of executive agencies may adjust the dollar thresholds in procurement laws in order to maintain the constant dollar value of the threshold, taking into account the effect of inflation on the threshold.

(b) LIMITATION ON EXERCISE OF AUTHORITY.—Adjustments of dollar thresholds under subsection (a) may be carried out—

(1) by the FAR Council only with respect to procurement laws that apply to executive agencies generally; and

(2) by the head of an executive agency only with respect to procurement laws that apply to that agency exclusively.

(c) ADDITIONAL REQUIREMENTS.—In adjusting a threshold under subsection (a), the FAR Council and the head of an agency shall—

(2) consult with the Director of the Office of Management and Budget;

(3) round the threshold, to facilitate implementation; and

(4) publish the adjusted threshold in the Federal Register.

(d) EXCLUSIONS.—This section does not apply to—

(1) dollar thresholds in sections 3141 through 3144, 3146, and 3147 of title 40, United States Code;

(2) dollar thresholds in the Service Contract Act of 1965 (41 U.S.C. 351, et seq.); or

(3) dollar thresholds established by the United States Trade Representative pursuant to title III of the Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.).

(e) DEFINITIONS.—In this section:

(1) The term "procurement law" means any provision of law that sets forth policies, procedures, requirements, or restrictions for the procurement of property or services by the Federal Government.

(2) The terms "executive agency" and "procurement" have the meanings provided by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1))

(3) The term "FAR Council" means the Federal Acquisition Regulatory Council established under section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421)).

Subtitle B—United States Defense Industrial Base Provisions

SEC. 811. DEFENSE TRADE RECIPROCITY.

(a) IN GENERAL.—Chapter 148 of title 10, United States Code, is amended by inserting after section 2532 the following new section:

"§ 2532a. Defense trade reciprocity

"(a) POLICY.—(1) It is the policy of Congress that procurement regulations used in the conduct of trade in defense articles and defense services shall be based on the principle of fair trade and reciprocity consistent with United States national security, including the need to ensure comprehensive manufacturing capability in the United States defense industrial base for military system essential items.

"(2) The Secretary of Defense shall make every effort to ensure that the policies and practices of the Department of Defense reflect the goal of establishing an equitable trading relationship between the United States and its foreign defense trade partners, including ensuring that United States firms and United States employment in the defense sector are not disadvantaged by unilateral procurement practices by foreign governments, such as the imposition of offset agreements or similar requirements in defense procurements by those governments. In pursuing this goal, the Secretary shall—

"(A) develop a comprehensive defense acquisition trade policy that provides the necessary guidance and incentives for the elimination of offset agreements as an accepted practice in defense trade; and

"(B) review and make necessary modifications to existing acquisition policies and strategies, and review and seek to make necessary modifications to existing memoranda of understanding, cooperative project agreements, or related agreements with foreign defense trade partners, to reflect this goal.

"(b) REQUIREMENT.—The Secretary of Defense may not enter into a contract, or approve or permit any subcontract under a contract entered into by the Department of Defense, for the procurement of any defense article or defense service from a foreign firm unless the country in which the foreign firm performs substantially all of its manufacturing, production, and research and development activities in the performance of the contract (or subcontract) agrees to apply offset agreements to the procurement of defense articles and defense services from the United States firms in the same manner and to the same degree as such agreements are applied by the Department of Defense to the procurement of defense articles and defense services from that country.

"(c) EXCEPTION.—Subsection (b) does not apply to a contract or subcontract for the procurement of a defense article or defense service from a foreign firm if the Secretary of Defense determines in writing, with respect to the specific contract or subcontract, that an exception to subsection (b) is necessary for the Department to be able to meet national security objectives.

"(d) NOTIFICATION REQUIRED WHEN EXCEPTION APPLIED.—The Secretary of Defense may not apply an exception under subsection (c) until—

"(1) a notification of the intent to apply such exception is submitted to the congressional defense committees and published in the Federal Register; and

"(2) a period of 30 days has expired after the date on which such notification is so submitted and published.

"(e) AUTHORITY TO APPLY EXCEPTION NOT DELEGABLE.—The authority of the Secretary to apply the exception under subsection (c) may not be delegated to any officer or employee in a position at a level lower than the position of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to implement this section in the Department of Defense supplement to the Federal Acquisition Regulation.

"(g) EFFECTIVE DATE.—This section and the regulations prescribed under this section shall apply to contracts and subcontracts entered into on and after the date occurring one year after the date of the enactment of this Act.

"(h) DEFINITIONS.—In this section:

"(1) The term 'foreign firm' means a business entity that performs substantially all of its manufacturing, production, and research and development activities outside of the United States.

"(2) The term 'United States firm' means a business entity that performs substantially all of its manufacturing, production, and research and development activities in the United States.

"(3) The term 'foreign defense trade partner' means a foreign country with respect to which there is—

"(A) a memorandum of understanding or related agreement described in section 2531(a) of title 10, United States Code; or

"(B) a cooperative project agreement described in section 27 of the Arms Export Control Act (22 U.S.C. 2767).

"(4) The term 'offset agreement' has the meaning provided that term by section 36(e) of the Arms Export Control Act (22 U.S.C. 2776(e)).

"(5) The terms 'defense article' and 'defense service' have the meanings provided those terms by section 47(7) of the Arms Export Control Act (22 U.S.C. 2794(7)).

"(6) The term 'military system essential item' means an item on the military system essential item breakout list produced pursuant to section 813(b) of the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108–136; 117 Stat. 1544).".

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

"2532a. Defense trade reciprocity.".

SEC. 812. AMENDMENTS TO DOMESTIC SOURCE REQUIREMENTS.

(a) NOTICE.—Section 2533a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(k) NOTIFICATION REQUIRED WHEN CERTAIN EXCEPTIONS APPLIED.—(1) Funds appropriated or otherwise available to the Department of Defense may not be used to enter into a contract to procure an item described in subsection (b) pursuant to an exception set forth in subsection (c) or (e) until—

"(A) a notification of the intent to apply such exception is submitted to Congress and posted on the

website maintained by the General Services Administration known as FedBizOpps.gov (or any successor site); and

"(B) a period of 15 days has expired after the date on which such notification is so submitted and published.

"(2) In any case in which the Secretary of Defense or the Secretary of the military department concerned intends to apply or applies the exception set forth in subsection (d)(1), the Secretary concerned shall submit to Congress a notification of such intent or such application during the period beginning six months before the date of application of such exception and ending six months after the date of application of such exception.".

(b) CLOTHING MATERIALS AND COMPONENTS COVERED.—Subsection (b) of section 2533a of title 10, United States Code, is amended in paragraph (1)(B) by inserting before the semicolon the following: "and the materials and components thereof, other than sensors, electronics, or other items added to, and not normally associated with, clothing (and the materials and components thereof)".

SEC. 813. THREE-YEAR EXTENSION OF RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) CARBON FIBER FROM FOREIGN SOURCES.

The Secretary of Defense shall delay by three years the phase-out of the restriction on acquisition of polyacrylonitrile (PAN) carbon fiber from foreign sources (described in subpart 225.7103 of the Department of Defense supplement to the Federal Acquisition Regulation). In implementing such delay, the Secretary shall revise the appplicable regulations to ensure that such restriction applies to—

(1) solicitations and contracts issued on or before May 31, 2006, for major systems that are not yet in production; and

(2) solicitations and contracts issued during the period beginning June 1, 2006, and ending May 31, 2008, for major systems that are not yet in engineering and manufacturing development.

SEC. 814. GRANT PROGRAM FOR DEFENSE CONTRACTORS TO IMPLEMENT STRATEGIES TO AVOID OUTSOURCING OF JOBS.

(a) GRANT PROGRAM AUTHORIZED.—The Secretary of Defense may make grants under this section for fiscal year 2005 to qualified defense contractor groups for the purposes described in subsection (b).

(b) GRANT PURPOSES.—A grant may be made under this section for the purpose of implementing a strategy to avoid the outsourcing of jobs by a defense contractor, including the following strategies:

(1) Cost-cutting measures.

(2) Retraining programs.

(3) Technology development.

(4) Plant upgrades.

(c) APPLICATION.—A grant may not be awarded under this section unless an application is submitted to, and approved by, the Secretary. Such an application—

(1) shall be submitted by a qualified defense contractor group in such form and manner as the Secretary may require; and

(2) shall contain—

(A) a description of the strategy proposed for avoiding the outsourcing of at least 10 jobs in the performance of a defense contract by the defense contractor concerned; and

(B) such other information as the Secretary may require.

(d) DEFINITIONS.—In this section:

(1) The term "qualified defense contractor group", with respect to a defense contractor, is a group or person representing—

(A) management of the contractor;

(B) a labor organization that represents employees of the contractor; or

(C) employees of the contractor.

(2) The term "outsourcing", with respect to a defense contract, includes the performance outside the United States of work under the contract.

(e) FEDERAL SHARE.—The Federal share of the costs of the strategy carried out with a grant under this section may not exceed 50 percent.

(f) USE OF DEFENSE INDUSTRIAL CAPABILITIES FUND FOR GRANTS.—(1) Notwithstanding section 814(c) of the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108–136; 117 Stat. 1545), amounts in the Defense Industrial Base Capabilities Fund may be used for grants under this section.

(2) For fiscal year 2005, up to $50,000,000 of amounts available in such Fund may be used to carry out this section.

(g) AUTHORIZATION OF FUNDS.—There are authorized to be appropriated to the Defense Industrial Base Capabilities Fund $50,000,000 for purposes of providing grants under this section.

SEC. 815. PREFERENCE FOR DOMESTIC FREIGHT FORWARDING SERVICES.

(a) PREFERENCE.—In the procurement of transportation services described in subsection (b), the Secretary of Defense shall give preference to any freight forwarder that—

(1) certifies to the Department of Defense that it is owned and controlled by citizens of the United States; and

(2) offers services at fair and reasonable rates.

(b) SERVICES COVERED.—Subsection (a) applies to transportation services to, from, or within Iraq or Afghanistan, and warehousing, logistics, or other similar services performed within Iraq or Afghanistan.

Subtitle C—Other Acquisition Matters

SEC. 821. SUSTAINMENT AND MODERNIZATION PLANS FOR EXISTING SYSTEMS WHILE REPLACEMENT SYSTEMS ARE UNDER DEVELOPMENT.

(a) EXISTING SYSTEMS TO BE MAINTAINED WHILE REPLACEMENT SYSTEMS ARE UNDER DEVELOPMENT.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2436 the following new section:

"§ 2437. Development of major defense acquisition programs: sustainment and modernization of system to be replaced

"(a) REQUIREMENT FOR SUSTAINING AND MODERNIZING EXISTING FORCES.—(1) The Secretary of Defense shall require that, whenever a new major defense acquisition program begins development, the defense acquisition authority responsible for that program shall develop a plan (to be known as a sustainment and modernization plan) for the existing system that the system under development is intended to replace. Any such sustainment and modernization plan shall provide for budgeting, sustaining, and modernizing the existing system until the replacement system to be developed under the major defense acquisition program is fielded and assumes the majority responsibility for the mission of the existing system. This section does not apply to a major defense acquisition that reaches initial operational capability before October 1, 2008.

"(2) In this section, the term "defense acquisition authority" means the Secretary of a military department or the commander of the United States Special Operations Command.

"(b) SUSTAINMENT AND MODERNIZATION PLAN.—The Secretary of Defense shall require that each sustainment and modernization plan under this section include, at a minimum, the following:

"(1) The milestone schedule for the development of the major defense acquisition program, including low-rate initial production, initial operational capability, full-rate production, full operational capability, and the date when the replacement system assumes the majority responsibility for the mission of the existing system.

"(2) An analysis of the existing system to determine the following:

"(A) A sustainment plan and budget requirements necessary to provide service life extension to the existing system at acceptable reliability and availability rates.

"(B) A modernization plan and budget requirements necessary to maintain mission capability against the relevant threats.

"(C) A modernization plan and budget requirements necessary—

"(i) to transfer mature technologies from the new system or other systems so that the mission capability of the existing system is enhanced against relevant threats; and

"(ii) to provide interoperability with the new system during the period from ini-

tial fielding until the new system assumes the majority of responsibility for the mission of the existing system.

"(c) ANNUAL REVIEW.—Each fiscal year, before the submission to Congress of the President's budget for the next fiscal year, the Secretary of Defense shall review the schedule performance of each replacement major defense acquisition program for which a sustainment and modernization plan has been developed under this section to compare that performance with the schedule set forth under subsection (b)(1). If the schedule for the program has changed, then the Secretary shall notify the congressional defense committees of such change.

"(d) EXCEPTIONS.—Subsection (a) shall not apply to a major defense acquisition program if the Secretary of Defense determines that—

"(1) the existing system is no longer relevant to the mission;

"(2) the mission has been eliminated;

"(3) the mission has been consolidated with another mission in such a manner that another existing system can adequately meet the mission requirements; or

"(4) the duration of time until the new system assumes the majority of responsibility for the existing

system's mission is sufficiently short so that mission availability, capability, interoperability, and force protection requirements are maintained.

"(e) WAIVER.—The Secretary of Defense may waive the applicability of subsection (a) to a major defense acquisition program if the Secretary determines that, but for such a waiver, the Department would be unable to meet national security objectives. Whenever the Secretary makes such a determination and authorizes such a waiver, the Secretary shall submit notice of such waiver and of the Secretary's determination and the reasons therefor in writing to the congressional defense committees.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2436 the following new item:

"2437. Development of major defense acquisition programs: sustainment and modernization of system to be replaced .".

(b) APPLICATION TO EXISTING PROGRAMS IN DEVELOPMENT.—Section 2437 of title 10, United States Code, as added by subsection (a), shall apply with respect to a major defense acquisition program that is under development as of the date of the enactment of this Act and is not expected to reach initial operational capability before October 1, 2008. The Secretary of Defense shall require that a sustainment and modernization plan under that section be developed not later than one year after the date of the enact-

ment of this Act for the existing system that the system under development is intended to replace.

SEC. 822. REVIEW AND DEMONSTRATION PROJECT RELATING TO CONTRACTOR EMPLOYEES.

(a) GENERAL REVIEW.—(1) The Secretary of Defense shall conduct a review of policies, procedures, practices, and penalties of the Department of Defense relating to employees of defense contractors for purposes of ensuring that the Department of Defense is in compliance with Executive Order No. 12989 (relating to a prohibition on entering into contracts with contractors that are not in compliance with the Immigration and Nationality Act).

(2) In conducting the review, the Secretary shall—

(A) identify potential weaknesses and areas for improvement in existing policies, procedures, practices, and penalties;

(B) develop and implement reforms to strengthen, upgrade, and improve policies, procedures, practices, and penalties of the Department of Defense and its contractors; and

(C) review and analyze reforms developed pursuant to this paragraph to identify for purposes of national implementation those which are most efficient and effective.

(3) The review under this subsection shall be completed not later than 180 days after the date of the enactment of this Act.

(b) DEMONSTRATION PROJECT.—The Secretary of Defense shall conduct a demonstration project in accordance with this section, in one or more regions selected by the Secretary, for purposes of promoting greater contracting opportunities for contractors offering effective, reliable staffing plans to perform defense contracts that ensure all contract personnel employed for such projects, including management employees, professional employees, craft labor personnel, and administrative personnel, are lawful residents or persons properly authorized to be employed in the United States and properly qualified to perform services required under the contract. The demonstration project shall focus on contracts for construction, renovation, maintenance, and repair services for military installations.

(c) DEMONSTRATION PROJECT PROCUREMENT PROCEDURES.—As part of the demonstration project under subsection (b), the Secretary of Defense shall conduct a competition in which there is a provision in contract solicitations and request for proposal documents to require significant weight or credit be allocated to—

(1) reliable, effective workforce programs offered by prospective contractors that provide background

checks and other measures to ensure the contractor is in compliance with the Immigration and Nationality Act; and

(2) reliable, effective project staffing plans offered by prospective contractors that specify for all contract employees (including management employees, professionals, and craft labor personnel) the skills, training, and qualifications of such persons and the labor supply sources and hiring plans or procedures used for employing such persons.

(d) IMPLEMENTATION OF DEMONSTRATION PROJECT.—The Secretary of Defense shall begin operation of the demonstration project required under this section after completion of the review under subsection (a), but in no event later than 270 days after the date of the enactment of this Act.

(e) REPORT ON DEMONSTRATION PROJECT.—Not later than six months after award of a contract under the demonstration project, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a review of the demonstration project and recommendations on the actions, if any, that can be implemented to ensure compliance by the Department of Defense with Executive Order No. 12989.

(f) DEFINITION.—In this section, the term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

SEC. 823. DEFENSE ACQUISITION WORKFORCE LIMITATION AND REPORTS.

(a) DEFENSE ACQUISITION AND SUPPORT PERSONNEL LIMITATION.—(1) Effective October 1, 2005, the number of defense acquisition and support personnel in the Department of Defense may not exceed 95 percent of the baseline number.

(2) For purposes of paragraph (1), the baseline number is the number of defense acquisition and support personnel as of October 1, 2004.

(3) All determinations of personnel strengths for purposes of this section shall be on the basis of full-time equivalent positions.

(b) GAO STUDY AND REPORT ON DEFENSE ACQUISITION AND SUPPORT PERSONNEL.—(1) The Comptroller

General shall conduct a study of Department of Defense management of defense acquisition and support personnel. The study shall include—

(A) an analysis of the number and structure of defense acquisition and support personnel; and

(B) an assessment of the size, mission, composition, and projected workload requirements of defense acquisition and support personnel.

(2) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study conducted under this subsection not later than March 1, 2005.

(c) DEFENSE ACQUISITION UNIVERSITY STUDY AND REPORT ON DEFENSE ACQUISITION AND SUPPORT PERSONNEL.—(1) The Defense Acquisition University shall conduct a study of all the training programs offered to defense acquisition and support personnel.

(2) The Defense Acquisition University shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study conducted under this subsection not later than March 1, 2005. The report shall include—

(A) the number of individuals currently certified within the field they are working in; and

(B) recommendations on how to improve education and productivity for defense acquisition and support personnel, including recommendations for additional training program requirements.

(d) DEFINITION.—In this section, the term "defense acquisition and support personnel" means members of the Armed Forces and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58, dated January 14, 1992), and any other organization that, as determined by the Secretary, has acquisition as its predominant mission.

SEC. 824. PROVISION OF INFORMATION TO CONGRESS TO ENHANCE TRANSPARENCY IN CONTRACTING.

Upon request of the chairman or ranking member of the Committee on Armed Services of the Senate or House of Representatives, the Secretary of Defense shall provide, with respect to any contract or task or delivery order under a task or delivery order contract entered into by the Department of Defense, within 14 days after receipt of the request, unredacted copies of any documents required to be maintained in the contracting office contract file, the contract administration office contract file, and the paying office

contract file pursuant to subpart 4.8 of the Federal Acquisition Regulation, including—

(1) copies of the contract and all modifications;

(2) orders issued under the contract;

(3) justifications and approvals;

(4) any government estimate of contract price;

(5) source selection documentation;

(6) cost or price analysis;

(7) audit reports;

(8) justification for type of contract;

(9) authority for deviations from regulations, statutory requirements, or other restrictions;

(10) bills, invoices, vouchers, and supporting documents; and

(11) records of payments or receipts.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. CHANGE IN TITLE OF SECRETARY OF THE NAVY TO SECRETARY OF THE NAVY AND MARINE CORPS.

(a) CHANGE IN TITLE.—The position of the Secretary of the Navy is hereby redesignated as the Secretary of the Navy and Marine Corps.

(b) REFERENCES.—Any reference to the Secretary of the Navy in any law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the Secretary of the Navy and Marine Corps.

SEC. 902. TRANSFER OF CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS FROM NATIONAL DEFENSE UNIVERSITY TO UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION.

(a) TRANSFER.—The Center for the Study of Chinese Military Affairs established by section 914 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2165 note) is transferred from the National Defense University of the Department of Defense to the United States-China Economic and Security Review Commission.

(b) CONFORMING AMENDMENT.—Subsection (a) of section 914 of the National Defense Authorization Act for 2000 (10 U.S.C. 2165 note) is amended to read as follows:

"(a) ESTABLISHMENT.—There shall be a Center for the Study of Chinese Military Affairs organized under the United States-China Economic and Security Review Commission established by section 1238 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (22 U.S.C. 7002).".

(c) REPEAL OF OBSOLETE PROVISIONS.—Such section is further amended by striking subsections (d) and (e).

(d) TECHNICAL AMENDMENTS TO COMMISSION CHARTER.—(1) Section 1238(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (22 U.S.C. 7002) is amended—

(1) in paragraph (1)—

(A) by striking "(beginning in 2002)"; and

(B) by adding at the end the following new sentence: "The report shall include a full discussion of the activities of the Commission under each of the subparagraphs of paragraph (2)."; and

(2) in paragraph (2)—

(A) by striking the matter preceding subparagraph (A) and inserting the following:

"(2) AREAS OF FOCUS.—The Commission shall focus, in lieu of any other area of work or study, on the following:"; and

(B) by replacing subparagraphs (A) through (J) with the text of subparagraphs (A) through (I) of section 2(c)(2) of division P of Public Law 108–7 (22 U.S.C. 7002 note).

(2) Section 2(c)(2) of division P of Public Law 108–7 (22 U.S.C. 7002 note) is repealed.

(e) EFFECTIVE DATE.—Subsection (a) and the amendment made by subsection (b) shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 903. TRANSFER TO SECRETARY OF THE ARMY OF RESPONSIBILITY FOR ASSEMBLED CHEMICAL WEAPONS ALTERNATIVES PROGRAM.

Effective January 1, 2005, the text of section 142 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1521 note) is amended to read as follows:

"(a) PROGRAM MANAGEMENT.—(1) The program manager for the Assembled Chemical Weapons Alternatives program shall report to the Secretary of the Army.

"(2) The Secretary of the Army shall provide for that program to be managed as part of the management organization within the Department of the Army specified in section 1412(e) of Public Law 99–145 (50 U.S.C. 1521(e)).

"(b) CONTINUED IMPLEMENTATION OF PREVIOUSLY SELECTED ALTERNATIVE TECHNOLOGIES.—(1) In carrying out the destruction of lethal chemical munitions at Pueblo Chemical Depot, Colorado, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the

Under Secretary of Defense for Acquisition, Technology, and Logistics on July 16, 2002.

"(2) In carrying out the destruction of lethal chemical munitions at Blue Grass Army Depot, Kentucky, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the Under Secretary of Defense for Acquisition, Technology, and Logistics on February 3, 2003.".

SEC. 904. MODIFICATION OF OBLIGATED SERVICE REQUIREMENTS UNDER NATIONAL SECURITY EDUCATION PROGRAM.

(a) IN GENERAL.—Subsection (b)(2) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended by striking subparagraphs (A) and (B), as added by section 925(a) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1578), and inserting the following:

"(A) in the case of a recipient of a scholarship, as soon as practicable but in no case later than three years after the completion by the recipient of the study for which scholarship assistance was provided under the program, the recipient shall work for a period of one year—

"(i) in a national security position that the Secretary certifies is appropriate to use the unique language and region expertise acquired by the recipient pursuant to such study in the Department of Defense, in any element of the intelligence community, in the Department of Homeland Security, or in the Department of State; or

"(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); or

"(B) in the case of a recipient of a fellowship, as soon as practicable but in no case later than two years after the completion by the recipient of the study for which fellowship assistance was provided under the program, the recipient shall work for a period equal to the duration of assistance provided under the program, but in no case less than one year—

"(i) in a position described in subparagraph (A)(i) that the Secretary certifies is appropriate to use the unique language

and region expertise acquired by the recipient pursuant to such study; or

"(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); and".

(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out the amendment made by subsection (a). In prescribing such regulations, the Secretary shall establish standards that recipients of scholarship and fellowship assistance under the program under such section 802 are required to demonstrate to satisfy the requirement of a good faith effort to gain employment as required under subparagraphs (A) and (B) of subsection (b)(2) of such section.

(c) APPLICABILITY.—(1) The amendment made by subsection (a) shall apply with respect to service agreements entered into under the David L. Boren National Security Education Act of 1991 on or after the date of the enactment of this Act.

(2) The amendment made by subsection (a) shall not affect the force, validity, or terms of any service agreement entered into under the David L. Boren National Security

Education Act of 1991 before the date of the enactment of this Act that is in force as of that date.

SEC. 905. CHANGE OF MEMBERSHIP OF CERTAIN COUNCILS.

(a) MEMBERSHIP OF ARMED FORCES POLICY COUNCIL.—Section 171(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(14) The Commandant of the Coast Guard, for discussion of matters pertaining to the Coast Guard.".

(b) MEMBERSHIP OF COUNCIL UNDER SECTION 179.—Subsection (a) of section 179 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) The Under Secretary of Defense for Policy.".

(b) CONFORMING AND CLARIFYING AMENDMENTS.—Such subsection is further amended in the matter preceding paragraph (1)—

(1) by striking "Joint"; and

(2) by striking "composed of three members as follows:" and inserting "operated as a joint activity of the Department of Defense and the Department of Energy. The membership of the Council is comprised of the following officers of those departments:".

(c) OTHER TECHNICAL AND CLARIFYING AMENDMENTS.—Such section is further amended as follows:

(1) Subsection (c)(3)(B) is amended by striking "appointed" and inserting "designated".

(2) Subsection (e) is amended by striking "In addition" and all that follows through "also" and inserting "The Council shall".

(3) Subsection (f) is amended by striking "Committee on" the first place it appears and all that follows through "Representatives" and inserting "congressional defense committees".

(d) STYLISTIC AMENDMENTS.—Such section is further amended as follows:

(1) Subsection (a) is amended by inserting "ESTABLISHMENT; MEMBERSHIP.—" after "(a)".

(2) Subsection (b) is amended by inserting "CHAIRMAN; MEETINGS.—" after "(b)".

(3) Subsection (c) is amended by inserting "STAFF AND ADMINISTRATIVE SERVICES; STAFF DIRECTOR.—" after "(c)".

(4) Subsection (d) is amended by inserting "RESPONSIBILITIES.—" after "(d)".

(5) Subsection (e) is amended by inserting "REPORT ON DIFFICULTIES RELATING TO SAFETY OR RELIABILITY.—" after "(e)".

(6) Subsection (f) is amended by inserting "ANNUAL REPORT.—" after "(f)".

(e) FURTHER CONFORMING AMENDMENT.—Section 3212(e) of the National Nuclear Security Administration Act (50 U.S.C. 2402(e)) is amended—

(1) by striking "JOINT" in the subsection heading; and

(2) by striking "Joint".

SEC. 906. ACTIONS TO PREVENT THE ABUSE OF DETAINEES.

(a) POLICIES REQUIRED.—The Secretary of Defense shall prescribe policies regarding procedures for the Armed Forces and other elements of the Department of Defense and contractor personnel of the Department of Defense intended to prevent the conditions leading to acts of abuse of detainees who are held by the United States as part of the Global War on Terrorism. Policies under this subsection shall be prescribed not later than 120 days after the date of the enactment of this Act.

(b) MATTERS TO BE INCLUDED.—In order to achieve the objective stated in subsection (a), the policies on the prevention of abuse of detainees under that subsection shall specify, at a minimum, procedures for the following:

(1) Ensuring that commanders of detention facilities and commanders of interrogation facilities provide all assigned personnel (including contractor

personnel) with training, and documented acknowledgement of receiving training, regarding the Geneva Convention Relative to the Treatment of Prisoners of War and established Standing Operating Procedures for the treatment of detainees. Training provided under this paragraph to contractor personnel shall be at least comparable in degree to that provided to members of the Armed Forces.

(2) Providing all detainees with information, in their own language, of the protections afforded under the Geneva Convention Relative to the Treatment of Prisoners of War.

(3) Conducting periodic unannounced and announced inspections of prisons and other areas where detainees are held in order to provide continued oversight of interrogation and detention operations.

(4) Prohibiting contact between male guards and female detainees and between female guards and male detainees, except under exigent circumstances.

(c) REPORTS TO CONGRESS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(1) a copy of the policies prescribed pursuant to subsection (a), immediately after those policies are prescribed; and

(2) a report on the implementation of those policies, not later than one year after the date on which those policies are prescribed.

SEC. 907. RESPONSES TO CONGRESSIONAL INQUIRIES.

(a) IN GENERAL.—(1) Chapter 3 of title 10, United States Code, is amended by inserting after section 113a the following new section:

"§ 113b. Response to congressional inquiries

"Whenever the Secretary of Defense or any other official of the Department of Defense is requested by the chairman of the Committee on Armed Services of the Senate or the chairman of the Committee on Armed Services of the House of Representatives to respond to a question or inquiry submitted by the chairman or another member of that committee pursuant to a committee hearing or other activity, the Secretary (or other official) shall respond to the request, in writing, within 21 days of the date on which the request is transmitted to the Secretary (or other official).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 113a the following new item:

"113b. Response to congressional inquiries.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2005 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,000,000,000. Of such amount, $500,000,000 may be used only for a transfer from an account for an active component to an account for a reserve component, or from an account of a reserve component to an account of an active component, of the same Armed Force.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority provided under section 1522.

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

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. BUDGET JUSTIFICATION DOCUMENTS FOR OPERATION AND MAINTENANCE.

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

"§ 232. Operations and maintenance budget presentation

"(a) IN GENERAL.—In this section

"(1) The term 'O&M justification documents' means Department of Defense budget justification documents with respect to accounts for operation and maintenance submitted to the congressional defense

committees in support of the Department of Defense component of the President's budget for any fiscal year.

"(2) The term 'President's budget' means the budget of the President submitted to Congress under section 1105 of title 31 for any fiscal year.

"(3) The term 'current year' means the fiscal year during which the President's budget is submitted in any year.

"(b) IDENTIFICATION OF BASELINE AMOUNTS IN O&M JUSTIFICATION DOCUMENTS.—In any case in which the amount requested in the President's budget for a fiscal year for a Department of Defense operations and maintenance program, project, or activity is different from the amount appropriated for that program, project, or activity for the current year, the O&M justification documents supporting that budget shall identify that appropriated amount and the difference between that amount and the amount requested in the budget, stated as an amount and as a percentage.

"(c) PERSONAL SERVICE CONTRACTS.—In the O&M justification documents for any fiscal year, costs programmed in the budget for that fiscal year for Department of Defense for personal service contracts, and the number of personal service contractors to be used by the Department

of Defense during that fiscal year who will be compensated at an annual rate in excess of the annual rate of salary of the Vice President under section 104 of title 3, shall be separately set forth and identified.

"(d) NAVY SUBACTIVITIES FOR SHIP DEPOT MAINTENANCE AND FOR INTERMEDIATE SHIP MAINTENANCE.—In the O&M justification documents for the Navy for any fiscal year, amounts requested for ship depot maintenance and amounts requested for intermediate ship maintenance shall be set forth as separate budget subactivity groups.

"(e) CIVILIAN AVERAGE SALARY COSTS.—In the O&M justification documents for any fiscal year, average civilian salary costs, shown by subactivity group, shall be set forth as a component of the personnel summary exhibit.".

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

"232. Operations and maintenance budget presentation.".

(b) COMPONENTS OF LINE ITEMS FOR OTHER COSTS AND OTHER CONTRACTS.—Not later than March 1, 2005, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the component elements of the line items identified as "Other Costs" and "Other Contracts" in the exhibit identified as "Summary of Price and Program Changes" in the budget justification materials submitted to those committees in support of the budget for fiscal year 2006.

SEC. 1003. RETENTION OF FEES FROM INTELLECTUAL PROPERTY LICENSES.

(a) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2788. Licensing of intellectual property of the military departments; authority to charge and retain fees

"(a) AUTHORITY TO RETAIN FEES.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary concerned may license trademarks, service marks, certification marks, and collective marks owned by a military department and may retain and expend fees received from such licensing in accordance with subsection (b).

"(2) In this section, the terms 'trademark', 'service mark', 'certification mark', 'collective mark', and 'mark' have the meanings given those terms in section 45 of the Trademark Act of 1946 (15 U.S.C. 1127).

"(b) USE OF LICENSING FEES.—(1) Funds received by a military department from licensing under subsection (a)(1) shall be used for the expenses incurred by the department in securing the registration of marks owned by the department and in licensing those marks.

"(2) If the amount of fees received by a military department during any fiscal year from the licensing of marks exceeds the anticipated expenses under paragraph (1)

during that year, the Secretary concerned may designate those funds as excess and expend them as provided in paragraph (3).

"(3) Not more than 50 percent of any such excess funds shall be available for military personnel recruiting and retention activities of the department. The remainder of such funds shall be available for morale, welfare, and recreation activities of the department.

"(4) Funds received pursuant to subsection (a)(1) shall remain available for two years after the end of the fiscal year during which the funds are received.".

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

"2788. Licensing of intellectual property of the military departments; authority to charge and retain fees.".

SEC. 1004. AUTHORITY TO WAIVE CLAIMS OF THE UNITED STATES WHEN AMOUNTS RECOVERABLE ARE LESS THAN COSTS OF COLLECTION.

(a) AUTHORITY.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2780 the following new section:

"§ 2780a. Debt collection: general waiver authority for small amounts owed the United States

"(a) AUTHORITY.—In the case of an indebtedness to the United States described in subsection (b) that is for an

amount that is less than the threshold amount specified in subsection (c), the Secretary of Defense may, under regulations prescribed under this section, cancel the indebtedness and waive recovery of the amount owed. Such authority may be used only when, based on a cost-benefit analysis, the Secretary determines that the costs of collection are expected to exceed the amount recoverable.

"(b) COVERED DEBTS.—(1) Except as provided in paragraph (2), this section applies with respect to amounts owed to the United States that arise out of the activities of, or that are referred to, the Department of Defense (including amounts owed by members of the armed forces and Department of Defense civilian personnel).

"(2) The authority under this section does not apply to amounts owed to the United States arising out of activities of the Department of Defense that have been referred to another executive agency for collection action or that are otherwise within the purview of another executive agency.

"(c) MAXIMUM AMOUNT WAIVABLE.—The threshold amount referred to in subsection (a) is the micropurchase threshold amount in effect under section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

"(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2780 the following new item:

"2780a. Debt collection: general waiver authority for small amounts owed the United States.".

SEC. 1005. REPEAL OF FUNDING RESTRICTIONS CONCERNING DEVELOPMENT OF MEDICAL COUNTERMEASURES AGAINST BIOLOGICAL WARFARE THREATS.

(a) REPEAL.—Section 2370a of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of such title is amended by striking the item relating to that section.

SEC. 1006. REPORT ON BUDGETING FOR EXCHANGE RATES FOR FOREIGN CURRENCY FLUCTUATIONS.

(a) SECRETARY OF DEFENSE REPORT.—(1) Not later than December 1, 2004, the Secretary Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the foreign currency exchange rate projection used in annual Department of Defense budget presentations.

(2) In the report under paragraph (1), the Secretary shall—

(A) identify alternative approaches for selecting foreign currency exchange rates that would produce

more realistic estimates of amounts required to be appropriated or otherwise made available for the Department of Defense to accommodate foreign currency exchange rate fluctuations;

(B) address the advantages and disadvantages of each approach identified pursuant to subparagraph (A);

(C) identify the Secretary's preferred approach among the alternatives identified pursuant to subparagraph (A) and provide the Secretary's rationale for preferring that approach.

(3) In identifying alternative approaches pursuant to paragraph (2)(A), the Secretary shall examine—

(A) approaches used by other Federal departments and agencies; and

(B) the feasibility of using private economic forecasting.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—The Comptroller General of the United States shall review the report under subsection (a), including the basis for the Secretary's conclusions stated in the report, and shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing the Comptroller General's conclusions with respect to that report.

Such report shall be submitted not later than January 15, 2005.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. AUTHORITY FOR AWARD OF CONTRACTS FOR SHIP DISMANTLING ON NET-COST BASIS.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7305 the following new section:

"§ 7305a. Vessels stricken from Naval Vessel Register: contracts for dismantling on net-cost basis

"(a) AUTHORITY FOR NET-COST BASIS CONTRACTS.—When the Secretary of the Navy awards a contract for the dismantling of a vessel stricken from the Naval Vessel Register, the Secretary may award the contract on a net-cost basis.

"(b) RETENTION BY CONTRACTOR OF PROCEEDS OF SALE OF SCRAP AND REUSABLE ITEMS.—When the Secretary awards a contract on a net-cost basis under subsection (a), the Secretary shall provide in the contract that the contractor may retain the proceeds from the sale of scrap and reusable items removed from the vessel dismantled under the contract.

"(c) DEFINITIONS.—In this section:

"(1) The term 'net-cost basis', with respect to a contract for the dismantling of a vessel, means that the amount to be paid to the contractor under the contract for dismantling and for removal and disposal of hazardous waste material is discounted by the offeror's estimate of the value of scrap and reusable items that the contractor will remove from the vessel during performance of the contract.

"(2) The term 'scrap' means personal property that has no value except for its basic material content.

"(3) The term 'reusable item' means a demilitarized component or a removable portion of a vessel or equipment that the Secretary of the Navy has identified as excess to the needs of the Navy but which has potential resale value on the open market.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7305 the following new item:

"7305a. Vessels stricken from Naval Vessel Register: contracts for dismantling on net-cost basis.".

SEC. 1012. INDEPENDENT STUDY TO ASSESS COST EFFECTIVENESS OF THE NAVY SHIP CONSTRUCTION PROGRAM.

(a) STUDY.—The Secretary of Defense shall provide for a study, to be conducted by an entity independent of the

Department of Defense, of the cost effectiveness of the ship construction program of the Navy. The purpose of the study shall be to examine both—

(1) a variety of approaches by which the Navy ship construction program could be made more efficient in the near term; and

(2) a variety of approaches by which, with a nationally integrated effort over the next decade, the United States shipbuilding industry might be made competitive globally.

(b) NEAR TERM IMPROVEMENTS IN EFFICIENCY.—With respect to the examination under subsection (a)(1) of approaches by which the Navy ship construction program could be made more efficient in the near term, the Secretary shall provide for the entity conducting the study—

(1) to determine, with respect to each approach so examined, the cost savings that could result from implementation of that approach over each of the next 10 years;

(2) to recommend one or more of the approaches examined under subsection (a)(1) for implementation; and

(3) for each approach recommended under paragraph (2) for implementation, to develop a concept and implementation plan by which the recommended

improvements could best be phased into the naval ship construction program.

(c) GLOBAL COMPETITIVENESS OF UNITED STATES SHIPBUILDING INDUSTRY.—With respect to the examination under subsection (a)(2) of approaches by which, with a nationally integrated effort over the next decade, the United States shipbuilding industry might be made competitive globally, the Secretary shall provide for the entity conducting the study—

(1) to develop a plan to modernize the United States shipbuilding infrastructure within the next decade in order to make the United States shipbuilding industry more competitive globally; and

(2) to estimate the resources required to carry out a modernization plan developed under paragraph (1).

(d) REPORT.—Not later than June 1, 2005, the Secretary of Defense shall submit to the congressional defense committees a report providing the results of the study under subsection (a). The report shall include the matters specified in subsections (b) and (c).

SEC. 1013. AUTHORITY TO TRANSFER SPECIFIED FORMER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY TO TRANSFER BY GRANT.—The Prsident is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), as follows:

(1) CHILE.—The "SPRUANCE" class destroyer O'BANNON (DD–987) to the Government of Chile.

(2) PORTUGAL.—The "OLIVER HAZARD PERRY" class guided missile frigate GEORGE PHILIP (FFG–12) to the Government of Portugal.

(b) AUTHORITY TO TRANSFER BY SALE.—The President is authorized to transfer on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) the "ANCHORAGE" class dock landing ship ANCHORAGE (LSD–36) to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act).

(c) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g)

of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(d) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j (e)) in the case of a transfer authorized to be made on a grant basis under subsection (a)).

(e) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(f) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1014. LIMITATION ON LEASING OF FOREIGN-BUILT VESSELS.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2401a the following new section:

"§ 2401b. Limitation on lease of foreign-built vessels

"(a) LIMITATION.—The Secretary of a military department may not make a contract for a lease or charter of a vessel for a term of more than 12 months (including all options to renew or extend the contract) if the hull, a major component of the hull, or superstructure of the vessel is constructed in a foreign shipyard.

"(b) PRESIDENTIAL WAIVER FOR NATIONAL SECURITY INTEREST.—(1) The President may authorize exceptions to the limitation in subsection (a) when the President determines that it is in the national security interest of the United States to do so.

"(2) The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date on which the notice of the determination is received by Congress.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2401a the following new item:

"2401b. Limitation on lease of foreign-built vessels.".

(b) EFFECTIVE DATE.—Section 2401b of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date of the enactment of this Act.

Subtitle C—Sunken Military Craft

SEC. 1021. PRESERVATION OF TITLE TO SUNKEN MILITARY CRAFT AND ASSOCIATED CONTENTS.

Right, title, and interest of the United States in and to any United States sunken military craft shall not be extinguished by the passage of time, regardless of when the sunken military craft sank.

SEC. 1022. PROHIBITIONS.

(a) UNAUTHORIZED ACTIVITIES DIRECTED AT SUNKEN MILITARY CRAFT.—No person shall engage in or attempt to engage in any activity directed at a sunken military craft that disturbs, removes, or injures any sunken military craft, except—

(1) as authorized by a permit under this subtitle;

(2) as authorized by regulations issued under this subtitle; or

(3) as otherwise authorized by law.

(b) POSSESSION OF SUNKEN MILITARY CRAFT.—No person may possess, disturb, remove, or injure any sunken military craft in violation of—

(1) this section; or

(2) any prohibition, rule, regulation, ordinance, or permit that applies under any other applicable Federal, foreign, or other law.

(c) LIMITATIONS ON APPLICATION.—

(1) ACTIONS BY UNITED STATES.—This section shall not apply to actions taken by, or at the direction of, the United States.

(2) FOREIGN PERSONS.—This section shall not apply to any action by a person who is not a citizen, national, or resident alien of the United States, except in accordance with—

(A) generally recognized principles of international law;

(B) an agreement between the United States and the foreign country of which the person is a citizen; or

(C) in the case of an individual who is a crew member or other individual on a foreign vessel or foreign aircraft, an agreement between the United States and the flag State of the foreign vessel or aircraft that applies to the individual.

(3) LOAN OF SUNKEN MILITARY CRAFT.—This section does not prohibit the loan of United States

sunken military craft in accordance with regulations issued by the Secretary concerned.

SEC. 1023. PERMITS.

(a) IN GENERAL.—The Secretary concerned may issue a permit authorizing a person to engage in an activity otherwise prohibited by section 1022 with respect to a United States military craft, for archaeological, historical, or educational purposes, in accordance with regulations issued by such Secretary that implement this section.

(b) CONSISTENCY WITH OTHER LAWS.—The Secretary concerned shall require that any activity carried out under a permit issued by such Secretary under this section must be consistent with all requirements and restrictions that apply under any other provision of Federal law.

(c) CONSULTATION.—In carrying out this section (including the issuance after the date of the enactment of this Act of regulations implementing this section), the Secretary concerned shall consult with the head of each Federal agency having authority under Federal law with respect to activities directed at sunken military craft or the locations of such craft.

SEC. 1024. PENALTIES.

(a) IN GENERAL.—Any person who violates this subtitle, or any regulation or permit issued under this subtitle,

shall be liable to the United States for a civil penalty under this section.

(b) ASSESSMENT AND AMOUNT.—The Secretary concerned may assess a civil penalty under this section, after notice and an opportunity for a hearing, of not more than $100,000 for each violation.

(c) CONTINUING VIOLATIONS.—Each day of a continued violation of this subtitle or a regulation or permit issued under this subtitle shall constitute a separate violation for purposes of this section.

SEC. 1025. LIABILITY FOR DAMAGES.

(a) IN GENERAL.—Any person who engages in an activity in violation of section 1022 or any regulation or permit issued under this subtitle that disturbs, removes, or injures any United States sunken military craft shall pay the United States enforcement costs and damages resulting from such disturbance, removal, or injury.

(b) INCLUDED DAMAGES.—Damages referred to in subsection (a) may include—

(1) the reasonable costs incurred in storage, restoration, care, maintenance, conservation, and curation of any sunken military craft that is disturbed, removed, or injured in violation of section 1022 or any regulation or permit issued under this subtitle; and

(2) the cost of retrieving, from the site where the sunken military craft was disturbed, removed, or injured, any information of an archaeological, historical, or cultural nature.

SEC. 1026. RELATIONSHIP TO OTHER LAWS.

(a) IN GENERAL.—Except to the extent that an activity is undertaken as a subterfuge for activities prohibited by this subtitle, nothing in this subtitle is intended to affect—

(1) any activity that is not directed at a sunken military craft; or

(2) the traditional high seas freedoms of navigation, including—

(A) the laying of submarine cables and pipelines;

(B) operation of vessels;

(C) fishing; or

(D) other internationally lawful uses of the sea related to such freedoms.

(b) INTERNATIONAL LAW.—This subtitle and any regulations implementing this subtitle shall be applied in accordance with generally recognized principles of international law and in accordance with the treaties, conventions, and other agreements to which the United States is a party.

(c) LAW OF FINDS.—The law of finds shall not apply to any United States sunken military craft, wherever located.

(d) LAW OF SALVAGE.—No salvage rights or awards shall be granted with respect to any sunken military craft without the express permission of the United States.

(e) LAW OF CAPTURE OR PRIZE.—Nothing in this subtitle is intended to alter the international law of capture or prize with respect to sunken military craft.

(f) LIMITATION OF LIABILITY.—Nothing in sections 4281 through 4287 and 4289 of the Revised Statutes (46 U.S.C. App. 181 et seq.) or section 3 of the Act of February 13, 1893 (chapter 105; 27 Stat. 445; 46 U.S.C. App. 192), shall limit the liability of any person under this section.

(g) AUTHORITIES OF THE COMMANDANT OF THE COAST GUARD.—Nothing in this subtitle is intended to preclude or limit the application of any other law enforcement authorities of the Commandant of the Coast Guard.

(h) PRIOR DELEGATIONS, AUTHORIZATIONS, AND RELATED REGULATIONS.—Nothing in this subtitle shall invalidate any prior delegation, authorization, or related regulation that is consistent with this subtitle.

(i) CRIMINAL LAW.—Nothing in this subtitle is intended to prevent the United States from pursuing criminal

sanctions for plundering of wrecks, larceny of Government property, or violation of any applicable criminal law.

SEC. 1027. ENCOURAGEMENT OF AGREEMENTS WITH FOREIGN COUNTRIES.

The Secretary of State, in consultation with the Secretary of Defense, is encouraged to negotiate and conclude bilateral and multilateral agreements with foreign countries with regard to sunken military craft consistent with this subtitle.

SEC. 1028. DEFINITIONS.

In this subtitle:

(1) ASSOCIATED CONTENTS.—The term "associated contents" means—

(A) the equipment, cargo, and contents of a sunken military craft that are within its debris field; and

(B) the remains and personal effects of the crew and passengers of a sunken military craft that are within its debris field.

(2) SECRETARY.—The term "Secretary" means the Secretary of a military department.

(3) SUNKEN MILITARY AIRCRAFT.—The term "sunken military aircraft" means any sunken military aircraft that was owned or operated by the United States when it sank.

(4) SUNKEN MILITARY CRAFT.—The term "sunken military craft" means any sunken military vessel, sunken military aircraft, or associated contents, or any portion thereof, the title to which has not been abandoned or transferred in a manner prescribed by the United States.

(5) SUNKEN MILITARY VESSEL.—The term "sunken military vessel" means any sunken warship or naval auxiliary of the United States that is a public vessel as that term is used in the Act of March 3, 1925 (chapter 428; 46 U.S.C. App. 781 et seq.), popularly known as the Public Vessels Act.

(6) UNITED STATES CONTIGUOUS ZONE.—The term "United States contiguous zone" means the contiguous zone of the United States under Presidential Proclamation 7219, dated September 2, 1999.

(7) UNITED STATES INTERNAL WATERS.—The term "United States internal waters" means all waters of the United States on the landward side of the baseline from which the breadth of the United States territorial sea is measured.

(8) UNITED STATES TERRITORIAL SEA.—The term "United States territorial sea" means the waters of the United States territorial sea under Presidential Proclamation 5928, dated December 27, 1988.

(9) UNITED STATES WATERS.—The term "United States waters" means United States internal waters, the United States territorial sea, and the United States contiguous zone.

Subtitle D—Counter-Drug Activities

SEC. 1031. CONTINUATION OF AUTHORITY TO USE DEPARTMENT OF DEFENSE FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—During fiscal years 2005 and 2006, the Secretary of Defense may use funds made available to the Department of Defense for drug interdiction and counter-drug activities to provide assistance to the Government of Colombia—

(1) to support a unified campaign against narcotics trafficking in Colombia;

(2) to support a unified campaign against activities by designated terrorist organizations, such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC); and

(3) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) RELATION TO OTHER ASSISTANCE AUTHORITY.—The authority provided by subsection (a) is in addition to other provisions of law authorizing the provision of assistance to the Government of Colombia.

SEC. 1032. LIMITATION ON NUMBER OF UNITED STATES MILITARY PERSONNEL IN COLOMBIA.

(a) LIMITATION.—None of the funds available to the Department of Defense for any fiscal year may be used to support or maintain more than 500 members of the Armed Forces on duty in the Republic of Colombia at any time.

(b) EXCLUSION OF CERTAIN MEMBERS.—For purposes of determining compliance with the limitation in subsection (a), the Secretary of Defense may exclude the following military personnel:

(1) A member of the Armed Forces in the Republic of Colombia for the purpose of rescuing or retrieving United States military or civilian Government personnel, except that the period for which such a member may be so excluded may not exceed 30 days unless expressly authorized by law.

(2) A member of the Armed Forces assigned to the United States Embassy in Colombia as an attaché, as a member of the security assistance office, or as a member of the Marine Corps security contingent.

(3) A member of the Armed Forces in Colombia to participate in relief efforts in responding to a natural disaster.

(4) Nonoperational transient military personnel.

(5) A member of the Armed Forces making a port call from a military vessel in Colombia.

Subtitle E—Reports

SEC. 1041. STUDY OF CONTINUED REQUIREMENT FOR TWO-CREW MANNING FOR BALLISTIC MISSILE SUBMARINES.

(a) STUDY AND DETERMINATION.—The Secretary of Defense shall conduct a study of whether the practice of using two alternating crews (referred to as the "Gold Crew" and the "Blue Crew") for manning of ballistic missile submarines (SSBNs) continues to be justified under the changed circumstances since the end of the Cold War and, based on that study, shall make a determination of whether that two-crew manning practice should be continued or should be modified or terminated.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report providing notice of the Secretary's determination under subsection (a) and the reasons for that determination.

SEC. 1042. STUDY OF EFFECT ON DEFENSE INDUSTRIAL BASE OF ELIMINATION OF UNITED STATES DOMESTIC FIREARMS MANUFACTURING BASE.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing in detail the effect on both military readiness and the defense industrial base that would result from the elimination of the United States domestic firearms manufacturing base.

SEC. 1043. STUDY OF EXTENT AND QUALITY OF TRAINING PROVIDED TO MEMBERS OF THE ARMED SERVICES TO PREPARE FOR POST-CONFLICT OPERATIONS.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study to determine the extent to which members of the Armed Forces assigned to duty in support of contingency operations receive training in preparation for post-conflict operations and to evaluate the quality of such training

(b) MATTERS INCLUDED IN STUDY.—As part of the study under subsection (a), the Secretary shall specifically evaluate the following:

(1) The doctrine, training, and leader-development system necessary to enable members of the

Armed Forces to successfully operate in post-conflict operations.

(2) The adequacy of curricula at military educational facilities to ensure that the Armed Forces has a cadre of members skilled in post-conflict duties, foreign languages, and foreign cultures.

(3) The training time and resources available to members and units to develop cultural awareness about ethnic backgrounds, religious beliefs, and political loyalties of the people living in areas in which the Armed Forces operate.

(4) The organization of the combatant commands to conduct post-conflict operations.

(c) SUBMISSION OF STUDY RESULTS.—Not later than March 15, 2005, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study conducted under this section.

Subtitle F—Security Matters

SEC. 1051. USE OF NATIONAL DRIVER REGISTER FOR PERSONNEL SECURITY INVESTIGATIONS AND DETERMINATIONS.

Section 30305(b) of title 49, United States Code, is amended—

(1) by redesignating paragraphs (9) through (11) as paragraphs (10) through (12), respectively; and

(2) by inserting after paragraph (8) the following new paragraph:

"(9) An individual who has or is seeking access to national security information for purposes of Executive Order 12968, or any successor Executive order, or an individual who is being investigated for Federal employment under authority of Executive Order 10450, or any successor Executive order, may request the chief driver licensing official of a State to provide information about the individual pursuant to subsection (a) of this section to a Federal department or agency that is authorized to investigate the individual for the purpose of assisting in the determination of the eligibility of the individual for access to national security information or for Federal employment. A Federal department or agency that receives such information about an individual may use it in accordance with applicable law.".

SEC. 1052. STANDARDS FOR DISQUALIFICATION FROM ELIGIBILITY FOR DEPARTMENT OF DEFENSE SECURITY CLEARANCE .

(a) DISQUALIFIED PERSONS.—Subsection (c)(1) of section 986 of title 10, United States Code, is amended—

(1) by striking "and" and inserting ", was"; and

(2) and inserting before the period at the end the following: ", and was incarcerated as a result of that sentence for not less than one year".

(b) WAIVER AUTHORITY.—Subsection (d) of such section is amended to read as follows:

"(d) WAIVER AUTHORITY.—In a meritorious case, an exception to the prohibition in subsection (a) may be authorized for a person described in paragraph (1) or (4) of subsection (c) if there are mitigating factors. Any such waiver may be authorized only in accordance with standards and procedures prescribed by, or under the authority of, an Executive order or other guidance issued by the President.".

Subtitle G—Transportation-Related Matters

SEC. 1061. USE OF MILITARY AIRCRAFT TO TRANSPORT MAIL TO AND FROM OVERSEAS LOCATIONS.

(a) AUTHORITY FOR USE OF MILITARY AIRCRAFT.—Section 3401 of title 39, United States Code, is amended—

(1) in subsection (b)—

(A) in the matter preceding paragraph (1)(A), by striking "title 49," and inserting "title 49, or on military aircraft at rates not to exceed those so fixed and determined for scheduled United States air carriers,"; and

(B) in the sentence following paragraph (3), by striking "carriers" each place it appears and inserting "carriers and military aircraft"; and

(2) in subsection (c)—

(A) in the first sentence, by striking "title 49," and inserting "title 49, or on military aircraft at rates not to exceed those so fixed and determined for scheduled United States air carriers,"; and

(B) in the second sentence—

(i) by inserting "and military aircraft" after "carriers" the first place it appears; and

(ii) by striking "by air carriers other than scheduled United States air carriers" and inserting "by other than scheduled United States air carriers and military aircraft".

(b) DEFINITION.—Such section is further amended by adding at the end the following new subsection:

"(g) In this section, the term 'military aircraft' means an aircraft owned, operated, or chartered by the Department of Defense.".

SEC. 1062. REORGANIZATION AND CLARIFICATION OF CERTAIN PROVISIONS RELATING TO CONTROL AND SUPERVISION OF TRANSPORTATION WITHIN THE DEPARTMENT OF DEFENSE.

(a) TRANSFER OF CERTAIN TRANSPORTATION AUTHORITIES.—Sections 4744, 4745, 4746, and 4747 of title 10, United States Code, are transferred to chapter 157 of such title, inserted (in that order) at the end of such chapter, and redesignated as sections 2648, 2649, 2650, and 2651, respectively.

(b) CLARIFICATION OF APPLICABILITY OF TRANSFERRED AUTHORITIES THROUGHOUT THE DEPARTMENT OF DEFENSE.—(1) Section 2648 of such title, as transferred and redesignated by subsection (a), is amended—

(A) by striking "Secretary of the Army" in the matter preceding paragraph (1) and inserting "Secretary of Defense";

(B) by striking "Army transport agencies" in the matter preceding paragraph (1) and all that follows through "military transport agency of"; and

(C) by striking paragraphs (1), (2), and (3);

(D) by redesignating paragraph (4), (5), (6), and (7) as paragraphs (1), (2), (3), and (4), respectively;

(E) by redesignating paragraph (8) as paragraph (5) and in that paragraph striking "persons

described in clauses (1), (2), (4), (5), and (7)" and inserting "members of the armed forces, officers and employees of the Department of Defense or the Coast Guard, and persons described i paragraphs (1), (2), and (4)"; and

(F) by striking "clause (7) or (8)" in the last sentence and inserting "paragraph (4) or (5)".

(2) Section 2649 of such title, as transferred and redesignated by subsection (a), is amended—

(A) by striking the section heading and inserting the following:

"§ 2649. Civilian passengers and commercial cargoes: transportation on Department of Defense vessels"*;*

(B) by striking "(1) on vessels" and all that follows through "Department of the Army";

(C) by striking "any transport agency of"; and

(D) by striking "Secretary of the Army" and all that follows through "be transported" and inserting "Secretary of Defense, be transported".

(3) Section 2650 of such title, as transferred and redesignated by subsection (a), is amended—

(A) in the matter preceding paragraph (1), by striking "Army transport agencies" and all that follows through "military transport agency of";

(B) in paragraph (1), by striking "Secretary of the Army" and inserting "Secretary of Defense"; and

(C) in paragraph (4), by striking "by air—" and all that follows through "the transportation cannot" and inserting "by air, the transportation cannot".

(4) Section 2651 of such title, as transferred and redesignated by subsection (a), is amended by striking "Army transport agencies" and all that follows and inserting "the Department of Defense, under regulations and at rates to be prescribed by the Secretary of Defense.".

(c) REPEAL OF SUPERSEDED AND OBSOLETE PROVISIONS.—The following sections of such title are repealed: sections 4741, 4743, 9741, 9743, and 9746.

(d) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 157 of such title is amended by adding at the end the following new items:

"2648. Persons and supplies: sea transportation.
"2649. Civilian passengers and commercial cargoes: transportation on Department of Defense vessels.
"2650. Civilian personnel in Alaska.
"2651. Passengers and merchandise to Guam: sea transport.".

(2) The table of sections at the beginning of chapter 447 of such title is amended by striking the items relating to sections 4741, 4743, 4744, 4745, 4746, and 4747.

(3) The table of sections at the beginning of chapter 947 of such title is amended by striking the items relating to sections 9741, 9743, and 9746.

SEC. 1063. DETERMINATION OF WHETHER PRIVATE AIR CARRIERS ARE CONTROLLED BY UNITED STATES CITIZENS FOR PURPOSES OF ELIGIBILITY FOR GOVERNMENT CONTRACTS FOR TRANSPORTATION OF PASSENGERS OR SUPPLIES.

Section 2710 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 601), is amended by adding at the end the following new sentence: "Any determination for purposes of this section of whether (in accordance with the first proviso of this section) an air carrier is effectively controlled by citizens of the United States shall be made by, or shall be based on determinations made by, the Secretary of Transportation.".

SEC. 1064. EVALUATION OF WHETHER TO PROHIBIT CERTAIN OFFERS FOR TRANSPORTATION OF SECURITY-SENSITIVE CARGO.

(a) EVALUATION REQUIREMENT.—The Secretary of Defense shall evaluate whether, and under what circumstances, in the award of service contracts for domestic freight transportation for security-sensitive cargo (such as arms, ammunitions, explosive, and classified material), the

Secretary should not consider an offer or tender from more than one motor carrier that is part of a group of motor carriers under common financial or administrative control. In conducting the evaluation, the Secretary shall seek industry comment.

(b) REPORT.—Not later than January 1, 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the results of the evaluation conducted under subsection (a).

Subtitle H—Other Matters

SEC. 1071. TWO-YEAR EXTENSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking "December 31, 2004" and inserting "December 31, 2006".

SEC. 1072. ASSISTANCE FOR STUDY OF FEASIBILITY OF BIENNIAL INTERNATIONAL AIR TRADE SHOW IN THE UNITED STATES AND FOR INITIAL IMPLEMENTATION.

(a) ASSISTANCE FOR COMMUNITY FEASIBILITY STUDY.—(1) The Secretary of Defense shall provide assist-

ance to a community selected under subsection (d) for expenses of a study by that community of the feasibility of the establishment and operation of a biennial international air trade show in the area of that community.

(2) The Secretary shall provide for the community to submit to the Secretary a report containing the results of the study not later than September 30, 2005. The Secretary shall promptly submit the report to Congress, together with such comments on the report as the Secretary considers appropriate.

(b) ASSISTANCE FOR IMPLEMENTATION.—If the community conducting the study under subsection (a) determines that the establishment and operation of such an air show is feasible and should be implemented, the Secretary shall provide assistance to the community for the initial expenses of implementing such an air show in the selected community.

(c) AMOUNT OF ASSISTANCE.—The amount of assistance provided by the Secretary under subsections (a) and (b)—

(1) may not exceed a total of $1,000,000, to be derived from amounts available for operation and maintenance for the Air Force for fiscal year 2005 or later fiscal years; and

(2) may not exceed one-half of the cost of the study and may not exceed one-half the cost of such initial implementation.

(d) SELECTION OF COMMUNITY.—The Secretary shall select a community for purposes of subsection (a) through the use of competitive procedures. In making such selection, the Secretary shall give preference to those communities that already sponsor an air show, have demonstrated a history of supporting air shows with local resources, and have a significant role in the aerospace community. The community shall be selected not later than March 1, 2005.

SEC. 1073. TECHNICAL AND CLERICAL AMENDMENTS.

(a) CLARIFICATION OF DEFINITION OF "OPERATIONAL RANGE".—Section 101(e)(3) of title 10, United States Code, is amended by striking "Secretary of Defense" and inserting "Secretary of a military department".

(b) AMENDMENTS RELATING TO DEFINITION OF CONGRESSIONAL DEFENSE COMMITTEES.—

(1) Chapter 169 of such title is amended as follows:

(A) Paragraph (4) of section 2801(c) is amended to read as follows:

"(4) The term 'congressional defense committees' includes, with respect to any project to be carried out

by, or for the use of, an intelligence component of the Department of Defense—

"(A) the Permanent Select Committee on Intelligence of the House of Representatives; and

"(B) the Select Committee on Intelligence of the Senate.".

(B) The following sections are amended by striking "appropriate committees of Congress" each place it appears and inserting "congressional defense committees": sections 2803(b), 2804(b), 2805(b)(2), 2806(c)(2), 2807(b), 2807(c), 2808(b), 2809(f)(1), 2811(d), 2812(c)(1)(A), 2813(c), 2814(a)(2)(A), 2814(g)(1), 2825(b)(1), 2827(b), 2828(f), 2835(g), 2836(f), 2837(c)(2), 2853(c)(2), 2854(b), 2854a(c)(1), 2865(e)(2), 2866(c)(2), 2875(e), 2881a(d)(2), 2881a(e), 2883(f), and 2884(a).

(2) Section 2215 is amended—

(A) by striking "(a) CERTIFICATION REQUIRED.—";

(B) by striking "congressional committees specified in subsection (b)" and inserting "congressional defense committees"; and

(C) by striking subsection (b).

(3) Section 2306b(g) is amended by striking "Committee on" the first place it appears and all that follows through "House of Representatives" and inserting "congressional defense committees".

(4) Section 2515(d) is amended—

(A) by striking "(1)" before "The Secretary";

(B) by striking "congressional committees specified in paragraph (2)" and inserting "congressional defense committees"; and

(C) by striking paragraph (2).

(5) Section 2676(d) is amended by striking "appropriate committees of Congress" at the end of the first sentence and inserting "congressional defense committees".

(6) Section 2694a is amended by striking "appropriate committees of Congress" in subsections (e) and (i)(1) and inserting "congressional defense committees".

(c) AMENDMENTS RELATING TO DEFINITION OF BASE CLOSURE LAWS.—

(1) Section 2694a(i) of title 10, United States Code, is amended by striking paragraph (2).

(2) Paragraph (1) of section 1333(i) of the National Defense Authorization Act for Fiscal Year 1994

(Public Law 103–160; 10 U.S.C. 2701 note) is amended to read as follows:

"(1) BASE CLOSURE LAW.—The term 'base closure law' has the meaning given such term in section 101(a)(17) of title 10, United States Code.".

(3) Subsection (b) of section 2814 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 10 U.S.C. 2687 note) is amended to read as follows:

"(b) BASE CLOSURE LAW DEFINED.—In this section, the term 'base closure law' has the meaning given such term in section 101(a)(17) of title 10, United States Code.".

(4) Subsection (c) of section 3341 of title 5, United States Code, is amended to read as follows:

"(c) For purposes of this section, the term 'base closure law' has the meaning given such term in section 101(a)(17) of title 10.".

(5)(A) Paragraph (1) of section 554(a) of title 40, United States Code, is amended to read as follows:

"(1) BASE CLOSURE LAW.—The term 'base closure law' has the meaning given that term in section 101(a)(17) of title 10.".

(B) Subparagraph (B) of section 572(b)(1) of title 40 is amended to read as follows:

"(B) BASE CLOSURE LAW.—The term 'base closure law' has the meaning given that term in section 101(a)(17) of title 10.".

(d) DEFINITION OF STATE FOR PURPOSES OF SECTION 2694A.—Subsection (i) of section 2694a of title 10, United States Code, as amended by subsections (b)(6) and (c)(1), is further amended—

(1) by inserting after paragraph (1) the following new paragraph (2):

"(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, and American Samoa."; and

(2) by striking paragraph (4).

(e) MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are amended by striking "481" in the item relating to chapter 23 and inserting "480".

(2) Section 130a is amended—

(A) by striking "Effective October 1, 2002, the" in subsection (a) and inserting "The";

(B) by striking "baseline number" in subsection (a) and all that follows through "means the" in subsection (c);

(C) by transferring subsection (e) so as to appear before subsection (d) and redesignating that subsection as subsection (b);

(D) by redesignating subsections (d) and (f) as subsection (c) and (d), respectively; and

(E) by striking subsection (g).

(3) Section 437(c) is amended by inserting "(50 U.S.C. 415b)" after "National Security Act of 1947".

(4) Section 487(d) is amended by striking "OTHER DEFINITIONS" and inserting "INAPPLICABILITY TO COAST GUARD".

(5) Section 503(c)(1)(B) is amended by striking "education" in the second sentence and inserting "educational".

(6) Section 632(c)(1) is amended—

(A) by striking "paragraph (2)" and inserting "paragraph (3)"; and

(B) by striking "under that paragraph" and inserting "under that subsection".

(7) The item relating to section 1076b in the table of sections at the beginning of chapter 55 is amended to read as follows:

"1076b. TRICARE program: coverage for members of the Ready Reserve.".

(8) Section 1108(e) is amended by striking "heath" and inserting "health".

(9) Section 1406(g) is amended—

(A) by striking "section 305" and inserting "section 245"; and

(B) by inserting "(33 U.S.C. 3045)" after "of 2002".

(10) Sections 1448(b)(1)(F), 1448(d)(2)(B), 1448(d)(6)(A), and 1458(j) are amended by striking "on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004" and inserting "after November 23, 2003,".

(11) Sections 1463(a), 1465(c)(1)(A), 1465(c)(1)(B), 1465(c)(4)(A), 1465(c)(4)(B), and 1466(b)(2)(D) are amended by striking "1413, 1413a," and inserting "1413a".

(12) Section 1557(b) is amended "Effective October 1, 2002, final" and inserting "Final".

(13) Section 1566 is amended—

(A) in subsection (g)(2), by striking "the date that is 6 months after the date of the enactment of the Help America Vote Act of 2002" in the last sentence and inserting "April 29, 2003"; and

(B) in subsections (h), (i)(1), and (i)(3), by striking "Armed Forces" and inserting "armed forces".

(14) Sections 1724(d) and 1732(d)(1) are amended by striking "its decision" in the second sentence and inserting "the decision of the Secretary".

(15) Section 1761(b) is amended—

(A) in the matter preceding paragraph (1), by striking "provide for—" and inserting "provide for the following:";

(B) in paragraphs (1), (2), and (3), by capitalizing the first letter of the first word;

(C) at the end of paragraphs (1) and (2), by striking the semicolon and inserting a period;

(D) at the end of paragraph (3), by striking "; and" and inserting a period; and

(E) by striking paragraph (4).

(16) Section 2193b(c)(2) is amended by striking "the date of the enactment of this section" and inserting "October 5, 1999".

(17) Section 2224(c) is amended in the matter preceding paragraph (1) by striking "subtitle II of chapter 35" and inserting "subchapter II of chapter 35".

(18) Section 2349(d) is amended by striking "section 2350a(i)(3)" and inserting "section 2350a(i)(2)".

(19) Section 2350b(g) is amended—

(A) in the matter preceding paragraph (1), by inserting "the Secretary of Defense" after "authorizing"; and

(B) in paragraph (1), by striking "the Secretary of Defense".

(20) Section 2540(b)(2) is amended by inserting ", as in effect on that date" before the period at the end.

(21) Section 2662(a)(2) is amended—

(A) in the first sentence, by striking "must include a summarization" and inserting "shall include a summary"; and

(B) in the second sentence, by inserting "of paragraph (1)" after "in subparagraph (E)".

(22) Section 2672a(a) is amended—

(A) in the matter preceding paragraph (1), by inserting "in any case in which the Secretary determines" after "in land";

(B) in paragraph (1), by striking "the Secretary determines" and inserting "the acquisition"; and

(C) in paragraph (2), by inserting "the acquisition" after "(2)".

(23) Section 2701 is amended—

(A) in subsection (a)(2), by inserting "(42 U.S.C. 9620)" before the period at the end;

(B) in subsection (c)(2), by striking "of CERCLA (relating to settlements)" and inserting "(relating to settlements) of CERCLA (42 U.S.C. 9622)";

(C) in subsection (e), by inserting "(42 U.S.C. 9619)" after "CERCLA"; and

(D) in subsection (j)(2), by striking "the Comprehensive" and all the follows through "of 1980" and inserting "CERCLA".

(24) Section 2702 is amended by inserting "(42 U.S.C. 9660(a)(5))" in the second sentence of subsection (a) before the period at the end.

(25) Section 2703(b) is amended by striking "The terms" at the beginning of the second sentence and inserting "For purposes of the preceding sentence, the terms".

(26) Section 2704 is amended by inserting "(42 U.S.C. 9604(i))" in subsections (c), (e), and (f) after "CERCLA".

(27) The second section 3755, added by section 543(b)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2549), is redesignated as section 3756, and the item relating to that section in the table of sections at the beginning of chapter 357 is revised to reflect such redesignation.

(28) Section 4689 is amended by striking "Building" after "Capitol".

(29) The second section 6257, added by section 543(c)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2549), is redesignated as section 6258, and the item relating to that section in the table of sections at the beginning of chapter 567 is revised to reflect such redesignation.

(30) Section 7102 is amended—

(A) by striking "AUTHORITY" at the beginning of subsection (a) and inserting "MASTER OF MILITARY STUDIES";

(B) by striking "MARINE CORPS WAR COLLEGE" at the beginning of subsection (b) and inserting "MASTER OF STRATEGIC STUDIES";

(C) by striking "COMMAND AND STAFF COLLEGE OF THE MARINE CORPS UNIVERSITY" at

the beginning of subsection (c) and inserting "MASTER OF OPERATIONAL STUDIES"; and

(D) by striking "subsections (a) and (b)" in subsection (d) and inserting "this section".

(31) Section 8084 is amended by striking "capabilty" and inserting "capability".

(32) The second section 8755, added by section 543(d)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2550), is redesignated as section 8756, and the item relating to that section in the table of sections at the beginning of chapter 857 is revised to reflect such redesignation.

(33) The table in section 12012(a) is amended by inserting a colon after "Air National Guard".

(f) TITLE 37, UNITED STATES CODE.—Section 323(h) of title 37, United States Code, is amended by striking "Secretary of Transportation" and inserting "Secretary of Homeland Security".

(g) PUBLIC LAW 108–136.—Effective as of November 24, 2003, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136) is amended as follows:

(1) Sections 832(a) and 834(a) (117 Stat. 1550) are each amended by striking "such title" and inserting "title 10, United States Code,"

(2) Section 931(a)(1) (117 Stat. 1580) is amended by striking "and donations" in the first quoted matter and inserting "or donations".

(3) Section 2204(b) (117 Stat. 1706) is amended by striking "section 2101(a)" each place it appears and inserting "section 2201(a)".

(h) PUBLIC LAW 107–314.—Effective as of December 2, 2002, and as if included therein as enacted, section 1064(a)(2) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2654) is amended by inserting "the item relating to" after "is amended by inserting after".

(i) PUBLIC LAW 101–510.—Section 2902(e)(2)(B) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in clause (i), by striking "Subcommittee on Readiness, Sustainability, and Support" and inserting "Subcommittee on Readiness and Management Support"; and

(2) in clause (ii), by striking "Subcommittee on Military Installations and Facilities" and inserting "Subcommittee on Readiness".

(j) NATIONAL SECURITY ACT OF 1947.—Sections 702(a)(6)(B)(iv)(I), 703(a)(6)(B)(iv)(I), and 704(f)(2)(D)(i) of the National Security Act of 1947 are amended by striking "responsible records" and inserting "responsive records".

(k) CODIFICATION RELATING TO LEAVE FOR ATTENDANCE AT CERTAIN HEARINGS.—Subsection (b) of section 363 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (10 U.S.C. 704 note) is—

(1) transferred to section 704 of title 10, United States Code;

(2) inserted at the end of that section;

(3) redesignated as subsection (c); and

(4) amended—

(A) by striking "Armed Forces" each place it appears and inserting "armed forces";

(B) in paragraph (1)—

(i) by striking "Secretary of each" and all that follows through "in the Navy," and inserting "Secretary concerned"; and

(ii) by striking "(as defined in section 101 of title 10, United States Code)"; and

(C) in paragraph (3)—

(i) by striking "For purposes of this subsection—" and inserting "In this subsection:";

(ii) in subparagraph (A), by striking "title 10, United States Code" and inserting "this title"; and

(iii) in subparagraph (B), by striking "such term" and inserting "that term".

SEC. 1074. COMMISSION ON THE LONG-TERM IMPLEMENTATION OF THE NEW STRATEGIC POSTURE OF THE UNITED STATES.

(a) ESTABLISHMENT OF COMMISSION.—

(1) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on the Long-Term Implementation of the New Strategic Posture of the United States". The Secretary of Defense shall enter into a contract with a federally funded research and development center to provide for the organization, management, and support of the Commission. Such contract shall be entered into in consultation with the Secretary of Energy.

(2) COMPOSITION.—(A) The Commission shall be composed of 12 members who shall be appointed by the Secretary of Defense. In selecting individuals for

appointment to the Commission, the Secretary of Defense shall consult with the chairman and ranking minority member of the Committee on Armed Services of the Senate and the chairman and ranking minority member of the Committee on Armed Services of the House of Representatives.

(B) Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in the political, military, operational, and technical aspects of nuclear strategy.

(3) CHAIRMAN OF THE COMMISSION.—The Secretary of Defense shall designate one of the members of the Commission to serve as chairman of the Commission.

(4) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(5) SECURITY CLEARANCES.—All members of the Commission shall hold appropriate security clearances.

(b) DUTIES OF COMMISSION.—

(1) REVIEW OF LONG-TERM IMPLEMENTATION OF THE NUCLEAR POSTURE REVIEW.—The Commission shall examine long-term programmatic requirements to achieve the goals set forth in the report of the Secretary of Defense submitted to Congress on December 31, 2001, providing the results of the Nuclear Posture Review conducted pursuant to section 1041 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654, 1654A–262) and results of periodic assessments of the Nuclear Posture Review. Matters examined by the Commission shall include the following:

(A) The process of establishing requirements for strategic forces and how that process accommodates employment of nonnuclear strike platforms and munitions in a strategic role.

(B) How strategic intelligence, reconnaissance, and surveillance requirements differ from nuclear intelligence, reconnaissance, and surveillance requirements.

(C) The ability of a limited number of strategic platforms to carry out a growing range of nonnuclear strategic strike missions.

(D) The limits of tactical systems to perform nonnuclear global strategic missions in a prompt manner.

(E) An assessment of the ability of the current nuclear stockpile to address the evolving strategic threat environment through 2025.

(2) RECOMMENDATIONS.—The Commission shall include in its report recommendations with respect to the following:

(A) Changes to the requirements process to employ nonnuclear strike platforms and munitions in a strategic role.

(B) Changes to the nuclear stockpile and infrastructure required to preserve a nuclear capability commensurate with the changes to the strategic threat environment through 2025.

(C) Actions the Secretary of Defense and the Secretary of Energy can take to preserve flexibility of the defense nuclear comples while reducing the cost of a Cold War strategic infrastructure.

(D) Identify shortfalls in the strategic modernization programs of the United States that would undermine the ability of the United States

to develop new nonnuclear strategic strike capabilities.

(3) COOPERATION FROM GOVERNMENT OFFICIALS.—(A) In carrying out its duties, the Commission shall receive the full and timely cooperation of the Secretary of Defense, the Secretary of Energy, and any other United States Government official in providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

(B) The Secretary of Energy and the Secretary of Defense shall each designate at least one officer or employee of the Department of Energy and the Department of Defense, respectively, to serve as a liaison officer between the department and the Commission.

(c) REPORTS.—

(1) COMMISSION REPORT.—The Commission shall submit to the Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives a report on the Commission's findings and conclusions. Such report shall be submitted not later that 28 months after the date of the first meeting of the Commission.

(2) SECRETARY OF DEFENSE RESPONSE.—Not later than one year after the date on which the Com-

mission submits its report under paragraph (1), the Secretary of Defense shall submit to Congress a report—

(A) commenting on the Commission's findings and conclusions; and

(B) explaining what actions, if any, the Secretary intends to take to implement the recommendations of the Commission and, with respect to each such recommendation, the Secretary's reasons for implementing, or not implementing, the recommendation.

(d) HEARINGS AND PROCEDURES.—

(1) HEARINGS.—The Commission may, for the purpose of carrying out the purposes of this section, hold hearings and take testimony.

(2) PROCEDURES.—The federally funded research and development center with which a contract is entered into under subsection (a)(1) shall be responsible for establishing appropriate procedures for the Commission.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, personnel of that de-

partment or agency to the Commission to assist it in carrying out its duties.

(e) FUNDING.—Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense.

(f) TERMINATION OF COMMISSION.—The Commission shall terminate 60 days after the date of the submission of its report under subsection (c)(1).

(g) IMPLEMENTATION.—

(1) FFRDC CONTRACT.—The Secretary of Defense shall enter into the contract required under subsection (a)(1) not later that 60 days after the date of the enactment of this Act.

(2) FIRST MEETING.—The Commission shall convene its first meeting not later than 60 days after the date as of which all members of the Commission have been appointed.

SEC. 1075. LIABILITY PROTECTION FOR CERTAIN DEPARTMENT OF DEFENSE VOLUNTEERS WORKING IN THE MARITIME ENVIRONMENT.

(a) AUTHORITY TO ACCEPT CERTAIN VOLUNTEER SERVICES.—Subsection (a) of section 1588 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(8) Voluntary services provided to the United States Military Academy, United States Naval Academy, and United States Air Force Academy for the training of cadets and midshipmen.".

(b) LIABILITY PROTECTION FOR VOLUNTEERS IN MARITIME ENVIRONMENT.—Subparagraph (D) of subsection (d)(1) of such section is amended—

(1) by striking "and" after "this title" and inserting a comma; and

(2) by inserting before the period at the end the following: ", and chapters 20 and 22 of title 46 (relating to claims for damages or loss on navigable waters)".

SEC. 1076. TRANSFER OF HISTORIC F3A-1 BREWSTER CORSAIR AIRCRAFT.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey, without consideration, to Lex Cralley, of Princeton Minnesota (in this section referred to as "transferee"), all right, title and interest of the United States in and to a F3A-1 Brewster Corsair aircraft (Bureau Number 04634). The conveyance shall be made by means of a deed of gift.

(b) CONDITION OF AIRCRAFT.—The aircraft shall be conveyed under subsection (a) in its current unflyable, "as is" condition. The Secretary is not required to repair or

alter the condition of the aircraft before conveying ownership of the aircraft.

(c) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance of the aircraft under subsection (a) shall be made at no cost to the United States. Any costs associated with the conveyance and costs of operation and maintenance of the aircraft conveyed shall be borne by the transferee.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

SEC. 1101. PAYMENT OF FEDERAL EMPLOYEE HEALTH BENEFIT PREMIUMS FOR MOBILIZED FEDERAL EMPLOYEES.

(a) AUTHORITY TO CONTINUE BENEFIT COVERAGE.—Section 8905a of title 5, United States Code is amended—

(1) in subsection (a), by striking "paragraph (1) or (2) of";

(2) in subsection (b)—

(A) in paragraph (1)(B), by striking "and" at the end;

(B) in paragraph (2)(C), by striking the period at the end and inserting "; and"; and

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

"(3) any employee who—

"(A) is enrolled in a health benefits plan under this chapter;

"(B) is a member of a Reserve component of the armed forces;

"(C) is called or ordered to active duty in support of a contingency operation (as defined in section 101(a)(13) of title 10);

"(D) is placed on leave without pay or separated from service to perform active duty; and

"(E) serves on active duty for a period of more than 30 consecutive days."; and

(4) in subsection (e)(1)—

(A) in subparagraph (A), by striking "or" at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(C) in the case of an employee described in subsection (b)(3), the date which is 24 months

after the employee is placed on leave without pay or separated from service to perform active duty.".

(b) AUTHORITY FOR AGENCIES TO PAY PREMIUMS.—Subparagraph (C) of section 8906(e)(3) of such title is amended by striking "18 months" and inserting "24 months".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to Federal employees called or ordered to active duty on or after September 14, 2001.

SEC. 1102. FOREIGN LANGUAGE PROFICIENCY PAY.

Section 1596a of title 10, United States Code, is amended—

(1) in subsection (a)(2), by striking "during a contingency operation supported by the armed forces"; and

(2) in subsection (c), by inserting before the period at the end the following: "and shall not be considered base pay for any purpose".

SEC. 1103. PAY PARITY FOR CIVILIAN INTELLIGENCE PERSONNEL.

Section 1602 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "in relation to the rates of pay provided in subpart D of part III of

title 5 for positions subject to that subpart which have corresponding levels of duties and responsibilities" and inserting "in relation to the rates of pay provided for Department of Defense Senior Executive, Senior Level, and other comparable positions"; and

(2) by amending subsection (b) to read as follows:

"(b) PERFORMANCE APPRAISAL SYSTEM.—The positions referred to in subsection (a) shall be subject to a performance appraisal system which, as designed and applied, is certified by the Secretary of Defense as making meaningful distinctions based on relative performance and may be the same performance appraisal system established and implemented within the Department for members of the Senior Executive Service.".

SEC. 1104. PAY PARITY FOR SENIOR EXECUTIVES IN NON-APPROPRIATED FUND INSTRUMENTALITIES.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1599e. Senior executive compensation for non-appropriated fund instrumentalities

"Notwithstanding any provisions of title 5, the Secretary of Defense may regulate the amount of total compensation, including the rate of basic pay, of senior execu-

tives employed by Department of Defense nonappropriated fund instrumentalities, to provide for parity with the total compensation, including basic pay, of Department of Defense employees in the Senior Executive Service and other similar senior executive positions.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1599d the following new item:

"1599e. Senior executive compensation for nonappropriated fund instrumentalities.".

SEC. 1105. PROHIBITION OF UNAUTHORIZED WEARING OR USE OF CIVILIAN MEDALS OR DECORATIONS.

Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1134. Civilian medals or decorations of the Department of Defense

"(a) PROHIBITION.—Except with the written permission of the Secretary of Defense or when authorized by regulations, no person may knowingly—

"(1) wear; or

"(2) use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity;

medals, decorations, or other insignia awarded by the Secretary of Defense to recognize Department of Defense civil-

ian employees and other individuals who render service to the Department of Defense.

"(b) AUTHORITY TO ENJOIN VIOLATIONS.—Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other actions as is warranted, including imposing a civil penalty not to exceed $25,000 for each violation, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.".

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

"1134. Civilian medals or decorations of the Department of Defense."

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to Iraq, Afghanistan, and Global War on Terrorism

SEC. 1201. DOCUMENTATION OF CONDITIONS IN IRAQ UNDER FORMER DICTATORIAL GOVERNMENT AS PART OF TRANSITION TO POST-DICTATORIAL GOVERNMENT.

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

(1) The regime of Saddam Hussein in Iraq was a dictatorial regime prone to secrecy in the maintenance of its hold on power.

(2) The people of Iraq all suffered as a result of Saddam Hussein's dictatorial control.

(3) Efforts in other post-dictatorial states to document the crimes and abuses of their predecessor dictatorial governments have contributed to the process of national reconciliation and have served as a reminder about the importance of protecting individual rights.

(b) TRANSFER OF CERTAIN DOCUMENTS AND RECORDS.—The Secretary of Defense shall, to the extent practicable, establish a process for expeditiously transfer-

ring to indigenous Iraqi entities committed to documenting publicly the nature of the Saddam Hussein regime any documents and records described in subsection (c) that are obtained by United States military forces in Iraq.

(c) COVERED DOCUMENTS AND RECORDS.—The documents and records referred to in subsection (b) are documents and records—

(1) that were created by—

(A) the Government of Iraq between 1968 and May 1, 2003; or

(B) the Ba'ath Socialist Party in Iraq after 1968; and

(2) that provide insight into—

(A) the functioning of the Government of Iraq or the Ba'ath Socialist Party in Iraq; or

(B) the crimes, atrocities, and brutal practices of the Iraqi government towards the people of Iraq during the period between 1968 and May 1, 2003.

SEC. 1202. SUPPORT OF MILITARY OPERATIONS TO COMBAT TERRORISM.

(a) AUTHORITY.—The Secretary of Defense may expend up to $25,000,000 during any fiscal year during which this subsection is in effect to provide support to foreign forces, irregular forces, groups, or individuals engaged

in supporting or facilitating ongoing military operations by United States special operations forces to combat terrorism.

(b) INTELLIGENCE ACTIVITIES.—This section does not constitute authority to conduct a covert action, as such term is defined in section 503(e) of the National Security Act of 1947 (50 U.S.C. 413b(e)).

(c) ANNUAL REPORT.—Not later than 30 days after the close of each fiscal year during which subsection (a) is in effect, the Secretary of Defense shall submit to the congressional defense committees a report on support provided under this section during that fiscal year. Each such report shall describe the support provided, including a statement of the recipient of the support and the amount obligated to provide the support.

(d) FISCAL YEAR 2005 LIMITATION.—Support may be provided under subsection (a) during fiscal year 2005 only from funds made available for operations and maintenance pursuant to title XV of this Act.

(e) PERIOD OF AUTHORITY.—The authority under subsection (a) is in effect during each of fiscal years 2005 through 2007.

SEC. 1203. COMMANDERS' EMERGENCY RESPONSE PROGRAM.

(a) FISCAL YEAR 2005 AUTHORITY.—During fiscal year 2005, from funds made available to the Department of Defense for operation and maintenance pursuant to title XV of this Act, not to exceed $300,000,000 may be used, notwithstanding any other provision of law, to provide funds for the Commanders' Emergency Response Program, established by the Administrator of the Coalition Provisional Authority for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi people, and to provide funds for a similar program to assist the people of Afghanistan.

(b) QUARTERLY REPORTS.—The Secretary of Defense shall submit to the congressional defense committees a quarterly report, beginning on January 15, 2005, regarding the source of funds and the allocation and use of funds made available pursuant to the authorityprovided in this section.

SEC. 1204. STATUS OF IRAQI SECURITY FORCES.

(a) STRATEGIC PLAN.—No later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a strategic plan setting forth the manner in which the United States will

achieve the goal of establishing viable and professional Iraqi security forces able to provide for the long-term security of the Iraqi people.

(b) COMPONENTS.—The strategic plan established under subsection (a) shall include at least the following:

(1) Recruiting and retention goals, shown for each service of the Iraqi security forces.

(2) Training plans for each service of the Iraqi security forces.

(3) A description of metrics by which progress toward the goal of Iraqi provision for its own security can be measured.

(4) A description of equipment needs, shown for each service of the Iraqi security forces.

(5) A resourcing plan for achieving the goals of the strategic plan.

(6) Personnel plans in terms of United States military and contractor personnel to be used in training each such service.

(7) A description of challenges faced and opportunities presented in particular regions of Iraq and a plan for addressing those challenges.

(8) A discussion of training and deployment successes and failures to the date of the report and how

lessons from those successes and failures will be incorporated into the strategic plan.

(c) SUBSEQUENT REPORTS.—Ninety days following the submission of the strategic plan to Congress under subsection (a) and every 90 days thereafter, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on progress toward meeting the goals established in the strategic plan. Each such report shall address the following:

(1) The number of forces recruited, currently serving, and that have left (along with a break-down of the reasons for leaving) by service over the period in question.

(2) Progress in meeting training goals.

(3) Progress in achieving other metrics as identified in the strategic plan.

(4) A description and analysis of any training incidents and deployment successes and failures, with a discussion of how those incidents and successes will affect future efforts to achieve the goals of the strategic plan.

(d) IRAQI SECURITY FORCES DEFINED.—In this section, the term "Iraqi security forces" means the Iraqi Armed Forces (IAF), the Iraqi Civil Defense Corps (ICDC), the Iraqi Police Service (IPS), the Department of Border

Enforcement (DBE), and the Facilities Protection Services (FCS).

SEC. 1205. GUIDANCE AND REPORT REQUIRED ON CONTRACTORS SUPPORTING DEPLOYED FORCES IN IRAQ.

(a) GUIDANCE.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance on how to manage contractors that support deployed forces and shall direct the Secretaries of the military departments to develop procedures to ensure implementation of the guidance. The guidance shall—

(1) establish policies for the use of contractors to support deployed forces;

(2) delineate the roles and responsibilities of commanders regarding the management and oversight of contractors that support deployed forces; and

(3) integrate into a single document other guidance and doctrine that may affect Department of Defense responsibilities to contractors in locations where members of the Armed Forces are deployed.

(b) REPORT.—Not later than 30 days after issuing the guidance required under subsection (a), the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report containing a discussion of the following:

(1) A description of the process used by the Department of Defense for deciding which security functions in Iraq will be performed by military personnel and which by private security companies.

(2) A discussion of the overall chain of command and oversight mechanisms that are in place to ensure adequate command and supervision of contractor personnel in critical security roles.

(3) An explanation of the rules of engagement for private security personnel throughout Iraq, along with how training in these rules of engagement is being carried out.

(4) A description of mechanisms that exist or that are under consideration to share intelligence and standardize communications procedures among private security companies.

(5) Casualty and fatality figures for each contractor in Iraq supporting deployed forces over the period beginning on May 1, 2003, and ending on the date of the issuance of the guidance.

(6) Disciplinary or criminal actions brought against such contractors during the period covered by the report.

(7) Any incidents of note in Iraq regarding such contractors during the period covered by the report.

(8) A plan for establishing and implementing a process for collecting data on individual contractors, the value of the contracts, and the number of personnel in Iraq performing the following services:

(A) Personal security details.

(B) Non-military site security.

(C) Non-military convoy security.

(D) Interrogation services at interrogation centers operated by the Department of Defense.

SEC. 1206. FINDINGS AND SENSE OF CONGRESS CONCERNING ARMY SPECIALIST JOSEPH DARBY.

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

(1) The need to act in accord with one's conscience, risking one's career and even the esteem of one's colleagues by pursuing what is right is especially important today.

(2) While the Department of Defense investigate the horrific abuses in American detention facilities in Iraq, the Nation should bear in mind that the abuses were only brought to light because of the courage of an American soldier.

(3) By alerting his superiors to abuses at Abu Ghraib prison in Iraq, Army Specialist Joseph Darby demonstrated the courage to speak out and do what is right for his country.

(4) Such an action is especially important in light of the many challenges facing the country.

(5) Specialist Darby deserves the Nation's thanks for speaking up and for standing up for what is right.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Secretary of Defense should make every protection available to Army Specialist Joseph Darby and others who demonstrate such courage; and

(2) Specialist Darby should be commended appropriately by the Secretary of the Army.

Subtitle B—Other Matters

SEC. 1211. ASSIGNMENT OF ALLIED NAVAL PERSONNEL TO SUBMARINE SAFETY PROGRAMS.

(a) IN GENERAL.—Chapter 631 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7234. Submarine safety programs: participation of allied naval personnel

"(a) ACCEPTANCE OF ASSIGNMENT OF FOREIGN NAVAL PERSONNEL.—In order to facilitate the development, standardization, and interoperability of submarine vessel safety and rescue systems and procedures, the Secretary of the Navy may conduct a program under which members

of the naval service of any of the member nations of the North Atlantic Treaty Organization and Australia, Japan, the Republic of Korea, and Sweden may be assigned to United States commands to work on such systems and procedures.

"(b) COSTS FOR FOREIGN PERSONNEL.—(1) The United States may not pay the following costs for a member of a foreign naval service sent to the United States under the program authorized by this section:

"(A) Salary.

"(B) Per diem.

"(C) Cost of living.

"(D) Travel costs.

"(E) Cost of language or other training.

"(F) Other costs.

"(2) Paragraph (1) does not apply to the following costs, which may be paid by the United States:

"(A) The cost of temporary duty directed by the United States Navy.

"(B) The cost of training programs conducted to familiarize, orient, or certify members of foreign naval services regarding unique aspects of their assignments.

"(C) Costs incident to the use of the facilities of the United States Navy in the performance of assigned duties.

"(d) APPLICABILITY TO AUTHORITY TO ENTER INTO AGREEMENTS.—The requirements of this section shall apply in the exercise of any authority of the Secretary of the Navy to enter into an agreement with the government of a foreign country, subject to the concurrence of the Secretary of State, to provide for the assignment of members of the naval service of the foreign country to a United States Navy submarine safety program.

"(e) REGULATIONS.—The Secretary of the Navy may prescribe regulations for the application of this section in the exercise of authority referred to in subsection (d).".

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

"7234. Submarine safety programs: participation of allied naval personnel.".

SEC. 1212. EXPANSION OF ENTITIES OF THE PEOPLE'S REPUBLIC OF CHINA SUBJECT TO CERTAIN PRESIDENTIAL AUTHORITIES WHEN OPERATING IN THE UNITED STATES.

Section 1237(b)(4)(B)(i) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (50 U.S.C. 1701 note) is amended by inserting after "the People's Liberation Army" the following: ", by a ministry of

the government of the People's Republic of China, or by an entity affiliated with the defense industrial base of the People's Republic of China".

SEC. 1213. REPORT BY PRESIDENT ON GLOBAL PEACE OPERATIONS INITIATIVE.

Not later than one year after the date of the enactment of this Act, the President shall submit to the Congress a report on the Global Peace Operations Initiative. The report shall include the following elements:

(1) A summary of the goals of the Global Peace Operations Initiative and the timetable for achieving those goals.

(2) An examination of the mechanisms by which the United States will ensure that foreign countries acquiring new capabilities as a result of that Initiative will use those capabilities to the national security benefit of the United States.

(3) An examination of the mechanisms by which the United States will ensure that training and equipment provided under that Initiative are used solely for the purposes of peacekeeping and peace enforcement operations.

(4) An examination of the human rights practices of potential recipients under that Initiative, to

include a discussion of each potential recipient's commitment to representative government.

(5) As assessment of the financial resources required to carry out that Initiative during fiscal years 2005 through 2009.

(6) An assessment of the effectiveness of the program of the Department of State referred to as the African Contingency Operations and Training Assistance program and the capacity of that program to be expanded.

(7) A review that compares and contrasts the basic military skills required of warfighters and the skills needed for peacekeeping and peace enforcement operations.

(8) An assessment of the ability of military forces in the developing world to absorb, retain, and use the advanced skills and capabilities needed for effective peacekeeping and peace enforcement operations.

(9) A proposal for providing sufficient resources to the Department of State to conduct the Global Peace Operations Initiative without significant financial contributions from the Department of Defense.

(10) An explanation of the reasons of the Administration for proposing to exempt the Global Peace

Operations Initiative from existing law related to the type of military and police training the United States may provide to foreign countries.

(11) An examination of the costs and benefits of transferring responsibility for the training and equipping of foreign military and security forces from the Department of State to the Department of Defense, including an identification of any increased resources that will be provided to the Department of Defense should the Department of Defense become responsible for that activity.

SEC. 1214. PROCUREMENT SANCTIONS AGAINST FOREIGN PERSONS THAT TRANSFER CERTAIN DEFENSE ARTICLES AND SERVICES TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States to deny the People's Republic of China such defense goods and defense technology that could be used to threaten the United States or undermine the security of Taiwan or the stability of the Western Pacific region.

(b) PROCUREMENT SANCTION.—(1) The Secretary of Defense may not procure, by contract or otherwise, any goods or services from—

(A) any foreign person the Secretary of Defense determines has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to governmental or non-governmental entities of the People's Republic of China any item or class of items on the United States Munitions List (or any item or class of items that are identical, substantially identical, or directly competitive to an item or class of items on the United States Munitions List); and

(B) any foreign person the Secretary of Defense determines—

(i) is a successor entity to a person referred to in paragraph (1);

(ii) is a parent or subsidiary of a person referred to in paragraph (1); or

(iii) is an affiliate of a person referred to in paragraph (1) if that affiliate is controlled in fact by such person.

(2) The prohibition under paragraph (1) with respect to a foreign person shall last for a period of five years after a determination is made by the Secretary of Defense with respect to that person under paragraph (1)(A).

(c) PUBLIC AVAILABILITY OF LIST OF SANCTIONED PERSONS.—(1) The Secretary of Defense shall annually

publish in the Federal Register a current list of any foreign persons sanctioned under subsection (b). The removal of foreign persons from, and the addition of foreign persons to, the list shall also be so published.

(2) The Secretary shall maintain the list published under paragraph (1) on the Internet website of the Department of Defense.

(d) REMOVAL FROM LIST OF SANCTIONED PERSONS.—The Secretary of Defense may remove a person from the list of sanctioned persons referred to in subsection (c) only after the five-year prohibition period imposed under subsection (b) with respect to the person has expired.

(e) EXCEPTIONS.—(1) Subsection (b) shall not apply—

(A) to contracts, or subcontracts under such contracts, in existence on the date of the enactment of this Act, including options under such contracts;

(B) if the Secretary of Defense determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the goods or services being procured, that the goods or services are essential, and that alternative sources are not readily or reasonably available;

(C) in the case of a contract for routine servicing and maintenance, if the Secretary of Defense deter-

mines in writing alternative sources for performing the contract are not readily or reasonably available; or

(D) if the Secretary of Defense determines in writing that goods or services proposed to be procured under the contract are essential to the national security of the United States.

(2) Determinations under paragraph (1) shall be published in the Federal Register.

(f) DEFINITIONS.—In this section:

(1) The term "foreign person" has the meaning given the term in section 14 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701).

(2) The term "United States Munitions List" means the list referred to in section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs speci-

fied in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2005 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2005 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the amount authorized to be appropriated to the Department of Defense for fiscal year 2005 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $58,522,000.

(2) For nuclear weapons transportation security in Russia, $26,284,000.

(3) For nuclear weapons storage security in Russia, $48,720,000.

(4) For activities designated as Other Assessments/Administrative Support, $14,267,000.

(5) For defense and military contacts, $8,000,000.

(6) For chemical weapons destruction in Russia, $158,400,000.

(7) For biological weapons proliferation prevention in the former Soviet Union, $55,013,000.

(8) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $40,030,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2005 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2005 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2005 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (5) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

(a) TEMPORARY AUTHORITY.—Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) shall not apply if the President submits to Congress a written certification that includes—

(1) a statement as to why a waiver of the conditions described in such section 1305 is important to the national security interests of the United States;

(2) a full and complete justification for the waiver of the conditions; and

(3) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(b) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2005.

TITLE XIV—EXPORT CONTROLS AND COUNTERPROLIFERATION MATTERS

Subtitle A—Export Control Matters

SEC. 1401. DEFINITIONS UNDER ARMS EXPORT CONTROL ACT.

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (10)—

(A) by moving the margin two ems to the left; and

(B) by striking "and" at the end;

(2) in paragraph (11)—

(A) by moving the margin two ems to the left; and

(B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(12) 'license' means a document bearing the word license issued by the United States Government agency charged with implementing section 38 of this Act, which permits the export or import of a defense article or defense service;

"(13) 'agent' means a representative or emissary of a government other than an officer or employee of the government; and

"(14) 'exporting agent' means a freight forwarder or other consignee designated on a license application who is authorized to act on behalf of and the control of the license applicant.".

SEC. 1402. EXEMPTION FROM LICENSING REQUIREMENTS FOR EXPORT OF SIGNIFICANT MILITARY EQUIPMENT.

Section 38(b)(2) of the Arms Export Control Act (22 U.S.C. 2778(b)(2)) is amended—

(1) by striking "(2) Except" and inserting "(2)(A) Except";

(2) by striking "(A) for official" and inserting "(i) for official" and further by striking "(B) for carrying out" and inserting "(ii) for carrying out"; and

(3) by adding at the end the following:

"(B) The President may not establish an exemption in regulation or otherwise from the license requirements of this section for the export of a defense article that is significant military equipment (other than a firearm that is intended for personal use).".

SEC. 1403. COOPERATIVE PROJECTS WITH FRIENDLY FOREIGN COUNTRIES.

Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended—

(1) in subsection (g) to read as follows:

"(g) Unless the President states in his certification that an emergency exists which requires the immediate approval of the cooperative agreement in the national security interests of the United States (in which case the President shall set forth in the certification a justification for this

determination), an agreement shall not be signed if, within the 30-day period specified in subsection (f), a joint resolution prohibiting the agreement is enacted into law."; and

(2) by adding at the end the following:

"(k) A license shall be required for the export of defense articles or defense services relating to a cooperative project by any person required to be registered under section 38(b)(1)(A)(i) whenever such export is made pursuant to, or in furtherance of, a private contract, purchase order, or similar commercial arrangement with a foreign corporation.".

SEC. 1404. LICENSING REQUIREMENT FOR EXPORT OF MILITARILY CRITICAL TECHNOLOGIES.

(a) LICENSING REQUIREMENT.—The President shall require a license under the Export Administration Regulations of the Department of Commerce (15 C.F.R. part 730 et seq.) or the International Traffic in Arms Regulations (22 C.F.R. part 120 et seq.), as the case may be, for the export of goods or technologies included on the Militarily Critical Technologies List.

(b) DEFINITION.—In this section, the term "Militarily Critical Technologies List" means the list required to be developed by the Secretary of Defense pursuant to section 5(d)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2404(d)(2)), as such list was effect on January

20, 2004, and includes any goods or technologies that have been added to the list after that date.

SEC. 1405. CONTROL OF EXPORTS OF UNITED STATES WEAPONS TECHNOLOGY TO THE PEOPLE'S REPUBLIC OF CHINA.

A dual use good or technology subject to the jurisdiction of the Export Administration Regulations of the Department of Commerce (15 C.F.R. part 730 et seq.) and a defense article or defense service subject to the jurisdiction of the International Traffic in Arms Regulations (22 C.F.R. part 120 et seq.) may be exported to a foreign person or a foreign country that has previously exported any such item to the military, intelligence, police, or internal security services of the Government of the People's Republic of China that would be prohibited for export to China if subject to United States export control laws only if—

(1) a license for such export is approved under the Export Administration Regulations or the International Traffic in Arms Regulations and the Secretary of Defense concurs in the approval of such license; and

(2) the foreign person or foreign country agrees in writing not to transfer title to or possession of, or otherwise provide access to, the licensed items, unless the President provides written consent thereto.

SEC. 1406. STRENGTHENING INTERNATIONAL EXPORT CONTROLS.

(a) FINDING.—The Congress recognizes that the international export control system, as currently constituted, is insufficient to achieve the national security interests of the United States.

(b) NATIONAL EXPORT CONTROL POLICY.—It is the policy of the United States to seek continued negotiations of a strengthened international export control system for the control of arms and militarily-sensitive goods and technology to countries of concern.

(c) PRESIDENTIAL REPORTING REQUIREMENT.—(1) Not later than 180 days after the date of the enactment of this Act, and every six months thereafter, the President shall submit to the committees referred to in subsection (d) a report setting forth the President's plan for effecting a strengthened international export control system capable of achieving the national security interests of the United States.

(2) The report shall include—

(A) an evaluation of the effectiveness of the current international export control system;

(B) a plan for negotiating and implementing a strengthened international export control system capable of achieving the national security interests of the United States; and

(C) challenges to and progress in negotiating and implementing that plan.

(d) COMMITTEES; CLASSIFICATION OF REPORT.—(1) The report required by subsection (c) shall be submitted to—

(A) the Committee on Armed Services, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, and the Select Committee on Intelligence of the Senate.

(2) The report shall be submitted in unclassified form and, as necessary, in classified form.

Subtitle B—Counterproliferation Matters

SEC. 1411. DEFENSE INTERNATIONAL COUNTERPROLIFERATION PROGRAMS.

(a) INTERNATIONAL SECURITY PROGRAM TO PREVENT UNAUTHORIZED TRANSFER AND TRANSPORTATION OF WMDS.—Subsection (b) of section 1424 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2333) is amended to read as follows:

"(b) OTHER COUNTRIES.—The Secretary of Defense may carry out programs under subsection (a) in a country

other than a country specified in that subsection if the Secretary determines that there exists in that country a significant threat of the unauthorized transfer and transportation of nuclear, biological, or chemical weapons or related materials.".

(b) INTERNATIONAL TRAINING PROGRAM TO DETER WMD PROLIFERATION.—Section 1504(e)(3)(A) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2918) is amended—

(1) by striking "The training program referred to in paragraph (1)(B) is a" and inserting 'The Secretary of Defense may participate in a";

(2) by inserting "of" after "acquisition";

(3) by striking "and" after "countries"; and

(4) by inserting before the period at the end the following: ", and in other countries in which, as determined by the Secretary of Defense, there exists a significant threat of such proliferation and acquisition".

SEC. 1412. DEFENSE COUNTERPROLIFERATION FELLOWSHIP PROGRAM.

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

"§ 2015. Defense counterproliferation fellowship program

"(a) PROGRAM AUTHORITY.—The Secretary of Defense may carry out a program under which foreign military defense personnel are selected to attend Department of Defense courses and programs in counterproliferation and nonproliferation matters in order to improve the ability of the foreign military defense personnel to contribute to halting the illicit acquisition or transportation of weapons of mass destruction or of materials that support the development or use of such weapons.

"(b) AUTHORITY TO PAY FOR COSTS OF PARTICIPANTS.—The Secretary of Defense may pay for all costs (including transportation, travel, and subsistence costs) associated with the attendance by a participant at courses and programs in the program under this section.

"(c) PARTICIPANTS.—(1) The following persons may be selected for participation in the program under this section:

"(A) Foreign military officers.

"(B) Foreign ministry of defense officials.

"(2) Participants in the program shall be selected by the Secretary of Defense based upon recommendations made by the commanders of the regional unified combatant commands.

"(d) AUTHORIZED PROGRAM ACTIVITIES.—Participants in the program may be selected for attendance at, and may be authorize to attend, any of the following:

"(1) Department of Defense professional military educational institutions.

"(2) Regional centers for security studies of the Department of Defense.

"(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of the program under this section.".

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

"2015. Defense counterproliferation fellowship program.".

Subtitle C—Initiatives Relating to Countries of Former Soviet Union

SEC. 1421. SILK ROAD INITIATIVE.

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

(1) A number of independent states of the former Soviet Union have been helpful to the United States in the war on terrorism.

(2) Such states are new and struggling democracies and would benefit considerably from assistance to create sustainable jobs for their underemployed or unemployed scientists, engineers, and technicians who were formerly engaged in activities to develop and

produce weapons of mass destruction for the Russian Federation or other such state.

(b) POLICIES.—(1) It is the policy of the United States to seek to establish and promote programs to prevent the proliferation, from scientists, engineers, and technicians of the Russian Federation and other independent states of the former Soviet Union to countries of proliferation concern, of expertise to develop and produce weapons of mass destruction.

(2) It is also the policy of the United States to seek to assist independent states of the former Soviet Union that have been helpful to the United States in the war on terrorism so as to promote the creation of jobs that foster economic stability and democracy.

(c) PROGRAM AUTHORIZED.—(1) The Secretary of Energy may carry out a program, to be known as the Silk Road Initiative, to promote non-weapons-related employment opportunities in the United States and in Silk Road nations for scientists, engineers, and technicians formerly engaged in activities to develop and produce weapons of mass destruction in Silk Road nations. The program should—

(A) incorporate best practices under the former Initiatives for Proliferation Prevention program; and

(B) facilitate commercial partnerships between private entities in the United States and scientists, engineers, and technicians in the Silk Road nations.

(2) Before implementing the program with respect to multiple Silk Road nations, the Secretary of Energy shall carry out a pilot program with respect to one Silk Road nation selected by the Secretary. It is the sense of Congress that the Secretary should select the Republic of Georgia.

(d) SILK ROAD NATIONS DEFINED.—In this section, the Silk Road nations are Armenia, Azerbaijan, the Republic of Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

(e) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for nonproliferation and international security for fiscal year 2005, $10,000,000 may be used to carry out this section.

SEC. 1422. TELLER-KURCHATOV NONPROLIFERATION FELLOWSHIPS.

(a) IN GENERAL.—(1) From amounts made available to carry out this section, the Administrator for Nuclear Security may carry out a program under which the Administrator awards, to scientists employed at the Kurchatov Institute of the Russian Federation and scientists employed at Lawrence Livermore National Laboratory, international exchange fellowships, to be known as Teller-Kurchatov Non-

proliferation Fellowships, in the nuclear nonproliferation sciences.

(2) The purpose of the program shall be to provide opportunities for advancement in the field of nuclear nonproliferation to scientists who, as demonstrated by their academic or professional achievements, show particular promise of making significant contributions in that field.

(3) A fellowship awarded to a scientist under the program shall be for study and training at (and, where appropriate, at an institution of higher education in the vicinity of)—

(A) the Kurchatov Institute, in the case of a scientist employed at Lawrence Livermore National Laboratory; and

(B) Lawrence Livermore National Laboratory, in the case of a scientist employed at the Kurchatov Institute.

(4) The duration of a fellowship under the program may not exceed two years, except that the Administrator may provide for a longer duration in an individual case to the extent warranted by extraordinary circumstances, as determined by the Administrator.

(5) In a calendar year, the Administrator may not award more than—

(A) one fellowship to a scientist employed at the Kurchatov Institute; and

(B) one fellowship to a scientist employed at Lawrence Livermore National Laboratory.

(6) A fellowship under the program shall include—

(A) travel expenses;

(B) any tuition and fees at an institution of higher education for study or training under the fellowship; and

(C) any other expenses that the Administrator considers appropriate, such as room and board.

(b) DEFINITIONS.—In this section:

(1) The term "institution of higher education" means a college, university, or other educational institution that is empowered by an appropriate authority, as determined by the Administrator, to award degrees higher than the baccalaureate level.

(2) The term "nuclear nonproliferation sciences" means bodies of scientific knowledge relevant to developing or advancing the means to prevent or impede the proliferation of nuclear weaponry.

(3) The term "scientist" means an individual who has a degree from an institution of higher education in a science that has practical application in the field of nuclear nonproliferation.

(c) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for nonproliferation and international security for fiscal year 2005, $10,000,000 may be used to carry out this section.

SEC. 1423. COLLABORATION TO REDUCE THE RISKS OF A LAUNCH OF RUSSIAN NUCLEAR WEAPONS.

(a) FINDINGS.—Congress finds that, despite the ending of the Cold War more than a decade ago, the nuclear postures and strategic command and control systems of the Russian Federation pose risks that a nuclear ballistic missile could be launched as the result of an accident, misinformation, miscalculation, or unauthorized use. Such risks are posed as a result of factors including the following:

(1) The high state of readiness of the Russian Federation's nuclear forces.

(2) The remote locations of much of the Russian Federation's nuclear forces.

(3) The inadequacy of the Russian Federation's early-warning information.

(4) The very short time that would be available to the President of the Russian Federation if the President were informed that a nuclear ballistic missile attack was or might be underway.

(5) The possibility that the Russian Federation, because of concerns that much of its nuclear forces

would not survive a nuclear attack, may have a nuclear deterrence posture reliant upon launching a retaliatory nuclear strike when it believes a nuclear ballistic missile attack against it is or might be underway.

(6) Deficiencies in the security and control of the nuclear forces of the Russian Federation that could result in unauthorized personnel gaining control of a nuclear-armed missile or warhead.

(7) The susceptibility of nuclear strategic command and control systems and early-warning systems to an intrusion or accident that could create the false appearance that a nuclear ballistic missile attack is or might be underway.

(b) REPORT.—(1) Not later than November 1, 2005, the Secretary of Defense shall submit to Congress a report on the collaborative measures that the United States and the Russian Federation could take to reduce the risks that a nuclear ballistic missile could be launched as the result of an accident, misinformation, miscalculation, or unauthorized use. For each such measure, the report shall provide—

(A) specific comments on the advisability of the measure in terms of the potential contribution of the measure to the national security interests of the

United States, including the potential contribution of the measure in improving relations between the United States and the Russian Federation; and

(B) a description of the obstacles and opportunities associated with pursuing the measure.

(2) In addition to any other measure that the Secretary considers appropriate, the report required by paragraph (1) shall cover the following measures:

(A) The future of the Joint Data Exchange Center.

(B) Potential topics for discussion between high-level military leaders of the United States and of the Russian Federation on reducing the risk that a nuclear ballistic missile could be launched as the result of an accident, misinformation, miscalculation, or unauthorized use.

TITLE XV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

SEC. 1501. PURPOSE.

The purpose of this title is to authorize appropriations for the Department of Defense for fiscal year 2005, in addition to amounts otherwise authorized by this Act, to provide

funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

Subtitle A—Authorization of Appropriations

SEC. 1511. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2005 for procurement accounts of the Army in amounts as follows:

(1) For aircraft, $498,300,000.

(2) For missiles, $42,800,000.

(3) For weapons and tracked combat vehicles, $201,900,000.

(4) For ammunition, $78,750,000.

(5) For other procurement, $1,567,410,000.

(6) For National Guard and Reserve equipment, $50,000,000.

SEC. 1512. NAVY AND MARINE CORPS PROCUREMENT.

(a) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2005 for the procurement account for the Marine Corps in the amount of $98,190,000.

(b) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2005 for the procurement account for ammunition for the Navy and the Marine Corps in the amount of $38,402,000.

SEC. 1513. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the procurement account for aircraft for the Air Force in amount of $99,000,000.

SEC. 1514. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the procurement account for Defense-wide procurement in the amount of $720,000,000.

SEC. 1515. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2005 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $9,607,113,000.

(2) For the Navy, $256,500,000.

(3) For the Marine Corps, $2,398,735,000.

(4) For the Air Force, $1,635,000,000.

(5) For Defense-wide, $2,327,900,000.

SEC. 1516. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2005 for expenses, not otherwise provided for, for the Defense Health Program, in the amount of $75,000,000, for Operation and Maintenance.

SEC. 1517. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel accounts for fiscal year 2005 a total of $5,305,000,000.

SEC. 1518. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1519. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this title for fiscal year 2005 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

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

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1520. DESIGNATION OF EMERGENCY AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are designated for emergency contingency operations related to the global war on terrorism.

Subtitle B—Personnel Provisions

SEC. 1531. THREE-YEAR INCREASE IN ACTIVE ARMY STRENGTH LEVELS.

(a) AUTHORIZED END STRENGTHS.—(1) The end strength level authorized for the Army for fiscal year 2005 under section 401 is hereby increased by 10,000.

(2) For fiscal years 2006 and 2007, the Army is authorized strengths for active duty personnel as follows:

(A) As of September 30, 2006, 502,400.

(B) As of September 30, 2007, 512,400.

(b) STATUTORY MINIMUM ACTIVE STRENGTH LEVEL.—The minimum strength for the Army under section 691(b) of title 10, United States Code (notwithstanding the number specified in paragraph (1) of that section)—

(1) for the period beginning on October 1, 2004, and ending on September 30, 2005, shall be the number specified in section 401(1) of this Act, increased by 10,000;

(2) for the period beginning on October 1, 2005, and ending on September 30, 2006, shall be 502,400; and

(3) for the period beginning on October 1, 2006, and ending on September 30, 2007, shall be 512,400.

(c) NOTICE TO CONGRESS.—If the Secretary of Defense, in consultation with the Secretary of the Army, deter-

mines that adjustments are necessary to the minimum end-strength level for the Army in effect at any time pursuant to subsection (b), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report providing the Secretary's recommendations and rationale for such an adjustment. Such a report must be submitted before the submission of the budget request for the fiscal year for which the change would be effective.

SEC. 1532. THREE-YEAR INCREASE IN ACTIVE MARINE CORPS STRENGTH LEVELS.

(a) AUTHORIZED END STRENGTHS.—(1) The end strength level authorized for the Marine Corps for fiscal year 2005 under section 401 is hereby increased by 3,000.

(2) For fiscal years 2006 and 2007, the Marine Corps is authorized strengths for active duty personnel as follows:

(A) As of September 30, 2006, 181,000.

(B) As of September 30, 2007, 184,000.

(b) STATUTORY MINIMUM ACTIVE STRENGTH LEVEL.—The minimum strength for the Marine Corps under section 691(b) of title 10, United States Code (notwithstanding the number specified in paragraph (3) of that section)—

(1) for the period beginning on October 1, 2004, and ending on September 30, 2005, shall be the num-

ber specified in section 401(3) of this Act, increased by 3,000;

(2) for the period beginning on October 1, 2005, and ending on September 30, 2006, shall be 181,000; and

(3) for the period beginning on October 1, 2006, and ending on September 30, 2007, shall be 184,000.

(c) NOTICE TO CONGRESS.—If the Secretary of Defense, in consultation with the Secretary of the Navy, determines that adjustments are necessary to the minimum end-strength level for the Marine Corps in effect at any time pursuant to subsection (b), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report providing the Secretary's recommendations and rationale for such an adjustment. Such a report must be submitted before the submission of the budget request for the fiscal year for which the change would be effective.

SEC. 1533. EXTENSION OF INCREASED RATES FOR IMMINENT DANGER PAY AND FAMILY SEPARATION ALLOWANCE.

(a) IMMINENT DANGER PAY.—(1) Subsection (e) of section 310 of title 37, United States Code, is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(2) Effective January 1, 2006, such section is further amended—

(A) in subsection (a), by striking "$150" and inserting "$225"; and

(B) by striking subsection (e).

(b) FAMILY SEPARATION ALLOWANCE.—(1) Subsection (e) of section 427 of such title is amended by striking "December 31, 2004" and inserting "December 31, 2005".

(2) Effective January 1, 2006, such section is further amended—

(A) in subsection (a)(1), by striking "$100" and inserting "$250"; and

(B) by striking subsection (e).

Subtitle C—Financial Management Matters

SEC. 1541. REVISED FUNDING METHODOLOGY FOR MILITARY RETIREE HEALTH CARE BENEFITS.

(a) REVISION.—Section 1116 of title 10, United States Code, is amended to read as follows:

"§ 1116. Payments into the Fund

"(a) At the beginning of each fiscal year after September 30, 2005, the Secretary of the Treasury shall promptly pay into the Fund from the General Fund of the Treasury—

"(1) the amount certified to the Secretary by the Secretary of Defense under subsection (c), which shall be the contribution to the Fund for that fiscal year required by section 1115; and

"(2) the amount determined by each administering Secretary under section 1111(c) as the contribution to the Fund on behalf of the members of the uniformed services under the jurisdiction of that Secretary.

"(b) At the beginning of each fiscal year, the Secretary of Defense shall determine the sum of the following:

"(1) The amount of the payment for that year under the amortization schedule determined by the Board of Actuaries under section 1115(a) of this title for the amortization of the original unfunded liability of the Fund.

"(2) The amount (including any negative amount) of the Department of Defense contribution for that year as determined by the Secretary of Defense under section 1115(b) of this title.

"(3) The amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary of Defense under section 1115(c)(2) of this title for the amortization of any cumulative unfunded liability (or

any gain) to the Fund resulting from changes in benefits.

'(4) The amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary of Defense under section 1115(c)(3) of this title for the amortization of any cumulative actuarial gain or loss to the Fund resulting from actuarial assumption changes.

"(5) The amount (including any negative amount) for that year under the most recent amortization schedule determined by the Secretary of Defense under section 1115(c)(4) of this title for the amortization of any cumulative actuarial gain or loss to the Fund resulting from actuarial experience.

"(c) The Secretary of Defense shall promptly certify the amount determined under subsection (b) each year to the Secretary of the Treasury.".

(b) CONFORMING AMENDMENTS.—(1) Section 1111(c) of title 10, United States Code, is amended in the last sentence by striking "1116" and all that follows through the end of the sentence and inserting "1115(b) of this title, and such contributions shall be paid into the Fund as provided in section 1116(a).".

(2) Section 1115(a) of such title is amended by striking "1116(c)" and inserting "1116".

(3) Section 1115(b) of such title is amended—

(A) by striking "(1) The Secretary of Defense" and all that follows through "of this title." and inserting "The Secretary of Defense shall determine, before the beginning of each fiscal year after September 30, 2005, the total amount of the Department of Defense contribution to be made to the Fund for that fiscal year for purposes of section 1116(b)(2).";

(B) by striking paragraph (2);

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

(D) in each of paragraphs (1) and (2), as so redesignated, by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(E) in paragraph (2)(B), as so redesignated, by striking "subparagraph (A)(ii)" and inserting "paragraph (1)(B)".

(4) Section 1115(c)(1) of such title is amended by striking "and section 1116(a) of this title".

(5) Section 1115(c)(5) of such title is amended by striking "1116(c)" and inserting "1116".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2005.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SECTION 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 2005".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Anniston Army Depot	$23,690,000
Alaska	Fort Richardson	$24,300,000
	Fort Wainwright	$92,459,000
California	Fort Irwin	$38,100,000
Colorado	Fort Carson	$59,508,000
Georgia	Fort Benning	$73,627,000
	Fort Gillem	$5,800,000
	Fort McPherson	$4,900,000
	Fort Stewart/Hunter Army Air Field	$65,495,000
Hawaii	Helemano Military Reservation	$75,300,000
	Hickam Air Force	$11,200,000
	Schofield Barracks	$241,792,000
Kansas	Fort Riley	$44,050,000
Kentucky	Fort Campbell	$89,600,000
	Fort Knox	$73,850,000
Louisiana	Fort Polk	$70,953,000
Maryland	Fort Detrick	$4,000,000

***Army: Inside the United States**—Continued*

State	*Installation or Location*	*Amount*
Missouri	*Fort Leonard Wood*	*$21,450,000*
New Jersey	*Picatinny Arsenal*	*$9,900,000*
New Mexico	*White Sands Missile Range*	*$33,000,000*
New York	*Fort Drum*	*$13,650,000*
	Fort Hamilton	*$7,600,000*
	Hancock Field	*$6,000,000*
	Military Entrance Processing Station, Buffalo	*$6,200,000*
	United States Military Academy, West Point	*$60,000,000*
North Carolina	*Fort Bragg*	*$111,687,000*
Oklahoma	*Fort Sill*	*$17,800,000*
Texas	*Camp Bullis*	*$5,300,000*
	Fort Bliss	*$19,400,000*
	Fort Hood	*$88,888,000*
Virginia	*Fort A.P. Hill*	*$3,975,000*
	Fort Lee	*$4,250,000*
	Fort Myer	*$49,526,000*
Washington	*Fort Lewis*	*$48,000,000*
	Total	*$1,505,250,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	*Installation or Location*	*Amount*
Germany	*Grafenwoehr*	*$77,200,000*
Italy	*Livorno*	*$26,000,000*
Korea	*Camp Humphreys*	*$12,000,000*
	Total	*$115,200,000*

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes and in the amounts, set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Fort Richardson	92 Units	$42,000,000
	Fort Wainwright	246 Units	$124,000,000
Arizona	Fort Huachuca	205 Units	$41,000,000
	Yuma Proving Ground	55 Units	$14,900,000
Kansas	Fort Riley	126 Units	$33,000,000
New Mexico	White Sands Missile Range	156 Units	$31,000,000
Oklahoma	Fort Sill	247 Units	$47,000,000
Virginia	Fort Lee	218 Units	$46,000,000
	Fort Monroe	68 Units	$16,000,000
	Total		$394,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $29,209,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $211,990,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition and military family housing functions of the Department of the Army in the total amount of $3,428,815,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,335,750,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $115,200,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $20,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $161,209,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $636,099,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $926,507,000.

(6) For the construction of phase 2 of a barracks complex, 5th & 16th Street, at Fort Stewart/Hunter Army Air Field, Georgia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), $32,950,000.

(7) For the construction of phase 3 of a barracks complex renewal, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1283) and as amended by section 2105 of the Military Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), $48,000,000.

(8) For the construction of phase 2 of the Lewis & Clark instructional facility at Fort Leavenworth,

Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $44,000,000.

(9) For the construction of phase 2 of a barracks complex at Wheeler Sack Army Air Field at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), $48,000,000.

(10) For the construction of phase 2 of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697), $48,000,000.

(11) For the construction of phase 3 of a maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $13,100,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost

of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $41,000,000 (the balance of the amount authorized under section 2101(a) to upgrade Drum Road, Helemano Military Reservation, Hawaii).

(3) $25,000,000 (the balance of the amount authorized under section 2101(a) for construction of a vehicle maintenance facility, Schofield Barracks, Hawaii).

(3) $25,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Fort Campbell, Kentucky).

(4) $22,000,000 (the balance of the amount authorized under section 2101(a) for construction of trainee barracks, Basic Training Complex 1, Fort Knox, Kentucky).

(5) $25,500,000 (the balance of the amount authorized under section 2101(a) for construction of a library and learning facility, United States Military Academy, West Point, New York).

(6) $31,000,000 (the balance of the amount authorized under section 2101(a) for a barracks complex renewal project, Fort Bragg, North Carolina).

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2004 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1697) is amended—

(1) in the item relating to Fort Stewart/Hunter Army Air Field, Georgia, by striking "$113,500,000" in the amount column and inserting "$114,450,000";

(2) in the item relating to Fort Drum, New York, by striking "$130,700,000" in the amount column and inserting "$135,700,000"; and

(3) by striking the amount identified as the total in the amount column and inserting "$1,043,150,000".

(b) CONFORMING AMENDMENTS.—Section 2104(b) of that Act (117 Stat. 1700) is amended—

(1) in paragraph (2), by striking "$32,000,000" and inserting "$32,950,000"; and

(2) in paragraph (4), by striking "$43,000,000" and inserting "$48,000,000".

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECT.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), as amended by section 2105(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1700), is further amended—

(1) in the item relating to Fort Sill, Oklahoma, by striking "$39,652,000" in the amount column and inserting "$40,752,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,157,267,000".

(b) CONFORMING AMENDMENT.—Section 2104(b)(6) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2684) is amended by striking "$25,000,000" and inserting "$26,100,000".

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may ac-

1 *quire real property and carry out military construction*
2 *projects for the installations or locations inside the United*
3 *States, and in the amounts, set forth in the following table:*

Navy: Inside the United States

State	***Installation or Location***	***Amount***
Arizona	*Marine Corps Air Station, Yuma*	*$26,670,000*
California	*Marine Corps Air-Ground Task Force Training Center, Twentynine Palms*	*$15,700,000*
	Marine Corps Air Station, Camp Pendleton	*$11,540,000*
	Marine Corps Base, Camp Pendleton	*$26,915,000*
	Marine Corps Logistics Base, Barstow	*$4,930,000*
	Naval Air Facility, El Centro	*$54,331,000*
	Naval Air Station, North Island	*$10,180,000*
	Naval Surface Warfare Center, Division Corona	*$9,850,000*
Connecticut	*Naval Submarine Base, New London*	*$50,302,000*
District of Columbia	*Naval Observatory, Washington*	*$3,239,000*
Florida	*Eglin Air Force Base*	*$2,060,000*
	Naval Station, Mayport	*$6,200,000*
Georgia	*Strategic Weapons Facility Atlantic, Kings Bay*	*$16,000,000*
Hawaii	*Naval Shipyard, Pearl Harbor*	*$5,100,000*
Illinois	*Naval Training Center, Great Lakes*	*$74,781,000*
Indiana	*Naval Surface Warfare Center, Crane*	*$10,580,000*
Louisiana	*Joint Reserve Base/Naval Air Station, New Orleans*	*$6,030,000*
Maryland	*Naval Surface Warfare Center, Indian Head*	*$23,000,000*
North Carolina	*Marine Corps Air Station, New River*	*$35,140,000*
	Marine Corps Base, Camp Lejeune	*$11,030,000*
Nevada	*Naval Air Station, Fallon*	*$4,980,000*
South Carolina	*Marine Corps Air Station, Beaufort*	*$5,480,000*
Virginia	*Camp Elmore Marine Corps Detachment*	*$13,500,000*
	Marine Corps Air Facility, Quantico	*$21,180,000*
	Marine Corps Combat Development Command, Quantico	*$24,140,000*
	Naval Air Station, Oceana	*$2,770,000*
	Naval Amphibious Base, Little Creek	*$9,550,000*
	Naval Station, Norfolk	*$4,330,000*

***Navy: Inside the United States**—Continued*

State	*Installation or Location*	*Amount*
Washington	*Naval Weapons Station, Yorktown*	*$9,870,000*
	Naval Air Station, Whidbey Island	*$1,990,000*
	Naval Shipyard, Puget Sound	*$23,455,000*
	Naval Station, Bremerton	*$74,125,000*
	Strategic Weapons Facility Pacific, Bangor	*$131,090,000*
	Total	*$730,038,000*

1 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2204(a)(2), the Secretary of the Navy may*
4 *acquire real property and carry out military construction*
5 *projects for the installations or locations outside the United*
6 *States, and in the amounts, set forth in the following table:*

Navy: Outside the United States

Country	*Installation or Location*	*Amount*
Bahamas	*Naval Undersea Warfare Center, Andros Islands*	*$20,750,000*
Diego Garcia	*Naval Support Facility, Diego Garcia*	*$17,500,000*
Guam	*Naval Public Works Center, Guam*	*$20,700,000*
	Naval Station, Guam	*$12,500,000*
Italy	*Sigonella*	*$22,550,000*
Spain	*Naval Station, Rota*	*$32,700,000*
	Total	*$126,700,000*

7 *(c) UNSPECIFIED WORLDWIDE.—Using the amounts*
8 *appropriated pursuant to the authorization of appropria-*
9 *tions in section 2204(a)(3), the Secretary of the Navy may*
10 *acquire real property and carry out military construction*
11 *projects for the installations or locations and in the amount,*
12 *set forth in the following table:*

Navy: Unspecified Worldwide

Location	*Installation or Location*	*Amount*
	Unspecified Worldwide	*$148,640,000*
	Total	*$148,640,000*

1 ***SEC. 2202. FAMILY HOUSING.***

2 *Using amounts appropriated pursuant to the author-*
3 *ization of appropriations in section 2204(a)(6)(A), the Sec-*
4 *retary of the Navy may construct or acquire family housing*
5 *units (including land acquisition and supporting facilities)*
6 *at the installations or locations, for the purposes and in*
7 *the amounts, set forth in the following table:*

Navy: Family Housing

State	*Installation or Location*	*Purpose*	*Amount*
North Carolina	*Marine Corps Air Station, Cherry Point*	*198 Units*	*$27,002,000*
	Total	.....	*$27,002,000*

8 ***SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING***
9 ***UNITS.***

10 *Subject to section 2825 of title 10, United States Code,*
11 *and using amounts appropriated pursuant to the author-*
12 *ization of appropriations in section 2204(a)(6)(A), the Sec-*
13 *retary of the Navy may improve existing military family*
14 *housing units in an amount not to exceed $112,105,000.*

15 ***SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.***

16 *(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are*
17 *hereby authorized to be appropriated for fiscal years begin-*

ning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,913,273,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $631,908,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $126,700,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2201(c), $98,560,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $93,804,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $139,107,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $696,304,000.

(7) For the construction of increment 2 of the tertiary sewage treatment plant at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1703), $25,690,000.

(8) For the construction of increment 2 of the general purpose berthing pier at Naval Weapons Station, Earle, New Jersey, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $49,200,000.

(9) For the construction of increment 2 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $40,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost

of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a).

(2) $21,000,000 (the balance of the amount authorized under section 2201(a) for apron and hangar recapitalization, Naval Air Facility, El Centro, California).

(3) $40,000,000 (the balance of the amount authorized under section 2201(a) for construction of bachelor enlisted quarters, Naval Station, Bremerton, Washington).

(4) $95,320,000 (the balance of the amount authorized under section 2201(a) for construction of a limited area processing and storage complex, Strategic Weapons Facility Pacific, Bangor, Washington).

(5) $34,098,000 (the balance of the amount authorized under section 2201(c) for construction of a White Side complex at an unspecified location worldwide).

(6) $15,982,000 (the balance of the amount authorized under section 2201(c) for construction of a presidential helicopter programs support facility at an unspecified location).

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Elmendorf Air Force Base	$26,057,000
Arizona	Davis-Monthan Air Force Base	$17,029,000
	Luke Air Force Base	$17,900,000
Arkansas	Little Rock Air Force Base	$8,931,000
California	Beale Air Force Base	$10,186,000
	Edwards Air Force Base	$9,965,000
	Travis Air Force Base	$18,894,000
Colorado	Buckley Air Force Base	$12,247,000
Florida	Tyndall Air Force Base	$29,162,000
Georgia	Moody Air Force Base	$9,600,000
	Robins Air Force Base	$15,000,000
Hawaii	Hickam Air Force Base	$25,900,000
Louisiana	Barksdale Air Force Base	$13,800,000
Maryland	Andrews Air Force Base	$17,100,000
Mississippi	Columbus Air Force Base	$7,700,000
Missouri	Whiteman Air Force Base	$7,600,000
New Mexico	Kirtland Air Force Base	$9,200,000
North Carolina	Pope Air Force Base	$15,150,000
Ohio	Wright-Patterson Air Force Base	$9,200,000
South Carolina	Shaw Air Force Base	$7,000,000
Tennessee	Arnold Air Force Base	$24,500,000
Texas	Dyess Air Force Base	$3,300,000
	Lackland Air Force Base	$2,596,000
	Laughlin Air Force Base	$6,900,000
	Sheppard Air Force Base	$50,284,000
Utah	Hill Air Force Base	$18,013,000
Wyoming	F.E. Warren Air Force Base	$5,500,000
	Total	$398,714,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	***Installation or Location***	***Amount***
Germany	*Ramstein Air Base*	*$25,404,000*
Greenland	*Thule Air Base*	*$19,800,000*
Guam	*Andersen Air Force Base*	*$19,593,000*
Italy	*Aviano Air Base*	*$6,760,000*
Japan	*Misawa Air Base*	*$6,700,000*
Korea	*Kunsan Air Base*	*$37,100,000*
	Osan Air Base	*$18,600,000*
Portugal	*Lajes Field, Azores*	*$5,689,000*
Spain	*Naval Station, Rota*	*$14,153,000*
United Kingdom	*Royal Air Force Lakenheath*	*$5,500,000*
	Total	*$159,299,000*

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	***Installation or Location***	***Amount***
	Classified Locations	*$26,121,000*
	Unspecified Worldwide	*$28,794,000*
	Total	*$54,915,000*

1 ***SEC. 2302. FAMILY HOUSING.***

2 *(a) CONSTRUCTION AND ACQUISITION.—Using*
3 *amounts appropriated pursuant to the authorization of ap-*
4 *propriations in section 2304(a)(6)(A), the Secretary of the*
5 *Air Force may construct or acquire family housing units*
6 *(including land acquisition and supporting facilities) at*
7 *the installations or locations, for the purposes and in the*
8 *amounts, set forth in the following table:*

Air Force: Family Housing

State	***Installation or Location***	***Purpose***	***Amount***
Arizona	*Davis-Monthan Air Force Base*	*250 Units*	*$48,500,000*
California	*Edwards Air Force Base*	*218 Units*	*$41,202,000*
	Vandenberg Air Force Base	*120 Units*	*$30,906,000*
Florida	*MacDill Air Force Base*	*61 Units*	*$21,723,000*
	MacDill Air Force Base	*Housing Maintenance Facility*	*$1,250,000*
Idaho	*Mountain Home Air Force Base*	*147 Units*	*$39,333,000*
Mississippi	*Columbus Air Force Base*	*Housing Management Facility*	*$711,000*
Missouri	*Whiteman Air Force Base*	*160 Units*	*$37,087,000*
Montana	*Malmstrom Air Force Base*	*115 Units*	*$29,910,000*
North Carolina	*Seymour Johnson Air Force Base*	*167 Units*	*$32,693,000*
North Dakota	*Grand Forks Air Force Base*	*90 Units*	*$26,169,000*
	Minot Air Force Base	*142 Units*	*$37,087,000*
South Carolina	*Charleston Air Force Base*	*Fire Station*	*$1,976,000*
South Dakota	*Ellsworth Air Force Base*	*75 Units*	*$21,482,000*
Texas	*Dyess Air Force Base*	*127 Units*	*$28,664,000*
	Goodfellow Air Force Base	*127 Units*	*$20,604,000*
Germany	*Ramstein Air Base*	*144 Units*	*$57,691,000*

***Air Force: Family Housing**—Continued*

State	*Installation or Location*	*Purpose*	*Amount*
Italy	*Aviano Air Base*	*Housing Office*	*$2,542,000*
Korea	*Osan Air Base*	*117 Units*	*$46,834,000*
United Kingdom	*Royal Air Force Lakenheath*	*154 Units*	*$43,976,000*
	Total		*$570,340,000*

1 *(b) PLANNING AND DESIGN.—Using amounts appro-*
2 *priated pursuant to the authorization of appropriations in*
3 *section 2304(a)(6)(A), the Secretary of the Air Force may*
4 *carry out architectural and engineering services and con-*
5 *struction design activities with respect to the construction*
6 *or improvement of military family housing units in an*
7 *amount not to exceed $38,266,000.*

8 ***SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING***
9 ***UNITS.***

10 *Subject to section 2825 of title 10, United States Code,*
11 *and using amounts appropriated pursuant to the author-*
12 *ization of appropriations in section 2304(a)(6)(A), the Sec-*
13 *retary of the Air Force may improve existing military fam-*
14 *ily housing units in an amount not to exceed $238,353,000.*

15 ***SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR***
16 ***FORCE.***

17 *(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are*
18 *hereby authorized to be appropriated for fiscal years begin-*
19 *ning after September 30, 2004, for military construction,*
20 *land acquisition, and military family housing functions of*

the Department of the Air Force in the total amount of $2,493,679,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $398,714,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $159,299,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $54,915,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $13,000,000.

(5) For architectural and engineering services and construction design, under section 2807 of title 10, United States Code, $166,126,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $846,959,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $854,666,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or Location	Amount
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$6,000,000
Defense Logistics Agency	Defense Distribution Depot, New Cumberland, Pennsylvania	$22,300,000
	Defense Distribution Depot, Richmond, Virginia	$10,100,000
	Defense Fuel Support Point, Naval Air Station, Oceana, Virginia	$3,589,000
	Defense Supply Center, Columbus, Ohio	$5,500,000

***Defense Agencies: Inside the United States**—Continued*

Agency	*Installation or Location*	*Amount*
	Marina Corps Air Station, Cherry Point, North Carolina	*$22,700,000*
	Naval Air Station, Kingsville, Texas	*$3,900,000*
	Naval Station, Pearl Harbor, Hawaii	*$3,500,000*
	Tinker Air Force Base, Oklahoma	*$5,400,000*
	Travis Air Force Base, California	*$15,100,000*
Missile Defense Agency	*Huntsville, Alabama*	*$19,560,000*
National Security Agency	*Fort Meade, Maryland*	*$15,007,000*
Special Operations Command	*Corona, California*	*$13,600,000*
	Fleet Combat Training Center, Dam Neck, Virginia	*$5,700,000*
	Fort A.P. Hill, Virginia	*$1,500,000*
	Fort Bragg, North Carolina	*$42,888,000*
	Fort Stewart/Hunter Army Air Field, Georgia	*$17,600,000*
	Hurlburt Field, Florida	*$2,500,000*
	Naval Amphibious Base, Little Creek, Virginia	*$33,200,000*
	Naval Air Station, North Island, California	*$1,000,000*
TRICARE Management Activity	*Buckley Air Force Base, Colorado*	*$2,100,000*
	Defense Language Institute, Presidio, Monterey	*$6,700,000*
	Fort Belvoir, Virginia	*$100,000,000*
	Fort Benning, Georgia	*$7,100,000*
	Langley Air Force Base, Virginia	*$50,800,000*
	Marine Corps Recruit Depot, Parris Island, South Carolina	*$25,000,000*
	Naval Air Station, Jacksonville, Florida	*$28,438,000*
	Total	*$470,782,000*

1 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2404(a)(2), the Secretary of Defense may*
4 *acquire real property and carry out military construction*
5 *projects for the installations or locations outside the United*
6 *States, and in the amounts, set forth in the following table:*

Defense Agencies: Outside the United States

Agency	*Installation or Location*	*Amount*
Defense Education Activity	*Grafenwoehr, Germany*	*$36,247,000*
	Naval Station, Guam	*$26,964,000*
	Vilseck, Germany	*$9,011,000*
Defense Logistics Agency	*Defense Fuel Support Point, Lajes Field, Portugal*	*$19,113,000*
	Misawa Air Base, Japan	*$19,900,000*
Special Operations Command	*Naval Station, Guam, Marianas Islands*	*$2,200,000*
	Royal Air Force Mildenhall, United Kingdom	*$10,200,000*
TRICARE Management Activity	*Diego Garcia*	*$3,800,000*
	Grafenwoehr, Germany	*$13,000,000*
	Total	*$140,435,000*

1 *(c) UNSPECIFIED WORLDWIDE.—Using the amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2404(a)(3), the Secretary of Defense may*
4 *acquire real property and carry out military construction*
5 *projects for the installations or locations, and in the*
6 *amount, set forth in the following table:*

Defense Agencies: Unspecified Worldwide

Location	*Installation or Location*	*Amount*
Special Operations Command	*Classified Locations*	*$7,400,000*
	Unspecified Worldwide	*$2,900,000*
	Total	*$10,300,000*

7 ***SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING***
8 ***UNITS.***

9 *Subject to section 2825 of title 10, United States Code,*
10 *and using amounts appropriated pursuant to the author-*

ization of appropriations in section 2404(a)(9)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $49,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(7), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $50,000,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,089,063,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $413,782,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $140,435,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2401(c), $10,300,000.

(4) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $20,938,000.

(5) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $63,482,000.

(7) For Energy Conservation projects authorized by section 2404 of this Act, $50,000,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $246,116,000.

(9) For military family housing functions:

(A) For improvement of military family housing and facilities, $49,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $49,575,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000.

(10) For the construction of phase 6 of an ammunition demilitarization facility at Pueblo Depot Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $44,792,000.

(11) For the construction of phase 5 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Author-

ization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $37,094,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a).

(2) $57,000,000 (the balance of the amount authorized under section 2401(a) for hospital replacement, Fort Belvoir, Virginia).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this pur-

pose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of $165,800,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2004, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $393,225,000; and

(B) for the Army Reserve, $116,955,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $30,955,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $184,620,000; and

(B) for the Air Force Reserve, $114,090,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2007; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2008 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1301), authorizations set forth in the tables in subsection (b), as provided in section 2101 or 2302 of that Act, shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

1 *(b) TABLES.—The tables referred to in subsection (a)*
2 *are as follows:*

Army: Extension of 2002 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	*Fort Wainwright*	*Power plant cooling tower*	*$23,000,000*
Hawaii	*Pohakuloa Training Area*	*Parker Ranch land acquisition*	*$1,500,000*

Air Force: Extension of 2002 Project Authorizations

State	Installation or Location	Project	Amount
Colorado	*Buckley Air Force Base*	*Family housing (55 Units)*	*$11,400,000*
Louisiana	*Barksdale Air Force Base*	*Family housing (56 Units)*	*$7,300,000*

3 ***SEC. 2703. EXTENSION AND RENEWAL OF AUTHORIZATIONS***
4 ***OF CERTAIN FISCAL YEAR 2001 PROJECTS.***

5 *(a) EXTENSION AND RENEWAL.—Notwithstanding sec-*
6 *tion 2701 of the Military Construction Authorization Act*
7 *for Fiscal Year 2001 (division B of the Floyd D. Spence*
8 *National Defense Authorization Act for Fiscal Year 2001*
9 *(as enacted into law by Public Law 106–398; 114 Stat.*
10 *1654A–407)), authorizations set forth in the tables in sub-*
11 *section (b), as provided in section 2102 or 2401 of that Act*
12 *and, in the case of the authorization set forth in the first*
13 *table in subsection (b), extended by section 2702 of the Mili-*
14 *tary Construction Authorization Act for Fiscal Year 2004*

(division B of Public Law 108–136; 117 Stat. 1716), shall remain in effect until October 1, 2005, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2001 Project Authorization

State	Installation or Location	Project	Amount
South Carolina	Fort Jackson	Family housing (1 unit)	$250,000

Defense Agencies: Extension of 2001 Project Authorizations

Agency	Installation or Location	Project	Amount
Defense Finance and Accounting Service	Kleber Kaserne, Germany	Building renovation	$7,400,000
Defense Education Activity	Osan Air Base, Korea	Osan Elementary School addition	$843,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

(1) October 1, 2004; or

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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SECTION 2801. INCREASE IN CERTAIN THRESHOLDS FOR CARRYING OUT UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) ADVANCE APPROVAL AND CONGRESSIONAL NOTIFICATION THRESHOLD.—Subsection (b)(1) of section 2805 of title 10, United States Code, is amended by striking "$750,000" and inserting "$1,000,000".

(b) USE OF OPERATION AND MAINTENANCE FUNDS THRESHOLD.—Subsection (c) of such section is amended—

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

"(1) Except as provided in paragraphs (2) and (3), the Secretary concerned may spend from appropriations available for operation and maintenance amounts necessary to carry out an unspecified minor military construction project costing not more than $1,500,000."; and

(2) in paragraph (3), by striking "limitations" and inserting "limitation".

SEC. 2802. ASSESSMENT OF VULNERABILITY OF MILITARY INSTALLATIONS TO TERRORIST ATTACK AND ANNUAL REPORT ON MILITARY CONSTRUCTION REQUIREMENTS RELATED TO ANTITERRORISM AND FORCE PROTECTION.

(a) ANNUAL ASSESSMENT AND REPORT.—Section 2808 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) ANTITERRORISM AND FORCE PROTECTION ASSESSMENTS AND MILITARY CONSTRUCTION REQUIREMENTS.—(1) The Secretary of Defense shall develop common guidance and criteria to be used by the Secretary concerned—

"(A) to assess the vulnerability of military installations located inside and outside of the United States to terrorist attack;

"(B) to develop construction standards designed to reduce the vulnerability of structures to terrorist attack and improve the security of the occupants of such structures;

"(C) to prepare and carry out military construction projects, such as gate and fenceline construction, to improve the physical security of military installations; and

"(D) to assist in prioritizing such projects within the military construction budget of each of the armed forces.

"(2) The Secretary of Defense shall require vulnerability assessments of military installations to be conducted, at regular intervals, using the criteria developed under paragraph (1).

"(3) As part of the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, but in no case later than March 15 of each year, the Secretary of Defense shall submit a report describing—

"(A) the location and results of the vulnerability assessments conducted during the preceding fiscal year;

"(B) the military construction requirements anticipated to be necessary during the next three fiscal years to improve the physical security of military installations; and

"(C) the extent to which funds are not requested in the Department of Defense budget for the next fiscal year to meet those requirements.

"(4) In the case of the report required under paragraph (3) to be submitted in 2006, the Secretary of Defense shall include a certification by the Secretary that since Sep-

tember 11, 2001, vulnerability assessments have been undertaken at all major military installations. The Secretary shall indicate the basis by which the Secretary differentiated between major and nonmajor military installations for purposes of making the certification.".

(b) STYLISTIC AND CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2808. Construction authority related to declaration of war or national emergency; construction requirements related to antiterrorism and force protection".

(2) Such section is further amended—

(A) in subsection (a), by inserting "CONSTRUCTION AUTHORITY; LIMITATION.—" after "(a)";

(B) in subsection (b), by inserting "CONGRESSIONAL NOTIFICATION.—" after "(b)"; and

(C) in subsection (c), by inserting "TERMINATION.—" after "(c)".

(3) The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2808 and inserting the following new item:

"2808. Construction authority related to declaration of war or national emergency; construction requirements related to antiterrorism and force protection.".

SEC. 2803. CHANGE IN THRESHOLD FOR CONGRESSIONAL NOTIFICATION REGARDING USE OF OPERATION AND MAINTENANCE FUNDS FOR FACILITY REPAIR.

Section 2811(d) of title 10, United States Code, is amended by striking "$10,000,000" and inserting "$7,500,000".

SEC. 2804. REPORTING REQUIREMENTS REGARDING MILITARY FAMILY HOUSING REQUIREMENTS FOR GENERAL OFFICERS AND FLAG OFFICERS.

(a) ANNUAL REPORT ON COST OF GENERAL AND FLAG OFFICERS QUARTERS.—Section 2831 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) ANNUAL REPORT OF COST OF GENERAL OFFICERS AND FLAG OFFICERS QUARTERS.—As part of the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, but in no case later than March 30 of each year, the Secretary of Defense shall submit a report—

"(1) identifying family housing units used, or intended for use, as quarters for general officers or flag officers for which the total operation and maintenance costs, utility costs, and repair costs are anticipated to exceed $20,000 in the next fiscal year; and

"(2) specifying the total of such costs for each unit of family housing identified under paragraph (1).".

(b) REPORT ON NEED FOR SUCH QUARTERS IN NATIONAL CAPITAL REGION.—The Secretary of Defense shall prepare a report analyzing anticipated needs in the National Capital Region for family housing units for general officers and flag officers. In conducting the analysis, the Secretary shall consider the extent of available housing in the National Capital Region and the necessity of providing housing for general officers and flag officers in secure locations.

(c) REPORT ON WORLD-WIDE INVENTORY OF SUCH QUARTERS.—The Secretary of Defense shall prepare a report containing a worldwide inventory of family housing units for general officers and flag officers and identifying annual expenditures for each such unit for operation and maintenance, utilities, and repair for each for the fiscal years 2000 through 2004.

(d) SUBMISSION OF REPORTS.—The reports required by subsections (b) and (c) shall be submitted to the congressional defense committees not later than March 30, 2005.

(e) DEFINITIONS.—In this section:

(1) The terms "general officer" and "flag officer" have the meanings given such terms in section 101(b) of title 10, United States Code.

(2) The term "National Capital Region" has the meaning given such term in section 2674(f) of such title.

SEC. 2805. CONGRESSIONAL NOTIFICATION OF DEVIATIONS FROM AUTHORIZED COST VARIATIONS FOR MILITARY CONSTRUCTION PROJECTS AND MILITARY FAMILY HOUSING PROJECTS.

Section 2853(c)(3) of title 10, United States Code, is amended by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

SEC. 2806. REPEAL OF LIMITATION ON USE OF ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY FAMILY HOUSING.

Effective October 1, 2005, subsection (g) of section 2883 of title 10, United States Code, is amended to read as follows:

"(g) LIMITATION ON USE OF AUTHORITY TO ACQUIRE OR CONSTRUCT MILITARY UNACCOMPANIED HOUSING.—

The total value in budget authority of all contracts and investments undertaken using the authorities provided in this subchapter for the acquisition or construction of military unaccompanied housing shall not exceed $150,000,000.".

SEC. 2807. TEMPORARY AUTHORITY TO ACCELERATE DESIGN EFFORTS FOR MILITARY CONSTRUCTION PROJECTS CARRIED OUT USING DESIGN-BUILD SELECTION PROCEDURES.

Section 2305a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) SPECIAL AUTHORITY FOR MILITARY CONSTRUCTION PROJECTS.—(1) The Secretary of a military department, and the Secretary of Defense with respect to matters concerning the Defense Agencies, may use funds available to the Secretary under section 2807(a) or 18233(e) of this title to accelerate the design effort in connection with a military construction project for which the two-phase selection procedures described in subsection (c) are used to select the contractor for both the design and construction portion of the project before the project is specifically authorized by law and before funds are appropriated for the construction portion of the project. Notwithstanding the limitations contained in such sections, use of such funds for the design portion of a military construction project may continue despite the subsequent authorization of the project. The ad-

vance notice requirement of section 2807(b) of this title shall continue to apply whenever the estimated cost of the design portion of the project exceeds the amount specified in such section.

"(2) Any military construction contract that provides for an accelerated design effort, as authorized by paragraph (1), shall include as a condition of the contract that the liability of the United States in a termination for convenience may not exceed costs above the costs attributable to the final design of the project.

"(3) Not more than 36 military construction projects containing the accelerated design effort authorized by paragraph (1) may be carried out.

"(4) Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report evaluating the usefulness of the authority provided by this subsection in expediting the design and construction of military construction projects. The authority provided by this subsection expires September 30, 2008, except that, if the report required by this paragraph is not submitted by March 1, 2007, the authority shall expire on that date.".

SEC. 2808. EXCHANGE OR SALE OF RESERVE COMPONENT FACILITIES TO ACQUIRE REPLACEMENT FACILITIES.

Section 18233 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g)(1) The Secretary of Defense may convey, by exchange or sale, an existing facility of a reserve component of the armed forces for the purpose of acquiring a replacement facility under this section or using the proceeds from the sale to acquire a replacement facility under this section, if the Secretary determines it is in the best interests of the United States to acquire the replacement facility by such exchange or sale. The United States shall receive funds or a replacement facility, or a combination of both, having a total value at least equal to the fair market value of the conveyed facility.

"(2) Acquisition of a replacement facility under this subsection may be accomplished by construction, expansion, rehabilitation, or conversion and must result in a fully equipped and operational replacement facility. Nothing in this subsection prohibits the Secretary of Defense from contributing additional funds, in accordance with this section, to obtain a fully equipped and operational replacement facility.

"(3) Funds received under this subsection shall be deposited in a separate account and remain available to the

Secretary of Defense, without appropriation, for use in accordance with this subsection. Any funds received under this subsection in connection with a conveyance in excess of the funds required to obtain a fully equipped and operational replacement facility for the conveyed facility may be used by the Secretary for the purposes of subsection (a).".

SEC. 2809. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723) is amended—

(1) in subsections (a) and (d), by striking "fiscal year 2004" both places it appears and inserting "fiscal years 2004 and 2005"; and

(2) in subsection (c)(1), by striking "in fiscal year 2004" and inserting "in a fiscal year".

Subtitle B—Real Property and Facilities Administration

SEC. 2811. INCREASE IN CERTAIN THRESHOLDS FOR REPORTING REAL PROPERTY TRANSACTIONS.

(a) GENERAL NOTICE AND WAIT THRESHOLD.—Subsection (a) of section 2662 of title 10, United States Code,

is amended by striking "$750,000" each place it appears and inserting "$1,500,000".

(b) ANNUAL REPORT ON MINOR TRANSACTIONS THRESHOLD.—Subsection (b) of such section is amended by striking "subsection (a) that involve an estimated value of more than $250,000, but not more than $750,000" and inserting "such subsection that involve an estimated value of more than $500,000, but not more than the amount specified in such subsection".

(c) NOTICE AND WAIT THRESHOLD FOR CERTAIN GSA LEASES.—Subsection (e) of such section is amended by striking "$750,000" and inserting "$1,500,000".

(d) THRESHOLD FOR ACQUISITION OF LOW-COST INTERESTS IN LAND.—Subsection (a) of section 2672 of such title is amended to read as follows:

"(a) ACQUISITION AUTHORITY.—The Secretary of a military department may acquire any interest in land that—

"(1) the Secretary determines is needed in the interest of national defense; and

"(2) does not cost more than $1,500,000, exclusive of administrative costs and the amounts of any deficiency judgments.".

(e) TREATMENT MULTIPLE PARCELS UNDER LOW-COST ACQUISITION AUTHORITY.—Subsection (b) of such section is amended to read as follows:

"(b) TREATMENT OF MULTIPLE PARCELS.—This section does not authorize the acquisition, as a part of the same project, of more than one parcel of land unless—

"(1) the parcels are noncontiguous; or

"(2) if contiguous, the total cost for the acquisition of all of the contiguous parcels does not cost more than the amount specified in subsection (a)(2).".

SEC. 2812. REORGANIZATION OF EXISTING ADMINISTRATIVE PROVISIONS RELATING TO REAL PROPERTY TRANSACTIONS.

(a) LIMITATION ON COMMISSIONS.—(1) Section 2661 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) COMMISSIONS ON LAND PURCHASE CONTRACTS.—The maximum amount payable as a commission on a contract for the purchase of land from funds appropriated for the Department of Defense is two percent of the purchase price.".

(2) Section 2666 of such title is repealed.

(b) REPEAL OF OBSOLETE AUTHORITY TO ACQUIRE LAND FOR TIMBER PRODUCTION.—Section 2664 of such title is repealed.

(c) AVAILABILITY OF FUNDS FOR ACQUISITION OF CERTAIN INTERESTS IN REAL PROPERTY.—(1) Section 2672 of such title is amended by adding at the end the following new subsection:

"(d) AVAILABILITY OF FUNDS.—Appropriations available to the Department of Defense for operation and maintenance or construction may be used for the acquisition of land or interests in land under this section.".

(2) Section 2673 of such title is repealed.

(3) Section 2675 of such title is amended—

(A) by inserting before "The Secretary" the following "(a) LEASE AUTHORITY; DURATION.—"; and

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

"(b) AVAILABILITY OF FUNDS.—Appropriations available to the Department of Defense for operation and maintenance or construction may be used for the acquisition of interests in land under this section.".

(d) STYLISTIC AND CLERICAL AMENDMENTS.—(1) Section 2661 of such title is further amended—

(A) in subsection (a), by inserting "AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—" after "(a)" ; and

(B) in subsection (b), by inserting "LEASING AND ROAD MAINTENANCE AUTHORITY.—" after "(b)".

(2) The table of sections at the beginning of chapter 159 of such title is amended by striking the items relating to sections 2664, 2666, and 2673.

SEC. 2813. TREATMENT OF MONEY RENTALS FROM GOLF COURSE AT ROCK ISLAND ARSENAL, ILLINOIS.

(a) SUPPORT OF MWR ACTIVITIES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) by redesignating clause (ii) as clause (iii); and

(B) by inserting after clause (i) the following new clause:

"(ii) Money rentals deposited in a nonappropriated morale, welfare, and recreation account under paragraph (3)."; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) The Secretary of the Army may deposit up to 50 percent of the money rentals received by the United States from a lease involving the golf course at Rock Island Arsenal, Illinois, in the nonappropriated morale, welfare, and recreation account for that installation, to be used for quality-of-life programs at that installation.".

(b) EFFECTIVE DATE.—Paragraph (3) of section 2667(d) of title 10, United States Code, as added by subsection (a), shall apply to money rentals referred to in such paragraph received by the United States after September 30, 2004.

SEC. 2814. NUMBER OF CONTRACTS AUTHORIZED DEPARTMENT-WIDE UNDER DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

Section 2814 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2809 note) is amended—

(1) in subsection (a), by striking "or the Secretary of a military department" and inserting "and the Secretaries of the military departments";

(2) in subsection (b)(1), by striking "12 contracts per military department" and inserting "36 contracts"; and

(3) in subsection (b)(2), by striking "the date of the enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003" and inserting "December 2, 2002".

SEC. 2815. REPEAL OF COMMISSION ON REVIEW OF OVERSEAS MILITARY FACILITY STRUCTURE OF THE UNITED STATES.

Section 128 of the Military Construction Appropriations Act, 2004 (Public Law 108–132; 117 Stat. 1382; 10 U.S.C. 111 note), is repealed.

SEC. 2816. DESIGNATION OF AIRMEN LEADERSHIP SCHOOL AT LUKE AIR FORCE BASE, ARIZONA, IN HONOR OF JOHN J. RHODES, A FORMER MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

The Airmen Leadership School at Luke Air Force Base, Arizona, building 156, shall be known and designated as the "John J. Rhodes Airmen Leadership School". Any reference to such facility in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the John J. Rhodes Airmen Leadership School.

SEC. 2817. ELIMINATION OF REVERSIONARY INTERESTS CLOUDING UNITED STATES TITLE TO PROPERTY USED AS NAVY HOMEPORTS.

(a) AUTHORITY TO ACQUIRE COMPLETE TITLE.—If real property owned by the United States and used as a Navy homeport is subject to a reversionary interest of any kind, the Secretary of the Navy may enter into an agreement with the holder of the reversionary interest to acquire

the reversionary interest and thereby secure for the United States all right, title, and interest in and to the property.

(b) CONSIDERATION.—(1) As consideration for the acquisition of a reversionary interest under subsection (a), the Secretary shall provide the holder of the reversionary interest with in-kind consideration, to be determined pursuant to negotiations between the Secretary and the holder of the reversionary interest. In determining the type and value of any in-kind consideration to be provided for the acquisition of a reversionary interest under subsection (a), the Secretary shall take into account the nature of the reversionary interest, including whether it would require the holder of the reversionary interest to pay for any improvements acquired by the holder as part of the reversion of the real property, and the long-term use and ultimate disposition of the real property if the United States were to acquire all right, title, and interest in and to the real property subject to the reversionary interest.

(2) Cash payments are not authorized as consideration for the acquisition of reversionary interests under subsection (a).

SEC. 2818. REPORT ON REAL PROPERTY DISPOSAL AT MARINE CORPS AIR STATION, EL TORO, CALIFORNIA.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Navy shall submit to Congress a report describing—

(1) the progress being made with regard to the disposal of real property at Marine Corps Air Station, El Toro, California, including any challenges arising from plans to dispose of property at the installation by auction;

(2) the anticipated future uses of the property; and

(3) the requests received from other Federal agencies (including other military departments) for property at the installation.

Subtitle C—Base Closure and Realignment

SEC. 2821. TWO-YEAR POSTPONEMENT OF 2005 BASE CLOSURE AND REALIGNMENT ROUND AND SUBMISSION OF REPORTS REGARDING FUTURE INFRASTRUCTURE REQUIREMENTS FOR THE ARMED FORCES.

(a) TWO-YEAR POSTPONEMENT IN SUBMITTAL OF BASE CLOSURE AND REALIGNMENT RECOMMENDATIONS.—Section 2914 of the Defense Base Closure and Realignment

Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3003 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1345), is amended—

*(1) in the section heading, by striking "**2005**" and inserting "**2007**"; and*

(2) in subsection (a), by striking "May 16, 2005," and inserting "May 16, 2007,".

(b) COMMISSION REVIEW AND RECOMMENDATIONS.—Subsection (d) of section 2914 of the Defense Base Closure and Realignment Act of 1990 is amended—

(1) in paragraphs (1) and (2), by striking "September 8, 2005" both places it appears and inserting "September 8, 2007"; and

(2) in paragraph (6)—

(A) by striking "in 2005" and inserting "under this section"; and

(B) by striking "July 1, 2005" and inserting "July 1, 2007".

(c) REVIEW BY PRESIDENT AND TRANSMITTAL TO CONGRESS.—Subsection (e) of section 2914 of the Defense Base Closure and Realignment Act of 1990 is amended—

(1) in paragraph (1)—

(A) by striking "in 2005" and inserting "under this section"; and

(B) by striking "September 23, 2005" and inserting "September 23, 2007";

(2) in paragraph (2), by striking "October 20, 2005" and inserting "October 20, 2007"; and

(3) in paragraph (3)—

(A) by striking "November 7, 2005" and inserting "November 7, 2007"; and

(B) by striking "in 2005" and inserting "in 2007".

(d) NEW FORCE STRUCTURE PLAN AND INFRASTRUCTURE INVENTORY; RECERTIFICATION OF NEED FOR ADDITIONAL ROUND.—Section 2912 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3001 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342), is amended—

*(1) in the section heading, by striking "**2005**" and inserting "**2007**";*

(2) by striking "fiscal year 2005" each place it appears and inserting "fiscal year 2007";

(3) in subsection (b)(1), by inserting "for fiscal year 2007" after "subsection (a)";

(4) in subsections (b)(2) and (d), by striking "in 2005" each place it appears and inserting "under section 2914";

(5) in subsection (d), by striking "March 15, 2005" both places it appears and inserting "March 15, 2007";

(6) in subsection (d)(4), by striking "calendar year 2005 and shall terminate on April 15, 2006" and inserting "calendar year 2007 and shall terminate on April 15, 2008"; and

(7) in subsection (d)(5), by striking "second session of the 108th Congress for the activities of the Commission in 2005" and inserting "second session of the 109th Congress for the activities of the Commission under section 2914".

(e) INFRASTRUCTURE-RELATED REPORTING REQUIREMENTS; TERMINATION OF BASE CLOSURE ROUND.—Section 2912 of the Defense Base Closure and Realignment Act of 1990 is further amended by adding at the end the following new subsection:

"(e) INFRASTRUCTURE-RELATED REPORTS.—

"(1) REQUIRED REPORTS.—The Secretary shall prepare the following reports related to infrastructure requirements for the Armed Forces:

"(A) A report containing the Integrated Global Presence and Basing Strategy of the Department of Defense, including the location of long-term overseas installations, installations to be used for rotational purposes, and forward operating locations, anticipated rotational plans and policies, and domestic and overseas infrastructure requirements associated with the strategy.

"(B) A report describing the anticipated infrastructure requirements associated with the probable end-strength levels and major military force units (including land force divisions, carrier and other major combatant vessels, air wings, and other comparable units) for each of the Armed Forces resulting from force transformation.

"(C) A report describing the anticipated infrastructure requirements related to expected changes in the active component versus reserve component personnel mix of the Armed Forces.

"(D) A report describing the anticipated infrastructure requirements associated with the so-called '10–30–30 objective' of the Secretary to ensure that military forces are capable of deploy-

ment overseas within 10 days in sufficient strength to defeat an enemy within 30 days and be ready for redeployment within 30 days after the end of combat operations.

"(E) A report containing the results of a complete reassessment of the infrastructure necessary to support the force structure described in the force-structure plan prepared under paragraph (1) of subsection (a) and describing any resulting excess infrastructure and infrastructure capacity, which were previously required by paragraph (2) of such subsection. The reassessment shall be based on actual infrastructure, facility, and space requirements for the Armed Forces rather than a comparative study between 1989 and 2003.

"(F) A report describing the anticipated infrastructure requirements associated with the assessment prepared by the Secretary pursuant to section 2822 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1726), in which Congress required the Secretary to assess the probable threats to national security and determine the potential, pru-

dent, surge requirements for the Armed Forces and military installations to meet those threats.

"(2) TIME FOR SUBMISSION OF REPORTS.—The reports required by paragraph (1) shall be submitted to the congressional defense committees only during the period beginning on January 1, 2006, and ending on March 15, 2006.

"(3) TERMINATION OF ROUND FOR FAILURE TO SUBMIT REPORTS AS REQUIRED.—If the reports required by paragraph (1) are not submitted during the period specified in paragraph (2), the process for the making of recommendations to the Congress for the closure or realignment of military installations and the selection of installations for closure or realignment under this part in 2007 shall be terminated.".

(f) CONFORMING AMENDMENTS.—(1) Section 2904(a)(3) of the Defense Base Closure and Realignment Act of 1990 is amended by striking "in the 2005 report" and inserting "in a report submitted after 2001".

(2) Section 2906(e) of such Act is amended by striking "2005" and inserting "2007".

(3) Section 2906A of such Act is amended—

*(A) in the section heading, by striking "**2005**" and inserting "**2007**"; and*

(B) by striking "2005" each place it appears and inserting "2007".

(4) Section 2909(a) of such Act is amended by striking "2006" and inserting "2008".

SEC. 2822. ESTABLISHMENT OF SPECIFIC DEADLINE FOR SUBMISSION OF REVISIONS TO FORCE-STRUCTURE PLAN AND INFRASTRUCTURE INVENTORY FOR NEXT BASE CLOSURE ROUND.

Section 2912(a)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking "as part of the budget justification document submitted to Congress for fiscal year 2006." and inserting "not later than March 15 of the year in which the Secretary will submit, consistent with subsection (e) of this section, the list of the military installations inside the United States that the Secretary recommends for closure or realignment. No revision of the force-structure plan or infrastructure inventory is authorized after that March 15 date.".

SEC. 2823. SPECIFICATION OF FINAL SELECTION CRITERIA FOR NEXT BASE CLOSURE ROUND.

(a) FINDINGS.—Congress finds the following:

(1) Title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342) amended the Defense Base Closure

and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) to authorize the Secretary of Defense to conduct an additional round of base realignments and closures.

(2) In section 2822 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1726), approved November 24, 2003, Congress required the Secretary of Defense to assess the probable threats to national security and determine the potential, prudent, surge requirements for the Armed Forces and military installations to meet those threats. Such section specifically requires the Secretary of Defense to use the determination of surge requirements in exercising the authority of the Secretary to conduct the next round of base realignments and closures.

(3) Section 2913 of the Defense Base Closure and Realignment Act of 1990, as added by title XXX of the National Defense Authorization Act for Fiscal Year 2002, specified the process by which the Secretary of Defense was to prepare the criteria to be used by the Secretary in making recommendations for the next round of base realignments and closures and listed certain requirements the Secretary had to comply with as part of the process, including the advance

publication of the proposed criteria and the solicitation and consideration of public comments.

(4) In subsection (e) of such section, Congress required the Secretary of Defense to publish in the Federal Register and transmit to Congress not later than February 16, 2004, the final criteria intended to be used by the Secretary in making recommendations for the next round of base realignments and closures. Pursuant to such subsection, the Secretary of Defense published the final selection criteria in the Federal Register on February 12, 2004 (69 Fed. Reg. 6948).

(5) In addition to specifically reserving its right to disapprove the final selection criteria, Congress may modify or otherwise amend the criteria by Act of Congress.

(b) CONGRESSIONAL SPECIFICATION OF FINAL BRAC SELECTION CRITERIA.—Section 2913 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3002 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1344), is amended to read as follows:

"SEC. 2913. FINAL SELECTION CRITERIA FOR ADDITIONAL ROUND OF BASE CLOSURES AND REALIGNMENTS.

"(a) FINAL SELECTION CRITERIA.—The final criteria to be used by the Secretary in making recommendations for the closure or realignment of military installations inside the United States under this part in any additional round of base closures and realignments are as follows:

"(1) The current and future mission requirements and the impact on operational readiness of the total force of the Department of Defense, including the impact on joint warfighting, training, readiness, and research, development, test, and evaluation of weapons systems and equipment.

"(2) The availability and condition of land, facilities, infrastructure, and associated air and water space (including preservation of training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas, the preservation of testing ranges able to accommodate current or future military weapons systems and equipment, and the preservation of staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.

"(3) The ability to accommodate contingency, mobilization, and future total force requirements at both existing and potential receiving locations to support operations, training, maintenance, and repair.

"(4) Preservation of land, air, and water space, facilities, and infrastructure necessary to support training and operations of military forces determined to be surge requirements by the Secretary of Defense, as required by section 2822 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1726).

"(5) The extent and timing of potential costs and savings of base realignment and closure actions on the entire Federal budget, as well as the Department of Defense, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs. Costs shall include those costs related to potential environmental restoration, waste management, and environmental compliance activities.

"(6) The economic impact on existing communities in the vicinity of military installations.

"(7) The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel, including qual-

ity of living standards for members of the Armed Forces and their dependents.

"(8) The environmental impact on receiving locations.

"(b) PRIORITY GIVEN TO MILITARY VALUE.—In recommending military installations for closure or realignment, the Secretary shall give priority consideration to the first four criteria specified in subsection (a).

"(c) RELATION TO OTHER MATERIALS.—The final selection criteria specified in subsection (a) shall be the only criteria to be used, along with the force-structure plan and infrastructure inventory referred to in section 2912, in making recommendations for the closure or realignment of military installations inside the United States under this part after December 31, 2003.

"(d) RELATION TO CRITERIA FOR EARLIER ROUNDS.—Section 2903(b), and the selection criteria prepared under such section, shall not apply with respect to the process of making recommendations for the closure or realignment of military installations after December 31, 2003.".

(c) CONFORMING AMENDMENTS.—The Defense Base Closure and Realignment Act of 1990 is amended—

(1) in section 2912(c)(1)(A), by striking "criteria prepared under section 2913" and inserting "criteria specified in section 2913"; and

(2) in section 2914(a), by striking "criteria prepared by the Secretary under section 2913" and inserting "criteria specified in section 2913".

SEC. 2824. REQUIREMENT FOR UNANIMOUS VOTE OF DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION TO ADD TO OR OTHERWISE EXPAND CLOSURE AND REALIGNMENT RECOMMENDATIONS MADE BY SECRETARY OF DEFENSE.

Section 2914(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3003 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 155 Stat, 1346) and amended by section 2854 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2728), is amended—

(1) in paragraph (3), by striking "TO ADD" and inserting "TO CONSIDER ADDITIONS"; and

(2) by striking paragraph (5) and inserting the following new paragraph:

"(5) REQUIREMENTS TO EXPAND CLOSURE OR REALIGNMENT RECOMMENDATIONS.—In the report required under section 2903(d)(2)(A) that is to be transmitted under paragraph (1), the Commission may not make a change in the recommendations of the Secretary that would close a military installation not recommended for closure by the Secretary, would realign a military installation not recommended for closure or realignment by the Secretary, or would expand the extent of the realignment of a military installation recommended for realignment by the Secretary unless—

"(A) at least two members of the Commission visit the military installation before the date of the transmittal of the report; and

"(B) the decision of the Commission to make the change to recommend the closure of the military installation, the realignment of the installation, or the expanded realignment of the installation is unanimous.".

SEC. 2825. ADHERENCE TO CERTAIN AUTHORITIES ON PRESERVATION OF MILITARY DEPOT CAPABILITIES DURING ANY SUBSEQUENT ROUND OF BASE CLOSURES AND REALIGNMENTS.

The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new section:

"SEC. 2915. ADHERENCE TO CERTAIN AUTHORITIES ON PRESERVATION OF MILITARY DEPOT CAPABILITIES DURING ANY SUBSEQUENT ROUND OF BASE CLOSURES AND REALIGNMENTS.

"(a) ADHERENCE REQUIRED.—(1) Any base closure and realignment actions under section 2914 or subsequent round of base closure and realignment, and any actions to carry out the closure or realignment of military installations as a result of such actions, shall reflect a strict adherence to the provisions of title 10, United States Code, for the maintenance of government-owned, government-operated depot-level maintenance, repair, and logistics capabilities within the Department of Defense, including the provisions of chapter 146 of such title and other applicable provisions.

"(2) No action to carry out the closure or realignment of military installations in any base closures and realignments under this part after the date of the enactment of

this section may include a waiver authorized by paragraph (2) or (3) of section 2464(b) or section 2466(b) of title 10, United States Code.

"(b) BASE CLOSURE AND REALIGNMENT ACTIONS DEFINED.—In this section, the term 'base closure and realignment actions' means the following:

"(1) The preparation by the Secretary of Defense of recommendations on installations for closure or realignment under this part or any subsequent base closure law.

"(2) The review by the Commission of the recommendations referred to in paragraph (1).

"(3) The review by the President of the recommendations referred to in paragraphs (1) and (2).".

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. TRANSFER OF ADMINISTRATIVE JURISDICTION, DEFENSE SUPPLY CENTER, COLUMBUS, OHIO.

(a) TRANSFER REQUIRED.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property consisting of approximately 20 acres and comprising a portion of the Defense Supply

Center in Columbus, Ohio, for the purpose of permitting the Secretary of Veterans Affairs to use the property as the site for an outpatient clinic.

(b) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary of the Army shall require the Secretary of Veterans Affairs to cover costs to be incurred by the Secretary of the Army, or to reimburse the Secretary of the Army for costs incurred by the Secretary of the Army, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Secretary of Veterans Affairs in advance of the Secretary of the Army incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary of the Army to carry out the conveyance, the Secretary of the Army shall refund the excess amount to the Secretary of Veterans Affairs.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary of the Army in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Army.

SEC. 2832. LAND CONVEYANCE, FORT HOOD, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Texas A&M University System of the State of Texas (in this section referred to as the "University System"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 662 acres at Fort Hood, Texas, for the sole purpose of permitting the University System to establish on the property an upper level (junior, senior and graduate) university that will be State-supported, separate from other universities of the University System, and designated as Texas A&M University, Central Texas.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the University System shall pay to the United States an amount equal to the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary.

(2) In lieu of all or a portion of the cash consideration required by paragraph (1), the Secretary may accept in-

kind consideration, including the conveyance by the University System of real property acceptable to the Secretary.

(c) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Secretary determine that the conveyance of the property and the establishment of a university on the property will not adversely impact the operation of Robert Grey Army Airfield, which is located on Fort Hood approximately one mile from the property authorized for conveyance.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the University System.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, ARMY NATIONAL GUARD FACILITY, SEATTLE, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the State of Washington (in this section referred to as the "State") all right, title, and interest of the United States in and to a

parcel of real property, including any improvements thereon, consisting of approximately 9.747 acres in Seattle, Washington, and comprising a portion of the National Guard Facility, Pier 91, for the purpose of permitting the State to convey the facility unencumbered for economic development purposes.

(b) ADMINISTRATIVE EXPENSES.—(1) The State shall reimburse the Secretary for the administrative expenses incurred by the Secretary in carrying out the conveyance under subsection (a), including expenses related to surveys and legal descriptions, boundary monumentation, environmental surveys, necessary documentation, travel, and deed preparation.

(2) Section 2695(c) of title 10, United States Code, shall apply to any amounts received by the Secretary as reimbursement under this subsection.

(c) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by

the United States, subject to the requirement for reimbursement under subsection (b).

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2841. TRANSFER OF JURISDICTION, NEBRASKA AVENUE NAVAL COMPLEX, DISTRICT OF COLUMBIA.

(a) TRANSFER REQUIRED.—Except as provided in subsection (b), the Secretary of the Navy shall transfer to the administrative jurisdiction of the Administrator of General Services the parcel of Department of the Navy real property in the District of Columbia known as the Nebraska Avenue Complex for the purpose of permitting the Administrator to use the Complex to accommodate the Department of Homeland Security. The Complex shall be transferred in its existing condition.

(b) AUTHORITY TO RETAIN MILITARY FAMILY HOUSING.—At the option of the Secretary of the Navy, the Secretary may retain administrative jurisdiction over that portion of the Complex that, as of the date of the enactment of this Act, is being used to provide Navy family housing.

(c) TIME FOR TRANSFER.—Not later than January 1, 2005, the Secretary of the Navy shall complete the transfer of administrative jurisdiction over the portion of the Complex required to be transferred under subsection (a).

(d) RELOCATION OF NAVY ACTIVITIES.—As part of the transfer of the Complex under subsection (a), the Secretary of the Navy shall relocate Department of the Navy activities at the Complex to other locations.

(e) PAYMENT OF INITIAL RELOCATION COSTS.—Subject to the availability of appropriations for this purpose, the Secretary of the Department of Homeland Security shall be responsible for the payment of—

(1) all reasonable costs, including costs to move furnishings and equipment, related to the initial relocation of Department of the Navy activities from the Complex under subsection (d); and

(2) all reasonable costs incident to the initial occupancy by such activities of interim leased space, including rental costs for the first year.

(f) PAYMENT OF LONG-TERM RELOCATION COSTS.—

(1) SENSE OF CONGRESS REGARDING PAYMENT.—It is the sense of the Congress that the Secretary of the Navy should receive, from Federal agencies other than the Department of Defense, funds authorized and appropriated for the purpose of covering

all reasonable costs, not paid under subsection (e), that are incurred or will be incurred by the Secretary to permanently relocate Department of the Navy activities from the Complex under subsection (d).

(2) SUBMISSION OF COST ESTIMATES.—As soon as practicable after the date of the enactment of this Act , the Secretary of the Navy shall submit to the Director of the Office of Management and Budget and the Congress an initial estimate of the amounts that will be necessary to cover the costs to permanently relocate Department of the Navy activities from the portion of the Complex to be transferred under subsection (a). The Secretary shall include in the estimate anticipated land acquisition and construction costs. The Secretary shall revise the estimate as necessary whenever information regarding the actual costs for the relocation is obtained.

(g) TREATMENT OF FUNDS.—(1) Funds received by the Secretary of the Navy, from sources outside the Department of Defense, to relocate Department of the Navy activities from the Complex shall be used to pay the costs incurred by the Secretary to permanently relocate Department of the Navy activities from the Complex. A military construction project carried out using such funds is deemed to be an authorized military construction project for purposes of sec-

tion 2802 of title 10, United States Code. Section 2822 of such title shall continue to apply to any military family housing unit proposed to be constructed or acquired using such funds.

(2) When a decision is made to carry out a military construction project using such funds, the Secretary of the Navy shall notify Congress in writing of that decision, including the justification for the project and the current estimate of the cost of the project. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by Congress or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of title 10, United States Code.

(h) EFFECT OF FAILURE TO RECEIVE SUFFICIENT FUNDS FOR RELOCATION COSTS.—

(1) CONGRESSIONAL NOTIFICATION.—At the end of the three-year period beginning on the date of the transfer of the Complex under subsection (a), the Secretary of the Navy shall submit to Congress a report—

(A) specifying the total amount needed to cover both the initial and permanent costs of relocating Department of the Navy activities from

the portion of the Complex transferred under subsection (a);

(B) specifying the total amount of the initial relocation costs paid by the Secretary of the Department of Homeland Security under subsection (e); and

(C) specifying the total amount of appropriated funds received by the Secretary of the Navy, from sources outside the Department of Defense, to cover the permanent relocation costs.

(2) ROLE OF OMB.—The Secretary of the Navy shall obtain the assistance and concurrence of the Director of the Office of Management and Budget in determining the total amount needed to cover both the initial and permanent costs of relocating Department of the Navy activities from the portion of the Complex transferred under subsection (a), as required by paragraph (1)(A).

(3) CERTIFICATION REGARDING RELOCATION COSTS.—Not later than 30 days after the date on which the report under paragraph (1) is required to be submitted to Congress, the President shall certify to Congress whether the amounts specified in the report pursuant to subparagraphs (B) and (C) of such paragraph are sufficient to cover both the initial and

permanent costs of relocating Department of the Navy activities from the portion of the Complex transferred under subsection (a). The President shall make this certification only after consultation with the Chairman and ranking minority member of the Committee on Armed Services and the Committee on Appropriations of the House of Representatives and the Chairman and ranking minority member of the Committee on Armed Services and the Committee on Appropriations of the Senate.

(4) RESTORATION OF COMPLEX TO NAVY.—If the President certifies under paragraph (3) that amounts referred to in subparagraphs (B) and (C) of paragraph (1) are insufficient to cover Navy relocation costs, the Administrator of General Services, at the request of the Secretary of the Navy, shall restore the Complex to the administrative jurisdiction of the Secretary of the Navy.

(5) NAVY SALE OF COMPLEX.—If administrative jurisdiction over the Complex is restored to the Secretary of the Navy, the Secretary shall convey the Complex by competitive sale. Amounts received by the United States as consideration from any sale under this paragraph shall be deposited in the special ac-

count in the Treasury established pursuant to section 572(b) of title 40, United States Code.

SEC. 2842. LAND CONVEYANCE, NAVY PROPERTY, FORMER FORT SHERIDAN, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the State of Illinois, a political subdivision of the State, or a nonprofit land conservation organization (in this section collectively referred to as the "grantee"), all right, title, and interest of the United States in and to certain environmentally sensitive land at the former Fort Sheridan, Illinois, consisting of mostly bluffs and ravines, for the purpose of ensuring the permanent protection of the lands.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used or maintained in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) RECONVEYANCE AUTHORIZED.—The Secretary may permit the grantee to convey the real property con-

veyed under subsection (a) to another eligible entity described in such subsection, subject to the same covenants and terms and conditions as provided in the deed from the United States.

(d) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the grantee to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the grantee in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the grantee.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use

pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

(h) USE OF ALTERNATE CONVEYANCE AUTHORITY.—In lieu of using the authority provided by this section to convey the real property described in subsection (a), the Secretary may elect to include the property in a conveyance authorized by section 2878 of title 10, United States Code, subject to such terms, reservations, restrictions, and conditions as may be necessary to ensure the permanent protection of the property, if the Secretary determines that a conveyance under such section is advantageous to the interests of the United States.

SEC. 2843. LAND EXCHANGE, NAVAL AIR STATION, PATUXENT RIVER, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the State of Maryland (in this section

referred to as "State"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately five acres at Naval Air Station, Patuxent River, Maryland, and containing the Point Lookout Lighthouse, other structures related to the lighthouse, and an archaeological site pertaining to the military hospital that was located on the property during the Civil War. The conveyance shall include artifacts pertaining to the military hospital recovered by the Navy and held at the installation.

(b) PROPERTY RECEIVED IN EXCHANGE.—As consideration for the conveyance of the real property under subsection (a), the State shall convey to the United States a parcel of real property consisting of approximately five acres located in Point Lookout State Park, St. Mary's County, Maryland.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require the State to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, relocation expenses incurred under subsection (b), and other administrative costs related to the conveyance. If amounts are collected from the State in advance of the Secretary incurring the actual costs,

and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to State.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the properties to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2851. LAND EXCHANGE, MAXWELL AIR FORCE BASE, ALABAMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey to the City of Montgomery, Alabama (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of all of the Maxwell Heights Housing site at Maxwell Air Force Base, Alabama.

(b) CONSIDERATION.—(1) As consideration for the conveyance of the real property under subsection (a), the City shall convey to the United States a parcel of real property, including improvements thereon, consisting of approximately 35 acres designated as project AL 6–4 that is owned by the City and is contiguous to Maxwell Air Force Base. The Secretary shall have jurisdiction over the real property received under this paragraph.

(2) If the fair market value of the real property received under paragraph (1) is less than the fair market value of the real property conveyed under subsection (a), the Secretary may require the City to make up the difference through the payment of cash, the provision of in-kind consideration, or a combination thereof, to be determined pursuant to negotiations between the Secretary and the City.

(3) The fair market values of the real property to be exchanged under this section shall be determined by appraisals acceptable to the Secretary and the City.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of

Energy for fiscal year 2005 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,047,700,000, to be allocated as follows:

(1) For weapons activities, $6,577,953,000.

(2) For defense nuclear nonproliferation activities, $1,338,147,000.

(3) For naval reactors, $797,900,000.

(4) For the Office of the Administrator for Nuclear Security, $333,700,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for weapons activities, the following new plant projects:

Project 05–D–140, project engineering and design, various locations, $11,600,000.

Project 05–D–160, facilities and infrastructure recapitalization program, project engineering and design, various locations, $8,700,000.

Project 05–D–170, project engineering and design, safeguards and security, various locations, $17,000,000.

Project 05–D–401, production bays upgrade, Pantex Plant, Amarillo, Texas, $25,100,000.

Project 05–D–402, beryllium capability project, Y–12 national security complex, Oak Ridge, Tennessee, $3,627,000.

Project 05–D–601, compressed air upgrades project, Y–12 national security complex, Oak Ridge, Tennessee, $4,400,000.

Project 05–D–602, power grid infrastructure upgrade, Los Alamos National Laboratory, Los Alamos, New Mexico, $10,000,000.

Project 05–D–603, new master substation, Sandia National Laboratories, Albuquerque, New Mexico, $600,000.

Project 05–D–701, security perimeter, Los Alamos National Laboratory, Los Alamos, New Mexico, $20,000,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2005 for environmental management activities in carrying out programs necessary for national security in the amount of $6,863,307,000, to be allocated as follows:

(1) For defense site acceleration completion, $5,876,837,000.

(2) For defense environmental services, $986,470,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2005 for other defense activities in carrying out programs necessary for national security in the amount of $658,618,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2005 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $131,000,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601 of the Atomic Energy Defense Act (50 U.S.C. 2701) is amended by striking "September 30, 2004" and inserting "September 30, 2006".

SEC. 3112. REQUIREMENTS FOR BASELINE OF PROJECTS UNDER FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Subsection (a) of section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136; 117 Stat. 1744; 50 U.S.C. 2453 note) is amended—

(1) in paragraph (1) by inserting "of a baseline" after "selection"; and

(2) by amending paragraph (2) to read as follows:

"(2)(A) After December 31, 2004, a project may be added to or removed from the Facilities and Infrastructure Recapitalization Program only after the Administrator submits to the congressional defense committees a notice that the Administrator has identified such project for addition or removal and has approved such addition or removal as a modification to the baseline for that program.

"(B) The Administrator may not obligate funds for any project added under subparagraph (A) until a period of 60 days has elapsed after the date on which such committees receive the notice under subparagraph (A) with respect to that project.

"(C) The authority of the Administrator to identify and approve under subparagraph (A) may not be delegated.".

Subtitle C—Other Matters

SEC. 3131. TRANSFERS AND REPROGRAMMINGS OF NATIONAL NUCLEAR SECURITY ADMINISTRATION FUNDS.

Section 3252 of the National Nuclear Security Administration Act (50 U.S.C. 2452) is amended by adding at the end the following new subsection:

"(d) TRANSFER AND REPROGRAMMING PROCESS.—(1) The Administrator shall have sole jurisdiction within the Department of Energy to submit to Congress or the appropriate congressional committees a notice of, or request for, a transfer or reprogramming of funds of the Administration.

"(2) The functions of the Chief Financial Officer of the Department of Energy shall not apply to a notice or request described in paragraph (1), except to certify whether the funds covered by such notice or request are available.".

SEC. 3132. NATIONAL ACADEMY OF SCIENCES STUDY ON MANAGEMENT BY DEPARTMENT OF ENERGY OF HIGH-LEVEL RADIOACTIVE WASTE.

(a) REVIEW REQUIRED.—The Secretary of Energy shall enter into an arrangement with the National Research Council of the National Academy of Sciences to carry out a study of the plans of the Department of Energy to manage

the waste streams specified in subsection (b) that are not currently planned for disposal in a high-level repository.

(b) COVERED WASTE STREAMS.—The waste streams referred to in subsection (a) are the streams of high-level radioactive waste at—

(1) the Savannah River Site, South Carolina;

(2) the Idaho National Engineering Laboratory, Idaho; and

(3) the Hanford Reservation, Washington.

(c) MATTERS INCLUDED.—The study required by subsection (a) shall evaluate—

(1) the physical, chemical, and radiological characteristics of the waste referred to in subsection (b), including specifically the waste proposed to be left indefinitely in storage tanks;

(2) the probability that such waste, if left indefinitely in storage tanks, will leak into the environment and the range of potential dangers such leakage would represent;

(3) the plans of the Department for the disposal of the high-level radioactive waste that the Department had planned, before certain litigation in Federal district court in 2003 on "Waste Incidental to Reprocessing", to reclassify as low-level waste;

(4) treatment and disposal alternatives to the plans referred to in paragraph (3), including, for each such alternative, assessments of the technology approaches and of the implications with respect to cost, worker safety, and long-term environmental and human health;

(5) the adequacy of the plans referred to in subsection (a), including Department of Energy Order No. 435.1, to protect, for the long term, the environment and population surrounding each site referred to in subsection (b); and

(6) any other matters that the National Research Council considers appropriate and directly related to the subject matter of the study.

(d) RECOMMENDATIONS REQUIRED.—In carrying out the study, the National Research Council shall develop recommendations relating to the subject matter of the study. The recommendations shall include—

(1) recommendations for improving the scientific basis for managing the waste covered by the study, including alternative criteria for determining what waste should be managed as "Waste Incidental to Reprocessing"; and

(2) any other recommendations that the National Research Council considers appropriate and directly related to the subject matter of the study.

(e) REPORTS.—The National Research Council shall submit to the Secretary of Energy and the congressional defense committees—

(1) not later than six months after entering into the arrangement required by subsection (a), an interim report on the study with respect to the waste proposed to be left indefinitely in storage tanks, including the tentative findings, conclusions, and recommendations with respect to such waste; and

(2) not later than one year after entering into the arrangement required by subsection (a), a final report on the study, including all findings, conclusions, and recommendations.

(f) PROVISION OF INFORMATION.—The Secretary shall make available to the National Research Council all information that the National Research Council considers necessary to carry out, in a timely manner, its responsibilities under this section.

(g) FUNDING.—Of the amounts authorized to be appropriated to the Department of Energy by section 3102, $1,500,000 shall be available only for carrying out the study required by this section.

SEC. 3133. CONTRACT TO REVIEW WASTE ISOLATION PILOT PLANT, NEW MEXICO.

The Secretary of Energy shall enter into a contract to conduct independent reviews and evaluations of the design, construction, and operations of the Waste Isolation Pilot Plant in New Mexico as they relate to the protection of the public health and safety and the environment. The contract shall be for a period of one year and shall be renewable for four additional one-year periods, subject to the authorization and appropriation of funds for such purpose.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2005, $21,268,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2005, the National Defense Stockpile Manager may obligate up to $59,700,000 of the funds in the National Defense Stockpile Transaction Fund established under sub-

section (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. RELAXATION OF QUANTITY RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO IN NATIONAL DEFENSE STOCKPILE.

Section 3306(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1391; 50 U.S.C. 98d note) is amended—

(1) in paragraph (3), by striking "each of the fiscal years 2004 and 2005" and inserting "fiscal year 2004"; and

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

"(4) During fiscal year 2005, 100,000 short tons of high carbon manganese ferro of the highest grade.

SEC. 3303. REVISION OF EARLIER AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 98d note) is amended by striking paragraphs (4) and (5) and inserting the following new paragraphs:

"(4) $785,000,000 by the end of fiscal year 2005; and

"(5) $870,000,000 by the end of fiscal year 2009.".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary of Energy $20,000,000 for fiscal year 2005 for the purpose of

carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR MARITIME ADMINISTRATION.

There are authorized to be appropriated to the Secretary of Transportation for the Maritime Administration for fiscal year 2005 (in lieu of amounts authorized for the same purposes by section 3511 of the National Defense Authorization Act for Fiscal Year 2004)—

(1) for expenses necessary for operations and training activities, $109,300,000;

(2) for administrative expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), $4,764,000; and

(3) for ship disposal, $35,000,000, of which $2,000,000 shall be for decommissioning, removal, and disposal of the nuclear reactor and hazardous materials on board the vessel SAVANNAH.

SEC. 3502. EXTENSION OF AUTHORITY TO PROVIDE WAR RISK INSURANCE FOR MERCHANT MARINE VESSELS.

(a) EXTENSION.— Section 1214 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1294), is amended by striking "June 30, 2005" and inserting "December 31, 2010".

(b) INVESTMENT OF ASSETS IN INSURANCE FUND.— Section 1208(a) of such Act (46 U.S.C. App. 1288), is amended by striking the third sentence and inserting the following: "The Secretary of Transportation may request the Secretary of the Treasury to invest such portion of the Fund as is not, in the judgment of the Secretary of Transportation, required to meet the current needs of the fund. Such investments shall be made by the Secretary of the Treasury in public debt securities of the United States, with maturities suitable to the needs of the fund, and bearing interest rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.".

Union Calendar No. 278

108TH CONGRESS
2D SESSION

H. R. 4200

[Report No. 108–491]

A BILL

To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.

MAY 14, 2004

Reported with amendmensts, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed