

Calendar No. 427109TH CONGRESS
2^D SESSION**S. 2767**

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 9, 2006

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

A BILL

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 2007”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

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- Sec. 145. Retirement of B-52H bomber aircraft.
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- Sec. 202. Amount for science and technology.

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- Sec. 232. Policy of the United States on priorities in the development, testing, and fielding of missile defense capabilities.

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- Sec. 311. Limitation on availability of funds for the Army Logistics Modernization Program.
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- Sec. 1411. Treatment as additional authorizations.
- Sec. 1412. Transfer authority.
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1 **SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

2 For purposes of this Act, the term “congressional de-
3 fense committees” has the meaning given that term in sec-
4 tion 101(a)(16) of title 10, United States Code.

5 **TITLE I—PROCUREMENT**
6 **Subtitle A—Authorization of**
7 **Appropriations**

8 **SEC. 101. ARMY.**

9 Funds are hereby authorized to be appropriated for
10 fiscal year 2007 for procurement for the Army as follows:

11 (1) For aircraft, \$3,457,329,000.

12 (2) For missiles, \$1,428,859,000.

13 (3) For weapons and tracked combat vehicles,
14 \$2,849,743,000.

15 (4) For ammunition, \$2,036,785,000.

16 (5) For other procurement, \$7,729,602,000.

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

18 (a) NAVY.—Funds are hereby authorized to be appro-
19 priated for fiscal year 2007 for procurement for the Navy
20 as follows:

21 (1) For aircraft, \$10,704,155,000.

22 (2) For weapons, including missiles and tor-
23 pedoes, \$2,587,020,000.

24 (3) For shipbuilding and conversion,
25 \$12,058,553,000.

26 (4) For other procurement, \$5,045,516,000.

1 (b) MARINE CORPS.—Funds are hereby authorized to
2 be appropriated for fiscal year 2007 for procurement for
3 the Marine Corps in the amount of \$1,300,213,000.

4 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
5 are hereby authorized to be appropriated for fiscal year
6 2007 for procurement of ammunition for the Navy and
7 the Marine Corps in the amount of \$809,943,000.

8 **SEC. 103. AIR FORCE.**

9 Funds are hereby authorized to be appropriated for
10 fiscal year 2007 for procurement for the Air Force as fol-
11 lows:

12 (1) For aircraft, \$12,004,096,000.

13 (2) For missiles, \$4,224,145,000.

14 (3) For ammunition, \$1,076,749,000.

15 (4) For other procurement, \$15,434,586,000.

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

17 Funds are hereby authorized to be appropriated for
18 fiscal year 2007 for Defense-wide procurement in the
19 amount of \$2,980,498,000.

20 **Subtitle B—Army Programs**

21 **SEC. 111. LIMITATION ON AVAILABILITY OF FUNDS FOR**
22 **THE JOINT NETWORK NODE.**

23 (a) LIMITATION.—Of the amount authorized to be
24 appropriated by section 101(5) for other procurement for
25 the Army and available for purposes of the procurement

1 of the Joint Network Node, not more than 50 percent of
2 such amount may be available for such purposes until the
3 Secretary of the Army submits to the congressional de-
4 fense committees a report on the strategy of the Army
5 for the convergence of the Joint Network Node, the
6 Warfighter Information Network–Tactical, and the
7 Mounted Battle Command On-the-Move communications
8 programs.

9 (b) ELEMENTS.—The report described in subsection
10 (a) shall include a description of the acquisition plan re-
11 quired for the convergence described in that subsection,
12 including the implementation plan, schedule, and funding
13 of such acquisition plan.

14 (c) DEADLINE.—The report described in subsection
15 (a) shall be submitted under that subsection, if at all, not
16 later than March 15, 2007.

17 **SEC. 112. COMPTROLLER GENERAL REPORT ON THE CON-**
18 **TRACT FOR THE FUTURE COMBAT SYSTEMS**
19 **PROGRAM.**

20 (a) REPORT REQUIRED.—Not later than March 15,
21 2007, the Comptroller General of the United States shall
22 submit to the congressional defense committees a report
23 on the participation and activities of the lead systems inte-
24 grator in the Future Combat Systems (FCS) program

1 under the contract of the Army for the Future Combat
2 Systems.

3 (b) ELEMENTS.—The report required by subsection
4 (a) shall include the following:

5 (1) A description of the responsibilities of the
6 lead systems integrator in managing the Future
7 Combat Systems program under the contract for the
8 Future Combat Systems, and an assessment of the
9 manner in which such responsibilities differ from the
10 typical responsibilities of a lead systems integrator
11 under acquisition contracts of the Department of
12 Defense.

13 (2) A description and assessment of the respon-
14 sibilities of the Army in managing the Future Com-
15 bat Systems program, including oversight of the ac-
16 tivities of the lead systems integrator and the deci-
17 sions made by the lead systems integrator.

18 (3) An assessment of the manner in which the
19 Army—

20 (A) ensures that the lead systems inte-
21 grator meets goals for the Future Combat Sys-
22 tems in a timely manner; and

23 (B) evaluates the extent to which such
24 goals are met.

1 (4) An identification of the mechanisms in place
2 to ensure the protection of the interests of the
3 United States in the Future Combat Systems pro-
4 gram.

5 (5) An identification of the mechanisms in place
6 to mitigate organizational conflicts of interests with
7 respect to competition on Future Combat Systems
8 technologies and equipment under subcontracts
9 under the Future Combat Systems program.

10 **SEC. 113. REPORTS ON ARMY MODULARITY INITIATIVE.**

11 (a) REPORT BY SECRETARY OF THE ARMY.—

12 (1) REPORT REQUIRED.—Not later than March
13 15, 2007, the Secretary of the Army shall submit to
14 the congressional defense committees a report on the
15 modularity initiative of the Army.

16 (2) ELEMENTS.—The report required by this
17 subsection shall include the following:

18 (A) A description of the manner in which
19 the Army distinguishes costs under the
20 modularity initiative from costs of moderniza-
21 tion and reset.

22 (B) An identification, by line item, of the
23 amount of funds expended to date on the
24 modularity initiative.

1 (C) An identification, by line item, of the
2 amount of funds the Army has budgeted and
3 programmed to date on the modularity initia-
4 tive.

5 (D) A detailed description on how
6 modularity equipment will be allocated to the
7 regular components and reserve components of
8 the Armed Forces by 2011, and a description of
9 any anticipated shortfalls in such allocation.

10 (E) A plan for further testing and evalua-
11 tion of modular designs, and a summary of any
12 lessons learned to date from modular brigades
13 that have been established, deployed to Iraq, or
14 both.

15 (b) ANNUAL COMPTROLLER GENERAL REPORTS.—

16 (1) REPORTS REQUIRED.—The Comptroller
17 General of the United States shall submit to the
18 congressional defense committees each year, not
19 later than 45 days after the date on which the budg-
20 et of the President is submitted to Congress for a
21 fiscal year under section 1105 of title 31, United
22 States Code, a report on the assessment of the
23 Comptroller General on the following:

24 (A) The progress of the Army in equipping
25 and manning modular units in the regular com-

1 CVN-21 class aircraft carriers designated CVN-78,
2 CVN-79, and CVN-80.

3 (c) CONTRACT AUTHORITY.—

4 (1) ADVANCE PROCUREMENT.—The Secretary
5 of the Navy may enter into a contract during fiscal
6 year 2007 for advance procurement with respect to
7 the CVN-21 class aircraft carriers designated CVN-
8 79 and CVN-80.

9 (2) CONSTRUCTION.—In the fiscal year imme-
10 diately following the last fiscal year of the contract
11 for advance procurement for a CVN-21 class air-
12 craft carrier referred to in paragraph (1), the Sec-
13 retary may enter into a contract for the construction
14 of such aircraft carrier to be funded in the fiscal
15 year of such contract for construction and the suc-
16 ceeding three fiscal years.

17 (d) CONDITION FOR OUT-YEAR CONTRACT PAY-
18 MENTS.—A contract entered into under subsection (b)
19 shall provide that any obligation of the United States to
20 make a payment under the contract for any subsequent
21 fiscal year is subject to the availability of appropriations
22 for that purpose for such subsequent fiscal year.

1 **SEC. 122. CONSTRUCTION OF FIRST TWO VESSELS UNDER**
2 **THE NEXT-GENERATION DESTROYER PRO-**
3 **GRAM.**

4 (a) AVAILABILITY OF FUNDS.—Of the amount au-
5 thorized to be appropriated by section 102(a)(3) for fiscal
6 year 2007 for Shipbuilding and Conversion, Navy,
7 \$2,568,000,000 may be available for the construction of
8 the first two vessels under the next-generation destroyer
9 program.

10 (b) CONTRACT AUTHORITY.—

11 (1) IN GENERAL.—The Secretary of the Navy
12 may in accordance with section 2306b of title 10,
13 United States Code, enter into a multiyear contract
14 beginning with the fiscal year 2007 program year
15 for procurement of each of the first two vessels
16 under the next-generation destroyer program.

17 (2) LIMITATION.—Not more than one contract
18 described in paragraph (1) may be awarded under
19 that paragraph to a single surface-combatant ship-
20 yard.

21 (3) DURATION ON PROCUREMENT.—Each con-
22 tract under paragraph (1) shall contemplate funding
23 for the procurement of a vessel under such contract
24 in fiscal years 2007 and 2008.

25 (4) CONDITION ON OUT-YEAR CONTRACT PAY-
26 MENTS.—A contract entered into under paragraph

1 (1) shall provide that any obligation of the United
2 States to make a payment under such contract for
3 any fiscal year after fiscal year 2007 is subject to
4 the availability of appropriations for that purpose
5 for such fiscal year.

6 **SEC. 123. MODIFICATION OF LIMITATION ON TOTAL COST**
7 **OF PROCUREMENT OF CVN-77 AIRCRAFT**
8 **CARRIER.**

9 Section 122(f)(1) of the National Defense Authoriza-
10 tion Act for Fiscal Year 1998 (Public Law 105–85; 111
11 Stat. 1650) is amended by striking “\$4,600,000,000 (such
12 amount being the estimated cost for the procurement of
13 the CVN–77 aircraft carrier in the March 1997 procure-
14 ment plan)” and inserting “\$6,057,000,000”.

15 **Subtitle D—Air Force Programs**

16 **SEC. 141. PROCUREMENT OF JOINT PRIMARY AIRCRAFT**
17 **TRAINING SYSTEM AIRCRAFT AFTER FISCAL**
18 **YEAR 2006.**

19 Any Joint Primary Aircraft Training System
20 (JPATS) aircraft procured after fiscal year 2006 shall be
21 procured through a contract under part 15 of the Federal
22 Acquisition Regulation (FAR), relating to acquisition of
23 items by negotiated contract (48 C.F.R. 15.000 et seq.),
24 rather than through a contract under part 12 of the Fed-

1 eral Acquisition Regulation, relating to acquisition of com-
2 mercial items (48 C.F.R. 12.000 et seq.).

3 **SEC. 142. PROHIBITION ON RETIREMENT OF C-130E/H TAC-**
4 **TICAL AIRLIFT AIRCRAFT.**

5 The Secretary of the Air Force shall not retire any
6 C-130E/H tactical airlift aircraft of the Air Force in fiscal
7 year 2007.

8 **SEC. 143. LIMITATION ON RETIREMENT OF KC-135E AIR-**
9 **CRAFT.**

10 The Secretary of the Air Force shall ensure that the
11 number, if any, of KC-135E aircraft of the Air Force that
12 is retired in fiscal year 2007 does not exceed 29 such air-
13 craft.

14 **SEC. 144. LIMITATION ON RETIREMENT OF B-52H BOMBER**
15 **AIRCRAFT.**

16 The Secretary of the Air Force shall ensure that the
17 number, if any, of B-52H bomber aircraft of the Air
18 Force that is retired in fiscal year 2007 does not exceed
19 18 such aircraft.

20 **SEC. 145. RETIREMENT OF B-52H BOMBER AIRCRAFT.**

21 (a) LIMITATION ON RETIREMENT PENDING REPORT
22 ON BOMBER FORCE STRUCTURE.—No funds authorized
23 to be appropriated for the Department of Defense may
24 be obligated or expended for retiring or dismantling any
25 of the 93 B-52H bomber aircraft in service in the Air

1 Force as of June 1, 2006, until 30 days after the Sec-
2 retary of the Air Force transmits to the Committees on
3 Armed Services of the Senate and the House of Represent-
4 atives a report on the bomber force structure of the Air
5 Force meeting the requirements of subsection (b).

6 (b) ELEMENTS.—

7 (1) IN GENERAL.—A report under subsection
8 (a) shall set forth the following:

9 (A) The plan of the Air Force for the mod-
10 ernization of the B-52H bomber aircraft fleet.

11 (B) The plans of the Air Force for the
12 modernization of the balance of the bomber
13 force structure.

14 (C) The amount and type of bombers in
15 the bomber force structure that is appropriate
16 to meet the requirements of the national secu-
17 rity strategy of the United States.

18 (D) A justification of the cost and pro-
19 jected savings of any reductions to the B-52H
20 bomber aircraft fleet as a result of the retire-
21 ment or dismantlement of the B-52H bomber
22 aircraft covered by the report.

23 (E) The life expectancy of each bomber
24 aircraft to remain in the bomber force struc-
25 ture.

1 (F) The date by which any new bomber
2 aircraft must reach initial operational capability
3 and the capabilities of the bomber force struc-
4 ture that would be replaced or superseded by
5 any new bomber aircraft.

6 (2) AMOUNT AND TYPE OF BOMBER FORCE
7 STRUCTURE DEFINED.—In this subsection, the term
8 “amount and type of bomber force structure” means
9 the number of B–2 bomber aircraft, B–52H bomber
10 aircraft, and B–1 bomber aircraft that are required
11 to carry out the national security strategy of the
12 United States.

13 (c) PREPARATION OF REPORT.—A report under this
14 section shall be prepared and submitted by the Institute
15 of Defense Analysis to the Secretary of the Air Force for
16 transmittal by the Secretary in accordance with subsection
17 (a).

18 **SEC. 146. PROHIBITION ON INCREMENTAL FUNDING AND**
19 **MULTIYEAR PROCUREMENT OF F-22A AIR-**
20 **CRAFT.**

21 (a) PROHIBITION ON USE OF INCREMENTAL FUND-
22 ING.—The Secretary of the Air Force shall not use incre-
23 mental funding for the procurement of F–22A aircraft.

24 (b) PROHIBITION ON MULTIYEAR CONTRACT.—The
25 Secretary of the Air Force shall not enter into a multiyear

1 contract for the procurement of F-22A aircraft in fiscal
2 year 2007.

3 **TITLE II—RESEARCH, DEVELOP-**
4 **MENT, TEST, AND EVALUA-**
5 **TION**

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

8 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

9 Funds are hereby authorized to be appropriated for
10 fiscal year 2007 for the use of the Department of Defense
11 for research, development, test, and evaluation as follows:

12 (1) For the Army, \$11,151,009,000.

13 (2) For the Navy, \$17,451,823,000.

14 (3) For the Air Force, \$24,400,857,000.

15 (4) For Defense-wide activities,
16 \$21,160,459,000, of which \$181,520,000 is author-
17 ized for the Director of Operational Test and Eval-
18 uation.

19 **SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.**

20 (a) AMOUNT FOR PROJECTS.—Of the total amount
21 authorized to be appropriated by section 201,
22 \$11,468,959,000 shall be available for science and tech-
23 nology projects.

24 (b) SCIENCE AND TECHNOLOGY DEFINED.—In this
25 section, the term “science and technology project” means

1 work funded in program elements for defense research, de-
2 velopment, test, and evaluation under Department of De-
3 fense budget activities 1, 2, or 3.

4 **Subtitle B—Program Require-**
5 **ments, Restrictions, and Limita-**
6 **tions**

7 **SEC. 211. INDEPENDENT ESTIMATE OF COSTS OF THE FU-**
8 **TURE COMBAT SYSTEMS.**

9 (a) **LIMITATION ON AVAILABILITY OF FUNDS FOR**
10 **CERTAIN ACTIVITIES.**—Of the amount authorized to be
11 appropriated by this title and available for the Future
12 Combat Systems (FCS) for purposes of system of systems
13 engineering and program management for the Future
14 Combat Systems, an amount equal to \$500,000,000 of
15 such amount may not be obligated and expended for such
16 purposes until the Secretary of Defense submits to the
17 congressional defense committees the report required by
18 subsection (b)(4).

19 (b) **INDEPENDENT ESTIMATE REQUIRED.**—

20 (1) **IN GENERAL.**—The Secretary of Defense
21 shall provide for the preparation of an independent
22 estimate of the anticipated costs of systems develop-
23 ment and demonstration with respect to the Future
24 Combat Systems.

1 (2) CONDUCT OF ESTIMATE.—The estimate re-
2 quired by this subsection shall be prepared by a fed-
3 erally funded research and development center se-
4 lected by the Secretary for purposes of this sub-
5 section.

6 (3) MATTERS TO BE ADDRESSED.—The inde-
7 pendent estimate prepared under this subsection
8 shall address costs of research, development, test,
9 and evaluation, and costs of procurement, for—

10 (A) the system development and dem-
11 onstration phase of the core Future Combat
12 Systems;

13 (B) the Future Combat Systems tech-
14 nologies to be incorporated into the equipment
15 of the current force of the Army (often referred
16 to as “spinouts”);

17 (C) the installation kits for the incorpora-
18 tion of such technologies into such equipment;

19 (D) the systems treated as complementary
20 systems for the Future Combat Systems;

21 (E) science and technology initiatives that
22 support the Future Combat Systems program;
23 and

24 (F) any pass-through charges anticipated
25 to be assessed by the lead systems integrator of

1 (b) ACTIONS FOLLOWING FAILURE TO COMPLY
2 WITH OBJECTIVE.—Such section is further amended by
3 adding at the end the following new subsection:

4 “(c) ACTIONS FOLLOWING FAILURE TO COMPLY
5 WITH OBJECTIVE.—(1) If the proposed budget for a fiscal
6 year covered by subsection (b) fails to comply with the
7 objective set forth in that subsection, the Secretary of De-
8 fense shall submit to the congressional defense commit-
9 tees—

10 “(A) a detailed, prioritized list, including esti-
11 mates of required funding, of highly-rated, peer-re-
12 viewed science and technology projects received by
13 the Department through competitive solicitations
14 and broad agency announcements which—

15 “(i) are not funded solely due to lack of re-
16 sources, but

17 “(ii) represent science and technology op-
18 portunities that support the research and devel-
19 opment programs and goals of the military de-
20 partments and the Defense Agencies; and

21 “(B) a report, in both classified and unclassi-
22 fied form, containing an analysis and evaluation of
23 international research and technology capabilities,
24 including an identification of any technology areas in
25 which the United States will not have global tech-

1 nical leadership within the next five years, in each
2 of the technology areas described in the following
3 plans:

4 “(i) The most current Joint Warfighting
5 Science and Technology Plan required by sec-
6 tion 270 of the National Defense Authorization
7 Act for Fiscal Year 1997 (10 U.S.C. 2501
8 note).

9 “(ii) The Defense Technology Area Plan of
10 the Department of Defense.

11 “(iii) The Basic Research Plan of the De-
12 partment of Defense.

13 “(2)(A) The list required by paragraph (1)(A) for a
14 fiscal year in which the budget for such fiscal year fails
15 to comply with the objective in subsection (b) shall be sub-
16 mitted together with the Department of Defense budget
17 justification materials submitted to Congress under sec-
18 tion 1105 of title 31, United States Code, with the budget
19 for the next fiscal year.

20 “(B) The report required by paragraph (1)(B) for a
21 fiscal year in which the budget for such fiscal year fails
22 to comply with the objective in subsection (b) shall be sub-
23 mitted not later than the six months after the submittal
24 of the Department of Defense budget justification mate-
25 rials that are submitted to Congress under section 1105

1 of title 31, United States Code, with the budget for the
2 next fiscal year.”.

3 **SEC. 213. HYPERSONICS DEVELOPMENT.**

4 (a) ESTABLISHMENT OF JOINT TECHNOLOGY OF-
5 FICE ON HYPERSONICS.—The Secretary of Defense shall
6 establish within the Office of the Secretary of Defense a
7 joint technology office on hypersonics. The office shall
8 carry out the program required under subsection (b), and
9 shall have such other responsibilities relating to
10 hypersonics as the Secretary shall specify.

11 (b) PROGRAM ON HYPERSONICS.—The joint tech-
12 nology office established under subsection (a) shall carry
13 out a program for the development of hypersonics for de-
14 fense purposes.

15 (c) RESPONSIBILITIES.—In carrying out the program
16 required by subsection (b), the joint technology office es-
17 tablished under subsection (a) shall do the following:

18 (1) Coordinate and integrate the research, de-
19 velopment, test, and evaluation programs and sys-
20 tem demonstration programs of the Department of
21 Defense on hypersonics.

22 (2) Undertake appropriate actions to ensure—
23 (A) close and continuous integration of the
24 programs on hypersonics of the military depart-

1 ments with the programs on hypersonics of the
2 Defense Agencies; and

3 (B) coordination of the programs referred
4 to in subparagraph (A) with the programs on
5 hypersonics of the National Aeronautics and
6 Space Administration.

7 (3) Approve demonstration programs on
8 hypersonic systems.

9 (4) Ensure that any demonstration program on
10 hypersonic systems that is carried out in any year
11 after its approval under paragraph (3) is carried out
12 only if certified under subsection (e) as being con-
13 sistent with the roadmap under subsection (d).

14 (d) ROADMAP.—

15 (1) ROADMAP REQUIRED.—The joint technology
16 office established under subsection (a) shall, in co-
17 ordination with the Joint Staff and the National
18 Aeronautics and Space Administration, develop a
19 roadmap for the hypersonics programs of the De-
20 partment of Defense.

21 (2) ELEMENTS.—The roadmap shall include
22 the following matters:

23 (A) Short-term, mid-term, and long-term
24 goals for the Department of Defense on
25 hypersonics which shall be consistent with the

1 missions and anticipated requirements of the
2 Department over the applicable period.

3 (B) Acquisition transition plans for
4 hypersonics.

5 (C) Anticipated mission requirements for
6 hypersonics.

7 (D) A schedule for meeting such goals, in-
8 cluding the activities and funding anticipated to
9 be required for meeting such goals.

10 (3) SUBMITTAL TO CONGRESS.—The Secretary
11 shall submit the roadmap to the congressional de-
12 fense committees at the same time as the submittal
13 to Congress of the budget for fiscal year 2008 (as
14 submitted pursuant to section 1105 of title 31,
15 United States Code).

16 (e) ANNUAL REVIEW AND CERTIFICATION OF FUND-
17 ING.—

18 (1) ANNUAL REVIEW.—The joint technology of-
19 fice established under subsection (a) shall conduct
20 on an annual basis a review of the funding available
21 for research, development, test, and evaluation and
22 demonstration programs of the Department of De-
23 fense on hypersonics in order to determine whether
24 or not such funding and programs are consistent
25 with the roadmap developed under subsection (d).

1 (2) CERTIFICATION.—The joint technology of-
2 fice shall, as a result of each review under para-
3 graph (1), certify to the Secretary whether or not
4 the funding and programs subject to such review are
5 consistent with the roadmap developed under sub-
6 section (d).

7 (3) TERMINATION.—The requirements of this
8 subsection shall terminate after the submittal to
9 Congress of the budget for fiscal year 2012 pursu-
10 ant to section 1105 of title 31, United States Code.

11 (f) REPORTS TO CONGRESS.—If, as a result of a re-
12 view under subsection (e), funding or a program on
13 hypersonics is certified under that subsection not to be
14 consistent with the roadmap developed under subsection
15 (d), the Secretary shall submit to Congress a report on
16 such funding or program, as the case may be, together
17 with a statement of the actions to be taken to make such
18 funding or program, as the case may be, consistent with
19 the roadmap.

20 (g) HYPERSONICS DEFINED.—In this section, the
21 term “hypersonics” means aircraft and missiles capable
22 of travelling at speeds in excess of Mach 5.

23 **SEC. 214. TRIDENT SEA-LAUNCHED BALLISTIC MISSILES.**

24 (a) LIMITATION ON AVAILABILITY OF FUNDS.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), none of the funds authorized to be appro-
3 priated by this Act for the Conventional Trident
4 Modification (CTM) program may be obligated or
5 expended for the development or modification of the
6 Trident D–5 sea-launched ballistic missile until 30
7 days after the date on which the report required by
8 subsection (b) is submitted to the congressional de-
9 fense committees.

10 (2) EXCEPTION.—Paragraph (1) shall not
11 apply with respect to amounts authorized to be ap-
12 propriated by section 201(2) for research, develop-
13 ment, test, and evaluation, Navy, and available for
14 Advanced Conventional Strike Capability (PE
15 #64327N) in an amount not to exceed \$32,000,000.

16 (b) REPORT.—

17 (1) REPORT REQUIRED.—The Secretary of De-
18 fense shall, in consultation with the Secretary of
19 State, submit to the congressional defense commit-
20 tees a report setting forth a proposal to replace nu-
21 clear warheads on twenty-four Trident D–5 sea-
22 launched ballistic missiles with conventional kinetic
23 warheads for deployment on submarines that carry
24 Trident sea-launched ballistic missiles.

1 (2) ELEMENTS.—The report required by para-
2 graph (1) shall include the following:

3 (A) A description of the types of scenarios,
4 types of targets, and circumstances in which a
5 conventional sea-launched ballistic missile would
6 be used.

7 (B) A discussion of the weapon systems or
8 weapons, whether current or planned, that
9 could be used as an alternative for each of the
10 scenarios, target types, and circumstances set
11 forth under subparagraph (A), and a statement
12 of any reason why each is not a suitable alter-
13 native to a conventional sea-launched ballistic
14 missile.

15 (C) A description of the command and con-
16 trol arrangements for conventional sea-launched
17 ballistic missiles, including launch authority and
18 the use of Permissive Action Links (PALs).

19 (D) An assessment of the capabilities of
20 other countries to detect and track the launch
21 of a conventional or nuclear sea-launched bal-
22 listic missile.

23 (E) An assessment of the capabilities of
24 other countries to discriminate between the
25 launch of a nuclear sea-launched ballistic mis-

1 sile and a conventional sea-launched ballistic
2 missile, other than in a testing scenario.

3 (F) An assessment of the notification and
4 other protocols that would have to be in place
5 prior to using any conventional sea-launched
6 ballistic missile and a plan for entering into
7 such protocols.

8 (G) An assessment of the adequacy of the
9 intelligence that would be needed to support an
10 attack involving conventional sea-launched bal-
11 listic missiles.

12 (H) A description of the total program
13 cost, including the procurement costs of addi-
14 tional D-5 missiles, of the conventional Trident
15 sea-launched ballistic missile program, by fiscal
16 year.

17 (I) An analysis and assessment of the im-
18 plications for ballistic missile proliferation if the
19 United States decides to go forward with the
20 conventional Trident sea-launched ballistic mis-
21 sile program or any other conventional long
22 range ballistic missile program.

23 (J) An analysis and assessment of the im-
24 plications for the United States missile defense

1 system if other countries utilize long range con-
2 ventional ballistic missiles.

3 (K) An analysis of any problems created
4 by the ambiguity that results from the use of
5 the same ballistic missile for both conventional
6 and nuclear warheads.

7 (L) An analysis and assessment of the
8 methods that other countries might use to re-
9 solve the ambiguities associated with a nuclear
10 or conventional sea-launched ballistic missile.

11 (M) An analysis, by the Secretary of State,
12 of the international, treaty, and other concerns
13 that would be associated with the use of a con-
14 ventional sea-launched ballistic missile and rec-
15 ommendations for measures to mitigate or
16 eliminate such concerns.

17 (N) A joint statement by the Secretary of
18 Defense and the Secretary of State on how to
19 ensure that the use of a conventional sea-
20 launched ballistic missile will not result in an
21 intentional, inadvertent, mistaken, or accidental
22 reciprocal or responsive launch of a nuclear
23 strike by any other country.

24 (c) AVAILABILITY OF FUNDS FOR REPORT.—Of the
25 amounts authorized to be appropriated by this Act (other

1 than the amounts covered by the limitation in subsection
2 (a)), \$20,000,000 may be available to prepare the report
3 required by subsection (b).

4 **Subtitle C—Missile Defense**
5 **Programs**

6 **SEC. 231. AVAILABILITY OF RESEARCH, DEVELOPMENT,**
7 **TEST, AND EVALUATION FUNDS FOR FIELD-**
8 **ING BALLISTIC MISSILE DEFENSE CAPABILI-**
9 **TIES.**

10 Upon approval by the Secretary of Defense, funds au-
11 thorized to be appropriated for fiscal year 2008 for the
12 use of the Department of Defense for research, develop-
13 ment, test, and evaluation and available for the Missile
14 Defense Agency may be used for the development and
15 fielding of ballistic missile defense capabilities.

16 **SEC. 232. POLICY OF THE UNITED STATES ON PRIORITIES**
17 **IN THE DEVELOPMENT, TESTING, AND FIELD-**
18 **ING OF MISSILE DEFENSE CAPABILITIES.**

19 (a) FINDINGS.—Congress makes the following find-
20 ings:

21 (1) In response to the threat posed by ballistic
22 missiles, President George W. Bush in December
23 2002 directed the Secretary of Defense to proceed
24 with the fielding of an initial set of missile defense
25 capabilities in 2004 and 2005.

1 (2) According to assessments by the intelligence
2 community of the United States, North Korea tested
3 in 2005 a new solid propellant short-range ballistic
4 missile and is likely developing intermediate-range
5 and intercontinental ballistic missile capabilities that
6 could someday reach as far as the United States
7 with a nuclear payload.

8 (3) According to assessments by the intelligence
9 community of the United States, Iran continued in
10 2005 to test its medium range ballistic missile, and
11 the danger that Iran will acquire a nuclear weapon
12 and integrate it with a ballistic missile Iran already
13 possesses is a reason for immediate concern.

14 (b) POLICY.—It is the policy of the United States
15 that the Department of Defense accord a priority within
16 the missile defense program to the development, testing,
17 fielding, and improvement of effective near-term missile
18 defense capabilities, including the ground-based midcourse
19 defense system, the Aegis ballistic missile defense system,
20 the Patriot PAC-3 system, the Terminal High Altitude
21 Area Defense system, and the sensors necessary to sup-
22 port such systems.

1 **SEC. 233. ONE-YEAR EXTENSION OF COMPTROLLER GEN-**
2 **ERAL ASSESSMENTS OF BALLISTIC MISSILE**
3 **DEFENSE PROGRAMS.**

4 Section 232(g) of the National Defense Authorization
5 Act for Fiscal Year 2002 (10 U.S.C. 2431 note) is amend-
6 ed—

7 (1) in paragraph (1), by striking “through
8 2007” and inserting “through 2008”; and

9 (2) in paragraph (2), by striking “through
10 2008” and inserting “through 2009”.

11 **SEC. 234. SUBMITTAL OF PLANS FOR TEST AND EVALUA-**
12 **TION OF THE OPERATIONAL CAPABILITY OF**
13 **THE BALLISTIC MISSILE DEFENSE SYSTEM.**

14 Section 234(a) of the National Defense Act for Fiscal
15 Year 2006 (Public Law 109–163; 119 Stat. 3174; 10
16 U.S.C. 2431 note) is amended by adding at the end the
17 following new paragraph:

18 “(3) SUBMITTAL TO CONGRESS.—Each plan
19 prepared under this subsection and approved by the
20 Director of Operational Test and Evaluation shall be
21 submitted to the congressional defense committees
22 not later than 30 days after the date of the approval
23 of such plan by the Director.”.

1 **SEC. 235. ANNUAL REPORTS ON TRANSITION OF BALLISTIC**
2 **MISSILE DEFENSE PROGRAMS TO THE MILI-**
3 **TARY DEPARTMENTS.**

4 (a) **REPORT REQUIRED.**—Not later than March 1,
5 2007, and annually thereafter through 2013, the Under
6 Secretary of Defense for Acquisition, Technology, and Lo-
7 gistics shall submit to the congressional defense commit-
8 tees a report on the plans of the Department of Defense
9 for the transition of missile defense programs from the
10 Missile Defense Agency to the military departments.

11 (b) **SCOPE OF REPORTS.**—Each report required by
12 subsection (a) shall cover the period covered by the future-
13 years defense program that is submitted under section 221
14 of title 10, United States Code, in the year in which such
15 report is submitted.

16 (c) **ELEMENTS.**—Each report required by subsection
17 (a) shall include the following:

18 (1) An identification of—

19 (A) the missile defense programs planned
20 to be transitioned from the Missile Defense
21 Agency to the military departments; and

22 (B) the missile defense programs, if any,
23 not planned for transition to the military de-
24 partments.

25 (2) The schedule for transition of each missile
26 defense program planned to be transitioned to a

1 military department, and an explanation of such
2 schedule.

3 (3) A description of the status of the plans and
4 agreements of the Missile Defense Agency and the
5 military departments on the transition of missile de-
6 fense programs to the military departments.

7 (4) An identification of the entity (whether the
8 Missile Defense Agency, a military department, or
9 both) that will be responsible for funding each mis-
10 sile defense program to be transitioned to a military
11 department, and at what date.

12 (5) A description of the type of funds that will
13 be used (whether funds for research, development,
14 test, and evaluation, procurement, military construc-
15 tion, or operation and maintenance) for each missile
16 defense program to be transitioned to a military de-
17 partment.

18 (6) An explanation of the number of systems
19 planned for procurement for each missile defense
20 program to be transitioned to a military department,
21 and the schedule for procurement of each such sys-
22 tem.

1 **Subtitle D—Other Matters**

2 **SEC. 251. EXTENSION OF REQUIREMENT FOR GLOBAL RE-**
3 **SEARCH WATCH PROGRAM.**

4 Section 2365(f) of title 10, United States Code, is
5 amended by striking “September 30, 2006” and inserting
6 “September 30, 2011”.

7 **SEC. 252. EXPANSION AND EXTENSION OF AUTHORITY TO**
8 **AWARD PRIZES FOR ADVANCED TECH-**
9 **NOLOGY ACHIEVEMENTS.**

10 (a) EXPANSION.—

11 (1) IN GENERAL.—Subsection (a) of section
12 2374a of title 10, United States Code, is amended—

13 (A) by striking “Director of the Defense
14 Advanced Research Projects Agency” and in-
15 serting “Director of Defense Research and En-
16 gineering and the Service Acquisition Execu-
17 tives of the military departments”; and

18 (B) by striking “a program” and inserting
19 “programs”.

20 (2) CONFORMING AMENDMENTS.—(A) Sub-
21 section (b) of such section is amended by striking
22 “The program” and inserting “Any program”.

23 (B) Subsection (d) of such section is amend-
24 ed—

1 (i) by striking “The program” and insert-
2 ing “A program”; and

3 (ii) by striking “the Director” and insert-
4 ing “an official referred to in that subsection”.

5 (b) EXTENSION.—Subsection (f) of such section is
6 amended by striking “September 30, 2007” and inserting
7 “September 30, 2011”.

8 (c) MODIFICATION OF REPORTING REQUIREMENT.—
9 Subsection (e) of such section is amended to read as fol-
10 lows:

11 “(e) ANNUAL REPORT.—(1) Not later than March 1
12 each year, the Secretary shall submit to the Committees
13 on Armed Services of the Senate and the House of Rep-
14 resentatives a report on the activities undertaken during
15 the preceding fiscal year under the authority in subsection
16 (a).

17 “(2) The report for a fiscal year under this subsection
18 shall include the following:

19 “(A) A description of the proposed goals of the
20 competitions established under each program under
21 subsection (a), including the areas of research, tech-
22 nology development, or prototype development to be
23 promoted by such competitions and the relationship
24 of such areas to the military missions of the Depart-
25 ment of Defense.

1 “(B) An analyses of why the utilization of the
2 authority in subsection (a) was the preferable meth-
3 od of achieving the goals described in subparagraph
4 (A) as opposed to other authorities available to the
5 Department, such as contracts, grants, and coopera-
6 tive agreements.

7 “(C) The total amount of cash prizes awarded
8 under each program, including a description of the
9 manner in which the amounts of cash prizes award-
10 ed and claimed were allocated among the accounts
11 of the Department for recording as obligations and
12 expenditures.

13 “(D) The methods used for the solicitation and
14 evaluation of submissions under each program, to-
15 gether with an assessment of the effectiveness of
16 such methods.

17 “(E) A description of the resources, including
18 personnel and funding, used in the execution of each
19 program, together with a detailed description of the
20 activities for which such resources were used and an
21 accounting of how funding for execution was allo-
22 cated among the accounts of the Department for re-
23 cording as obligations and expenditures.

24 “(F) A description of any plans to transition
25 the technologies or prototypes developed as a result

1 of each program into an acquisition program of the
2 Department.”.

3 **SEC. 253. POLICIES AND PRACTICES ON TEST AND EVALUA-**
4 **TION TO ADDRESS EMERGING ACQUISITION**
5 **APPROACHES.**

6 (a) REVIEW AND REVISION OF POLICIES AND PRAC-
7 TICES.—

8 (1) REVIEW.—The Under Secretary of Defense
9 for Acquisition, Technology, and Logistics shall re-
10 view Department of Defense policies and practices
11 on test and evaluation in light of emerging ap-
12 proaches to acquisitions.

13 (2) REVISED GUIDANCE.—If the Under Sec-
14 retary determines as a result of the review under
15 paragraph (1) that a revision of the policies and
16 practices referred to in that paragraph is necessary
17 in light of emerging approaches to acquisitions, the
18 Under Secretary shall issue new or revised guidance
19 for the Department of Defense on test and evalua-
20 tion to address that determination.

21 (3) COORDINATION.—The Under Secretary
22 shall carry out this subsection in coordination with
23 the Director of Operational Test and Evaluation and
24 the Director of the Defense Test Resource Manage-
25 ment Center.

1 (b) ISSUES TO BE ADDRESSED.—In carrying out
2 subsection (a), the Under Secretary shall address policies
3 and practices on test and evaluation in order to—

4 (1) ensure the performance of test and evalua-
5 tion activities with regard to—

6 (A) items that are acquired pursuant to
7 the authority for rapid acquisition and deploy-
8 ment of items in section 806 of the Bob Stump
9 National Defense Authorization Act for Fiscal
10 Year 2003 (10 U.S.C. 2302 note);

11 (B) programs that are conducted pursuant
12 to the authority for spiral development in sec-
13 tion 803 of the Bob Stump National Defense
14 Authorization Act for Fiscal Year 2003 (Public
15 Law 107–314; 116 Stat. 2603; 10 U.S.C. 2430
16 note), or other authority for the conduct of in-
17 cremental acquisition programs;

18 (C) systems that are acquired pursuant to
19 time-certain development programs; and

20 (D) equipment that is not subject to the
21 operational test and evaluation requirements in
22 section 2399 of title 10, United States Code,
23 but which may require limited operational test
24 and evaluation for the purpose of ensuring the

1 safety and survivability of such equipment and
2 personnel using such equipment; and

3 (2) ensure the appropriate use, if any, of oper-
4 ational test and evaluation resources to assess tech-
5 nology readiness levels for the purpose of section
6 2366a of title 10, United States Code, and other ap-
7 plicable technology readiness requirements.

8 (c) FUNDING MATTERS.—The Director of the De-
9 fense Test Resource Management Center shall ensure that
10 the strategic plan for Department of Defense test and
11 evaluation resources developed pursuant to section 196 of
12 title 10, United States Code—

13 (1) reflects any testing needs of the Depart-
14 ment of Defense that are identified as a result of ac-
15 tivities under subsection (a); and

16 (2) includes an assessment of the test and eval-
17 uation facilities, resources, and budgets that will be
18 required to meet such needs.

19 (d) REPORT TO CONGRESS.—Not later than nine
20 months after the date of the enactment of this Act, the
21 Under Secretary shall submit to the congressional defense
22 committees a report on the review conducted under para-
23 graph (1) of subsection (a), including any new or revised
24 guidance issued pursuant to paragraph (2) of that sub-
25 section.

1 (e) TIME-CERTAIN DEVELOPMENT PROGRAM DE-
2 FINED.—In this section, the term “time-certain develop-
3 ment program” means a development program that is as-
4 signed a specific length of time in which milestone events
5 will be accomplished by contract.

6 **SEC. 254. DEVELOPMENT OF THE PROPULSION SYSTEM**
7 **FOR THE JOINT STRIKE FIGHTER.**

8 (a) IN GENERAL.—The Secretary of Defense shall
9 provide for the development of the propulsion system for
10 the F-35 fighter aircraft (commonly referred to as the
11 “Joint Strike Fighter”) by a means elected by the Sec-
12 retary from among the following:

13 (1) Through the continuing development and
14 sustainment of two interchangeable propulsion sys-
15 tems for the F-35 fighter aircraft by two separate
16 contractors throughout the life cycle of the aircraft.

17 (2) Through a one-time firm fixed price con-
18 tract for a selected propulsion system for the F-35
19 fighter aircraft for the life cycle of the aircraft fol-
20 lowing the Initial Service Release of the F-35 fight-
21 er aircraft propulsion system in fiscal year 2008.

22 (b) NOTICE OF CHANGE IN DEVELOPMENT.—The
23 Secretary may not carry out any modification of the pro-
24 curement program for the F-35 fighter aircraft that
25 would result in the development of the propulsion system

1 for such aircraft in a manner other than as elected by
2 the Secretary under subsection (a) until the Secretary no-
3 tifies the congressional defense committees of such modi-
4 fication.

5 **SEC. 255. INDEPENDENT COST ANALYSES FOR JOINT**
6 **STRIKE FIGHTER ENGINE PROGRAM.**

7 (a) COST ANALYSES.—

8 (1) ANALYSES REQUIRED.—The Secretary of
9 Defense (acting through the cost analysis improve-
10 ment group of the Office of the Secretary of De-
11 fense), a federally funded research and development
12 center (FFRDC) selected by the Secretary for pur-
13 poses of this section, and the Comptroller General of
14 the United States shall each perform three detailed
15 and comprehensive cost analyses of the engine pro-
16 gram for the F-35 fighter aircraft (commonly re-
17 ferred to as the “Joint Strike Fighter”).

18 (2) ELEMENTS.—Each official or entity per-
19 forming cost analyses under paragraph (1) shall per-
20 form a cost analysis of each of the following:

21 (A) An alternative under which the F-35
22 fighter aircraft is capable of using the F135 en-
23 gine only.

1 (B) An alternative under which the F-35
2 fighter aircraft is capable of using either the
3 F135 engine or the F136 engine.

4 (C) Any other alternative, whether secured
5 through a competitive or sole-source bidding
6 process, that would reduce cost, improve pro-
7 gram schedule, and improve performance and
8 reliability of the F-35 fighter aircraft program.

9 (b) REPORTS.—

10 (1) REPORTS REQUIRED.—Not later than
11 March 15, 2007, the Secretary, the federally funded
12 research and development center selected under sub-
13 section (a), and the Comptroller General shall each
14 submit to the congressional defense committees a re-
15 port on the three independent cost analyses per-
16 formed by such official or entity under subsection
17 (a).

18 (2) REPORT ELEMENTS.—Each report under
19 paragraph (1) shall include the following:

20 (A) A statement of the key assumptions
21 utilized in performing each cost analysis cov-
22 ered by such report.

23 (B) A discussion of the methodology and
24 techniques utilized in performing each cost
25 analysis.

1 (C) For each alternative under subsection

2 (a)(2)—

3 (i) a comparison of the life-cycle costs,
4 including costs in current and constant
5 dollars and a net-present-value analysis,
6 with the other alternatives under that sub-
7 section; and

8 (ii) an estimate of—

9 (I) the supply, maintenance, and
10 other operations manpower required
11 to support such alternative;

12 (II) the number of flight hours
13 required to achieve engine maturity,
14 and the year in which engine maturity
15 is anticipated to be achieved; and

16 (III) the total number of engines
17 anticipated to be procured over the
18 lifetime of the F-35 fighter aircraft
19 program.

20 (D) A discussion of the acquisition strate-
21 gies used for the acquisition of engines for
22 other tactical fighter aircraft, including the F-
23 15, F-16, F-18, and F-22 fighter aircraft, and
24 an assessment of the experience in terms of

1 cost, schedule, and performance under the ac-
2 quisition programs for such engines.

3 (E) A comparison in terms of performance,
4 savings, maintainability, reliability, and tech-
5 nical innovation of the acquisition programs for
6 engines for tactical fighter aircraft carried out
7 on a sole-source basis with the acquisition pro-
8 grams for tactical fighter aircraft carried out on
9 a competitive basis.

10 (F) Such conclusions and recommenda-
11 tions in light of the cost analyses as the official
12 or entity submitting such report considers ap-
13 propriate.

14 (3) CERTIFICATION OF FFRDC AND COMP-
15 TROLLER GENERAL.—In submitting the report re-
16 quired by this subsection, the federally funded re-
17 search and development center and the Comptroller
18 General shall each also submit a certification as to
19 whether the federally funded research and develop-
20 ment center or the Comptroller General, as the case
21 may be, had access to sufficient information to en-
22 able the federally funded research and development
23 center or the Comptroller General, as the case may
24 be, to make informed judgments on the matters re-
25 quired to be included in the report.

1 (c) LIFE-CYCLE COSTS DEFINED.—In this section,
2 the term “life-cycle costs” includes—

3 (1) the elements of costs that would be consid-
4 ered for a life-cycle cost analysis for a major defense
5 acquisition program, such as procurement of en-
6 gines, procurement of spare engines, and procure-
7 ment of engine components and parts; and

8 (2) good-faith estimates of routine engine costs,
9 such as performance upgrades and component im-
10 provement, that historically have occurred in tactical
11 fighter engine programs.

12 **SEC. 256. SENSE OF SENATE ON TECHNOLOGY SHARING OF**
13 **JOINT STRIKE FIGHTER TECHNOLOGY.**

14 It is the sense of the Senate that the Secretary of
15 Defense should share technology with regard to the Joint
16 Strike Fighter between the United States Government and
17 the Government of the United Kingdom consistent with
18 the national security interests of both nations.

19 **TITLE III—OPERATION AND**
20 **MAINTENANCE**
21 **Subtitle A—Authorization of**
22 **Appropriations**

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

24 Funds are hereby authorized to be appropriated for
25 fiscal year 2007 for the use of the Armed Forces and other

1 activities and agencies of the Department of Defense for
2 expenses, not otherwise provided for, for operation and
3 maintenance, in amounts as follows:

4 (1) For the Army, \$24,795,580,000.

5 (2) For the Navy, \$31,130,784,000.

6 (3) For the Marine Corps, \$3,905,262,000.

7 (4) For the Air Force, \$31,251,107,000.

8 (5) For Defense-wide activities,
9 \$20,106,756,000.

10 (6) For the Army Reserve, \$2,139,702,000.

11 (7) For the Naval Reserve, \$1,288,764,000.

12 (8) For the Marine Corps Reserve,
13 \$211,911,000.

14 (9) For the Air Force Reserve, \$2,575,100,000.

15 (10) For the Army National Guard,
16 \$4,857,728,000.

17 (11) For the Air National Guard,
18 \$5,318,717,000.

19 (12) For the United States Court of Appeals
20 for the Armed Forces, \$11,721,000.

21 (13) For Environmental Restoration, Army,
22 \$463,794,000.

23 (14) For Environmental Restoration, Navy,
24 \$304,409,000.

1 (15) For Environmental Restoration, Air Force,
2 \$423,871,000.

3 (16) For Environmental Restoration, Defense-
4 wide, \$18,431,000.

5 (17) For Environmental Restoration, Formerly
6 Used Defense Sites, \$282,790,000.

7 (18) For the Overseas Contingency Operations
8 Transfer Fund, \$10,000,000.

9 (19) For Cooperative Threat Reduction pro-
10 grams, \$372,128,000.

11 (20) For Overseas Humanitarian Disaster and
12 Civic Aid, \$63,204,000.

13 **SEC. 302. WORKING CAPITAL FUNDS.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2007 for the use of the Armed Forces and other
16 activities and agencies of the Department of Defense for
17 providing capital for working capital and revolving funds
18 in amounts as follows:

19 (1) For the Defense Working Capital Funds,
20 \$1,364,498,000.

21 (2) For the National Defense Sealift Fund,
22 \$1,071,932,000.

23 **SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.**

24 (a) DEFENSE HEALTH PROGRAM.—Funds are here-
25 by authorized to be appropriated for the Department of

1 Defense for fiscal year 2007 for expenses, not otherwise
2 provided for, for the Defense Health Program,
3 \$20,915,321,000, of which—

4 (1) \$20,381,863,000 is for Operation and
5 Maintenance;

6 (2) \$135,603,000 is for Research, Development,
7 Test, and Evaluation; and

8 (3) \$397,855,000 is for Procurement.

9 (b) CHEMICAL AGENTS AND MUNITIONS DESTRUC-
10 TION, DEFENSE.—

11 (1) IN GENERAL.—Funds are hereby authorized
12 to be appropriated for the Department of Defense
13 for fiscal year 2007 for expenses, not otherwise pro-
14 vided for, for Chemical Agents and Munitions De-
15 struction, Defense, \$1,277,304,000, of which—

16 (A) \$1,046,290,000 is for Operation and
17 Maintenance; and

18 (B) \$231,014,000 is for Research, Devel-
19 opment, Test, and Evaluation.

20 (2) AVAILABILITY.—Amounts authorized to be
21 appropriated under paragraph (1) are authorized
22 for—

23 (A) the destruction of lethal chemical
24 agents and munitions in accordance with sec-

1 tion 1412 of the Department of Defense Au-
2 thorization Act, 1986 (50 U.S.C. 1521); and

3 (B) the destruction of chemical warfare
4 materiel of the United States that is not cov-
5 ered by section 1412 of such Act.

6 (c) DRUG INTERDICTION AND COUNTER-DRUG AC-
7 TIVITIES, DEFENSE-WIDE.—Funds are hereby authorized
8 to be appropriated for the Department of Defense for fis-
9 cal year 2007 for expenses, not otherwise provided for, for
10 Drug Interdiction and Counter-Drug Activities, Defense-
11 wide, \$926,890,000.

12 (d) DEFENSE INSPECTOR GENERAL.—Funds are
13 hereby authorized to be appropriated for the Department
14 of Defense for fiscal year 2007 for expenses, not otherwise
15 provided for, for the Office of the Inspector General of
16 the Department of Defense, \$216,297,000, of which—

17 (1) \$214,897,000 is for Operation and Mainte-
18 nance; and

19 (2) \$1,400,000 is for Procurement.

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

4 **SEC. 311. LIMITATION ON AVAILABILITY OF FUNDS FOR**
5 **THE ARMY LOGISTICS MODERNIZATION PRO-**
6 **GRAM.**

7 Of the funds authorized to be appropriated for the
8 Department of Defense by this division and available for
9 the Army Logistics Modernization Program (LMP), not
10 more than \$6,900,000 may be obligated or expended for
11 the development, fielding, or operation of the program
12 until the Chairman of the Defense Business Systems Mod-
13 ernization Committee certifies to the congressional defense
14 committees each of the following:

15 (1) That the program is essential to the na-
16 tional security of the United States or to the effi-
17 cient management of the Department of Defense.

18 (2) That there is no alternative to the system
19 under the program which will provide equal or great-
20 er capability at a lower cost.

21 (3) That the estimated costs, and the proposed
22 schedule and performance parameters, for the pro-
23 gram and system are reasonable.

1 (4) That the management structure for the pro-
2 gram is adequate to manage and control program
3 costs.

4 **SEC. 312. AVAILABILITY OF FUNDS FOR EXHIBITS FOR THE**
5 **NATIONAL MUSEUMS OF THE ARMED**
6 **FORCES.**

7 (a) NATIONAL MUSEUM OF THE UNITED STATES
8 ARMY.—Of the amounts authorized to be appropriated by
9 section 301(1) for operation and maintenance for the
10 Army, \$3,000,000 may be available to the Secretary of
11 the Army for education and training purposes to contract
12 with the Army Historical Foundation for the acquisition,
13 installation, and maintenance of exhibits at the National
14 Museum of the United States Army.

15 (b) NATIONAL MUSEUM OF THE UNITED STATES
16 NAVY.—Of the amounts authorized to be appropriated by
17 section 301(2) for operation and maintenance for the
18 Navy, \$3,000,000 may be available to the Secretary of the
19 Navy for education and training purposes to contract with
20 the Naval Historical Foundation for the acquisition, in-
21 stallation, and maintenance of exhibits at the National
22 Museum of the United States Navy.

23 (c) NATIONAL MUSEUM OF THE MARINE CORPS AND
24 HERITAGE CENTER.—Of the amounts authorized to be
25 appropriated by section 301(3) for operation and mainte-

1 nance for the Marine Corps, \$3,000,000 may be available
2 to the Secretary of the Navy for education and training
3 purposes to contract with the United States Marine Corps
4 Heritage Foundation for the acquisition, installation, and
5 maintenance of exhibits at the National Museum of the
6 Marine Corps and Heritage Center.

7 (d) NATIONAL MUSEUM OF THE UNITED STATES
8 AIR FORCE.—Of the amounts authorized to be appro-
9 priated by section 301(4) for operation and maintenance
10 for the Air Force, \$3,000,000 may be available to the Sec-
11 retary of the Air Force for education and training pur-
12 poses to contract with the Air Force Museum Foundation
13 for the acquisition, installation, and maintenance of exhib-
14 its at the National Museum of the United States Air
15 Force.

16 (e) REIMBURSEMENT.—

17 (1) AUTHORITY TO ACCEPT REIMBURSE-
18 MENT.—During any fiscal year after fiscal year
19 2006, the Secretary of a military department may
20 accept from any non-profit entity authorized to sup-
21 port the national museum of the applicable Armed
22 Force amounts to reimburse such Secretary for
23 amounts obligated and expended by such Secretary
24 from amounts available to such Secretary under this
25 section.

1 (2) TREATMENT.—Amounts accepted as reim-
2 bursement under paragraph (1) shall be credited to
3 the account that was used to cover the costs in-
4 curred by the Secretary of the military department
5 concerned under this section. Amounts so credited
6 shall be merged with amounts in such account, and
7 shall be available for the same purposes, and subject
8 to the same conditions and limitations, as amounts
9 in such account.

10 **SEC. 313. LIMITATION ON FINANCIAL MANAGEMENT IM-**
11 **PROVEMENT AND AUDIT INITIATIVES WITHIN**
12 **THE DEPARTMENT OF DEFENSE.**

13 (a) LIMITATION.—The Secretary of Defense may not
14 obligate or expend any funds for the purpose of any finan-
15 cial management improvement activity relating to the
16 preparation, processing, or auditing of financial state-
17 ments until the Secretary submits to the congressional de-
18 fense committees a written determination that each activ-
19 ity proposed to be funded is—

20 (1) consistent with the financial management
21 improvement plan of the Department of Defense re-
22 quired by section 376(a)(1) of the National Defense
23 Authorization Act for Fiscal Year 2006 (Public Law
24 190–163; 119 Stat. 3213); and

1 (2) likely to improve internal controls or other-
2 wise result in sustained improvements in the ability
3 of the Department to produce timely, reliable, and
4 complete financial management information.

5 (b) EXCEPTION.—The limitation in subsection (a)
6 shall not apply to an activity directed exclusively at assess-
7 ing the adequacy of internal controls and remediating any
8 inadequacy identified pursuant to such assessment.

9 **SEC. 314. LIMITATION ON AVAILABILITY OF OPERATION**
10 **AND MAINTENANCE FUNDS FOR THE MAN-**
11 **AGEMENT HEADQUARTERS OF THE DEFENSE**
12 **INFORMATION SYSTEMS AGENCY.**

13 Of the amount authorized to be appropriated by this
14 title and available for purposes of the operation and main-
15 tenance of the management headquarters of the Defense
16 Information Systems Agency, not more than 50 percent
17 may be available for such purposes until the Secretary of
18 Defense submits to Congress the report on the acquisition
19 strategy of the Department of Defense for commercial sat-
20 ellite communications services required by section 818(b)
21 of the National Defense Authorization Act for Fiscal Year
22 2006 (Public Law 109–136; 119 Stat. 3385).

1 **Subtitle C—Environmental**
2 **Provisions**

3 **SEC. 331. RESPONSE PLAN FOR REMEDIATION OF MILI-**
4 **TARY MUNITIONS.**

5 (a) PERFORMANCE GOALS FOR REMEDIATION.—The
6 Department of Defense shall set the following remediation
7 goals:

8 (1) To complete, by not later than September
9 30, 2007, preliminary assessments of unexploded
10 ordnance, discarded military munitions, and muni-
11 tions constituents at all active installations and for-
12 merly used defense sites.

13 (2) To complete, by not later than September
14 30, 2010, site inspections of unexploded ordnance,
15 discarded military munitions, and munitions con-
16 stituents at all active installations and formerly used
17 defense sites.

18 (3) To achieve, by not later than September 30,
19 2009, a remedy in place or response complete for
20 unexploded ordnance, discarded military munitions,
21 and munitions constituents at all military installa-
22 tions closed or realigned as part of a round of de-
23 fense base closure and realignment occurring prior
24 to the 2005 round.

1 (4) To achieve, by a time certain established by
2 the Secretary, a remedy in place or response com-
3 plete for unexploded ordnance, discarded military
4 munitions, and munitions constituents at all active
5 installations and formerly used defense sites (other
6 than operational ranges) and all military installa-
7 tions realigned or closed under the 2005 round of
8 defense base closure and realignment.

9 (b) RESPONSE PLAN REQUIRED.—

10 (1) IN GENERAL.—Not later than March 1,
11 2007, the Secretary of Defense shall submit to the
12 congressional defense committees a comprehensive
13 plan for addressing the remediation of unexploded
14 ordnance, discarded military munitions, and muni-
15 tions constituents at current and former defense
16 sites (other than operational ranges).

17 (2) CONTENT.—The plan required by para-
18 graph (1) shall include—

19 (A) a schedule, including interim goals, for
20 achieving the goals described in paragraphs (1)
21 through (3) of subsection (a), based upon the
22 Munitions Response Site Prioritization Protocol
23 established by the Department of Defense;

24 (B) such interim goals as the Secretary de-
25 termines feasible for efficiently achieving the

1 goal required under paragraph (4) of such sub-
2 section; and

3 (C) an estimate of the funding required to
4 achieve the goals established pursuant to such
5 subsection and the interim goals established
6 pursuant to subparagraphs (A) and (B).

7 (3) UPDATES.—(A) The Secretary shall, not
8 later than March 15 of 2008, 2009, and 2010, sub-
9 mit to the congressional defense committees an up-
10 date of the plan required under paragraph (1). Each
11 update may be included in the report on environ-
12 mental restoration activities submitted to Congress
13 under section 2706(a) of title 10, United States
14 Code, that is submitted in the year in which such
15 update is submitted.

16 (B) The Secretary may include in an update
17 submitted under subparagraph (A) any adjustment
18 to the remediation goals established under sub-
19 section (a) that the Secretary determines necessary
20 to respond to unforeseen circumstances.

21 (c) REPORT ON REUSE STANDARDS AND PRIN-
22 CIPLES.—Not later than March 1, 2007, the Secretary of
23 Defense shall submit to the congressional defense commit-
24 tees a report on the status of the efforts of the Depart-
25 ment of Defense to achieve agreement with relevant regu-

1 latory agencies on appropriate reuse standards or prin-
2 ciples, including—

3 (1) a description of any standards or principles
4 that have been agreed upon; and

5 (2) a discussion of any issues that remain in
6 disagreement (including the impact that any such
7 disagreement is likely to have on the ability of the
8 Department of Defense to carry out the plan).

9 (d) DEFINITIONS.—In this section, the terms
10 “unexploded ordnance”, “discarded military munitions”,
11 “munitions constituents”, “operational range”, and “de-
12 fense site” have the meaning given such terms in section
13 2710(e) of title 10, United States Code.

14 (e) CONFORMING REPEAL.—Section 313 of the Na-
15 tional Defense Authorization Act for Fiscal Year 2002
16 (Public Law 107–107; 115 Stat. 1051; 10 U.S.C. 2706
17 note) is repealed.

18 **SEC. 332. EXTENSION OF AUTHORITY TO GRANT EXEMP-**
19 **TIONS TO CERTAIN REQUIREMENTS.**

20 (a) AMENDMENT TO TOXIC SUBSTANCES CONTROL
21 ACT.—Section 6(e)(3) of the Toxic Substances Control
22 Act (15 U.S.C. 2605(e)(3)) is amended—

23 (1) in subparagraph (A), by striking “subpara-
24 graphs (B) and (C)” and inserting “subparagraphs
25 (B), (C), and (D)”;

1 (2) in subparagraph (B), by striking “but not
2 more than 1 year from the date it is granted” and
3 inserting “but not more than 1 year from the date
4 it is granted, except as provided in subparagraph
5 (D)”;

6 (3) by adding at the end the following new sub-
7 paragraph:

8 “(D) The Administrator may grant an ex-
9 emption pursuant to subparagraph (B) for a
10 period of up to 3 years for the purpose of au-
11 thorizing the Secretary of Defense and the Sec-
12 retaries of the military departments to provide
13 for the transportation into the customs territory
14 of the United States of polychlorinated
15 biphenyls generated by or under the control of
16 the Department of Defense for purposes of
17 their disposal, treatment, or storage in the cus-
18 toms territory of the United States.”.

19 (b) SUNSET DATE.—The amendments made by sub-
20 section (a) shall cease to have effect on September 30,
21 2012. The termination of the authority to grant exemp-
22 tions pursuant to such amendments shall not effect the
23 validity of any exemption granted prior to such date.

24 (c) REPORT.—Not later than March 1, 2011, the
25 Secretary of Defense shall submit to the Committee on

1 Armed Services and the Committee on Environment and
2 Public Works of the Senate and the Committee on Armed
3 Services and the Committee on Energy and Commerce of
4 the House of Representatives a report on the status of
5 polychlorinated biphenyls generated by or under the con-
6 trol of the Department of Defense outside the United
7 States. The report shall address, at a minimum—

8 (1) the remaining volume of such poly-
9 chlorinated biphenyls that may require transpor-
10 tation into the customs territory of the United
11 States for disposal, treatment, or storage; and

12 (2) the efforts that have been made by the De-
13 partment of Defense and other Federal agencies to
14 reduce such volume by—

15 (A) reducing the volume of polychlorinated
16 biphenyls generated by or under the control of
17 the Department of Defense outside the United
18 States; or

19 (B) developing alternative options for the
20 disposal, treatment, or storage of such poly-
21 chlorinated biphenyls.

22 **SEC. 333. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF**
23 **MUNITIONS.**

24 (a) IDENTIFICATION OF DISPOSAL SITES.—

1 (1) HISTORICAL REVIEW.—The Secretary of
2 Defense, in cooperation with the Commandant of the
3 Coast Guard, the Administrator of the National Oce-
4 anic and Atmospheric Administration, and the heads
5 of other relevant Federal agencies, shall conduct a
6 historical review of available records to determine
7 the number, size, and probable locations of sites
8 where the Armed Forces disposed of military muni-
9 tions in coastal waters. The historical review shall,
10 to the extent possible, identify the types of muni-
11 tions at individual sites.

12 (2) INTERIM REPORTS.—The Secretary of De-
13 fense shall periodically, but no less often than annu-
14 ally, release any new information obtained during
15 the historical review conducted under paragraph (1).
16 The Secretary may withhold from public release the
17 exact nature and locations of munitions the potential
18 unauthorized retrieval of which could pose a signifi-
19 cant threat to the national defense or public safety.

20 (3) INCLUSION OF INFORMATION IN ANNUAL
21 REPORT ON ENVIRONMENTAL RESTORATION ACTIVI-
22 TIES.—The Secretary shall include the information
23 obtained pursuant to the review conducted under
24 paragraph (1) in the annual report on environmental

1 restoration activities submitted to Congress under
2 section 2706 of title 10, United States Code.

3 (4) FINAL REPORT.—The Secretary shall com-
4 plete the historical review required under paragraph
5 (1) and submit a final report on the findings of such
6 review in the annual report on environmental res-
7 toration activities submitted to Congress for fiscal
8 year 2009.

9 (b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY
10 HAZARDS.—

11 (1) IDENTIFICATION OF HAZARDS.—The Sec-
12 retary of Defense shall provide available information
13 to the Secretary of Commerce to assist the National
14 Oceanic and Atmospheric Administration in pre-
15 paring nautical charts and other navigational mate-
16 rials for coastal waters that identify known or poten-
17 tial hazards posed by disposed military munitions to
18 private activities, including commercial shipping and
19 fishing operations.

20 (2) CONTINUATION OF INFORMATION ACTIVI-
21 TIES.—The Secretary of Defense shall continue ac-
22 tivities to inform potentially affected users of the
23 ocean environment, particularly fishing operations,
24 of the possible hazards from contact with disposed

1 military munitions and the proper methods to miti-
2 gate such hazards.

3 (c) RESEARCH.—

4 (1) IN GENERAL.—The Secretary of Defense
5 shall continue to conduct research on the effects on
6 the ocean environment and those who use it of mili-
7 tary munitions disposed of in coastal waters.

8 (2) SCOPE.—Research under paragraph (1)
9 shall include—

10 (A) the sampling and analysis of ocean wa-
11 ters and sea beds at or adjacent to military mu-
12 nitions disposal sites selected pursuant to para-
13 graph (3) to determine whether the disposed
14 military munitions have caused or are causing
15 contamination of such waters or sea beds;

16 (B) investigation into the long-term effects
17 of seawater exposure on disposed military muni-
18 tions, particularly effects on chemical muni-
19 tions;

20 (C) investigation into the impacts any such
21 contamination may have on the ocean environ-
22 ment and those who use it, including public
23 health risks;

1 (D) investigation into the feasibility of re-
2 moving or otherwise remediating the military
3 munitions; and

4 (E) the development of effective safety
5 measures for dealing with such military muni-
6 tions.

7 (3) RESEARCH CRITERIA.—In conducting the
8 research required by this subsection, the Secretary
9 shall ensure that the sampling, analysis, and inves-
10 tigation are conducted at representative sites, tak-
11 ing into account factors such as depth, water tem-
12 perature, nature of the military munitions present,
13 and relative proximity to onshore populations. In
14 conducting such research, the Secretary shall select
15 at least two representative sites each in the areas of
16 the Atlantic coast, the Pacific coast (including Alas-
17 ka), and the Hawaiian Islands.

18 (4) AUTHORITY TO MAKE GRANTS AND ENTER
19 INTO COOPERATIVE AGREEMENTS.—In conducting
20 research under this subsection, the Secretary may
21 make grants to, and enter into cooperative agree-
22 ments with, qualified research entities.

23 (d) MONITORING.—If the historical review required
24 by subsection (a) or the research required by subsection
25 (c) indicates that contamination is being released into the

1 ocean waters from disposed military munitions at a par-
2 ticular site or that the site poses a significant public health
3 or safety risk, the Secretary shall institute appropriate
4 monitoring mechanisms at that site and report to the con-
5 gressional defense committees on any additional measures
6 that may be necessary to address the release or risk, as
7 applicable.

8 (e) DEFINITIONS.—In this section:

9 (1) The term “coastal waters” means that part
10 of the ocean extending from the coast line of the
11 United States to the outer boundary of the outer
12 Continental Shelf.

13 (2) The term “coast line” has the meaning
14 given that term in section 2(c) of the Submerged
15 Lands Act (43 U.S.C. 1301(c)).

16 (3) The term “outer Continental Shelf” has the
17 meaning given that term in section 2(a) of the Outer
18 Continental Shelf Lands Act (43 U.S.C. 1331(a)).

19 **SEC. 334. CLARIFICATION OF MULTI-YEAR AUTHORITY TO**
20 **USE BASE CLOSURE FUNDS TO FUND COOP-**
21 **ERATIVE AGREEMENTS UNDER ENVIRON-**
22 **MENTAL RESTORATION PROGRAM.**

23 Section 2701 of title 10, United States Code, is
24 amended by adding at the end the following new sentence:
25 “This two-year limitation does not apply to agreements

1 funded through the Department of Defense Base Closure
2 Account 1990 or the Department of Defense Base Closure
3 Account 2005 established by sections 2906 and 2906A,
4 respectively, of the Defense Base Closure and Realignment
5 Act of 1990 (part A of title XXIX of Public Law 101–
6 510; 10 U.S.C. 2687 note).”.

7 **SEC. 335. REIMBURSEMENT OF ENVIRONMENTAL PROTEC-**
8 **TION AGENCY FOR CERTAIN COSTS IN CON-**
9 **NECTION WITH MOSES LAKE WELLFIELD**
10 **SUPERFUND SITE, MOSES LAKE, WASH-**
11 **INGTON.**

12 (a) **AUTHORITY TO REIMBURSE.**—(1) Using funds
13 described in subsection (b), the Secretary of Defense may
14 transfer not more than \$111,114.03 to the Moses Lake
15 Wellfield Superfund Site 10–6J Special Account.

16 (2) The payment under paragraph (1) is to reimburse
17 the Environmental Protection Agency for its costs in-
18 curred in overseeing a remedial investigation/feasibility
19 study performed by the Department of the Army under
20 the Defense Environmental Restoration Program at the
21 former Larson Air Force Base, Moses Lake Superfund
22 Site, Moses Lake, Washington.

23 (3) The reimbursement described in paragraph (2) is
24 provided for in the interagency agreement entered into by
25 the Department of the Army and the Environmental Pro-

1 tection Agency for the Moses Lake Wellfield Superfund
2 Site in March 1999.

3 (b) SOURCE OF FUNDS.—Any payment under sub-
4 section (a) shall be made using funds authorized to be ap-
5 propriated by section 301(17) for operation and mainte-
6 nance for Environmental Restoration, Formerly Used De-
7 fense Sites.

8 (c) USE OF FUNDS.—The Environmental Protection
9 Agency shall use the amount transferred under subsection
10 (a) to pay costs incurred by the Agency at the Moses Lake
11 Wellfield Superfund Site.

12 **Subtitle D—Reports**

13 **SEC. 351. COMPTROLLER GENERAL REPORT ON READINESS** 14 **OF THE GROUND FORCES OF THE ARMY AND** 15 **THE MARINE CORPS.**

16 (a) REPORT REQUIRED.—

17 (1) IN GENERAL.—Not later than March 1,
18 2007, the Comptroller General of the United States
19 shall submit to the congressional defense committees
20 a report on the readiness of the active component
21 and reserve component ground forces of the Army
22 and the Marine Corps.

23 (2) ONE OR MORE REPORTS.—In complying
24 with the requirements of this section, the Comp-
25 troller General may submit a single report address-

1 ing all the elements specified in subsection (b) or
2 two or more reports addressing any combination of
3 such elements. If the Comptroller General submits
4 more than one report under this section, all such re-
5 ports shall be submitted not later than the date
6 specified in paragraph (1).

7 (b) ELEMENTS.—The elements specified in this sub-
8 section include the following:

9 (1) An analysis of the current readiness status
10 of each of the active component and reserve compo-
11 nent ground forces of the Army and the Marine
12 Corps, including a description of any major defi-
13 ciency identified, an analysis of the trends in readi-
14 ness of such forces during not less than the ten
15 years preceding the report, and a comparison of the
16 current readiness indicators of such ground forces
17 with historical patterns.

18 (2) An assessment of the ability of the Army
19 and the Marine Corps to provide trained and ready
20 forces for ongoing operations as well as other com-
21 mitments assigned to the Army and the Marine
22 Corps in defense planning documents.

23 (3) An analysis of the availability of equipment
24 for training by units of the Army and the Marine
25 Corps in the United States in configurations com-

1 parable to the equipment being used by units of the
2 Army and the Marine Corps, as applicable, in ongoing
3 operations.

4 (4) An analysis of the current and projected re-
5 quirement for repair or replacement of equipment of
6 the Army and the Marine Corps due to ongoing op-
7 erations, and the impact of such required repair or
8 replacement of equipment on the availability of
9 equipment for training.

10 (5) An assessment of the current personnel
11 tempo of Army and Marine Corps forces, includ-
12 ing—

13 (A) a comparison of such tempos to histor-
14 ical trends;

15 (B) an identification of particular occupa-
16 tional specialties that are experiencing unusu-
17 ally high or low deployment rates; and

18 (C) an analysis of retention rates in the oc-
19 cupational specialties identified under subpara-
20 graph (B).

21 (6) An assessment of the efforts of the Army
22 and the Marine Corps to mitigate the impact of high
23 operational tempos, including cross-leveling of per-
24 sonnel and equipment or cross training of personnel
25 or units for new or additional mission requirements.

1 “(2) The Secretary of Defense may waive the require-
2 ment in paragraph (1) with respect to a particular public
3 depot for a fiscal year if the Secretary determines that
4 the waiver is necessary for reasons of national security and
5 notifies the congressional defense committees of the rea-
6 sons for the waiver.

7 “(3)(A) Each year, not later than 45 days after the
8 President submits to Congress the budget for a fiscal year
9 under section 1105 of title 31, the Secretary shall submit
10 to the congressional defense committees budget justifica-
11 tion documents summarizing the level of capital invest-
12 ment at each public depot serviced by working capital
13 funds as of the end of the previous fiscal year.

14 “(B) Each report under this paragraph shall include
15 the following:

16 “(i) A specification of the statutory, regulatory,
17 or operational impediments, if any, to achieving the
18 requirement in paragraph (1) with respect to each
19 public depot described in that paragraph.

20 “(ii) A description of the benchmarks estab-
21 lished by each public depot and working capital fund
22 for capital investment and the relationship of the
23 benchmarks to applicable performance measurement
24 methods used in the private sector.

1 **SEC. 363. ADDITIONAL EXCEPTION TO PROHIBITION ON**
2 **CONTRACTOR PERFORMANCE OF FIRE-**
3 **FIGHTING FUNCTIONS.**

4 Section 2465(b) of title 10, United States Code, is
5 amended by adding at the end the following new para-
6 graph:

7 “(5) A contract for the performance of fire-
8 fighting functions to—

9 “(A) fight wildland fires such as range or
10 forest fires; and

11 “(B) perform wildland fire management,
12 including the conduct of hazardous fuels treat-
13 ments to reduce wildland fire risks (including
14 prescribed fire and mechanical treatments).”.

15 **SEC. 364. TEMPORARY SECURITY GUARD SERVICES FOR**
16 **CERTAIN WORK CAUSED BY REALIGNMENT**
17 **OF MILITARY INSTALLATIONS UNDER THE**
18 **BASE CLOSURE LAWS.**

19 (a) **AUTHORITY FOR TEMPORARY SERVICES.**—Not-
20 withstanding section 2465 of title 10, United States Code,
21 the Secretary of the military department concerned may,
22 for a period not to exceed one year at any single military
23 installation, contract for security guard services at mili-
24 tary installations approved for realignment under a base
25 closure law when such services are required for the safe
26 and secure relocation of either of the following:

1 (1) Military munitions and munitions-related
2 equipment.

3 (2) High-value items in temporary storage
4 areas.

5 (b) DEFINITIONS.—In this section:

6 (1) The term “base closure law” has the mean-
7 ing given such term in section 101(a)(17) of title 10,
8 United States Code.

9 (2) The term “military munitions” has the
10 meaning given such term in section 101(e)(4) of title
11 10, United States Code.

12 (c) EXPIRATION.—The authority to enter into a con-
13 tract under subsection (a) shall expire on September 15,
14 2011.

15 **Subtitle F—Other Matters**

16 **SEC. 371. RECYCLING OF MILITARY MUNITIONS.**

17 (a) IN GENERAL.—Chapter 443 of title 10, United
18 States Code, is amended by adding at the end the fol-
19 lowing new section:

20 **“§ 4690. Sale of recyclable munitions materials**

21 “(a) AUTHORITY FOR PROGRAM.—(1) The Secretary
22 of the Army may carry out a program to—

23 “(A) sell recyclable munitions materials result-
24 ing from the demilitarization of conventional mili-
25 tary munitions; and

1 “(B) use the proceeds of sale for reclamation,
2 recycling, and reuse of conventional military muni-
3 tions.

4 “(2) The program authorized by this section may be
5 known as the ‘Military Munitions Recycling Program’.

6 “(b) GEOGRAPHIC LIMITATION.—The program au-
7 thorized by subsection (a) may only be carried out in the
8 United States and its possessions.

9 “(c) METHOD OF SALE.—(1) Except as provided in
10 paragraph (2), the Secretary shall use competitive proce-
11 dures to sell recyclable munitions materials under the pro-
12 gram authorized by this section.

13 “(2) The Secretary may use procedures other than
14 competitive procedures to sell recyclable munitions mate-
15 rials under the program authorized by this section in any
16 case in which the Secretary determines there is only one
17 potential buyer of the items being offered for sale.

18 “(3) The provisions of title 40 concerning disposal
19 of property are not applicable to sales of materials under
20 the program authorized by this section.

21 “(d) USE OF PROCEEDS.—(1) Proceeds from the sale
22 of recyclable munitions materials under the program au-
23 thorized by this section shall be credited to the Ammuni-
24 tion Demilitarization Account within the Procurement of
25 Ammunition, Army, Account.

1 “(2) Amounts credited to the Ammunition Demili-
2 tarization Account under paragraph (1) shall be available
3 solely for purposes of reclamation, recycling, and reuse of
4 conventional military munitions, including for research
5 and development for such purposes and for the procure-
6 ment of equipment for such purposes.

7 “(3) Funds credited to the Ammunition Demilitariza-
8 tion Account under paragraph (1) in a fiscal year shall
9 be available for obligation under paragraph (2) during the
10 fiscal year in which the funds are so credited and for three
11 fiscal years thereafter.

12 “(4) Funds credited to the Ammunition Demilitariza-
13 tion Account under paragraph (1) that are not obligated
14 under paragraph (2) within the period of availability
15 under paragraph (3) shall, at the end of such period, be
16 deposited into the Treasury as miscellaneous receipts.

17 “(e) REGULATIONS.—The Secretary shall prescribe
18 regulations on the operation of the program authorized by
19 this section. The regulations shall be consistent with the
20 Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and
21 any regulations prescribed thereunder.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 at the beginning of chapter 443 of such title is amended
24 by adding at the end the following new item:

“4690. Sale of recyclable munitions materials.”.

1 **SEC. 372. INCENTIVES CLAUSES IN CHEMICAL DEMILI-**
2 **TARIZATION CONTRACTS.**

3 (a) IN GENERAL.—

4 (1) AUTHORITY TO INCLUDE CLAUSES IN CON-
5 TRACTS.—The Secretary of Defense may, for the
6 purpose specified in paragraph (2), authorize the in-
7 clusion of an incentives clause in any contract for
8 the destruction of the United States stockpile of le-
9 thal chemical agents and munitions carried out pur-
10 suant to section 1412 of the Department of Defense
11 Authorization Act, 1986 (50 U.S.C. 1521).

12 (2) PURPOSE.—The purpose of a clause re-
13 ferred to in paragraph (1) is to provide the con-
14 tractor for a chemical demilitarization facility an in-
15 centive to accelerate the safe elimination of the
16 United States chemical weapons stockpile and to re-
17 duce the total cost of the Chemical Demilitarization
18 Program by providing incentive payments for the
19 early completion of destruction operations and the
20 closure of such facility.

21 (b) INCENTIVES CLAUSES.—

22 (1) IN GENERAL.—An incentives clause under
23 this section shall permit the contractor for the chem-
24 ical demilitarization facility concerned the oppor-
25 tunity to earn incentive payments for the completion
26 of destruction operations and facility closure activi-

1 ties within target incentive ranges specified in such
2 clause.

3 (2) LIMITATION ON INCENTIVE PAYMENTS.—

4 The maximum incentive payment under an incen-
5 tives clause with respect to a chemical demilitariza-
6 tion facility may not exceed amounts as follows:

7 (A) In the case of an incentive payment for
8 the completion of destruction operations within
9 the target incentive range specified in such
10 clause, \$110,000,000.

11 (B) In the case of an incentive payment
12 for the completion of facility closure activities
13 within the target incentive range specified in
14 such clause, \$55,000,000.

15 (3) TARGET RANGES.—An incentives clause in
16 a contract under this section shall specify the target
17 incentive ranges of costs for completion of destruc-
18 tion operations and facility closure activities, respec-
19 tively, as jointly agreed upon by the contracting offi-
20 cer and the contractor concerned. An incentives
21 clause shall require a proportionate reduction in the
22 maximum incentive payment amounts in the event
23 that the contractor exceeds an agreed-upon target
24 cost if such excess costs are the responsibility of the
25 contractor.

1 (4) CALCULATION OF INCENTIVE PAYMENTS.—

2 The amount of the incentive payment earned by a
3 contractor for a chemical demilitarization facility
4 under an incentives clause under this section shall
5 be based upon a determination by the Secretary on
6 how early in the target incentive range specified in
7 such clause destruction operations or facility closure
8 activities, as the case may be, are completed.

9 (5) CONSISTENCY WITH EXISTING OBLIGA-

10 TIONS.—The provisions of any incentives clause
11 under this section shall be consistent with the obli-
12 gation of the Secretary of Defense under section
13 1412(e)(1)(A) of the Department of Defense Au-
14 thorization Act, 1986 to provide for maximum pro-
15 tection for the environment, the general public, and
16 the personnel who are involved in the destruction of
17 the lethal chemical agents and munitions.

18 (6) ADDITIONAL TERMS AND CONDITIONS.—In

19 negotiating the inclusion of an incentives clause in
20 a contract under this section, the Secretary may in-
21 clude in such clause such additional terms and con-
22 ditions as the Secretary considers appropriate.

23 (c) LIMITATION.—The authority to include an incen-

24 tives clause in a contract under this section is subject to
25 the availability of appropriations for that purpose.

1 **SEC. 373. EXTENSION OF DEPARTMENT OF DEFENSE TELE-**
2 **COMMUNICATIONS BENEFIT PROGRAM.**

3 (a) **TERMINATION AT END OF CONTINGENCY OPER-**
4 **ATION.**—Subsection (c) of section 344 of the National De-
5 fense Authorization Act for Fiscal Year 2004 (Public Law
6 108–136; 117 Stat. 1449), as amended by section 341 of
7 the Ronald W. Reagan National Defense Authorization
8 Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat.
9 1857), is further amended by striking “terminate on Sep-
10 tember 30, 2006” and inserting “terminate with respect
11 to a contingency operation on the date that is 60 days
12 after the date on which the Secretary determines that the
13 contingency operation has ended”.

14 (b) **APPLICATION TO OTHER CONTINGENCY OPER-**
15 **ATIONS.**—Such section is further amended—

16 (1) in subsection (a), by striking “Operation
17 Iraqi Freedom and Operation Enduring Freedom”
18 and inserting “a contingency operation”; and

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

21 “(g) **CONTINGENCY OPERATION DEFINED.**—In this
22 section, the term ‘contingency operation’ has the meaning
23 given that term in section 101(a)(13) of title 10, United
24 States Code. The term includes Operation Iraqi Freedom
25 and Operation Enduring Freedom.”.

1 (c) EXTENSION TO HOSPITALIZED MEMBERS.—Sub-
2 section (a) of such section is further amended—

3 (1) by striking “As soon as possible after the
4 date of the enactment of this Act, the” and inserting
5 “The”; and

6 (2) by adding at the end the following new sen-
7 tence: “As soon as possible after the date of the en-
8 actment of the National Defense Authorization Act
9 for Fiscal Year 2007, the Secretary shall extend
10 such telecommunications benefit to members of the
11 Armed Forces who, although no longer covered by
12 the preceding sentence, are hospitalized as a result
13 of wounds or other injuries incurred while serving in
14 direct support of a contingency operation.”.

15 (d) REPORT ON IMPLEMENTATION OF MODIFIED
16 BENEFITS.—Not later than 90 days after the date of the
17 enactment of this Act, the Secretary of Defense shall sub-
18 mit to the congressional defense committees a report de-
19 scribing the status of the efforts of the Department of De-
20 fense to implement the modifications of the Department
21 of Defense telecommunications benefit required by section
22 344 of the National Defense Authorization Act for Fiscal
23 Year 2004 that result from the amendments made by this
24 section.

1 **Subtitle B—Reserve Forces**

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

3 (a) IN GENERAL.—The Armed Forces are authorized
4 strengths for Selected Reserve personnel of the reserve
5 components as of September 30, 2007, as follows:

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

8 (2) The Army Reserve, 200,000.

9 (3) The Navy Reserve, 71,300.

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

11 (5) The Air National Guard of the United
12 States, 107,000.

13 (6) The Air Force Reserve, 74,900.

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

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

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

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

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

3 Whenever such units or such individual members are re-
4 leased from active duty during any fiscal year, the end
5 strength prescribed for such fiscal year for the Selected
6 Reserve of such reserve component shall be increased pro-
7 portionately by the total authorized strengths of such
8 units and by the total number of such individual members.

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

11 Within the end strengths prescribed in section
12 411(a), the reserve components of the Armed Forces are
13 authorized, as of September 30, 2007, the following num-
14 ber of Reserves to be serving on full-time active duty or
15 full-time duty, in the case of members of the National
16 Guard, for the purpose of organizing, administering, re-
17 cruiting, instructing, or training the reserve components:

18 (1) The Army National Guard of the United
19 States, 27,441.

20 (2) The Army Reserve, 15,416.

21 (3) The Navy Reserve, 12,564.

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

23 (5) The Air National Guard of the United
24 States, 13,206.

25 (6) The Air Force Reserve, 2,707.

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

3 The minimum number of military technicians (dual
4 status) as of the last day of fiscal year 2007 for the re-
5 serve components of the Army and the Air Force (notwith-
6 standing section 129 of title 10, United States Code) shall
7 be the following:

8 (1) For the Army Reserve, 7,912.

9 (2) For the Army National Guard of the United
10 States, 26,050.

11 (3) For the Air Force Reserve, 10,124.

12 (4) For the Air National Guard of the United
13 States, 23,255.

14 **SEC. 414. FISCAL YEAR 2007 LIMITATION ON NUMBER OF**
15 **NON-DUAL STATUS TECHNICIANS.**

16 (a) LIMITATIONS.—

17 (1) NATIONAL GUARD.—Within the limitation
18 provided in section 10217(c)(2) of title 10, United
19 States Code, the number of non-dual status techni-
20 cians employed by the National Guard as of Sep-
21 tember 30, 2007, may not exceed the following:

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

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

1 (2) ARMY RESERVE.—The number of non-dual
2 status technicians employed by the Army Reserve as
3 of September 30, 2007, may not exceed 595.

4 (3) AIR FORCE RESERVE.—The number of non-
5 dual status technicians employed by the Air Force
6 Reserve as of September 30, 2007, may not exceed
7 90.

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

12 **SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AU-**
13 **THORIZED TO BE ON ACTIVE DUTY FOR**
14 **OPERATIONAL SUPPORT.**

15 During fiscal year 2007, the maximum number of
16 members of the reserve components of the Armed Forces
17 who may be serving at any time on full-time operational
18 support duty under section 115(b) of title 10, United
19 States Code, is the following:

20 (1) The Army National Guard of the United
21 States, 17,000.

22 (2) The Army Reserve, 13,000.

23 (3) The Navy Reserve, 6,200.

24 (4) The Marine Corps Reserve, 3,000.

1 (5) The Air National Guard of the United
2 States, 16,000.

3 (6) The Air Force Reserve, 14,000.

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

6 **SEC. 421. MILITARY PERSONNEL.**

7 There is hereby authorized to be appropriated to the
8 Department of Defense for military personnel for fiscal
9 year 2007 a total of \$112,043,468,000. The authorization
10 in the preceding sentence supersedes any other authoriza-
11 tion of appropriations (definite or indefinite) for such pur-
12 pose for fiscal year 2007.

13 **SEC. 422. ARMED FORCES RETIREMENT HOME.**

14 There is hereby authorized to be appropriated for fis-
15 cal year 2007 from the Armed Forces Retirement Home
16 Trust Fund the sum of \$54,846,000 for the operation of
17 the Armed Forces Retirement Home.

1 **TITLE V—MILITARY PERSONNEL**
2 **POLICY**

3 **Subtitle A—Officer Personnel**
4 **Policy**

5 **Part I—Officer Personnel Policy Generally**

6 **SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CER-**
7 **TAIN INTELLIGENCE COMMUNITY POSITIONS.**

8 Section 528 of title 10, United States Code, is
9 amended by adding at the end the following new sub-
10 sections:

11 “(e) **MILITARY STATUS.**—An officer of the armed
12 forces, while serving in a position covered by this section—

13 “(1) shall not be subject to supervision or con-
14 trol by the Secretary of Defense or by any officer or
15 employee of the Department of Defense, except as
16 directed by the Secretary or the Secretary’s designee
17 concerning reassignment from such position; and

18 “(2) shall not exercise, by reason of the officer’s
19 status as an officer, any supervision or control with
20 respect to any of the military or civilian personnel
21 of the Department of Defense except as otherwise
22 authorized by law.

23 “(f) **EFFECT OF APPOINTMENT.**—Except as provided
24 in subsection (e), the appointment of an officer of the
25 armed forces to a position covered by this section shall

1 not affect the status, position, rank, or grade of such offi-
2 cer in the armed forces, or any emolument, perquisite,
3 right, privilege, or benefit incident to or arising out of such
4 status, position, rank, or grade.

5 “(g) MILITARY PAY AND ALLOWANCES.—(1) An offi-
6 cer of the armed forces on active duty who is appointed
7 to a position covered by this section shall, while serving
8 in such position and while remaining on active duty, con-
9 tinue to receive military pay and allowances, and shall not
10 receive the pay prescribed for such position.

11 “(2) Funds from which pay and allowances under
12 paragraph (1) are paid shall be reimbursed from the fol-
13 lowing:

14 “(A) Funds available to the Director of the
15 Central Intelligence Agency, for positions within the
16 Central Intelligence Agency.

17 “(B) Funds available to the Director of Na-
18 tional Intelligence, for positions within the Office of
19 the Director of National Intelligence.”.

1 **SEC. 502. EXTENSION OF TEMPORARY REDUCTION OF**
2 **TIME-IN-GRADE REQUIREMENT FOR ELIGI-**
3 **BILITY FOR PROMOTION FOR CERTAIN AC-**
4 **TIVE-DUTY LIST OFFICERS IN GRADES OF**
5 **FIRST LIEUTENANT AND LIEUTENANT (JUN-**
6 **IOR GRADE).**

7 Section 619(a)(1)(B) of title 10, United States Code,
8 is amended by striking “October 1, 2005” and inserting
9 “October 1, 2008”.

10 **SEC. 503. EXTENSION OF AGE LIMITS FOR ACTIVE-DUTY**
11 **GENERAL AND FLAG OFFICERS.**

12 (a) RESTATEMENT AND MODIFICATION OF CURRENT
13 AGE LIMITS.—Section 1251 of title 10, United States
14 Code, is amended to read as follows:

15 **“§ 1251. Regular commissioned officers; exceptions**

16 “(a) AGE LIMITS FOR GENERAL AND FLAG OFFI-
17 CERS.—(1) Unless retired or separated earlier, each reg-
18 ular commissioned officer of the Army, Air Force, or Ma-
19 rine Corps serving in a grade at or above brigadier gen-
20 eral, or rear admiral (lower half) in the case of an officer
21 in the Navy, shall be retired on the first day of the month
22 following the month in which the officer becomes 64 years
23 of age.

24 “(2) Notwithstanding paragraph (1), the Secretary of
25 Defense may defer the retirement of an officer serving in
26 a position that carries a grade above major general or rear

1 admiral, but such a deferment may not extend beyond the
2 first day of the month following the month in which the
3 officer becomes 66 years of age.

4 “(3) Notwithstanding paragraphs (1) and (2), the
5 President may defer the retirement of an officer serving
6 in a position that carries a grade above major general or
7 rear admiral, but such a deferment may not extend beyond
8 the first day of the month following the month in which
9 the officer becomes 68 years of age.

10 “(b) AGE LIMITS FOR OTHER OFFICERS.—Unless re-
11 tired or separated earlier, each regular commissioned offi-
12 cer of the Army, Air Force, or Marine Corps other than
13 an officer covered by section 1252 of this title or a com-
14 missioned warrant officer) serving in a grade below briga-
15 dier general, or rear admiral (lower half) in the case of
16 an officer in the Navy, shall be retired on the first day
17 of the month following the month in which the officer be-
18 comes 62 years of age.

19 “(c) DEFERRED RETIREMENT OF HEALTH PROFES-
20 SIONS OFFICERS.—(1) The Secretary of the military de-
21 partment concerned may, subject to subsection (e), defer
22 the retirement under subsection (b) of a health professions
23 officer if during the period of the deferment the officer
24 will be performing duties consisting primarily of providing
25 patient care or performing other clinical duties.

1 “(2) For purposes of this subsection, a health profes-
2 sions officer is—

3 “(A) a medical officer;

4 “(B) a dental officer; or

5 “(C) an officer in the Army Nurse Corps, an
6 officer in the Navy Nurse Corps, or an officer in the
7 Air Force designated as a nurse.

8 “(d) DEFERRED RETIREMENT OF CHAPLAINS.—The
9 Secretary of the military department concerned may, sub-
10 ject to subsection (e), defer the retirement under sub-
11 section (b) of an officer who is appointed or designated
12 as a chaplain if the Secretary determines that such defer-
13 ral is in the best interest of the military department con-
14 cerned.

15 “(e) LIMITATION ON DEFERRAL OF RETIRE-
16 MENTS.—(1) Except as provided in paragraph (2), a
17 deferment under subsection (c) or (d) may not extend be-
18 yond the first day of the month following the month in
19 which the officer becomes 68 years of age.

20 “(2) The Secretary of the military department con-
21 cerned may extend a deferment under subsection (c) or
22 (d) beyond the day referred to in paragraph (1) if the Sec-
23 retary determines that extension of the deferment is nec-
24 essary for the needs of the military department concerned.
25 Such an extension shall be made on a case-by-case basis

1 and shall be for such period as the Secretary considers
2 appropriate.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of chapter 63 of such title is amended
5 by striking the item relating to section 1251 and inserting
6 the following new item:

“1251. Regular commissioned officers; exceptions.”.

7 **SEC. 504. MODIFICATION OF AUTHORITIES ON SENIOR**
8 **MEMBERS OF THE JUDGE ADVOCATE GEN-**
9 **ERAL’S CORPS.**

10 (a) DEPARTMENT OF THE ARMY.—

11 (1) GRADE OF JUDGE ADVOCATE GENERAL.—
12 Subsection (a) of section 3037 of title 10, United
13 States Code, is amended by striking the third sen-
14 tence and inserting the following new sentence: “The
15 Judge Advocate General, while so serving, has the
16 grade of lieutenant general.”.

17 (2) REDESIGNATION OF ASSISTANT JUDGE AD-
18 VOCATE GENERAL AS DEPUTY JUDGE ADVOCATE
19 GENERAL.—Such section is further amended—

20 (A) in subsection (a), by striking “Assist-
21 ant Judge Advocate General” each place it ap-
22 pears and inserting “Deputy Judge Advocate
23 General”; and

1 (B) in subsection (d), by striking “Assistant
2 ant Judge Advocate General” and inserting
3 “Deputy Judge Advocate General”.

4 (3) CONFORMING AND CLERICAL AMEND-
5 MENTS.—(A) The heading of such section is amend-
6 ed by striking “**Assistant Judge Advocate**
7 **General**” and inserting “**Deputy Judge Advo-**
8 **cate General**”.

9 (B) The table of sections at the beginning of
10 chapter 305 of such title is amended in the item re-
11 lating to section 3037 by striking “Assistant Judge
12 Advocate General” and inserting “Deputy Judge Ad-
13 vocate General”.

14 (b) GRADE OF JUDGE ADVOCATE GENERAL OF THE
15 NAVY.—Section 5148(b) of such title is amended in sub-
16 section by striking the last sentence and inserting the fol-
17 lowing new sentence: “The Judge Advocate General, while
18 so serving, has the grade of vice admiral or lieutenant gen-
19 eral, as appropriate.”.

20 (c) GRADE OF JUDGE ADVOCATE GENERAL OF THE
21 AIR FORCE.—Section 8037(a) of such title is amended by
22 striking the last sentence and inserting the following new
23 sentence: “The Judge Advocate General, while so serving,
24 has the grade of lieutenant general.”.

1 (d) EXCLUSION FROM ACTIVE-DUTY GENERAL AND
 2 FLAG OFFICER STRENGTH AND DISTRIBUTION LIMITA-
 3 TIONS.—Section 525(b) of such title is amended by adding
 4 at the end the following new paragraph:

5 “(9) An officer while serving as the Judge Advocate
 6 General of the Army, the Judge Advocate General of the
 7 Navy, or the Judge Advocate General of the Air Force
 8 is in addition to the number that would otherwise be per-
 9 mitted for that officer’s armed force for officers serving
 10 on active duty in grades above major general or rear admiral
 11 under paragraph (1) or (2), as applicable.”.

12 **SEC. 505. REQUIREMENT FOR SIGNIFICANT JOINT EXPERI-**
 13 **ENCE FOR OFFICERS APPOINTED AS SUR-**
 14 **GEON GENERAL OF THE ARMY, NAVY, AND**
 15 **AIR FORCE.**

16 (a) RESTATEMENT AND STANDARDIZATION OF AU-
 17 THORITIES ON SURGEON GENERAL OF THE ARMY.—

18 (1) IN GENERAL.—Chapter 305 of title 10,
 19 United States Code, is amended by inserting after
 20 section 3036 the following new section:

21 **“§ 3036a. Surgeon General: appointment; grade**

22 **“(a) SURGEON GENERAL.—There is a Surgeon Gen-**
 23 **eral of the Army who is appointed by the President, by**
 24 **and with the advice and consent of the Senate, from offi-**
 25 **cers in any corps of the Army Medical Department.**

1 “(b) GRADE.—The Surgeon General, while so serv-
2 ing, has the grade of lieutenant general.

3 “(c) TERM OF OFFICE.—An officer appointed as Sur-
4 geon General normally holds office for four years.

5 “(d) JOINT EXPERIENCE REQUIRED FOR APPOINT-
6 MENT.—(1) The Secretary of Defense may not rec-
7 ommend an officer to the President for appointment as
8 Surgeon General unless the officer is determined by the
9 Chairman of the Joint Chiefs of Staff, in accordance with
10 criteria and as a result of a process established by the
11 Chairman, to have significant joint experience.

12 “(2) Until October 1, 2010, the Secretary of Defense
13 may waive the limitation in paragraph (1) with respect
14 to the recommendation of an officer as Surgeon General
15 if—

16 “(A) the Secretary of the Army requests the
17 waiver; and

18 “(B) in the judgment of the Secretary of De-
19 fense—

20 “(i) the officer is qualified for service as
21 Surgeon General; and

22 “(ii) the waiver is necessary for the good
23 of the Army.

24 “(3) Any waiver under paragraph (2) shall be made
25 on a case-by-case basis.”.

1 (2) CONFORMING AMENDMENT.—Section
2 3036(b) of such title is amended in the flush matter
3 following paragraph (2) by striking the second sen-
4 tence.

5 (3) CLERICAL AMENDMENT.—The table of sec-
6 tions at the beginning of chapter 305 of such title
7 is amended by inserting after the item relating to
8 section 3036 the following new item:

“3036a. Surgeon General: appointment; grade.”.

9 (b) SURGEON GENERAL OF THE NAVY.—

10 (1) IN GENERAL.—Section 5137 of such title is
11 amended—

12 (A) by redesignating subsection (b) as sub-
13 section (c); and

14 (B) by inserting after subsection (a) the
15 following new subsection (b):

16 “(b) JOINT EXPERIENCE REQUIRED FOR APPOINT-
17 MENT AS CHIEF.—(1) The Secretary of Defense may not
18 recommend an officer to the President for appointment
19 as Surgeon General unless the officer is determined by the
20 Chairman of the Joint Chiefs of Staff, in accordance with
21 criteria and as a result of a process established by the
22 Chairman, to have significant joint experience.

23 “(2) Until October 1, 2010, the Secretary of Defense
24 may waive the limitation in paragraph (1) with respect

1 to the recommendation of an officer as Surgeon General
2 if—

3 “(A) the Secretary of the Navy requests the
4 waiver; and

5 “(B) in the judgment of the Secretary of De-
6 fense—

7 “(i) the officer is qualified for service as
8 Surgeon General; and

9 “(ii) the waiver is necessary for the good
10 of the Navy.

11 “(3) Any waiver under paragraph (2) shall be made
12 on a case-by-case basis.”

13 (2) TECHNICAL AMENDMENTS.—Such section is
14 further amended—

15 (A) in subsection (a), by inserting
16 “CHIEF.—” after “(a)”; and

17 (B) in subsection (c), as redesignated by
18 paragraph (1)(A) of this subsection, by insert-
19 ing “DEPUTY CHIEF.—” after “(c)”.

20 (c) SURGEON GENERAL OF THE AIR FORCE.—The
21 text of section 8036 of such title is amended to read as
22 follows:

23 “(a) SURGEON GENERAL.—There is a Surgeon Gen-
24 eral of the Air Force who is appointed by the President,
25 by and with the advice and consent of the Senate, from

1 officers of the Air Force who are in the Air Force medical
2 department.

3 “(b) GRADE.—The Surgeon General, while so serv-
4 ing, has the grade of lieutenant general.

5 “(c) JOINT EXPERIENCE REQUIRED FOR APPOINT-
6 MENT.—(1) The Secretary of Defense may not rec-
7 ommend an officer to the President for appointment as
8 Surgeon General unless the officer is determined by the
9 Chairman of the Joint Chiefs of Staff, in accordance with
10 criteria and as a result of a process established by the
11 Chairman, to have significant joint experience.

12 “(2) Until October 1, 2010, the Secretary of Defense
13 may waive the limitation in paragraph (1) with respect
14 to the recommendation of an officer as Surgeon General
15 if—

16 “(A) the Secretary of the Air Force requests
17 the waiver; and

18 “(B) in the judgment of the Secretary of De-
19 fense—

20 “(i) the officer is qualified for service as
21 Surgeon General; and

22 “(ii) the waiver is necessary for the good
23 of the Air Force.

24 “(3) Any waiver under paragraph (2) shall be made
25 on a case-by-case basis.”.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall take effect on October 1, 2008, and shall
 3 apply with respect to appointments to the position of Sur-
 4 geon General of the Army, Surgeon General of the Navy,
 5 and Surgeon General of the Air Force that are made on
 6 or after that date.

7 **SEC. 506. GRADE AND EXCLUSION FROM ACTIVE-DUTY GEN-
 8 ERAL AND FLAG OFFICER DISTRIBUTION
 9 AND STRENGTH LIMITATIONS OF OFFICER
 10 SERVING AS ATTENDING PHYSICIAN TO THE
 11 CONGRESS.**

12 (a) GRADE.—

13 (1) REGULAR OFFICER.—(A) Chapter 41 of
 14 title 10, United States Code, is amended by adding
 15 at the end the following new section:

16 **“§ 722. Attending Physician to the Congress: grade**

17 “A general officer serving as Attending Physician to
 18 the Congress, while so serving, holds the grade of major
 19 general. A flag officer serving as Attending Physician to
 20 the Congress, while so serving, holds the grade of rear ad-
 21 miral.”.

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

“722. Attending Physician to the Congress: grade.”.

1 (2) RESERVE OFFICER.—(A) Section 12210 of
 2 such title is amended by striking “who holds” and
 3 all that follows and inserting “holds the reserve
 4 grade of major general or rear admiral, as appro-
 5 priate.”.

6 (B) The heading of such section is amended to
 7 read as follows:

8 **“§ 12210. Attending Physician to the Congress: re-
 9 serve grade”.**

10 (C) The table of sections at the beginning of
 11 chapter 1205 of such title is amended by striking
 12 the item relating to section 12210 and inserting the
 13 following new item:

“12210. Attending Physician to the Congress: reserve grade.”.

14 (b) DISTRIBUTION LIMITATIONS.—Section 525 of
 15 title 10, United States Code, is amended by adding at the
 16 end the following new subsection:

17 “(f) An officer while serving as Attending Physician
 18 to the Congress is in addition to the number that would
 19 otherwise be permitted for that officer’s armed force for
 20 officers serving on active duty in grades above brigadier
 21 general or rear admiral (lower half) under subsection
 22 (a).”.

23 (c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section
 24 526 of such title is amended by adding at the end the
 25 following new subsection:

1 “(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE
2 CONGRESS.—The limitations of this section do not apply
3 to the general or flag officer who is serving as Attending
4 Physician to the Congress.”.

5 **SEC. 507. DISCRETIONARY SEPARATION AND RETIREMENT**
6 **OF CHIEF WARRANT OFFICERS, W-4, TWICE**
7 **FAILING SELECTION FOR PROMOTION.**

8 (a) IN GENERAL.—Section 580(a) of title 10, United
9 Stated Code, is amended—

10 (1) in paragraph (1), by inserting “, except as
11 provided in paragraph (5),” after “shall”;

12 (2) by redesignating paragraphs (5) and (6) as
13 paragraphs (6) and (7), respectively; and

14 (3) by inserting after paragraph (4) the fol-
15 lowing new paragraph (5):

16 “(5) In the case of a warrant officer described in
17 paragraph (1) who is in the grade of chief warrant officer,
18 W-4, the retirement or separation of such member under
19 this subsection shall be subject to the discretion of the
20 Secretary concerned.”.

21 (b) ELIGIBILITY FOR PROMOTION.—Paragraph (6) of
22 such section, as redesignated by subsection (a)(2) of this
23 section, is further amended—

1 (1) by striking “A warrant officer” and insert-
2 ing “(A) Except as provided in subparagraph (B), a
3 warrant officer”; and

4 (2) by adding at the end the following new sub-
5 paragraph:

6 “(B) A warrant officer who is retained on active duty
7 pursuant to an exercise of the authority in paragraph (5)
8 is eligible for further consideration for promotion while re-
9 maining on active duty.”.

10 **SEC. 508. INCREASED MANDATORY RETIREMENT AGES FOR**
11 **RESERVE OFFICERS.**

12 (a) MAJOR GENERALS AND REAR ADMIRALS.—

13 (1) INCREASED AGE.—Section 14511 of title
14 10, United States Code, is amended by striking “62
15 years” and inserting “64 years”.

16 (2) CONFORMING AMENDMENT.—The heading
17 of such section is amended to read as follows:

18 “§ 14511. Separation at age 64: major generals and
19 rear admirals”.

20 (b) BRIGADIER GENERALS AND REAR ADMIRALS
21 (LOWER HALF).—

22 (1) INCREASED AGE.—Section 14510 of such
23 title is amended by striking “60 years” and insert-
24 ing “62 years”.

1 (2) CONFORMING AMENDMENT.—The heading
2 of such section is amended to read as follows:

3 **“§ 14510. Separation at age 62: brigadier generals and**
4 **rear admirals (lower half)”.**

5 (c) OFFICERS BELOW BRIGADIER GENERAL OR
6 REAR ADMIRAL (LOWER HALF).—

7 (1) INCREASED AGE.—Section 14509 of such
8 title is amended by striking “60 years” and insert-
9 ing “62 years”.

10 (2) CONFORMING AMENDMENT.—The heading
11 of such section is amended to read as follows:

12 **“§ 14509. Separation at age 62: reserve officers in**
13 **grades below brigadier general or rear**
14 **admiral (lower half)”.**

15 (d) CERTAIN OTHER OFFICERS.—

16 (1) INCREASED AGE.—Section 14512 of such
17 title is amended by striking “64 years” both places
18 it appears and inserting “66 years”.

19 (2) CONFORMING AMENDMENT.—The heading
20 of such section is amended to read as follows:

21 **“§ 14512. Separation at age 66: officers holding cer-**
22 **tain offices”.**

23 (e) CONFORMING AMENDMENTS.—Section 14508 of
24 such title is amended—

1 (1) in subsection (c), by striking “60 years”
 2 and inserting “62 years”; and

3 (2) in subsection (d), by striking “62 years”
 4 and inserting “64 years”.

5 (f) CLERICAL AMENDMENT.—The table of sections at
 6 the beginning of chapter 1407 of such title is amended
 7 by striking the items relating to sections 14509, 14510,
 8 14511, and 14512 and inserting the following new items:

“14509. Separation at age 62: reserve officers in grades below brigadier general
 or rear admiral (lower half).

“14510. Separation at age 62: brigadier generals and rear admirals (lower half).

“14511. Separation at age 64: major generals and rear admirals.

“14512. Separation at age 66: officers holding certain offices.”.

9 **Part II—Officer Promotion Policy**

10 **SEC. 515. PROMOTIONS.**

11 (a) OFFICERS ON ACTIVE-DUTY LIST.—

12 (1) CLARIFICATION OF APPROVAL OF SELEC-
 13 TION BOARD REPORTS.—Subsection (a)(1) of section
 14 624 of title 10, United States Code, is amended by
 15 inserting “or a delegate of the President” after “the
 16 President”.

17 (2) DATE OF ESTABLISHMENT OF PROMOTION
 18 LIST.—Such subsection is further amended by add-
 19 ing at the end the following new sentence: “For pro-
 20 motions that occur by and with the advice and con-
 21 sent of the Senate, a promotion list shall be treated
 22 as being established for purposes of this chapter on

1 the date on which the list is received by the Senate
2 for consideration.”.

3 (3) UNIFORM PROCEDURES FOR DELAYS OF AP-
4 POINTMENT UPON PROMOTION.—Subsection (d) of
5 such section is amended—

6 (A) in paragraph (1), by striking “pre-
7 scribed by the Secretary concerned” and insert-
8 ing “prescribed by the Secretary of Defense”;
9 and

10 (B) in paragraph (2), by striking “pre-
11 scribed by the Secretary concerned” and insert-
12 ing “prescribed by the Secretary of Defense”.

13 (4) ADDITIONAL BASIS FOR DELAY OF AP-
14 POINTMENT.—Subsection (d)(1) of such section is
15 further amended—

16 (A) in subparagraph (C), by striking “or”
17 at the end;

18 (B) in subparagraph (D), by striking the
19 period at the end and inserting “; or”;

20 (C) by inserting after subparagraph (D)
21 the following new subparagraph (E):

22 “(E) substantiated adverse information about
23 the officer that is material to the decision to appoint
24 the officer is under review by the Secretary of De-
25 fense or the Secretary concerned.”; and

1 (D) in the flush matter following subpara-
2 graph (E), as inserted by subparagraph (C) of
3 this paragraph—

4 (i) by striking “or if the officer is ac-
5 quitted” and inserting “if the officer is ac-
6 quitted”; and

7 (ii) by inserting after “brought
8 against him,” the following: “or if after a
9 review of substantiated adverse informa-
10 tion about the officer regarding the re-
11 quirement for exemplary conduct set forth
12 in section 3583, 5947, or 8583 of this
13 title, as applicable, the officer is deter-
14 mined to be among the officers best quali-
15 fied for promotion,”.

16 (5) ADDITIONAL BASIS FOR DELAY IN APPOINT-
17 MENT FOR LACK OF QUALIFICATIONS.—Subsection
18 (d)(2) of such section is further amended—

19 (A) in the first sentence, by inserting be-
20 fore “is mentally, physically,” the following:
21 “has not met the requirement for exemplary
22 conduct set forth in section 3583, 5947, or
23 8583 of this title, as applicable, or”; and

24 (B) in the second sentence, by striking “If
25 the Secretary concerned later determines that

1 the officer is qualified for promotion to such
2 grade” and inserting “If it is later determined
3 by a civilian official of the Department of De-
4 fense (not below the level of Secretary of a mili-
5 tary department) that the officer is qualified for
6 promotion to such grade and, after a review of
7 adverse information regarding the requirement
8 for exemplary conduct set forth in section 3583,
9 5947, or 8583 of this title, as applicable, the of-
10 ficer is determined to be among the officers
11 best qualified for promotion to such grade”.

12 (b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

13 (1) CLARIFICATION OF APPROVAL OF SELEC-
14 TION BOARD REPORTS.—Subsection (a) of section
15 14308 of title 10, United States Code, is amended
16 by inserting “or a delegate of the President” after
17 “the President”.

18 (2) DATE OF ESTABLISHMENT OF PROMOTION
19 LIST.—Such subsection is further amended by add-
20 ing at the end the following new sentence: “For pro-
21 motions that occur by and with the advice and con-
22 sent of the Senate, a promotion list shall be treated
23 as being established for purposes of this chapter on
24 the date on which the list is received by the Senate
25 for consideration.”.

1 (3) UNIFORM PROCEDURES FOR DELAYS OF AP-
2 POINTMENT UPON PROMOTION.—Section 14311 of
3 such title is amended—

4 (A) in subsection (a)(1), by striking “Sec-
5 retary of the military department concerned”
6 and inserting “Secretary of Defense”; and

7 (B) in subsection (b), by striking “Sec-
8 retary of the military department concerned”
9 and inserting “Secretary of Defense”.

10 (4) ADDITIONAL BASIS FOR ORIGINAL DELAY
11 OF APPOINTMENT.—Section 14311(a) of such title is
12 further amended—

13 (A) in paragraph (1), by adding at the end
14 the following new subparagraph:

15 “(E) Substantiated adverse information about
16 the officer that is material to the decision to appoint
17 the officer is under review by the Secretary of De-
18 fense or the Secretary concerned.”; and

19 (B) in paragraph (2)—

20 (i) by striking “or if the officer is ac-
21 quitted” and inserting “if the officer is ac-
22 quitted”; and

23 (ii) by inserting after “brought
24 against him,” the following: “or if after a
25 review of substantiated adverse informa-

1 tion about the officer regarding the re-
2 quirement for exemplary conduct set forth
3 in section 3583, 5947, or 8583 of this
4 title, as applicable, the officer is deter-
5 mined to be among the officers best quali-
6 fied for promotion.”.

7 (5) ADDITIONAL BASIS FOR DELAY IN APPOINT-
8 MENT FOR LACK OF QUALIFICATIONS.—Section
9 14311(b) of such section is further amended—

10 (A) in the first sentence, by inserting be-
11 fore “is mentally, physically,” the following:
12 “has not met the requirement for exemplary
13 conduct set forth in section 3583, 5947, or
14 8583 of this title, as applicable, or”; and

15 (B) in the second sentence, by striking “If
16 the Secretary concerned later determines that
17 the officer is qualified for promotion to the
18 higher grade” and inserting “If it is later deter-
19 mined by a civilian official of the Department
20 of Defense (not below the level of Secretary of
21 a military department) that the officer is quali-
22 fied for promotion to the higher grade and,
23 after a review of adverse information regarding
24 the requirement for exemplary conduct set forth
25 in section 3583, 5947, or 8583 of this title, as

1 applicable, the officer is determined to be
2 among the officers best qualified for promotion
3 to the higher grade”.

4 (c) DEADLINE FOR UNIFORM REGULATIONS ON
5 DELAY OF PROMOTIONS.—The Secretary of Defense shall
6 prescribe the regulations required by section 624(d) of
7 title 10, United States Code (as amended by subsection
8 (a)(3) of this section), and the regulations required by sec-
9 tion 14311 of title 10, United States Code (as amended
10 by subsection (b)(3) of this section), not later than March
11 1, 2008.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act, and shall apply with respect to officers on pro-
15 motion lists established on or after that date.

16 **SEC. 516. CONSIDERATION OF ADVERSE INFORMATION BY**
17 **PROMOTION SELECTION BOARDS IN REC-**
18 **COMMENDATIONS ON OFFICERS TO BE PRO-**
19 **MOTED.**

20 (a) OFFICERS ON ACTIVE-DUTY LIST.—Section
21 616(e) of title 10, United States Code, is amended—

22 (1) in paragraph (1), by striking “and” at the
23 end;

24 (2) in paragraph (2), by striking the period at
25 the end and inserting “; and”; and

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

3 “(3) a majority of the members of the board,
4 after consideration by all members of the board of
5 any adverse information about the officer that is
6 provided to the board under section 615 of this title,
7 finds that the officer is among the officers best
8 qualified for promotion to meet the needs of the
9 armed force concerned consistent with the require-
10 ment of exemplary conduct set forth in section 3583,
11 5947, or 8583 of this title, as applicable.”.

12 (b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—
13 Section 14108(b) of such title is amended—

14 (1) in the heading, by striking “MAJORITY RE-
15 QUIRED” and inserting “ACTIONS REQUIRED”;

16 (2) in paragraph (1), by striking “and” at the
17 end;

18 (3) in paragraph (2), by striking the period at
19 the end and inserting “; and”; and

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

22 “(3) a majority of the members of the board,
23 after consideration by all members of the board of
24 any adverse information about the officer that is
25 provided to the board under section 14107 of this

1 title, finds that the officer is among the officers best
 2 qualified for promotion to meet the needs of the
 3 armed force concerned consistent with the require-
 4 ment of exemplary conduct set forth in section 3583,
 5 5947, or 8583 of this title, as applicable.”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall take effect on the date of the enactment
 8 of this Act, and shall apply with respect to promotion se-
 9 lection boards convened on or after that date.

10 **SEC. 517. EXPANDED AUTHORITY FOR REMOVAL FROM RE-**
 11 **PORTS OF SELECTION BOARDS OF OFFICERS**
 12 **RECOMMENDED FOR PROMOTION TO**
 13 **GRADES BELOW GENERAL AND FLAG**
 14 **GRADES.**

15 (a) OFFICERS ON ACTIVE-DUTY LIST.—Section
 16 618(d) of title 10, United States Code, is amended—

17 (1) by striking “The name” and inserting “(1)
 18 Except as provided in paragraph (2), the name”;
 19 and

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

22 “(2) In the case of an officer recommended by a se-
 23 lection board for promotion to a grade below brigadier
 24 general or rear admiral (lower half), the name of the offi-
 25 cer may also be removed from the report of the selection

1 board by the Secretary of Defense or the Deputy Secretary
2 of Defense.”.

3 (b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—

4 Section 14111(b) of such title is amended—

5 (1) by striking “The name” and inserting “(1)

6 Except as provided in paragraph (2), the name”;

7 and

8 (2) by adding at the end the following new

9 paragraph:

10 “(2) In the case of an officer recommended by a se-

11 lection board for promotion to a grade below brigadier

12 general or rear admiral (lower half), the name of the offi-

13 cer may also be removed from the report of the selection

14 board by the Secretary of Defense or the Deputy Secretary

15 of Defense.”.

16 (c) EFFECTIVE DATE.—The amendments made by

17 this section shall take effect on the date of the enactment

18 of this Act, and shall apply with respect to promotion se-

19 lection boards convened on or after that date.

20 **SEC. 518. CLARIFICATION OF NONDISCLOSURE REQUIRE-**

21 **MENTS APPLICABLE TO PROMOTION SELEC-**

22 **TION BOARD PROCEEDINGS.**

23 (a) SELECTION BOARD PROCEEDINGS FOR ACTIVE

24 DUTY OFFICERS.—Subsection (f) of section 618 of title

25 10, United States Code, is amended to read as follows:

1 “(f)(1) Proceedings of a selection board convened
 2 under section 611 of this title shall not be disclosed to
 3 any person not a member of the board.

4 “(2) Discussions and deliberations of a selection
 5 board described in paragraph (1), and any written or doc-
 6 umentary records thereof, shall—

7 “(A) be immune from legal process;

8 “(B) not be admitted as evidence; and

9 “(C) not be used for any purpose in any action,
 10 suit, or judicial or administrative proceeding without
 11 the consent of the Secretary of the military depart-
 12 ment concerned.”.

13 (b) SELECTION BOARD PROCEEDINGS FOR RESERVE
 14 OFFICERS.—

15 (1) IN GENERAL.—Section 14104 of such title
 16 is amended to read as follows:

17 **“§ 14104. Nondisclosure of board proceedings**

18 “(a) IN GENERAL.—The proceedings of a selection
 19 board convened under section 14101 of this title shall not
 20 be disclosed to any person not a member of the board.

21 “(b) DISCUSSIONS AND DELIBERATIONS.—Discus-
 22 sions and deliberations of a selection board described in
 23 subsection (a), and any written or documentary records
 24 thereof, shall—

25 “(1) be immune from legal process;

1 “(2) not be admitted as evidence; and

2 “(3) not be used for any purpose in any action,
3 suit, or judicial or administrative proceeding without
4 the consent of the Secretary of the military depart-
5 ment concerned.”.

6 (2) CLERICAL AMENDMENT.—The table of sec-
7 tions at the beginning of chapter 1403 of such title
8 is amended by striking the item relating to section
9 14104 and inserting the following new item:

“14104. Nondisclosure of board proceedings.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the date of the enactment
12 of this Act, and shall apply with respect to the proceedings
13 of any promotion selection board, whether convened be-
14 fore, on, or after such date.

15 **SEC. 519. SPECIAL SELECTION BOARD AUTHORITIES.**

16 (a) OFFICERS ON ACTIVE-DUTY LIST.—

17 (1) BOARDS FOR ADMINISTRATIVE ERROR
18 AVAILABLE ONLY TO OFFICERS IN OR ABOVE PRO-
19 MOTION ZONE.—Subsection (a)(1) of section 628 of
20 title 10, United States Code, is amended by insert-
21 ing “from in or above the promotion zone” after
22 “for selection for promotion”.

23 (2) ACTIONS TREATABLE AS MATERIAL UNFAIR-
24 NESS.—Subsection (b)(1)(A) of such section is

1 amended by inserting “in a matter material to the
2 decision of the board” after “contrary to law”.

3 (b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

4 Section 14502(b)(1)(A) of such title is amended by insert-
5 ing “in a matter material to the decision of the board”
6 after “contrary to law”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect on March 1, 2007, and shall
9 apply with respect to promotion selection boards convened
10 on or after that date.

11 **SEC. 520. REMOVAL FROM PROMOTION LISTS OF OFFICERS**

12 **RETURNED TO THE PRESIDENT BY THE SEN-**

13 **ATE.**

14 (a) OFFICERS ON ACTIVE-DUTY LIST.—

15 (1) CLARIFICATION OF REMOVAL AUTHORITY.—

16 Subsection (a) of section 629 of title 10, United
17 States Code, is amended by inserting “or a delegee
18 of the President” after “The President”.

19 (2) REMOVAL FOLLOWING RETURN.—Such sec-
20 tion is further amended—

21 (A) by redesignating subsection (c) as sub-
22 section (d);

23 (B) by inserting after subsection (b) the
24 following new subsection (c):

1 “(c)(1) If an officer or group of officers on a list of
2 officers approved for promotion by the President and sub-
3 mitted to the Senate for consideration is returned by the
4 Senate to the President pursuant to the rules and proce-
5 dures of the Senate, the officer or group of officers, as
6 the case may be, shall automatically be removed from the
7 list at the end of the 365-day period beginning on the date
8 of such return.

9 “(2) Prior to the end of the 365-day period referred
10 to in paragraph (1), the President may extend by an addi-
11 tional 365 days the period specified in that paragraph for
12 the removal of an officer or group of officers from a list
13 of officers approved for promotion by the President.

14 “(3) The President may, during the period specified
15 in paragraph (1), as extended (if at all) under paragraph
16 (2), resubmit to the Senate any officer or group of officers
17 removed under paragraph (1) from a list of officers ap-
18 proved for promotion by the President.

19 “(4) If an officer or group of officers resubmitted to
20 the Senate under paragraph (3) is returned by the Senate
21 to the President pursuant to the rules and procedures of
22 the Senate, the officer or group of officers, as the case
23 may be, shall automatically be removed from the list of
24 officers approved for promotion by the President.”; and

1 (C) in paragraph (1) of subsection (d), as
2 redesignated by paragraph (1) of this sub-
3 section, by striking “or (b)” and inserting “(b),
4 or (c)”.

5 (b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

6 (1) CLARIFICATION OF REMOVAL AUTHORITY.—

7 Subsection (a) of section 14310 of such title is
8 amended by inserting “or a delegee of the Presi-
9 dent” after “The President”.

10 (2) REMOVAL FOLLOWING RETURN.—Such sec-
11 tion is further amended—

12 (A) by redesignating subsection (c) as sub-
13 section (d);

14 (B) by inserting after subsection (b) the
15 following new subsection (c):

16 “(c) REMOVAL FOLLOWING RETURN BY THE SEN-
17 ATE TO THE PRESIDENT.—(1) If an officer or group of
18 officers on a list of officers approved for promotion by the
19 President and submitted to the Senate for consideration
20 is returned by the Senate to the President pursuant to
21 the rules and procedures of the Senate, the officer or
22 group of officers, as the case may be, shall automatically
23 be removed from the list at the end of the 365-day period
24 beginning on the date of such return.

1 “(2) Prior to the end of the 365-day period referred
2 to in paragraph (1), the President may extend by an addi-
3 tional 365 days the period specified in that paragraph for
4 the removal of an officer or group of officers from a list
5 of officers approved for promotion by the President.

6 “(3) The President may, during the period specified
7 in paragraph (1), as extended (if at all) under paragraph
8 (2), resubmit to the Senate any officer or group of officers
9 removed under paragraph (1) from a list of officers ap-
10 proved for promotion by the President.

11 “(4) If an officer or group of officers resubmitted to
12 the Senate under paragraph (3) is returned by the Senate
13 to the President pursuant to the rules and procedures of
14 the Senate, the officer or group of officers, as the case
15 may be, shall automatically be removed from the list of
16 officers approved for promotion by the President.”; and

17 (C) in subsection (d), as redesignated by
18 paragraph (1) of this subsection, by striking
19 “or (b)” and inserting “(b), or (c)”.

20 (c) EFFECTIVE DATE.—

21 (1) IN GENERAL.—The amendments made by
22 this section shall take effect on January 1, 2007.

23 (2) APPLICABILITY TO CERTAIN OFFICERS.—
24 The amendments made by this section shall not
25 apply to any officer on the active-duty list or reserve

1 active status list whose name is on a promotion list
2 or report of a selection board on the date of the en-
3 actment of this Act. Any officer whose name is on
4 a promotion list as of the date of the enactment of
5 this Act following the return of the officer's nomina-
6 tion to the President by the Senate and who is eligi-
7 ble as of that date for retirement for years of service
8 shall be retired not later than October 1, 2008.

9 **Part III—Joint Officer Management Requirements**

10 **SEC. 526. MODIFICATION AND ENHANCEMENT OF GENERAL**
11 **AUTHORITIES ON MANAGEMENT OF JOINT**
12 **QUALIFIED OFFICERS.**

13 (a) REDESIGNATION OF APPLICABILITY OF POLICIES
14 TOWARD JOINT QUALIFICATION.—Subsection (a) of sec-
15 tion 661 of title 10, United States Code, is amended by
16 striking the last sentence and inserting the following new
17 sentence: “For purposes of this chapter, officers to be
18 managed by such policies, procedures, and practices are
19 referred to as ‘joint qualified.’”.

20 (b) NUMBERS AND DESIGNATION.—Subsection (b) of
21 such section is amended—

22 (1) in the heading, by striking “SELECTION”
23 and inserting “DESIGNATION”;

1 (2) in paragraph (1), by striking “of officers
2 with the joint specialty” and inserting “and levels of
3 joint qualified officers”;

4 (3) in paragraph (2)—

5 (A) by striking “selected for the joint spe-
6 cialty” and inserting “designated as joint quali-
7 fied officers”; and

8 (B) by striking the second and third sen-
9 tences and inserting the following new sentence:

10 “Officers considered for joint qualification
11 shall—

12 “(A) meet criteria prescribed by the Secretary
13 of Defense; and

14 “(B) be those officers who are serving in the
15 grade of captain or, in the case of the Navy, lieuten-
16 ant, or a higher grade.”; and

17 (4) in paragraph (3)—

18 (A) by striking “select officers for the joint
19 specialty” and inserting “designate officers as
20 joint qualified officers”; and

21 (B) by striking “the Deputy Secretary of
22 Defense” and inserting “the Under Secretary of
23 Defense for Personnel and Readiness”.

1 (c) EDUCATION AND EXPERIENCE REQUIRE-
2 MENTS.—Subsection (c) of such section is amended to
3 read as follows:

4 “(c) EDUCATION AND EXPERIENCE REQUIRE-
5 MENTS.—(1) An officer may not be designated as a joint
6 qualified officer until the officer—

7 “(A)(i) successfully completes an appropriate
8 program at a joint professional military education
9 school; and

10 “(ii) successfully completes a full tour of duty
11 in a joint duty assignment (as described in section
12 664(f) of this title (other than in paragraph (2) of
13 such section)); or

14 “(B) under regulations and policy prescribed by
15 the Secretary of Defense, successfully demonstrates
16 a mastery of knowledge, skills, and abilities in joint
17 matters.

18 “(2)(A) In the case of an officer who has completed
19 two full tours of duty in a joint duty assignment (as de-
20 scribed in section 664(f) of this title) and demonstrates
21 a mastery of knowledge, skills, and abilities on joint mat-
22 ters, the Secretary of Defense may waive the requirement
23 that the officer have successfully completed a program of
24 education referred to in paragraph (1)(A)(i) if the Sec-
25 retary determines that the types of joint duty experiences

1 completed by the officer have been of sufficient breadth
2 to prepare the officer adequately for the highest level of
3 joint qualification.

4 “(B) The authority of the Secretary of Defense to
5 grant a waiver under subparagraph (A) may be delegated
6 only to the Under Secretary of Defense for Personnel and
7 Readiness.

8 “(C)(i) A waiver under subparagraph (A) may be
9 granted only on a case-by-case basis.

10 “(ii) A waiver under subparagraph (A) may be grant-
11 ed only under circumstances justifying variation from the
12 requirements of paragraph (1) for designation of an offi-
13 cer for the highest level of joint qualification as specified
14 by the Secretary of Defense.

15 “(iii) In the case of a general or flag officer, a waiver
16 under subparagraph (A) may be granted only under cir-
17 cumstances described in clause (ii) and circumstances in
18 which the waiver is necessary to meet a critical need of
19 the armed forces, as determined by the Chairman of the
20 Joint Chiefs of Staff.

21 “(iv) In the case of officers in grades below brigadier
22 general or rear admiral (lower half), the total number of
23 waivers granted under subparagraph (A) for officers in the
24 same pay grade during a fiscal year may not exceed 10
25 percent of the total number of officers in that pay grade

1 selected for the highest level of joint qualification during
2 that fiscal year.

3 “(D) There may not be more than 32 general and
4 flag officers on active duty at the same time who were
5 selected for the joint specialty or highest level of joint
6 qualification while holding a general or flag officer grade
7 and for whom a waiver was granted under subparagraph
8 (A).”.

9 (d) NUMBER OF JOINT DUTY ASSIGNMENTS.—Sub-
10 section (d) of such section is amended to read as follows:

11 “(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1)
12 The Secretary of Defense shall ensure that approximately
13 one-half of the joint duty assignment positions in grades
14 above major or, in the case of the Navy, lieutenant com-
15 mander are filled at any time by officers who have the
16 highest level of joint qualification.

17 “(2) The Secretary of Defense, with the advice of the
18 Chairman of the Joint Chiefs of Staff, shall designate an
19 appropriate number of joint duty assignment positions as
20 critical joint duty assignment positions. A position may
21 be designated as a critical joint duty assignment position
22 only if the duties and responsibilities of the position make
23 it important that the occupant be particularly trained in,
24 and oriented toward, joint matters.

1 “(3)(A) Except as provided in subparagraph (B), a
2 position designated under paragraph (2) may be held only
3 by an officer who has the highest level of joint qualifica-
4 tion.

5 “(B) The Secretary of Defense may waive the re-
6 quirement in subparagraph (A) with respect to the assign-
7 ment of an officer to a position designated under para-
8 graph (1). Any such waiver shall be granted on a case-
9 by-case basis. The authority of the Secretary to grant such
10 a waiver may be delegated only to the Chairman of the
11 Joint Chiefs of Staff.

12 “(4) The Secretary of Defense shall ensure that, of
13 those joint duty assignment positions that are filled by
14 general or flag officers, a substantial portion are among
15 those positions that are designated under paragraph (2)
16 as critical joint duty assignment positions.”.

17 (e) CAREER GUIDELINES.—Subsection (e) of such
18 section is amended by striking “officers with the joint spe-
19 cialty” and inserting “officers who are joint qualified offi-
20 cers”.

21 (f) TREATMENT OF CERTAIN SERVICE.—Subsection
22 (f) of such section is amended by striking “(including sec-
23 tion 619(e)(1) of this title)”.

24 (g) CLERICAL AMENDMENT.—The table of sections
25 at the beginning of chapter 38 of such title is amended

1 by striking the item relating to section 661 and inserting
 2 the following new item:

“661. Management policies for joint qualified officers.”.

3 **SEC. 527. MODIFICATION OF PROMOTION POLICY OBJEC-**
 4 **TIVES FOR JOINT OFFICERS.**

5 Section 662(a) of title 10, United States Code, is
 6 amended—

7 (1) in paragraph (1), by inserting “and” after
 8 the semicolon; and

9 (2) by striking paragraphs (2) and (3) and in-
 10 serting the following new paragraph (2):

11 “(2) officers who are serving in or have served
 12 in joint duty assignments are expected, as a group,
 13 to be promoted to the next higher grade at a rate
 14 not less than the rate for all officers of the same
 15 armed force in the same grade and competitive cat-
 16 egory.”.

17 **SEC. 528. APPLICABILITY OF JOINT DUTY ASSIGNMENT RE-**
 18 **QUIREMENTS LIMITED TO GRADUATES OF**
 19 **NATIONAL DEFENSE UNIVERSITY SCHOOLS.**

20 (a) APPLICABILITY.—Section 663 of title 10, United
 21 States Code, is amended—

22 (1) in subsection (a), by striking “a joint pro-
 23 fessional military education school” and inserting “a
 24 school within the National Defense University”; and

25 (2) in subsection (b)—

1 (A) in paragraph (1), by striking “a joint
 2 professional military education school” and in-
 3 serting “a school within the National Defense
 4 University”; and

5 (B) in paragraph (2), by striking “a joint
 6 professional military education school” and in-
 7 serting “a school referred to in paragraph (1)”.

8 (b) DEFINITION.—Such section is further amended
 9 by adding at the end the following new subsection:

10 “(c) SCHOOL WITHIN THE NATIONAL DEFENSE UNI-
 11 VERSITY.—For purposes of this section, a school within
 12 the National Defense University includes a school as fol-
 13 lows:

14 “(1) The National War College.

15 “(2) The Industrial College of the Armed
 16 Forces.

17 “(3) The Joint Advanced Warfighting School.

18 “(4) The Joint Forces Staff College.”.

19 **SEC. 529. MODIFICATION OF DEFINITIONS RELATING TO**
 20 **JOINTNESS.**

21 (a) MODIFICATION OF DEFINITION OF “JOINT MAT-
 22 TERS”.—Subsection (a) of section 668 of title 10, United
 23 States Code, is amended to read as follows:

24 “(a) JOINT MATTERS.—In this chapter, the term
 25 ‘joint matters’ means matters involving the integrated use

1 of military forces relating to national military strategy,
2 strategic and contingency planning, and command and
3 control of operations under unified command that may be
4 conducted under unified action on land, sea, or air, in
5 space, or in the information environment with participants
6 from multiple armed forces, the armed forces and other
7 departments and agencies of the United States Govern-
8 ment, the armed forces and the military forces or agencies
9 of other countries, the armed forces and non-governmental
10 persons or entities, or any combination thereof.”.

11 (b) MODIFICATION OF DEFINITION OF “JOINT DUTY
12 ASSIGNMENT”.—Paragraph (1) of subsection (b) of such
13 section is amended by striking “and shall exclude” and
14 all that follows and inserting a period.

15 (c) RESTATEMENT OF DEFINITION OF “CRITICAL
16 OCCUPATIONAL SPECIALTY”.—

17 (1) IN GENERAL.—Section 668 of such title is
18 further amended by adding at the end the following
19 new subsection:

20 “(d) CRITICAL OCCUPATIONAL SPECIALTY.—In this
21 chapter, the term ‘critical occupational specialty’ means
22 a military occupational specialty within a combat arm of
23 the Army, or an equivalent arm of the Navy, Air Force,
24 and Marine Corps, that is designated by the Secretary of
25 Defense as a critical occupational specialty because such

1 combat arm is experiencing a severe shortage of trained
2 officers in that military occupational specialty.”.

3 (2) CONFORMING AMENDMENTS.—The fol-
4 lowing provisions of such title are each amended by
5 striking “under section 661(c)(2) of this title”:

6 (A) Section 664(c)(2).

7 (B) Section 667(3).

8 **Subtitle B—Reserve Component**
9 **Personnel Matters**

10 **SEC. 531. ENHANCED FLEXIBILITY IN THE MANAGEMENT**
11 **OF RESERVE COMPONENT PERSONNEL.**

12 (a) CLARIFICATION OF DEFINITION OF “ACTIVE
13 GUARD AND RESERVE DUTY” UNDER TITLE 10, UNITED
14 STATES CODE.—Section 101(d)(6)(A) of title 10, United
15 States Code, is amended—

16 (1) by striking “or full-time National Guard
17 duty” the first place it appears;

18 (2) by striking “to active duty or” and inserting
19 “to”;

20 (3) by striking “Guard, pursuant” and insert-
21 ing “Guard pursuant”; and

22 (4) by inserting a comma before “for a period”.

23 (b) EXPANSION OF ACTIVE GUARD AND RESERVE
24 DUTY TO INCLUDE SUPPORT OF RESERVE COMPONENT
25 OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAIN-

1 ING.—Section 12310 of title 10, United States Code, is
2 amended—

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

5 (2) by striking subsections (a) and (b) and in-
6 serting the following new subsections:

7 “(a) ACTIVE GUARD AND RESERVE DUTY.—The Sec-
8 retary concerned may order a Reserve ordered to or re-
9 tained on active duty under section 12301(d) of this title
10 to perform active Guard and Reserve duty.

11 “(b) ADDITIONAL DUTIES.—A Reserve on active
12 duty as described in subsection (a) who is performing ac-
13 tive Guard and Reserve duty pursuant to an order under
14 that subsection may be assigned additional duties (to the
15 extent such duties do not interfere with the performance
16 by the Reserve of active Guard and Reserve duty under
17 that subsection) as follows:

18 “(1) Supporting operations or missions as-
19 signed in whole or in part to the reserve compo-
20 nents.

21 “(2) Supporting operations or missions per-
22 formed or to be performed by—

23 “(A) a unit composed of elements from
24 more than one component of the same armed
25 force; or

1 “(B) a joint forces unit that includes—

2 “(i) one or more reserve component
3 units; or

4 “(ii) a member of a reserve compo-
5 nent whose reserve component assignment
6 is in a position in an element of the joint
7 forces unit.

8 “(3) Advising the Secretary of Defense, the
9 Secretaries of the military departments, the Joint
10 Chiefs of Staff, and the commanders of the combat-
11 ant commands on reserve component matters.

12 “(4) Instructing or training members of the
13 armed forces on active duty, members of foreign
14 military forces (under authorities and limitations ap-
15 plicable to the provision of such instruction or train-
16 ing by members of the armed forces on active duty),
17 Department of Defense contractor personnel, and
18 Department of Defense civilian employees.

19 “(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—
20 A Reserve ordered to active duty under subsection (a)
21 shall be ordered in his reserve grade. While so serving,
22 he continues to be eligible for promotion as a Reserve, if
23 he is otherwise qualified.”; and

24 (3) in paragraph (1) of subsection (d), as so re-
25 designated—

1 (A) by striking “Notwithstanding sub-
 2 section (b), a Reserve” and inserting “A Re-
 3 serve”; and

4 (B) by striking “functions” and inserting
 5 “duty”.

6 (c) EXPANSION OF DUTIES OF MILITARY TECHN-
 7 CIANS (DUAL STATUS).—

8 (1) GENERAL DUTIES.—Section 10216(a)(1)(C)
 9 of such title is amended by striking “administration
 10 and” and inserting “organizing, administering, in-
 11 structing, or”.

12 (2) SUPPORT OF RESERVE COMPONENT OPER-
 13 ATIONS AND ADDITIONAL INSTRUCTION AND TRAIN-
 14 ING.—Chapter 1007 of such title is amended by in-
 15 serting after section 10216 the following new sec-
 16 tion:

17 **“§ 10216a. Military technicians (dual status): addi-**
 18 **tional duties**

19 “A military technician (dual status) who is employed
 20 under section 3101 of title 5 may perform additional du-
 21 ties (to the extent such duties do not interfere with the
 22 performance by the military technician of duties assigned
 23 under section 10216(a)(1)(C) of this title) as follows:

1 “(1) Supporting operations or missions as-
2 signed in whole or in part to the military techni-
3 cian’s unit.

4 “(2) Supporting operations or missions per-
5 formed or to be performed by—

6 “(A) a unit composed of elements from
7 more than one component of the military tech-
8 nician’s armed force; or

9 “(B) a joint forces unit that includes—

10 “(i) one or more units of the military
11 technician’s reserve component; or

12 “(ii) a member of the military techni-
13 cian’s reserve component whose reserve
14 component assignment is in a position in
15 an element of the joint forces unit.

16 “(3) Instructing or training members of the
17 armed forces on active duty, members of foreign
18 military forces (under authorities and limitations ap-
19 plicable to the provision of such instruction or train-
20 ing by members of the armed forces on active duty),
21 Department of Defense contractor personnel, and
22 Department of Defense civilian employees.”.

23 (3) CLERICAL AMENDMENT.—The table of sec-
24 tions at the beginning of chapter 1007 of such title

1 is amended by inserting after the item relating to
2 section 10216 the following new item:

“10216a. Military technicians (dual status): additional duties.”.

3 (d) ORDER OF NATIONAL GUARD MEMBERS TO PER-
4 FORM NATIONAL GUARD ACTIVE GUARD AND RESERVE
5 DUTY AND ADDITIONAL DUTIES.—

6 (1) DEFINITION OF “NATIONAL GUARD ACTIVE
7 GUARD AND RESERVE DUTY”.—Section 101 of title
8 32, United States Code, is amended by adding at
9 the end the following:

10 “(20)(A) ‘National Guard active Guard and Re-
11 serve duty’ means full-time National Guard duty
12 performed by a member of the National Guard pur-
13 suant to an order to full-time National Guard duty,
14 for a period of 180 consecutive days or more for the
15 purpose of organizing, administering, recruiting, in-
16 structing, or training the reserve components.

17 “(B) Such term does not include the following:

18 “(i) Duty performed as a member of the
19 Reserve Forces Policy Board under section
20 10301 of title 10.

21 “(ii) Duty performed as a property and fis-
22 cal officer under section 708 of this title.

23 “(iii) Duty performed for the purpose of
24 interdiction and counter-drug activities for

1 which funds have been provided under section
2 112 of this title.

3 “(iv) Duty performed as a general or flag
4 officer.

5 “(v) Service as a State director of the Se-
6 lective Service System under section 10(b)(2) of
7 the Military Selective Service Act (50 U.S.C.
8 App. 460(b)(2)).”.

9 (2) ORDER TO PERFORM DUTY.—Chapter 3 of
10 such title is amended by adding at the end the fol-
11 lowing new section:

12 **“§ 328. National Guard active Guard and Reserve**
13 **duty; additional duties**

14 “(a) AUTHORITY TO ORDER TO DUTY.—The Gov-
15 ernor of his State or Territory or Puerto Rico, or com-
16 manding general of the District of Columbia National
17 Guard, as the case may be, with the consent of the Sec-
18 retary concerned, may order a member of the National
19 Guard to perform National Guard active Guard and Re-
20 serve duty.

21 “(b) NATURE OF DUTY.—(1) A member of the Na-
22 tional Guard may be ordered to perform duty under sub-
23 section (a)—

24 “(A) without his consent, but with the pay and
25 allowances provided by law; or

1 “(B) with his consent, either with or without
2 pay and allowances.

3 “(2) Duty without pay shall be considered for all pur-
4 poses as if it were duty with pay.

5 “(c) DUTIES.—A member of the National Guard per-
6 forming duty under subsection (a) may perform the fol-
7 lowing additional duties (to the extent such duties do not
8 interfere with the performance by the member of National
9 Guard active Guard and Reserve duty under that sub-
10 section) as follows:

11 “(1) Support of operations or missions under-
12 taken by the member’s unit at the request of the
13 President or the Secretary of Defense.

14 “(2) Support of Federal training operations or
15 Federal training missions assigned in whole or in
16 part to the member’s unit.

17 “(3) Instructing or training members of the
18 armed forces on active duty, members of foreign
19 military forces (under authorities and limitations ap-
20 plicable to the provision of such instruction or train-
21 ing by members of the armed forces on active duty),
22 Department of Defense contractor personnel, and
23 Department of Defense civilian employees.”.

1 (3) CLERICAL AMENDMENT.—The table of sec-
2 tions at the beginning of such chapter is amended
3 by adding at the end the following new item:

“328. National Guard active Guard and Reserve duty; additional duties.”.

4 (e) EXPANSION OF DUTIES OF NATIONAL GUARD
5 TECHNICIANS.—Section 709(a) of such title is amended—

6 (1) in paragraph (1)—

7 (A) by striking ”administration and” and
8 inserting ”organizing, administering, instruct-
9 ing, or”; and

10 (B) by striking “and” at the end;

11 (2) in paragraph (2), by striking the period at
12 the end and inserting “; and”; and

13 (3) by adding at the end the following new
14 paragraph:

15 “(3) the performance of additional duties (to
16 the extent such duties do not interfere with the per-
17 formance by the technician of duties under para-
18 graphs (1) and (2)) as follows:

19 “(A) Support of operations or missions un-
20 dertaken by the technician’s unit at the request
21 of the President or the Secretary of Defense.

22 “(B) Support of Federal training oper-
23 ations or Federal training missions assigned in
24 whole or in part to the technician’s unit.

1 “(C) Instructing or training members of
2 the armed forces on active duty, members of
3 foreign military forces (under authorities and
4 limitations applicable to the provision of such
5 instruction or training by members of the
6 armed forces on active duty), Department of
7 Defense contractor personnel, and Department
8 of Defense civilian employees.”.

9 **SEC. 532. EXPANSION OF ACTIVITIES AUTHORIZED FOR RE-**
10 **SERVES UNDER WEAPONS OF MASS DE-**
11 **STRUCTION CIVIL SUPPORT TEAMS.**

12 (a) IN GENERAL.—Subsection (d) of section 12310
13 of title 10, United States Code, as redesignated and
14 amended by section 531(b) of this Act, is further amend-
15 ed—

16 (1) in paragraph (1)—

17 (A) in subparagraph (A)—

18 (i) by inserting “in the United States,
19 Canada, or the United Mexican States”
20 after “title”); and

21 (ii) by striking “or” at the end;

22 (B) in subparagraph (B)—

23 (i) by inserting “, Canada, or the
24 United Mexican States” after “United
25 States”; and

1 (ii) by striking the period at the end
2 and inserting a semicolon; and

3 (C) by adding at the end the following new
4 subparagraphs:

5 “(C) the intentional or unintentional release of
6 nuclear, biological, radiological, or toxic or poisonous
7 chemical materials in the United States, Canada, or
8 the United Mexican States that results, or could re-
9 sult, in catastrophic loss of life or property; or

10 “(D) a natural or manmade disaster in the
11 United States, Canada, or the United Mexican
12 States that results, or could result, in catastrophic
13 loss of life or property.”; and

14 (2) by striking paragraph (3) and inserting the
15 following new paragraph (3):

16 “(3)(A) A Reserve may perform duties described in
17 subparagraph (A), (B), or (C) of paragraph (1)—

18 “(i) only while assigned to a reserve component
19 civil support team; and

20 “(ii) if performing those duties in Canada or
21 the United Mexican States, only after being ordered
22 to active duty under this title.

23 “(B) A Reserve may perform the duties described in
24 paragraph (1)(D)—

1 “(i) only while assigned to a reserve component
2 civil support team;

3 “(ii) only with the approval of the Secretary of
4 Defense; and

5 “(iii) if performing those duties in Canada or
6 the United Mexican States, only after being ordered
7 to active duty under this title.

8 “(C) Any duties described in paragraph (1) that are
9 performed in Canada or the United Mexican States may
10 occur, with consultation of the Secretary of State, at any
11 distance beyond the borders of the United States with
12 such country as is agreed to by appropriate authorities
13 in such country.”.

14 (b) DEFINITION OF “UNITED STATES”.—Such sub-
15 section is further amended by adding at the end the fol-
16 lowing new paragraph:

17 “(7) In this subsection, the term ‘United States’
18 means each of the several States, the District of Columbia,
19 Puerto Rico, Guam, and the Virgin Islands.”.

20 (c) CONFORMING AMENDMENTS.—Such subsection is
21 further amended—

22 (1) in the heading, by inserting “, TERRORIST
23 ATTACK, AND NATURAL OR MANMADE DISASTER”
24 after “MASS DESTRUCTION”;

1 (2) in paragraph (5), by striking “rapid assess-
2 ment element team” and inserting “civil support
3 team”; and

4 (3) in paragraph (6)(B), by striking “para-
5 graph (3)(B)” and inserting “that paragraph”.

6 **SEC. 533. MODIFICATION OF AUTHORITIES RELATING TO**
7 **THE COMMISSION ON THE NATIONAL GUARD**
8 **AND RESERVES.**

9 (a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL
10 REEMPLOYMENT.—Subsection (e) of section 513 of the
11 Ronald W. Reagan National Defense Authorization Act
12 for Fiscal Year 2005 (Public Law 108–375; 118 Stat.
13 1882), as amended by section 516 of the National Defense
14 Authorization Act for Fiscal Year 2006 (Public Law 109–
15 163; 119 Stat. 3237), is further amended by adding at
16 the end the following new paragraph:

17 “(3) If warranted by circumstances described in sub-
18 paragraph (A) or (B) of section 8344(i)(1) of title 5,
19 United States Code, or by circumstances described in sub-
20 paragraph (A) or (B) of section 8468(f)(1) of such title,
21 as applicable, the chairman of the Commission may exer-
22 cise, with respect to the members of the Commission, the
23 same waiver authority as would be available to the Direc-
24 tor of the Office of Personnel Management under such
25 section.”.

1 (b) FINAL REPORT.—Subsection (f)(2) of such sec-
2 tion 513 is amended by striking “one year” and inserting
3 “18 months”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall be effective on October 28, 2004, as if
6 included in the enactment of the Ronald W. Reagan Na-
7 tional Defense Authorization Act for Fiscal Year 2005.
8 The amendment made by subsection (a) shall apply to
9 members of the Commission on the National Guard and
10 Reserves appointed on or after that date.

11 **SEC. 534. PILOT PROGRAM ON REINTEGRATION OF MEM-**
12 **BERS OF THE NATIONAL GUARD INTO CIVIL-**
13 **IAN LIFE AFTER DEPLOYMENT.**

14 (a) PILOT PROGRAM REQUIRED.—The Secretary of
15 the Army shall carry out a pilot program to assess the
16 feasibility and advisability of utilizing the mechanisms
17 specified in this section to facilitate the reintegration of
18 members of the National Guard into civilian life after their
19 return from deployment overseas.

20 (b) LIMITATION ON LOCATION.—The pilot program
21 required by subsection (a) may only be carried out in a
22 State that has a National Guard brigade that is returning
23 from deployment overseas during the period of the pilot
24 program.

1 (c) PROGRAM ELEMENTS.—The mechanisms under
2 the pilot program required by subsection (a) shall include
3 the following:

4 (1) INITIAL REINTEGRATION TRAINING.—Train-
5 ing (to be known as “initial reintegration training”)
6 of members of the National Guard described in sub-
7 section (a) to facilitate the reintegration of such
8 members with their families and communities after
9 their return from deployment as described in that
10 subsection. Such training shall be conducted imme-
11 diately after the return of such members from such
12 deployment. Participation in such training shall be
13 voluntary.

14 (2) 30-DAY REINTEGRATION TRAINING.—Train-
15 ing (to be known as “30-day reintegration train-
16 ing”) of members of the National Guard described
17 in subsection (a) to assist such members in identi-
18 fying the signs and symptoms of combat stress.
19 Such training shall be conducted approximately 30
20 days after provision of training under paragraph (1).
21 Participation in such training shall be voluntary.

22 (3) 60-DAY REINTEGRATION TRAINING.—Train-
23 ing (to be known as “60-day reintegration train-
24 ing”) of members of the National Guard described
25 in subsection (a) to assist such members in matters

1 relating to combat stress, including chemical depend-
2 ency, anger management, and gambling abuse. Such
3 training shall be conducted approximately 30 days
4 after provision of training under paragraph (2). Par-
5 ticipation in such training shall be voluntary.

6 (4) 90-DAY REINTEGRATION TRAINING.—Train-
7 ing (to be known as “90-day reintegration train-
8 ing”) of members of the National Guard described
9 in subsection (a) to ensure a thorough physical and
10 mental health assessment of such members after de-
11 ployment as described in that subsection. Such
12 training shall be conducted approximately 30 days
13 after provision of training under paragraph (3). Par-
14 ticipation in such training shall be voluntary.

15 (5) EDUCATIONAL MATERIALS.—The develop-
16 ment and distribution of educational materials for
17 families of members of the National Guard described
18 in subsection (a), and for the communities in which
19 such members and families reside, on matters relat-
20 ing to the reintegration of such members into civil-
21 ian life after their return from deployment overseas.

22 (d) REPORT.—Not later than one year after the com-
23 mencement of the pilot program required by subsection
24 (a), the Secretary shall submit to the congressional de-

1 fense committees a report on the pilot program. The re-
2 port shall include—

3 (1) a description of the activities undertaken
4 under the pilot program;

5 (2) an assessment of the effectiveness of such
6 mechanisms in facilitating the reintegration of mem-
7 bers of the National Guard into civilian life after
8 their return from deployment overseas; and

9 (3) such recommendations for legislative or ad-
10 ministrative action as the Secretary considers appro-
11 priate in light of the pilot program.

12 (e) FUNDING.—Of the amount authorized to be ap-
13 propriated by section 301(10) for operation and mainte-
14 nance for the Army National Guard, \$6,663,000 may be
15 available for the pilot program required by subsection (a).

16 **Subtitle C—Military Justice and** 17 **Related Matters**

18 **SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY** 19 **JUSTICE TO MEMBERS OF THE ARMED** 20 **FORCES ORDERED TO ACTIVE DUTY OVER-** 21 **SEAS IN INACTIVE DUTY FOR TRAINING STA-** 22 **TUS.**

23 Not later than March 1, 2007, the Secretaries of the
24 military departments shall prescribe regulations, or amend
25 current regulations, in order to provide that officers and

1 enlisted personnel of the Armed Forces who are ordered
2 to active duty at locations overseas in an inactive duty for
3 training status are subject to the jurisdiction of the Uni-
4 form Code of Military Justice, pursuant to the provisions
5 of section 802(a)(3) of title 10, United States Code (arti-
6 cle 2(a)(3) of the Uniform Code of Military Justice), con-
7 tinuously from the commencement of execution of such or-
8 ders to the conclusion of such orders.

9 **Subtitle D—Education and**
10 **Training Matters**

11 **SEC. 561. DETAIL OF COMMISSIONED OFFICERS AS STU-**
12 **DENTS AT MEDICAL SCHOOLS.**

13 (a) IN GENERAL.—Chapter 101 of title 10, United
14 States Code, is amended by inserting after section 2004
15 the following new section:

16 **“§ 2004a. Detail of commissioned officers as students**
17 **at medical schools**

18 “(a) DETAIL AUTHORIZED.—The Secretary of each
19 military department may detail commissioned officers of
20 the armed forces as students at accredited medical schools
21 or schools of osteopathy located in the United States for
22 a period of training leading to the degree of doctor of med-
23 icine. No more than 25 officers from each military depart-
24 ment may commence such training in any single fiscal
25 year.

1 “(b) ELIGIBILITY FOR DETAIL.—To be eligible for
2 detail under subsection (a), an officer must be a citizen
3 of the United States and must—

4 “(1) have served on active duty for a period of
5 not less than two years nor more than six years and
6 be in the pay grade 0–3 or below as of the time the
7 training is to begin; and

8 “(2) sign an agreement that unless sooner sepa-
9 rated the officer will—

10 “(A) complete the educational course of
11 medical training;

12 “(B) accept transfer or detail as a medical
13 officer within the military department con-
14 cerned when the officer’s training is completed;
15 and

16 “(C) agree to serve on active duty fol-
17 lowing completion of training for a period of
18 two years for each year or part thereof of the
19 officer’s medical training under subsection (a).

20 “(c) SELECTION OF OFFICERS FOR DETAIL.—Offi-
21 cers detailed for medical training under subsection (a)
22 shall be selected on a competitive basis by the Secretary
23 of the military department concerned.

24 “(d) RELATION OF SERVICE OBLIGATIONS TO
25 OTHER SERVICE OBLIGATIONS.—Any service obligation

1 incurred by an officer under an agreement entered into
2 under subsection (b) shall be in addition to any service
3 obligation incurred by the officer under any other provi-
4 sion of law or agreement.

5 “(e) EXPENSES.—Expenses incident to the detail of
6 officers under this section shall be paid from any funds
7 appropriated for the military department concerned.

8 “(f) FAILURE TO COMPLETE PROGRAM.—(1) An of-
9 ficer who is dropped from a program of medical training
10 to which detailed under subsection (a) for deficiency in
11 conduct or studies, or for other reasons, may be required
12 to perform active duty in an appropriate military capacity
13 in accordance with the active duty obligation imposed on
14 the officer under regulations issued by the Secretary of
15 Defense for purposes of this section.

16 “(2) In no case shall an officer be required to serve
17 on active duty under this subsection for any period in ex-
18 cess of one year for each year or part thereof the officer
19 participated in the program.

20 “(g) LIMITATION ON DETAILS.—(1) No agreement
21 detailing an officer of the armed forces to an accredited
22 medical school or school of osteopathy may be entered into
23 during any period in which the President is authorized by
24 law to induct persons into the armed forces involuntarily.

1 “(2) Nothing in this subsection shall affect any agree-
 2 ment entered into during any period when the President
 3 is not authorized by law to so induct persons into the
 4 armed forces.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 at the beginning of chapter 101 of such title is amended
 7 by inserting after the item relating to section 2004 the
 8 following new item:

“2004a. Detail of commissioned officers as students at medical schools.”.

9 **SEC. 562. EXPANSION OF ELIGIBILITY TO PROVIDE JUNIOR**
 10 **RESERVE OFFICERS’ TRAINING CORPS IN-**
 11 **STRUCTION.**

12 (a) ELIGIBILITY OF RETIRED MEMBERS OF NA-
 13 TIONAL GUARD AND RESERVES.—Section 2031 of title
 14 10, United States Code, is amended by adding at the end
 15 the following new subsection:

16 “(e) Instead of, or in addition to, the detailing of ac-
 17 tive duty officers and noncommissioned officers under sub-
 18 section (c)(1), and the employment of retired officers, non-
 19 commissioned officers, and members of the Fleet Reserve
 20 and Fleet Marine Corps Reserve under subsection (d), the
 21 Secretary of the military department concerned may au-
 22 thorize qualified institutions to employ as administrators
 23 and instructors in the program retired officers and non-
 24 commissioned officers who qualify for retired pay for non-
 25 regular service under section 12731 of this title (other

1 than those who qualify for age under subsection (a)(1) of
2 such section) whose qualifications are approved by the
3 Secretary and the institution concerned and who request
4 such employment, subject to the following:

5 “(1) The Secretary shall pay to the institution
6 an amount equal to one-half of the amount paid to
7 the member by the institution for any period up to
8 a maximum of one-half of the difference between the
9 retired or retainer pay for an active duty officer or
10 noncommissioned offer of the same grade and years
11 of service for such period and the active duty pay
12 and allowances which the member would have re-
13 ceived for such period if on active duty. Amounts
14 may be paid with respect to members under this
15 subsection after such members reach the age of 60.
16 Payments by the Secretary under this paragraph
17 shall be made from funds appropriated for that pur-
18 pose.

19 “(2) Notwithstanding any other provision of
20 law, such a member is not, while so employed, con-
21 sidered to be on active duty or inactive duty training
22 for any purpose.”.

23 (b) CLARIFICATION OF STATUS OF RETIRED MEM-
24 BERS CURRENTLY PROVIDING INSTRUCTION.—Subsection
25 (d) of such section is amended in the matter preceding

1 paragraph (1) by striking “and noncommissioned officers,
2 and members of the Fleet Reserve and Fleet Marine Corps
3 Reserve” and inserting “, noncommissioned officers, and
4 members of the Fleet Reserve and Fleet Marine Corps Re-
5 serve who are drawing retired or retained pay”.

6 **SEC. 563. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT**
7 **UNDER EDUCATION LOAN REPAYMENT FOR**
8 **OFFICERS IN SPECIFIED HEALTH PROFES-**
9 **SIONS.**

10 (a) INCREASE IN MAXIMUM AMOUNT.—Section
11 2173(e)(2) of title 10, United States Code, is amended
12 by striking “\$22,000” and inserting “\$60,000”.

13 (b) EFFECTIVE DATE.—

14 (1) IN GENERAL.—The amendment made by
15 subsection (a) shall take effect on October 1, 2006,
16 and shall apply with respect agreements entered into
17 under section 2173 of title 10, United States Code,
18 on or after that date.

19 (2) PROHIBITION ON ADJUSTMENT.—The ad-
20 justment required by the second sentence of section
21 2173(e)(2) of title 10, United States Code, to be
22 made on October 1, 2006, shall not be made.

1 **SEC. 564. INCREASE IN BENEFITS UNDER HEALTH PROFES-**
2 **SIONS SCHOLARSHIP AND FINANCIAL ASSIST-**
3 **ANCE PROGRAM.**

4 (a) STIPEND.—Section 2121(d) of title 10, United
5 States Code, is amended—

6 (1) by striking “the rate of \$579 per month”
7 and inserting “in an amount not to exceed \$30,000
8 per year”; and

9 (2) by striking “That rate” and inserting “The
10 maximum amount of the stipend”.

11 (b) ANNUAL GRANT.—Section 2127(e) of such title
12 is amended—

13 (1) by striking “\$15,000” and inserting “in an
14 amount not to exceed \$45,000”; and

15 (2) by striking “The amount” and inserting
16 “The maximum amount”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect on October 1, 2006.

19 (d) PROHIBITION ON ADJUSTMENTS IN 2007.—No
20 adjustment under subsection (d) of section 2122 of title
21 10, United States Code, in the maximum amount of the
22 stipend payable under such section 2122, and no adjust-
23 ment under subsection (e) of section 2127 of such title
24 in the maximum amount of the annual grant payable
25 under such section 2127, shall be made in 2007.

1 **SEC. 565. REPORT ON HEALTH PROFESSIONS SCHOLAR-**
2 **SHIP AND FINANCIAL ASSISTANCE PROGRAM.**

3 (a) REPORT REQUIRED.—Not later than March 1,
4 2007, the Secretary of Defense shall submit to the con-
5 gressional defense committees a report on the health pro-
6 fessions scholarship and financial assistance program for
7 active service under subchapter I of chapter 105 of title
8 10, United States Code.

9 (b) ELEMENTS.—The report required by subsection
10 (a) shall include the following:

11 (1) An assessment of the success of each mili-
12 tary department in achieving its recruiting goals
13 under the health professions scholarship and finan-
14 cial assistance program for active service during
15 each of fiscal years 2000 through 2006.

16 (2) If any military department failed to achieve
17 its recruiting goals under the program during any
18 fiscal year covered by paragraph (1), an explanation
19 of the failure of the military department to achieve
20 such goal during such fiscal year.

21 (3) An assessment of the adequacy of the sti-
22 pend authorized by section 2121(d) of title 10,
23 United States Code, in meeting the objectives of the
24 program.

25 (4) Such recommendations for legislative or ad-
26 ministrative action as the Secretary considers appro-

1 “(ii) To be eligible for instruction under this subpara-
2 graph, an enlisted member shall hold a baccalaureate de-
3 gree granted by an institution of higher education.

4 “(iii) Instruction shall be provided under this sub-
5 paragraph on a space-available basis.

6 “(iv) An enlisted member who successfully completes
7 a course of instruction under this subparagraph may be
8 awarded a master’s degree under section 7048 of this title.

9 “(v) The regulations prescribed under clause (i) may
10 include criteria for eligibility of enlisted members for in-
11 struction under this subparagraph and obligations for fur-
12 ther service in the armed forces by enlisted members relat-
13 ing to receipt of such instruction.”; and

14 (3) in subparagraph (E), as so redesignated, by
15 striking “and (C)” and inserting “(C), and (D)”.

16 (c) CONFORMING AMENDMENT.—Subsection (b)(2)
17 of such section is amended by striking “(a)(2)(D)” and
18 inserting “(a)(2)(E)”.

19 (d) REPEAL OF CERTAIN REQUIREMENTS ON IN-
20 STRUCTION.—Section 526 of the National Defense Au-
21 thorization Act for Fiscal Year 2006 (Public Law 109–
22 163) is amended by striking subsections (c) and (d).

1 **SEC. 567. MODIFICATION OF ACTIONS TO ADDRESS SEXUAL**
2 **HARASSMENT AND SEXUAL VIOLENCE AT**
3 **THE SERVICE ACADEMIES.**

4 (a) CLARIFICATION OF SCOPE OF ACTIONS.—Section
5 527 of the National Defense Authorization Act for Fiscal
6 Year 2004 (Public Law 108–136; 117 Stat. 1468; 10
7 U.S.C. 4331 note) is amended—

8 (1) in subsection (a)—

9 (A) in the subsection caption, by inserting
10 “SEXUAL” before “VIOLENCE”; and

11 (B) in paragraph (1)—

12 (i) in subparagraph (A), by striking
13 “personnel of” and inserting “cadets at”;

14 (ii) in subparagraph (B), by striking
15 “personnel of” and inserting “midshipmen
16 at”; and

17 (iii) in subparagraph (C), by striking
18 “personnel of” and inserting “cadets at”;

19 (2) by inserting “sexual” before “violence” each
20 place it appears; and

21 (3) by striking “academy personnel” each place
22 it appears and inserting “cadets or midshipmen”.

23 (b) ASSESSMENTS OF ACADEMY POLICIES.—

24 (1) ADMINISTRATION OF ASSESSMENTS.—Sub-
25 section (b) of such section is further amended—

26 (A) in paragraph (1)—

1 (i) by striking “to conduct” and in-
2 serting “to provide”; and

3 (ii) by inserting “(to be administered
4 by the Department of Defense)” after “an
5 assessment”; and

6 (B) in paragraph (2), by striking “shall
7 conduct” and inserting “shall provide for the
8 conduct of”.

9 (2) SCHEDULE FOR ASSESSMENTS.—Such sub-
10 section is further amended—

11 (A) in the subsection caption, by striking
12 “ANNUAL ASSESSMENT” and inserting “AS-
13 SESSMENTS REQUIRED”;

14 (B) in paragraph (1), by inserting “speci-
15 fied in paragraph (2)” after “each program
16 year”; and

17 (C) in paragraph (2), by striking “2007,
18 and 2008” and inserting “2008, and 2010”.

19 (c) REPORTS ON ACTIVITIES ON CAMPUS.—Sub-
20 section (c) of such section is further amended—

21 (1) in the subsection caption, by striking “AN-
22 NUAL REPORT” and inserting “REPORTS”;

23 (2) in paragraph (1), by striking “2007, and
24 2008” and inserting “2008, and 2010”;

25 (3) in paragraph (2)—

1 (A) in the matter preceding subparagraph
 2 (A), by striking “The annual report” and in-
 3 serting “The report”; and

4 (B) in subparagraph (D), by striking
 5 “each of the subsequent academy program
 6 years” and inserting “each other academy pro-
 7 gram year covered by this subsection”; and

8 (4) in paragraphs (3) and (4), by striking “the
 9 annual” and inserting “each”.

10 (d) CONFORMING AMENDMENT.—The heading of
 11 such section is amended to read as follows:

12 **“SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT**
 13 **AND SEXUAL VIOLENCE AT THE SERVICE**
 14 **ACADEMIES.”.**

15 **SEC. 568. DEPARTMENT OF DEFENSE POLICY ON SERVICE**
 16 **ACADEMY AND ROTC GRADUATES SEEKING**
 17 **TO PARTICIPATE IN PROFESSIONAL SPORTS**
 18 **BEFORE COMPLETION OF THEIR ACTIVE-**
 19 **DUTY SERVICE OBLIGATIONS.**

20 (a) POLICY REQUIRED.—

21 (1) IN GENERAL.—Not later than July 1, 2007,
 22 the Secretary of Defense shall prescribe the policy of
 23 the Department of Defense on—

24 (A) whether to authorize graduates of the
 25 service academies and the Reserve Officers’

1 Training Corps to participate in professional
2 sports before the completion of their obligations
3 for service on active duty as commissioned offi-
4 cers; and

5 (B) if so, the obligations for service on ac-
6 tive duty as commissioned officers of such grad-
7 uates who participate in professional sports be-
8 fore the satisfaction of the obligations referred
9 to in subparagraph (A).

10 (2) REVIEW OF CURRENT POLICIES.—In pre-
11 scribing the policy, the Secretary shall review cur-
12 rent policies, practices, and regulations of the mili-
13 tary departments on the obligations for service on
14 active duty as commissioned officers of graduates of
15 the service academies and the Reserve Officers'
16 Training Corps, including policies on authorized
17 leaves of absence and policies under excess leave pro-
18 grams.

19 (3) CONSIDERATIONS.—In prescribing the pol-
20 icy, the Secretary shall take into account the fol-
21 lowing:

22 (A) The compatibility of participation in
23 professional sports (including training for pro-
24 fessional sports) with service on active duty in

1 the Armed Forces or as a member of a reserve
2 component of the Armed Forces.

3 (B) The benefits for the Armed Forces of
4 waiving obligations for service on active duty
5 for cadets, midshipmen, and commissioned offi-
6 cers in order to permit such individuals to par-
7 ticipate in professional sports.

8 (C) The manner in which the military de-
9 partments have resolved issues relating to the
10 participation of personnel in professional sports,
11 including the extent of and any reasons for, dif-
12 ferences in the resolution of such issues by such
13 departments.

14 (D) The recoupment of the costs of edu-
15 cation provided by the service academies or
16 under the Reserve Officers' Training Corps pro-
17 gram if graduates of the service academies or
18 the Reserve Officers' Training Corps, as the
19 case may be, do not complete the period of obli-
20 gated service to which they have agreed by rea-
21 son of participation in professional sports.

22 (E) Any other matters that the Secretary
23 considers appropriate.

24 (b) ELEMENTS OF POLICY.—The policy prescribed
25 under subsection (a) shall address the following matters:

1 (1) The eligibility of graduates of the service
2 academies and the Reserve Officers' Training Corps
3 for a reduction in the obligated length of service on
4 active duty as a commissioned officer otherwise re-
5 quired of such graduates on the basis of their par-
6 ticipation in professional sports.

7 (2) Criteria for the treatment of an individual
8 as a participant or potential participant in profes-
9 sional sports.

10 (3) The effect on obligations for service on ac-
11 tive duty as a commissioned officer of any
12 unsatisfied obligations under prior enlistment con-
13 tracts or other forms of advanced education assist-
14 ance.

15 (4) Any authorized variations in the policy that
16 are warranted by the distinctive requirements of a
17 particular Armed Force.

18 (5) The eligibility of individuals for medical dis-
19 charge or disability benefits as a result of injuries
20 incurred while participating in professional sports.

21 (6) A prospective effective date for the policy
22 and for the application of the policy to individuals
23 serving on such effective date as a commissioned of-
24 ficer, cadet, or midshipman.

1 (c) APPLICATION OF POLICY TO ARMED FORCES.—
2 Not later than December 1, 2007, the Secretary of each
3 military department shall prescribe regulations, or modify
4 current regulations, in order to implement the policy pre-
5 scribed by the Secretary of Defense under subsection (a)
6 with respect to the Armed Forces under the jurisdiction
7 of such Secretary.

8 **Subtitle E—Defense Dependents**
9 **Education Matters**

10 **SEC. 571. FUNDING FOR ASSISTANCE TO LOCAL EDU-**
11 **CATIONAL AGENCIES THAT BENEFIT DE-**
12 **PENDENTS OF MEMBERS OF THE ARMED**
13 **FORCES AND DEPARTMENT OF DEFENSE CI-**
14 **VILIAN EMPLOYEES.**

15 (a) FUNDING FOR FISCAL YEAR 2007.—Of the
16 amount authorized to be appropriated pursuant to section
17 301(5) for operation and maintenance for Defense-wide
18 activities—

19 (1) \$30,000,000 shall be available only for the
20 purpose of providing assistance to local educational
21 agencies under section 572(a) of the National De-
22 fense Authorization Act for Fiscal Year 2006 (Pub-
23 lic Law 109–163; 119 Stat. 3271; 20 U.S.C.
24 7703b); and

1 (2) \$10,000,000 shall be available only for the
2 purpose of providing assistance to local educational
3 agencies under section 572(b) of that Act.

4 (b) TREATMENT OF FUNDING FOR NOTIFICATION
5 PURPOSES.—The funding provided under subsection (a)
6 for fiscal year 2007 shall be treated as funding for that
7 fiscal year for purposes of the notification of local edu-
8 cational agencies required by section 572(e) of the Na-
9 tional Defense Authorization Act for Fiscal Year 2006
10 (119 Stat. 3272).

11 **SEC. 572. IMPACT AID FOR CHILDREN WITH SEVERE DIS-**
12 **ABILITIES.**

13 Of the amount authorized to be appropriated pursu-
14 ant to section 301(5) for operation and maintenance for
15 Defense-wide activities, \$5,000,000 shall be available for
16 payments under section 363 of the Floyd D. Spence Na-
17 tional Defense Authorization Act for Fiscal Year 2001 (as
18 enacted into law by Public Law 106–398; 114 Stat.
19 1654A–77; 20 U.S.C. 7703a).

20 **SEC. 573. PLAN TO ASSIST LOCAL EDUCATIONAL AGENCIES**
21 **EXPERIENCING GROWTH IN ENROLLMENT**
22 **DUE TO FORCE STRUCTURE CHANGES, RELO-**
23 **CATION OF MILITARY UNITS, OR BRAC.**

24 (a) PLAN REQUIRED.—Not later than January 1,
25 2007, the Secretary of Defense shall submit to the con-

1 gressional defense committees a report setting forth a plan
2 to provide assistance to local educational agencies that ex-
3 perience growth in the enrollment of military dependent
4 students as a result of any of the following events:

5 (1) Force structure changes.

6 (2) The relocation of a military unit.

7 (3) The closure or realignment of military in-
8 stallations pursuant to defense base closure and re-
9 alignment under the base closure laws.

10 (b) ELEMENTS.—The report required by subsection
11 (a) shall include the following:

12 (1) An identification, current as of the date of
13 the report, of the total number of military dependent
14 students who are anticipated to be arriving at or de-
15 parting from military installations as a result of any
16 event described in subsection (a), including—

17 (A) an identification of the military instal-
18 lations affected by such arrivals and departures;

19 (B) an estimate of the number of such stu-
20 dents arriving at or departing from each such
21 installation; and

22 (C) the anticipated schedule of such arriv-
23 als and departures.

24 (2) Such recommendations as the Office of Eco-
25 nomic Adjustment of the Department of Defense

1 considers appropriate for means of assisting affected
2 local educational agencies in accommodating in-
3 creases in enrollment of military dependent students
4 as a result of any such event.

5 (3) A plan for outreach to be conducted to af-
6 fected local educational agencies, commanders of
7 military installations, and members of the Armed
8 Forces and civilian personnel of the Department of
9 Defense regarding information on the assistance to
10 be provided under the plan under subsection (a).

11 (c) UPDATE.—Not later than July 1, 2007, and every
12 six months thereafter through January 1, 2011, the Sec-
13 retary shall submit to the congressional defense commit-
14 tees an update of the report required by subsection (a).
15 Each update shall include an update of each matter re-
16 quired under subsection (b) current as of the date of such
17 update.

18 (d) DEFINITIONS.—In this section:

19 (1) The term “base closure law” has the mean-
20 ing given that term in section 101 of title 10, United
21 States Code.

22 (2) The term “local educational agency” has
23 the meaning given that term in section 8013(9) of
24 the Elementary and Secondary Education Act of
25 1965 (20 U.S.C. 7713(9)).

1 (3) The term “military dependent students” re-
2 fers to—

3 (A) elementary and secondary school stu-
4 dents who are dependents of members of the
5 Armed Forces; and

6 (B) elementary and secondary school stu-
7 dents who are dependents of civilian employees
8 of the Department of Defense.

9 **SEC. 574. PILOT PROGRAM ON PARENT EDUCATION TO**
10 **PROMOTE EARLY CHILDHOOD EDUCATION**
11 **FOR DEPENDENT CHILDREN AFFECTED BY**
12 **MILITARY DEPLOYMENT OR RELOCATION OF**
13 **MILITARY UNITS.**

14 (a) PILOT PROGRAM REQUIRED.—The Secretary of
15 Defense shall carry out a pilot program on the provision
16 of educational and support tools to the parents of pre-
17 school-age children—

18 (1) whose parent or parents serve as members
19 of the Armed Forces on active duty (including mem-
20 bers of the Selected Reserve on active duty pursuant
21 to a call or order to active duty of 180 days or
22 more); and

23 (2) who are affected by the deployment of their
24 parent or parents or the relocation of the military
25 unit of which their parent or parents are a member.

1 (b) PURPOSE.—The purpose of the pilot program is
2 to develop models for improving the capability of military
3 child and youth programs on or near military installations
4 to provide assistance to military parents with young chil-
5 dren through a program of activities focusing on the
6 unique needs of children described in subsection (a).

7 (c) DURATION OF PROGRAM.—The pilot program
8 shall commence on October 1, 2007, and shall conclude
9 on September 30, 2010.

10 (d) SCOPE OF PROGRAM.—The pilot program shall
11 utilize one or more models (demonstrated through re-
12 search) of universal access of parents of children described
13 in subsection (a) to assistance under the pilot program
14 in order to achieve the following goals:

15 (1) The identification and mitigation of specific
16 risk factors for such children related to military life.

17 (2) The maximization of the educational readi-
18 ness of such children.

19 (e) LOCATIONS.—

20 (1) IN GENERAL.—The pilot program shall be
21 carried out at military installations selected by the
22 Secretary for purposes of this section from among
23 military installations whose military personnel are
24 experiencing significant transition or deployment or
25 which are undergoing transition as a result of the

1 relocation or activation of military units or activities
2 relating to defense base closure and realignment.

3 (2) SELECTION OF CERTAIN INSTALLATIONS.—

4 At least one of the installations selected by the Sec-
5 retary under paragraph (1) shall be an installation
6 that permits the meaningful evaluation of a model
7 under subsection (d) that provides outreach to par-
8 ents in families with a parent who is a member of
9 the National Guard or Reserve, which families live
10 more than 40 miles from the installation so selected.

11 (f) GOALS OF PARTICIPATING INSTALLATIONS.—Ap-
12 propriate personnel at each military installation selected
13 for participation in the pilot program shall develop goals,
14 and specific outcome measures with respect to such goals,
15 for the conduct of the pilot program at such installation.

16 (g) EVALUATION.—

17 (1) EVALUATION REQUIRED.—Upon completion
18 of the pilot program at a military installation, the
19 personnel referred to in subsection (f) at such instal-
20 lation shall conduct an evaluation and assessment of
21 the success of the pilot program at such installation
22 in meeting the goals developed under that sub-
23 section.

24 (2) REPORT.—Upon completion of the evalua-
25 tions under paragraph (1) for all military installa-

1 tions participating in the pilot program, the Sec-
2 retary of Defense shall submit to the congressional
3 defense committees a report on such evaluations.
4 The report shall describe the results of such evalua-
5 tions, and may include such recommendations for
6 legislative or administrative action as the Secretary
7 considers appropriate in light of such evaluations,
8 including recommendations for the continuation of
9 the pilot program.

10 (h) GUIDELINES.—The Secretary shall issue guide-
11 lines applicable to the pilot program, including guidelines
12 on the goals to be developed under subsection (f), specific
13 outcome measures, and guidelines on the selection of cur-
14 riculum and the conduct of developmental screening under
15 the pilot program.

16 (i) FUNDING.—Of the amounts authorized to be ap-
17 propriated by section 301(1) for operation and mainte-
18 nance for the Army, \$1,500,000 shall be available to carry
19 out the pilot program in fiscal year 2007.

20 **Subtitle F—Other Matters**

21 **SEC. 581. ADMINISTRATION OF OATHS.**

22 (a) IN GENERAL.—Section 502 of title 10, United
23 States Code, is amended by striking the flush matter at
24 the end and inserting the following new flush matter:

1 “This oath may be taken before the President, the Vice
2 President, the Secretary of Defense, any commissioned of-
3 ficer of any armed force, or any other person designated
4 under regulations prescribed by the Secretary of De-
5 fense.”.

6 (b) CONFORMING AMENDMENT.—Section 1031 of
7 such title is amended by striking “Any commissioned offi-
8 cer” and all that follows through “on active duty,” and
9 inserting “The President, the Vice President, the Sec-
10 retary of Defense, any commissioned officer of an armed
11 force, or any other person designated under regulations
12 prescribed by the Secretary of Defense”.

13 **SEC. 582. MILITARY ID CARDS FOR RETIREE DEPENDENTS**
14 **WHO ARE PERMANENTLY DISABLED.**

15 (a) IN GENERAL.—Subsection (a) of section 1060b
16 of title 10, United States Code, is amended to read as
17 follows:

18 “(a) ISSUANCE OF PERMANENT ID CARD.—(1) In
19 issuing military ID cards to retiree dependents, the Sec-
20 retary concerned shall issue a permanent ID card (not
21 subject to renewal) to any such retiree dependent as fol-
22 lows:

23 “(A) A retiree dependent who has attained 75
24 years of age.

1 (b) COMPTROLLER GENERAL REPORT.—Not later
2 than March 1, 2007, the Comptroller General of the
3 United States shall submit to Congress a report con-
4 taining the assessment of the Comptroller General with
5 respect to the following:

6 (1) The programs and activities undertaken by
7 the Department of Defense to facilitate voter reg-
8 istration, transmittal of ballots to absentee voters,
9 and voting utilizing electronic means of communica-
10 tion (such as electronic mail and fax transmission)
11 for military and civilian personnel covered by the
12 Uniformed and Overseas Citizens Absentee Voting
13 Act (42 U.S.C. 1973ff et seq.).

14 (2) The progress of the Department of Defense
15 and the Election Assistance Commission in devel-
16 oping a secure, deployable system for Internet-based
17 electronic voting pursuant to the amendment made
18 by section 567 of the Ronald W. Reagan National
19 Defense Authorization Act for Fiscal Year 2005
20 (Public Law 108–375; 118 Stat. 1919).

21 **SEC. 584. PRESENTATION OF MEDAL OF HONOR FLAG TO**
22 **PRIMARY NEXT OF KIN OF MEDAL OF HONOR**
23 **RECIPIENTS.**

24 (a) ARMY RECIPIENTS.—Section 3755 of title 10,
25 United States Code, is amended—

1 (1) by inserting “(a) PRESENTATION TO
2 MEDAL OF HONOR RECIPIENTS.—” before “The
3 President”; and

4 (2) by striking “after October 23, 2002”; and

5 (3) by adding at the end the following new sub-
6 section:

7 “(b) PRESENTATION TO PRIMARY NEXT OF KIN.—
8 The President may provide for the presentation of a Medal
9 of Honor Flag to the primary living next of kin (as des-
10 ignated by the Secretary of Defense in regulations pre-
11 scribed for purposes of this section) of a deceased medal
12 of honor recipient described in subsection (a).”.

13 (b) NAVY AND MARINE CORPS RECIPIENTS.—Sec-
14 tion 6257 of such title is amended—

15 (1) by inserting “(a) IN GENERAL.—” before
16 “The President”; and

17 (2) by striking “after October 23, 2002”; and

18 (3) by adding at the end the following new sub-
19 section:

20 “(b) PRESENTATION TO PRIMARY NEXT OF KIN.—
21 The President may provide for the presentation of a Medal
22 of Honor Flag to the primary living next of kin (as des-
23 ignated by the Secretary of Defense in regulations pre-
24 scribed for purposes of this section) of a deceased medal
25 of honor recipient described in subsection (a).”.

1 (c) AIR FORCE RECIPIENTS.—Section 8755 of such
2 title is amended—

3 (1) by inserting “(a) IN GENERAL.—” before
4 “The President”; and

5 (2) by striking “after October 23, 2002”; and

6 (3) by adding at the end the following new sub-
7 section:

8 “(b) PRESENTATION TO PRIMARY NEXT OF KIN.—

9 The President may provide for the presentation of a Medal
10 of Honor Flag to the primary living next of kin (as des-
11 ignated by the Secretary of Defense in regulations pre-
12 scribed for purposes of this section) of a deceased medal
13 of honor recipient described in subsection (a).”.

14 (d) COAST GUARD RECIPIENTS.—Section 505 of title
15 14, United States Code, is amended—

16 (1) by inserting “(a) IN GENERAL.—” before
17 “The President”; and

18 (2) by striking “after October 23, 2002”; and

19 (3) by adding at the end the following new sub-
20 section:

21 “(b) PRESENTATION TO PRIMARY NEXT OF KIN.—

22 The President may provide for the presentation of a Medal
23 of Honor Flag to the primary living next of kin (as des-
24 ignated by the Secretary of Homeland Security in regula-

1 tions prescribed for purposes of this section) of a deceased
2 medal of honor recipient described in subsection (a).”.

3 **SEC. 585. MODIFICATION OF EFFECTIVE PERIOD OF AU-**
4 **THORITY TO PRESENT RECOGNITION ITEMS**
5 **FOR RECRUITMENT AND RETENTION PUR-**
6 **POSES.**

7 Subsection (d) of section 2261 of title 10, United
8 States Code, is amended to read as follows:

9 “(d) EFFECTIVE PERIOD.—The authority under this
10 section shall be in effect during the period of any war or
11 national emergency declared by the President or Con-
12 gress.”.

13 **SEC. 586. MILITARY SEVERELY INJURED CENTER.**

14 (a) CENTER REQUIRED.—In support of the com-
15 prehensive policy on the provision of assistance to severely
16 wounded or injured servicemembers required by section
17 563 of the National Defense Authorization Act for Fiscal
18 Year 2006 (Public Law 109–163; 119 Stat. 3269; 10
19 U.S.C. 113 note), the Secretary of Defense shall establish
20 within the Department of Defense a center to augment
21 and support the programs and activities of the military
22 departments for the provision of such assistance, including
23 the programs of the military departments referred to in
24 subsection (c).

1 (b) DESIGNATION.—The center established under
2 subsection (a) shall be known as the “Military Severely
3 Injured Center” (in this section referred to as the “Cen-
4 ter”).

5 (c) PROGRAMS OF THE MILITARY DEPARTMENTS.—
6 The programs of the military departments referred to in
7 this subsection are as follows:

8 (1) The Army Wounded Warrior Support Pro-
9 gram.

10 (2) The Navy Safe Harbor Program.

11 (3) The Palace HART Program of the Air
12 Force.

13 (4) The Marine for Life Injured Support Pro-
14 gram of the Marine Corps.

15 (d) ACTIVITIES OF CENTER.—

16 (1) IN GENERAL.—The Center shall carry out
17 such programs and activities to augment and sup-
18 port the programs and activities of the military de-
19 partments for the provision of assistance through in-
20 dividual case management to severely wounded or in-
21 jured servicemembers and their families as the Sec-
22 retary of Defense, in consultation with the Secre-
23 taries of the military departments and the heads of
24 other appropriate departments and agencies of the
25 Federal Government (including the Department of

1 Labor and the Department of Veterans Affairs),
2 shall assign the Center.

3 (2) DATABASE.—The activities of the Center
4 under this subsection shall include the establishment
5 and maintenance of a central database of informa-
6 tion for purposes of tracking severely wounded or in-
7 jured servicemembers.

8 (e) RESOURCES.—The Secretary of Defense shall al-
9 locate to the Center such personnel and other resources
10 as the Secretary of Defense, in consultation with the Sec-
11 retaries of the military departments, considers appropriate
12 in order to permit the Center to carry out effectively the
13 programs and activities assigned to the Center under sub-
14 section (d).

15 **TITLE VI—COMPENSATION AND**
16 **OTHER PERSONNEL BENEFITS**
17 **Subtitle A—Pay and Allowances**

18 **SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC**
19 **PAY AND REFORM OF BASIC PAY RATES.**

20 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
21 adjustment to become effective during fiscal year 2007 re-
22 quired by section 1009 of title 37, United States Code,
23 in the rates of monthly basic pay authorized members of
24 the uniformed services shall not be made.

1 (b) JANUARY 1, 2007, INCREASE IN BASIC PAY.—

2 Effective on January 1, 2007, the rates of monthly basic
3 pay for members of the uniformed services are increased
4 by 2.2 percent.

5 (c) REFORM OF BASIC PAY RATES.—Effective on

6 April 1, 2007, the rates of monthly basic pay for members
7 of the uniformed services within each pay grade are as
8 follows:

MONTHLY BASIC PAY

COMMISSIONED OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ² ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9	0.00	0.00	0.00	0.00	0.00
O-8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O-7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O-6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O-5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O-4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O-3 ³	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O-2 ³	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O-1 ³	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ² ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9	0.00	0.00	0.00	0.00	0.00
O-8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O-7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O-6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O-5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O-4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O-3 ³	4,833.30	4,982.70	5,228.40	5,355.90	5,355.90
O-2 ³	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O-1 ³	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ² ..	\$0.00	\$13,659.00	\$13,725.90	\$14,011.20	\$14,508.60
O-9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O-8	10,900.80	11,319.00	11,598.30	11,598.30	11,598.30
O-7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O-6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O-5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O-4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O-3 ³	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O-2 ³	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O-1 ³	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O-10 ² ..	\$14,508.60	\$15,234.00	\$15,234.00	\$15,995.70	\$15,995.70
O-9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O-8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O-7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O-6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O-5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O-4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O-3 ³	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O-2 ³	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O-1 ³	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O-10 ² ..	\$16,795.50	\$16,795.50			
O-9	14,819.10	14,819.10			
O-8	12,185.70	12,185.70			
O-7	10,493.70	10,493.70			
O-6	9,216.30	9,216.30			
O-5	7,373.10	7,373.10			
O-4	6,252.30	6,252.30			
O-3 ³	5,355.90	5,355.90			
O-2 ³	3,936.60	3,936.60			
O-1 ³	3,106.50	3,106.50			

¹Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades O-7 through O-10 may not exceed the rate of pay for level II of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is calculated to be \$17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in the grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE
AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E ..	\$0.00	\$0.00	\$0.00	\$4,392.00	\$4,602.00
O-2E ..	0.00	0.00	0.00	3,857.40	3,936.60
O-1E ..	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E ..	\$4,833.00	\$4,982.70	\$5,228.40	\$5,435.40	\$5,554.20
O-2E ..	4,062.00	4,273.50	4,437.00	4,558.80	4,558.80
O-1E ..	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E ..	\$5,715.90	\$5,715.90	\$5,715.90	\$5,715.90	\$5,715.90
O-2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O-1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 28	Over 30	Over 32	Over 34	Over 36
O-3E ..	\$5,715.90	\$5,715.90	\$5,715.90	\$5,715.90	\$5,715.90
O-2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O-1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
O-3E ..	\$5,715.90	\$5,715.90			
O-2E ..	4,558.80	4,558.80			
O-1E ..	3,857.40	3,857.40			

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40
W-3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W-2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W-1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W-3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W-2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W-1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5	\$0.00	\$6,049.50	\$6,356.40	\$6,585.00	\$6,838.20
W-4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W-3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W-2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W-1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W-5	\$6,838.20	\$7,180.20	\$7,180.20	\$7,539.30	\$7,539.30
W-4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W-3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W-2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W-1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W-5	\$7,916.40	\$7,916.40			
W-4	6,337.80	6,337.80			
W-3	5,450.10	5,450.10			
W-2	4,589.50	4,589.40			
W-1	4,170.00	4,170.00			

ENLISTED MEMBERS ¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8	0.00	0.00	0.00	0.00	0.00
E-7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E-6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E-5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E-4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E-3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E-2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E-1	³ 1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$4,110.60	\$4,203.90	\$4,321.20	\$4,459.50
E-8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E-7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E-6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E-5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E-4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E-3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E-2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E-1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$4,598.40	\$4,821.60	\$5,010.30	\$5,209.20	\$5,512.80
E-8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E-7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E-6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E-5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E-4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E-3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E-2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E-1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E-9 ²	\$5,512.80	\$5,788.50	\$5,788.50	\$6,078.00	\$6,078.00
E-8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E-7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E-6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E-5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E-4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E-3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E-2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E-1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E-9 ²	\$6,381.90	\$6,381.90			
E-8	4,799.10	4,799.10			
E-7	4,204.20	4,204.20			
E-6	3,133.50	3,133.50			
E-5	2,630.10	2,630.10			
E-4	2,062.80	2,062.80			
E-3	1,729.20	1,729.20			
E-2	1,458.90	1,458.90			
E-1	1,301.40	1,301.40			

¹Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, basic pay for this grade is \$6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in the grade E-1 who have served less than 4 months on active duty, basic pay is \$1,203.90.

1 **SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR**
2 **GENERAL AND FLAG OFFICER GRADES.**

3 (a) INCREASE.—Section 203(a)(2) of title 37, United
4 States Code, is amended by striking “level III of the Exec-
5 utive Schedule” and inserting “level II of the Executive
6 Schedule”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall take effect on January 1, 2007, and
9 shall apply with respect to months beginning on or after
10 that date.

11 **SEC. 603. CLARIFICATION OF EFFECTIVE DATE OF PROHI-**
12 **BITION ON COMPENSATION FOR COR-**
13 **RESPONDENCE COURSES.**

14 Section 206(d) of title 37, United States Code, is
15 amended by adding at the end the following new para-
16 graph:

17 “(3) The prohibition in this subsection (including the
18 prohibition as it relates to a member of the National
19 Guard while not in Federal service) shall apply to—

20 “(A) any work or study performed on or after
21 September 7, 1962; and

22 “(B) any claim based on such work or study
23 arising after that date.”.

1 **SEC. 604. ONE-YEAR EXTENSION OF PROHIBITION AGAINST**
2 **REQUIRING CERTAIN INJURED MEMBERS TO**
3 **PAY FOR MEALS PROVIDED BY MILITARY**
4 **TREATMENT FACILITIES.**

5 (a) EXTENSION.—Section 402(h)(3) of title 37,
6 United States Code, is amended by striking “December
7 31, 2006” and inserting “December 31, 2007”.

8 (b) REPORT ON ADMINISTRATION OF PROHIBI-
9 TION.—Not later than February 1, 2007, the Secretary
10 of Defense shall submit to the congressional defense com-
11 mittees a report on the administration of section
12 402(h)(3) of title 37, United States Code (as amended by
13 subsection (a)). The report shall include—

- 14 (1) a description and assessment of the mecha-
15 nisms used by the military departments to imple-
16 ment the prohibition contained in such section; and
17 (2) such recommendations as the Secretary con-
18 siders appropriate regarding making such prohibi-
19 tion permanent.

20 **SEC. 605. ADDITIONAL HOUSING ALLOWANCE FOR RE-**
21 **SERVES ON ACTIVE DUTY IN SUPPORT OF A**
22 **CONTINGENCY OPERATION.**

23 (a) IN GENERAL.—Section 403(g) of title 37, United
24 States Code, is amended—

- 25 (1) by redesignating paragraphs (2), (3), and
26 (4) as paragraphs (3), (4), and (5), respectively;

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

3 “(2)(A) Under regulations prescribed by the Sec-
4 retary of Defense and the Secretary of Homeland Security
5 with respect to the Coast Guard when it is not operating
6 as a service in the Department of the Navy, the Secretary
7 concerned may authorize payment of a housing allowance
8 to a member described in paragraph (1) at a monthly rate
9 equal to the rate of the basic allowance for housing under
10 subsection (b) or the overseas basic allowance for housing
11 under subsection (c), whichever applies to that location,
12 for members of the regular components at that location
13 in the same grade without dependents.

14 “(B) A member may concurrently receive a basic al-
15 lowance for housing under paragraph (1) and a housing
16 allowance under this paragraph, but may not receive the
17 portion of the allowance, if any, authorized under section
18 404 of this title for lodging expenses if a housing allow-
19 ance is authorized to be paid under this paragraph.”; and

20 (3) in paragraph (3), as so redesignated, by
21 striking “Paragraph (1)” and inserting “Paragraphs
22 (1) and (2)”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 subsection (a) shall take effect on October 1, 2006, and

1 shall apply with respect to months beginning on or after
2 that date.

3 **SEC. 606. EXTENSION OF TEMPORARY CONTINUATION OF**
4 **HOUSING ALLOWANCE FOR DEPENDENTS OF**
5 **MEMBERS DYING ON ACTIVE DUTY TO**
6 **SPOUSES WHO ARE MEMBERS OF THE UNI-**
7 **FORMED SERVICES.**

8 (a) IN GENERAL.—Section 403(l) of title 37, United
9 States Code, is amended—

10 (1) by redesignating paragraph (3) as para-
11 graph (4);

12 (2) by inserting after paragraph (2) the fol-
13 lowing new paragraph (3):

14 “(3) A member of the uniformed services who is the
15 spouse of a deceased member described in paragraph (2)
16 may be paid a basic allowance for housing as provided for
17 in that paragraph. An allowance paid under this para-
18 graph is in addition to any other pay and allowances to
19 which the member of the uniformed services is entitled
20 under any other provision of law.”; and

21 (3) in paragraph (4), as so redesignated, by
22 striking “(2)” and inserting “(2) or (3)”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on October 1, 2006, and shall

1 apply with respect to deaths occurring on or after that
2 date.

3 **Subtitle B—Bonuses and Special**
4 **and Incentive Pays**

5 **SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL**
6 **PAY AUTHORITIES FOR RESERVE FORCES.**

7 (a) **SELECTED RESERVE REENLISTMENT BONUS.**—
8 Section 308b(g) of title 37, United States Code, is amend-
9 ed by striking “December 31, 2006” and inserting “De-
10 cember 31, 2007”.

11 (b) **SELECTED RESERVE AFFILIATION OR ENLIST-**
12 **MENT BONUS.**—Section 308c(i) of such title is amended
13 by striking “December 31, 2006” and inserting “Decem-
14 ber 31, 2007”.

15 (c) **SPECIAL PAY FOR ENLISTED MEMBERS AS-**
16 **SIGNED TO CERTAIN HIGH PRIORITY UNITS.**—Section
17 308d(c) of such title is amended by striking “December
18 31, 2006” and inserting “December 31, 2007”.

19 (d) **READY RESERVE ENLISTMENT BONUS FOR PER-**
20 **SONS WITHOUT PRIOR SERVICE.**—Section 308g(f)(2) of
21 such title is amended by striking “December 31, 2006”
22 and inserting “December 31, 2007”.

23 (e) **READY RESERVE ENLISTMENT AND REENLIST-**
24 **MENT BONUS FOR PERSONS WITH PRIOR SERVICE.**—Sec-

1 tion 308h(e) of such title is amended by striking “Decem-
2 ber 31, 2006” and inserting “December 31, 2007”.

3 (f) **SELECTED RESERVE ENLISTMENT BONUS FOR**
4 **PERSONS WITH PRIOR SERVICE.**—Section 308i(f) of such
5 title is amended by striking “December 31, 2006” and in-
6 serting “December 31, 2007”.

7 **SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL**
8 **PAY AUTHORITIES FOR CERTAIN HEALTH**
9 **CARE PROFESSIONALS.**

10 (a) **NURSE OFFICER CANDIDATE ACCESSION PRO-**
11 **GRAM.**—Section 2130a(a)(1) of title 10, United States
12 Code, is amended by striking “December 31, 2006” and
13 inserting “December 31, 2007”.

14 (b) **REPAYMENT OF EDUCATION LOANS FOR CER-**
15 **TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-**
16 **LECTED RESERVE.**—Section 16302(d) of such title is
17 amended by striking “January 1, 2007” and inserting
18 “January 1, 2008”.

19 (c) **ACCESSION BONUS FOR REGISTERED NURSES.**—
20 Section 302d(a)(1) of title 37, United States Code, is
21 amended by striking “December 31, 2006” and inserting
22 “December 31, 2007”.

23 (d) **INCENTIVE SPECIAL PAY FOR NURSE ANES-**
24 **THETISTS.**—Section 302e(a)(1) of such title is amended

1 by striking “December 31, 2006” and inserting “Decem-
2 ber 31, 2007”.

3 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH
4 PROFESSIONALS IN CRITICALLY SHORT WARTIME SPE-
5 CIALTIES.—Section 302g(e) of such title is amended by
6 striking “December 31, 2006” and inserting “December
7 31, 2007”.

8 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
9 Section 302h(a)(1) of such title is amended by striking
10 “December 31, 2006” and inserting “December 31,
11 2007”.

12 (g) ACCESSION BONUS FOR PHARMACY OFFICERS.—
13 Section 302j(a) of such title is amended by striking “De-
14 cember 31, 2006” and inserting “December 31, 2007”.

15 **SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AU-**
16 **THORITIES FOR NUCLEAR OFFICERS.**

17 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
18 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
19 312(e) of title 37, United States Code, is amended by
20 striking “December 31, 2006” and inserting “December
21 31, 2007”.

22 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
23 312b(c) of such title is amended by striking “December
24 31, 2006” and inserting “December 31, 2007”.

1 (c) NUCLEAR CAREER ANNUAL INCENTIVE
2 BONUS.—Section 312c(d) of such title is amended by
3 striking “December 31, 2006” and inserting “December
4 31, 2007.”

5 **SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAY-**
6 **MENT OF OTHER BONUSES AND SPECIAL**
7 **PAYS.**

8 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
9 tion 301b(a) of title 37, United States Code, is amended
10 by striking “December 31, 2006” and inserting “Decem-
11 ber 31, 2007”.

12 (b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g)
13 of such title is amended by striking “December 31, 2007”
14 and inserting “December 31, 2008”.

15 (c) REENLISTMENT BONUS FOR ACTIVE MEM-
16 BERS.—Section 308(g) of such title is amended by strik-
17 ing “December 31, 2006” and inserting “December 31,
18 2007”.

19 (d) ENLISTMENT BONUS.—Section 309(e) of such
20 title is amended by striking “December 31, 2006” and in-
21 serting “December 31, 2007”.

22 (e) RETENTION BONUS FOR MEMBERS WITH CRIT-
23 ICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY
24 UNITS.—Section 323(i) of such title is amended by strik-

1 ing “December 31, 2006” and inserting “December 31,
2 2007”.

3 (f) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
4 ICAL SKILLS.—Section 324(g) of such title is amended by
5 striking “December 31, 2006” and inserting “December
6 31, 2007”.

7 (g) INCENTIVE BONUS FOR CONVERSION TO MILI-
8 TARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL
9 SHORTAGE.—Section 326(g) of such title is amended by
10 striking “December 31, 2006” and inserting “December
11 31, 2007”.

12 (h) INCENTIVE BONUS FOR TRANSFER BETWEEN
13 THE ARMED FORCES.—Section 327(h) of such title is
14 amended by striking “December 31, 2006” and inserting
15 “December 31, 2009”.

16 **SEC. 615. INCREASE IN SPECIAL PAY FOR SELECTED RE-**
17 **SERVE HEALTH CARE PROFESSIONALS IN**
18 **CRITICALLY SHORT WARTIME SPECIALTIES.**

19 INCREASE IN SPECIAL PAY.—Section 302g(a) of title
20 37, United States Code, is amended by striking “\$10,000”
21 and inserting “\$25,000”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall take effect on October 1, 2006, and
24 shall apply to written agreements entered into under sec-

1 tion 302g of title 37, United States Code, on or after that
2 date.

3 **SEC. 616. EXPANSION AND ENHANCEMENT OF ACCESSION**
4 **BONUS AUTHORITIES FOR CERTAIN OFFI-**
5 **CERS IN HEALTH CARE SPECIALITIES.**

6 (a) INCREASE IN ACCESSION BONUS FOR DENTAL
7 OFFICERS.—Section 302h(a)(2) of title 37, United States
8 Code, is amended by striking “\$30,000” and inserting
9 “\$200,000”.

10 (b) ACCESSION BONUS FOR MEDICAL OFFICERS IN
11 CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5
12 of title 37, United States Code, is amended by inserting
13 after section 302j the following new section:

14 **“§ 302k. Special pay: accession bonus for medical offi-**
15 **cers in critically short wartime special-**
16 **ties**

17 “(a) ACCESSION BONUS AUTHORIZED.—(1) A person
18 who is a graduate of an accredited school of medicine or
19 osteopathy in a specialty described in subsection (c) and
20 who executes a written agreement described in subsection
21 (d) to accept a commission as an officer of the Armed
22 Forces and remain on active duty for a period of not less
23 than four consecutive years may, upon the acceptance of
24 the agreement by the Secretary concerned, be paid an ac-

1 cession bonus in the amount determined by the Secretary
2 concerned.

3 “(2) The amount of an accession bonus under para-
4 graph (1) may not exceed \$400,000.

5 “(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A
6 person may not be paid a bonus under subsection (a) if—

7 “(1) the person, in exchange for an agreement
8 to accept an appointment as an officer, received fi-
9 nancial assistance from the Department of Defense
10 to pursue a course of study in medicine or osteop-
11 athy; or

12 “(2) the Secretary concerned determines that
13 the person is not qualified to become and remain
14 certified as a doctor or osteopath in a specialty de-
15 scribed in subsection (c).

16 “(c) COVERED SPECIALTIES.—A specialty described
17 in this subsection is a specialty designated by regulations
18 as a critically short wartime specialty.

19 “(d) AGREEMENT.—The agreement referred to in
20 subsection (a) shall provide that, consistent with the needs
21 of the armed service concerned, the person executing the
22 agreement will be assigned to duty, for the period of obli-
23 gated service covered by the agreement, as an officer of
24 the Medical Corps of the Army or the Navy or as an offi-

1 cer of the Air Force designated as a medical officer in
2 a specialty described in subsection (c).

3 “(e) REPAYMENT.—A person who, after executing an
4 agreement under subsection (a) is not commissioned as
5 an officer of the armed forces, does not become licensed
6 as a doctor or osteopath, as the case may be, or does not
7 complete the period of active duty in a specialty specified
8 in the agreement, shall be subject to the repayment provi-
9 sions of section 303a(e) of this title.

10 “(f) TERMINATION OF AUTHORITY.—No agreement
11 under this section may be entered into after December 31,
12 2007.”.

13 (c) ACCESSION BONUS FOR DENTAL SPECIALIST OF-
14 FICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—
15 Chapter 5 of title 37, United States Code, as amended
16 by subsection (b), is further amended by inserting after
17 section 302k the following new section:

18 “§ 302l. **Special pay: accession bonus for dental spe-**
19 **cialist officers in critically short wartime**
20 **specialties**

21 “(a) ACCESSION BONUS AUTHORIZED.—(1) A person
22 who is a graduate of an accredited dental school in a spe-
23 cialty described in subsection (c) and who executes a writ-
24 ten agreement described in subsection (d) to accept a com-
25 mission as an officer of the Armed Forces and remain on

1 active duty for a period of not less than four consecutive
2 years may, upon the acceptance of the agreement by the
3 Secretary concerned, be paid an accession bonus in the
4 amount determined by the Secretary concerned.

5 “(2) The amount of an accession bonus under para-
6 graph (1) may not exceed \$400,000.

7 “(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A
8 person may not be paid a bonus under subsection (a) if—

9 “(1) the person, in exchange for an agreement
10 to accept an appointment as an officer, received fi-
11 nancial assistance from the Department of Defense
12 to pursue a course of study in dentistry; or

13 “(2) the Secretary concerned determines that
14 the person is not qualified to become and remain
15 certified as a dentist in a specialty described in sub-
16 section (c).

17 “(c) COVERED SPECIALTIES.—A specialty described
18 in this subsection is a specialty designated by regulations
19 as a critically short wartime specialty.

20 “(d) AGREEMENT.—The agreement referred to in
21 subsection (a) shall provide that, consistent with the needs
22 of the armed service concerned, the person executing the
23 agreement will be assigned to duty, for the period of obli-
24 gated service covered by the agreement, as an officer of
25 the Dental Corps of the Army or the Navy or as an officer

1 of the Air Force designated as a dental officer in a spe-
2 cialty described in subsection (c).

3 “(e) REPAYMENT.—A person who, after executing an
4 agreement under subsection (a) is not commissioned as
5 an officer of the armed forces, does not become licensed
6 as a dentist or does not complete the period of active duty
7 in a specialty specified in the agreement, shall be subject
8 to the repayment provisions of section 303a(e) of this title.

9 “(f) COORDINATION WITH OTHER ACCESSION
10 BONUS AUTHORITY.—A person eligible to execute an
11 agreement under both subsection (a) and section 302h of
12 this title shall elect which authority to execute the agree-
13 ment under. A person may not execute an agreement
14 under both subsection (a) and such section 302h.

15 “(g) TERMINATION OF AUTHORITY.—No agreement
16 under this section may be entered into after December 31,
17 2007.”

18 (d) CLERICAL AMENDMENT.—The table of sections
19 at the beginning of chapter 5 of such title is amended by
20 inserting after the item relating to section 302j the fol-
21 lowing new item:

“302k. Special pay: accession bonus for medical officers in critically short war-
time specialties.

“302l. Special pay: accession bonus for dental specialist officers in critically
short wartime specialties.”

22 (e) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on October 1, 2006.

1 **SEC. 617. INCREASE IN NUCLEAR CAREER ACCESSION**
2 **BONUS FOR NUCLEAR-QUALIFIED OFFICERS.**

3 (a) INCREASE.—Section 312b(a)(1) of title 37,
4 United States Code, is amended by striking “\$20,000”
5 and inserting “\$30,000”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect on October 1, 2006, and
8 shall apply with respect to agreements under section 312b
9 of title 37, United States Code, entered into on or after
10 that date.

11 **SEC. 618. MODIFICATION OF CERTAIN AUTHORITIES APPLI-**
12 **CABLE TO THE TARGETED SHAPING OF THE**
13 **ARMED FORCES.**

14 (a) VOLUNTARY SEPARATION PAY AND BENEFITS.

15 (1) INCREASE IN MAXIMUM AMOUNT OF PAY.—
16 Subsection (f) of section 1175a of title 10, United
17 States Code, is amended by striking “two times”
18 and inserting “four times”.

19 (2) EXTENSION OF AUTHORITY.—Subsection
20 (k)(1) of such section is amended by striking “De-
21 cember 31, 2008” and inserting “December 31,
22 2012”.

23 (3) REPEAL OF LIMITATION ON APPLICA-
24 BILITY.—Subsection (b) of section 643 of the Na-
25 tional Defense Authorization Act for Fiscal Year

1 2006 (Public Law 109–163; 119 Stat. 3310; 10
2 U.S.C. 1175a note) is repealed.

3 (b) INCREASE IN AMOUNT OF INCENTIVE BONUS
4 FOR TRANSFER BETWEEN ARMED FORCES.—Section
5 327(d)(1) of title 37, United States Code, is amended by
6 striking “\$2,500” and inserting “\$10,000”.

7 **SEC. 619. EXTENSION OF PILOT PROGRAM ON CONTRIBU-**
8 **TIONS TO THRIFT SAVINGS PLAN FOR INI-**
9 **TIAL ENLISTEES IN THE ARMY.**

10 (a) EXTENSION.—Subsection (a) of section 606 of
11 the National Defense Authorization Act for Fiscal Year
12 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C.
13 211 note) is amended by striking “During fiscal year
14 2006” and inserting “During the period beginning on
15 January 6, 2006, and ending on December 31, 2008”.

16 (b) REPORT DATE.—Subsection (d)(1) of such sec-
17 tion is amended by striking “February 1, 2007” and in-
18 serting “February 1, 2008”.

1 **Subtitle C—Travel and**
2 **Transportation Allowances**

3 **SEC. 631. EXPANSION OF PAYMENT OF REPLACEMENT**
4 **VALUE OF PERSONAL PROPERTY DAMAGED**
5 **DURING TRANSPORT AT GOVERNMENT EX-**
6 **PENSE.**

7 (a) **COVERAGE OF PROPERTY OF CIVILIAN EMPLOY-**
8 **EES OF DEPARTMENT OF DEFENSE.**—Subsection (a) of
9 section 2636a of title 10, United States Code, is amended
10 by inserting “or civilian employees of the Department of
11 Defense” after “members of the armed forces”.

12 (b) **REQUIREMENT FOR PAYMENT.**—Effective March
13 1, 2008, such subsection is further amended by striking
14 “may include” and inserting “shall include”.

15 (c) **REQUIREMENT FOR DEDUCTION UPON FAILURE**
16 **OF CARRIER TO SETTLE.**—Subsection (b) of such section
17 is amended by striking “may be deducted” and inserting
18 “shall be deducted”.

19 (d) **CERTIFICATION ON FAMILIES FIRST PRO-**
20 **GRAM.**—The Secretary of Defense shall submit to the con-
21 gressional defense committees a report containing the cer-
22 tifications of the Secretary on the following matters with
23 respect to the program of the Department of Defense
24 known as “Families First”:

1 (1) Whether there is an alternative to the sys-
2 tem under the program that would provide equal or
3 greater capability at less cost.

4 (2) Whether the estimates on costs, and the an-
5 ticipated schedule and performance parameters, for
6 the program and system are reasonable.

7 (3) Whether the management structure for the
8 program is adequate to manage and control program
9 costs.

10 (e) COMPTROLLER GENERAL REPORTS ON FAMILIES
11 FIRST PROGRAM.—

12 (1) REVIEW.—The Comptroller General of the
13 United States shall conduct a review and assessment
14 of the progress of the Department of Defense in im-
15 plementing the Families First program.

16 (2) ELEMENTS.—In conducting the review and
17 assessment required by paragraph (1), the Comp-
18 troller General shall—

19 (A) assess the progress of the Department
20 in achieving the goals of the Families First pro-
21 gram, including progress in the development
22 and deployment of the Defense Personal Prop-
23 erty System;

24 (B) assess the organization, staffing, re-
25 sources, and capabilities of the Defense Per-

1 sonal Property System Project Management Of-
2 fice established on April 7, 2006;

3 (C) evaluate the growth in cost of the pro-
4 gram since the previous assessment of the pro-
5 gram by the Comptroller General, and estimate
6 the current annual cost of the Defense Personal
7 Property System and each component of that
8 system; and

9 (D) assess the feasibility of implementing
10 processes and procedures, pending the satisfac-
11 tory development of the Defense Personal Prop-
12 erty System, which would achieve the goals of
13 the program of providing improved personal
14 property management services to members of
15 the Armed Forces.

16 (3) REPORTS.—The Comptroller General shall
17 submit to the Committees on Armed Services of the
18 Senate and the House of Representatives reports as
19 follows:

20 (A) An interim report on the review and
21 assessment required by paragraph (1) not later
22 than December 1, 2006.

23 (B) A final report on the review and as-
24 sessment by not later than June 1, 2007.

1 **Subtitle D—Retired Pay and**
2 **Survivor Benefits**

3 **SEC. 641. MODIFICATION OF DEPARTMENT OF DEFENSE**
4 **CONTRIBUTIONS TO MILITARY RETIREMENT**
5 **FUND AND GOVERNMENT CONTRIBUTIONS**
6 **TO MEDICARE-ELIGIBLE RETIREE HEALTH**
7 **CARE FUND.**

8 (a) DEPARTMENT OF DEFENSE MILITARY RETIRE-
9 MENT FUND.—

10 (1) DETERMINATION OF CONTRIBUTIONS.—

11 Section 1465 of title 10, United States Code, is
12 amended—

13 (A) in subsection (b)(1)—

14 (i) in subparagraph (A)(ii)—

15 (I) by striking “(other than ac-
16 tive duty for training)”;

17 (II) by striking “(other than full-
18 time National Guard duty for training
19 only)”;

20 (III) by inserting before the pe-
21 riod at the end the following: “, ex-
22 cept that amounts expected to be paid
23 to members who would be excluded
24 from counting for active-duty end
25 strength purposes by section 115(i) of

1 this title for duty covered by such sec-
2 tion shall be excluded”; and
3 (ii) in subparagraph (B)(ii)—
4 (I) by striking “Ready Reserve”
5 and inserting “Selected Reserve”; and
6 (II) by striking “and other than
7 members on full-time National Guard
8 duty other than for training) who
9 are” and inserting “) for duty”; and
10 (B) in subsection (c)(1)—
11 (i) in subparagraph (A)—
12 (I) by striking “(other than ac-
13 tive duty for training)”;
14 (II) by striking “(other than full-
15 time National Guard duty for training
16 only)”; and
17 (III) by inserting “other than
18 members who would be excluded from
19 counting for active-duty end strength
20 purposes by section 115(i) of this title
21 for duty covered by such section,”
22 after “full-time National Guard
23 duty,”; and
24 (ii) in subparagraph (B)—

1 (I) by striking “Ready Reserve”
2 and inserting “Selected Reserve”; and

3 (II) by striking “and other than
4 members on full-time National Guard
5 duty other than for training) who
6 are” and inserting “) for duty”.

7 (2) PAYMENTS.—Section 1466(a) of such title
8 is amended—

9 (A) in paragraph (1)(B)—

10 (i) by striking “(other than active
11 duty for training)”;

12 (ii) by striking “(other than full-time
13 National Guard duty for training only)”;
14 and

15 (iii) by inserting before the period at
16 the end the following: “, except that
17 amounts accrued for that month by mem-
18 bers who would be excluded from counting
19 for active-duty end strength purposes by
20 section 115(i) of this title for duty covered
21 by such section shall be excluded”; and

22 (B) in paragraph (2)(B)—

23 (i) by striking “Ready Reserve” and
24 inserting “Selected Reserve”; and

1 (ii) by striking “and other than mem-
2 bers on full-time National Guard duty
3 other than for training) who are” and in-
4 serting “) for duty”.

5 (b) DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE
6 RETIREE HEALTH CARE FUND.—

7 (1) EXCLUSION OF CADETS AND MIDSHIPMEN
8 FROM TREATMENT ON ACTIVE DUTY.—Section
9 1111(b) of such title is amended by adding at the
10 end the following new paragraph:

11 “(5) The term ‘members of the uniformed serv-
12 ices on active duty’ does not include a cadet at the
13 United States Military Academy, the United States
14 Air Force Academy, or the United States Coast
15 Guard Academy, or a midshipman at the United
16 States Naval Academy.”.

17 (2) DETERMINATION OF CONTRIBUTIONS.—
18 Section 1115 of such title is amended—

19 (A) in subsection (b)—

20 (i) in paragraph (1)(B)—

21 (I) by striking “(other than ac-
22 tive duty for training)”;

23 (II) by striking “(other than full-
24 time National Guard duty for training
25 only)”; and

- 1 (III) by inserting before the pe-
2 riod at the end the following: “, other
3 than members who would be excluded
4 from counting for active-duty end
5 strength purposes by section 115(i) of
6 this title for duty covered by such sec-
7 tion”; and
- 8 (ii) in paragraph (2)(B)—
- 9 (I) by striking “Ready Reserve”
10 and inserting “Selected Reserve”; and
- 11 (II) by striking “other than
12 members on full-time National Guard
13 duty other than for training”; and
- 14 (B) in subsection (c)(1)—
- 15 (i) in subparagraph (A)—
- 16 (I) by striking “(other than ac-
17 tive duty for training)”;
18 (II) by striking “(other than full-
19 time National Guard duty for training
20 only)”; and
- 21 (III) by inserting before the
22 semicolon the following: “, other than
23 members who would be excluded from
24 counting for active-duty end strength

1 purposes by section 115(i) of this title
2 for duty covered by such section”; and
3 (ii) in subparagraph (B)—

4 (I) by striking “Ready Reserve”
5 and inserting “Selected Reserve”; and

6 (II) by striking “(other than
7 members on full-time National Guard
8 duty other than for training)”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on October 1, 2007.

11 **SEC. 642. REPEAL OF REQUIREMENT OF REDUCTION OF**
12 **SBP SURVIVOR ANNUITIES BY DEPENDENCY**
13 **AND INDEMNITY COMPENSATION.**

14 (a) REPEAL.—Subchapter II of chapter 73 of title
15 10, United States Code is amended—

16 (1) in section 1450(c)(1), by inserting after “to
17 whom section 1448 of this title applies” the fol-
18 lowing: “(except in the case of a death as described
19 in subsection (d) or (f) of such section)”; and

20 (2) in section 1451(c)—

21 (A) by striking paragraph (2); and

22 (B) by redesignating paragraphs (3) and
23 (4) as paragraphs (2) and (3), respectively.

24 (b) PROHIBITION ON RETROACTIVE BENEFITS.—No
25 benefits may be paid to any person for any period before

1 the effective date provided under subsection (e) by reason
2 of the amendments made by subsection (a).

3 (c) RETURN OF SBP PREMIUMS PREVIOUSLY RE-
4 FUNDED TO SBP RECIPIENTS.—

5 (1) RETURN OF CERTAIN REFUNDED AMOUNTS
6 REQUIRED.—Under regulations prescribed by the
7 Secretary of Defense, a surviving spouse who is or
8 has been in receipt of an annuity under the Survivor
9 Benefit Plan under subchapter II of chapter 73 of
10 title 10, United States Code, that is in effect before
11 the effective date provided under subsection (e) and
12 that is adjusted by reason of the amendments made
13 by subsection (a) and who has received a refund of
14 retired pay under section 1450(e) of title 10, United
15 States Code, shall be required to repay such refund
16 to the United States.

17 (2) TERMS AND CONDITIONS.—A surviving
18 spouse repaying a refund to the United States under
19 this subsection shall not be required to pay the
20 United States any interest that would otherwise ac-
21 crue or have accrued on any balance of such refund
22 while such balance remains unpaid to the United
23 States under this subsection. The amount repayable
24 to the United States shall be repayable in a lump
25 sum or over a period of years (not to exceed 10

1 years) agreed to by the surviving spouse or specified
2 by the Secretary of Defense, in the absence of such
3 an agreement.

4 (3) WAIVER OF REPAYMENT.—The Secretary of
5 Defense may waive the repayment of a refund under
6 this subsection if the Secretary determines that—

7 (A) hardship or other circumstances make
8 repayment of such refund unwarranted;

9 (B) repayment of such refund would other-
10 wise not be in the best interests of the United
11 States.

12 (d) RECONSIDERATION OF OPTIONAL ANNUITY.—
13 Section 1448(d)(2)B) of title 10, United States Code, is
14 amended by adding at the end the following new sen-
15 tences: “The surviving spouse, however, may elect to ter-
16minate an annuity under this subparagraph in accordance
17 with regulations prescribed by the Secretary concerned.
18 Upon such an election, payment of an annuity to depend-
19 ent children under this subparagraph shall terminate ef-
20 fective on the first day of the first month that begins after
21 the date on which the Secretary concerned receives notice
22 of the election, and, beginning on that day, an annuity
23 shall be paid to the surviving spouse under paragraph (1)
24 instead.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the later of—

3 (1) the first day of the first month that begins
4 after the date of the enactment of this Act; or

5 (2) the first day of the fiscal year that begins
6 in the calendar year in which this Act is enacted.

7 **SEC. 643. EFFECTIVE DATE OF PAID-UP COVERAGE UNDER**
8 **SURVIVOR BENEFIT PLAN.**

9 Section 1452(j) of title 10, United States Code, is
10 amended by striking “October 1, 2008” and inserting
11 “October 1, 2006”.

12 **SEC. 644. EXPANSION OF CONDITIONS FOR DIRECT PAY-**
13 **MENT OF DIVISIBLE RETIRED PAY.**

14 (a) REPEAL OF CERTAIN CONDITION.—Section
15 1408(d) of title 10, United States Code, is amended—

16 (1) by striking paragraph (2); and

17 (2) by redesignating paragraphs (3) through
18 (7) as paragraphs (2) through (6), respectively.

19 (b) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 subsection (a) shall take effect on the first day of
22 the first month that begins more than 120 days
23 after the date of the enactment of this Act.

24 (2) PROHIBITION ON RETROACTIVE PAY-
25 MENTS.—No payment may be made under section

1 1408(d) of title 10, United States Code, to or for
2 the benefit of any person covered by paragraph (2)
3 of such section (as in effect on the day before the
4 effective date specified in paragraph (1)) for any pe-
5 riod before such effective date.

6 **SEC. 645. AUTHORITY FOR COST OF LIVING ADJUSTMENTS**
7 **OF RETIRED PAY TREATED AS DIVISIBLE**
8 **PROPERTY.**

9 (a) IN GENERAL.—Section 1408 of title 10, United
10 States Code, is amended—

11 (1) by redesignating subsections (i), (j), and (k)
12 as subsections (j), (k), and (l), respectively; and

13 (2) by inserting after subsection (h) the fol-
14 lowing new subsection (i):

15 “(i) COST OF LIVING ADJUSTMENTS OF DIVISIBLE
16 PROPERTY.—A court order under subsection (a)(2)(C)
17 may provide for the adjustment of the amount, if ex-
18 pressed in dollars, payable from the disposable retired pay
19 of a member at the same time and in the same manner
20 as retired pay is adjusted to reflect changes in the Con-
21 sumer Price Index under section 1401a of this title.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 subsection (a) shall take effect on the date of the enact-
24 ment of this Act, and shall apply with respect to court

1 orders that become effective after the end of the 90-day
2 period beginning on the date of enactment of this Act.

3 **SEC. 646. NOTICE AND COPY TO MEMBERS OF COURT OR-**
4 **DERS ON PAYMENT OF RETIRED PAY.**

5 (a) WAIVER OF NOTICE.—Subsection (g) of section
6 1408 of title 10, United States Code, is amended—

7 (1) by inserting “(1)” before “A person”; and

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

10 “(2) A member may waive receipt of notice on a court
11 order otherwise required by paragraph (1). The waiver
12 shall take such form and include such requirements as the
13 Secretary concerned may prescribe.”.

14 (b) COPY OF COURT ORDER UPON REQUEST.—Such
15 subsection is further amended—

16 (1) in paragraph (1), as designated by sub-
17 section (a)(1) of this section, by striking “(together
18 with a copy of such order)”; and

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

21 “(3) Upon the request of a member, written notice
22 of a court order under paragraph (1) shall include a copy
23 of the court order.”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on the date that is 90 days

1 after the date of the enactment of this Act, and shall apply
2 with respect to court orders received on or after such date.

3 **SEC. 647. RETENTION OF ASSISTIVE TECHNOLOGY AND DE-**
4 **VICES BY CERTAIN MEMBERS OF THE ARMED**
5 **FORCES AFTER SEPARATION FROM SERVICE.**

6 (a) RETENTION AUTHORIZED.—Chapter 58 of title
7 10, United States Code, is amended by adding at the end
8 the following new section:

9 **“§ 1154. Retention of assistive technology and devices**
10 **provided before separation**

11 “(a) IN GENERAL.—Under regulations prescribed by
12 the Secretary of Defense, a member of the armed forces
13 who is provided an assistive technology or assistive tech-
14 nology device while a member of the armed forces for a
15 severe or debilitating illness or injury incurred or aggra-
16 vated by such member on active duty may retain such as-
17 sistive technology or assistive technology device after sepa-
18 ration from the armed forces.

19 “(b) DEFINITIONS.—In this section, the terms ‘as-
20 sistive technology’ and ‘assistive technology device’ have
21 the meaning given such terms in section 3 of the Assistive
22 Technology Act of 1998 (29 U.S.C. 3002).”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 at the beginning of chapter 58 of such title is amended
25 by adding at the end the following new item:

“1154. Retention of assistive technology and devices provided before separation.”.

1 **Subtitle E—Other Matters**

2 **SEC. 661. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE** 3 **ARMY EVACUATED FROM A COMBAT ZONE** 4 **FOR INPATIENT CARE.**

5 (a) **AUDIT REQUIRED.**—

6 (1) **IN GENERAL.**—The Secretary of the Army
7 shall conduct a complete audit of the pay accounts
8 of each member of the Army wounded or injured in
9 a combat zone who was evacuated from a theater of
10 operations for inpatient care during the period be-
11 ginning on May 1, 2005, and ending on April 30,
12 2006.

13 (2) **REPORT.**—Not later than 120 days after
14 the date of the enactment of this Act, the Secretary
15 shall submit to the congressional defense committees
16 a report on the audit conducted under paragraph
17 (1).

18 (3) **REPORT ELEMENTS.**—The report under
19 paragraph (2) shall include the following:

20 (A) A list of each member of the Army de-
21 scribed in paragraph (1) identified (in a man-
22 ner that protects the privacy of members so
23 listed) by—

1 (i) date of wound or injury on which
2 inclusion of such member on the list is
3 based; and

4 (ii) grade and unit designation as of
5 such date.

6 (B) For each member so listed, a state-
7 ment of any underpayment of each of any pay,
8 allowance, or other monetary benefit to which
9 such member was entitled during the period be-
10 ginning on the date of such wound or injury
11 and ending on April 30, 2006, including basic
12 pay, hazardous duty pay, imminent danger pay,
13 basic allowance for housing, basic allowance for
14 subsistence, any family separation allowance,
15 any tax exclusion for combat duty, and any
16 other pay, allowance, or monetary benefit to
17 which such member was entitled during such
18 period.

19 (C) For each member so listed, a state-
20 ment of any disbursements made to correct un-
21 derpayments made to such member as identified
22 under subparagraph (B).

23 (D) For each member so listed, a state-
24 ment of any debts to the United States col-
25 lected or pending collection from such member.

1 (E) For each member so listed, a state-
2 ment of any reimbursements or debt relief
3 granted to such member for a debt identified
4 under subparagraph (D).

5 (F) For each member so listed who has ap-
6 plied to the United States for a relief of debt—

7 (i) a description of the nature of the
8 debt for which relief was applied; and

9 (ii) a description of the disposition of
10 the application, including, if granted, the
11 date of disbursement for relief granted,
12 and, if denied, the reasons for the denial.

13 (G) For each member so listed, a report of
14 any referral of such member to a collection or
15 credit agency.

16 (4) FORM.—The report under paragraph (2)
17 shall be in unclassified form, but may include a clas-
18 sified annex.

19 (b) ASSISTANCE WITH PAY OR ACCOUNT DIFFICUL-
20 TIES.—

21 (1) CALL ASSISTANCE CENTER.—Not later than
22 60 days after the date of the enactment of this Act,
23 the Secretary of Defense shall establish within the
24 Department of Defense an assistance center, acces-
25 sible by toll-free telephone call, through which a cov-

1 ered member of the Armed Forces, or the primary
2 next of kin of such a member in the case of such
3 a member who dies, may secure assistance in resolv-
4 ing difficulties relating to the military pay or ac-
5 counts of such member.

6 (2) REQUESTS FOR ASSISTANCE.—A request for
7 assistance under paragraph (1) may be made—

8 (A) by a covered member of the Armed
9 Forces; or

10 (B) by the primary next of kin on behalf
11 of, or with respect to, a covered member of the
12 Armed Forces.

13 (3) RESPONSE TO REQUESTS FOR ASSIST-
14 ANCE.—The Secretary shall ensure that, in pro-
15 viding assistance under paragraph (1) to a covered
16 member of the Armed Forces or next of kin of such
17 a member, personnel of the assistance center estab-
18 lished under that paragraph—

19 (A) provide an initial response to the re-
20 quest for assistance under paragraph (2) not
21 later than 10 days after receipt of such request;
22 and

23 (B) provide a final response to the request
24 for assistance under that paragraph not later
25 than 30 days after receipt of such request.

1 (4) COVERED MEMBER OF THE ARMED FORCES
2 DEFINED.—In this subsection, the term “covered
3 member of the Armed Forces” means a member of
4 the Armed Forces wounded or injured in a combat
5 zone who is evacuated from a theater of operations
6 for inpatient care.

7 **TITLE VII—HEALTH CARE**

8 **Subtitle A—Benefits Matters**

9 **SEC. 701. IMPROVED PROCEDURES FOR CANCER SCREEN-** 10 **ING FOR WOMEN.**

11 (a) PRIMARY AND PREVENTIVE HEALTH CARE
12 SERVICES AUTHORITY.—Section 1074d of title 10, United
13 States Code, is amended—

14 (1) in subsection (a)(1), by adding at the end
15 the following new sentence: “The services described
16 in paragraphs (1) and (2) of subsection (b) shall be
17 provided under such procedures and at such inter-
18 vals as the Secretary of Defense shall prescribe.”;
19 and

20 (2) in subsection (b), by striking paragraphs
21 (1) and (2) and inserting the following new para-
22 graphs:

23 “(1) Cervical cancer screening.

24 “(2) Breast cancer screening.”.

1 (b) TRICARE PROGRAM.—Section 1079(a)(2) of
2 such title is amended—

3 (1) in the matter preceding subparagraph (A),
4 by striking “the schedule of pap smears and mam-
5 mograms” and inserting “the schedule and method
6 of cervical cancer screenings and breast cancer
7 screenings”; and

8 (2) in subparagraph (B), by striking “pap
9 smears and mammograms” and inserting “cervical
10 and breast cancer screenings”.

11 **SEC. 702. NATIONAL MAIL-ORDER PHARMACY PROGRAM.**

12 (a) AVAILABILITY OF REFILLS OF MAINTENANCE-
13 TYPE MEDICATIONS SOLELY THROUGH PROGRAM.—

14 (1) IN GENERAL.—Subsection (a)(2) of section
15 1074g of title 10, United States Code, is amended—

16 (A) in subparagraph (E), by striking
17 “Pharmaceutical agents” and inserting “Except
18 as provided in subparagraph (F), pharma-
19 ceutical agents”; and

20 (B) by adding at the end the following new
21 subparagraph:

22 “(F)(i) Effective April 1, 2007, refills of maintenance
23 medications shall, except as provided under clause (ii), be
24 available to eligible covered beneficiaries solely through the

1 national mail-order pharmacy program referred to in sub-
2 paragraph (E)(iii).

3 “(ii) Under such regulations as the Secretary may
4 prescribe under this subparagraph, refills of a mainte-
5 nance medication may be available to covered eligible
6 beneficiaries through means other than the national mail-
7 order pharmacy program if clinical requirements make it
8 advisable that such medication be available to such bene-
9 ficiaries through such other means.

10 “(iii) The Secretary shall specify the pharmaceutical
11 agents constituting maintenance medications for purposes
12 of this subparagraph.”

13 (2) CONFORMING AMENDMENT.—Subsection
14 (f)(1) of such section is amended by striking “sub-
15 section (a)(2)(E)” and inserting “subparagraphs (E)
16 and (F) of subsection (a)(2)”.

17 (b) PROHIBITION ON COPAYMENTS FOR CERTAIN
18 PHARMACEUTICALS AVAILABLE THROUGH PROGRAM.—
19 Subsection (a)(6) of such section is amended by adding
20 at the end the following new subparagraph:

21 “(C) In establishing the cost-sharing requirements,
22 the Secretary may not impose any copayment or cost-shar-
23 ing requirement with respect to the following:

24 “(i) Refills of generic medications.

1 “(ii) Brand name medications determined by a
2 physician to be medically necessary.”.

3 **SEC. 703. AVAILABILITY UNDER TRICARE OF ANESTHESIA**
4 **FOR CHILDREN IN CONNECTION WITH DEN-**
5 **TAL PROCEDURES FOR WHICH DENTAL ANES-**
6 **THESIA IS INAPPROPRIATE.**

7 Section 1079(a)(1) of title 10, United States Code,
8 is amended by inserting before the period at the end the
9 following: “, except that, pursuant to such regulations as
10 the Secretary of Defense may prescribe, hospitalization
11 and professional services may be provided in connection
12 with the anesthesia of a child under the age of six years
13 for a dental procedure which, as determined by a qualified
14 dental specialist, is necessary”.

15 **SEC. 704. TRICARE COVERAGE FOR FORENSIC EXAMINA-**
16 **TIONS FOLLOWING SEXUAL ASSAULTS AND**
17 **DOMESTIC VIOLENCE.**

18 Section 1079(a) of title 10, United States Code, is
19 amended by adding at the end the following new para-
20 graph:

21 “(17) Forensic examinations following a sexual
22 assault or domestic violence may be provided.”.

1 **SEC. 705. PROHIBITION ON INCREASE IN FISCAL YEAR 2007**
2 **IN ENROLLMENT FEES FOR COVERAGE**
3 **UNDER TRICARE PRIME.**

4 (a) PROHIBITION.—Fees charged for enrollment in
5 TRICARE Prime may not be increased during fiscal year
6 2007.

7 (b) TRICARE PRIME DEFINED.—In this section, the
8 term “TRICARE Prime” means the managed care option
9 of the TRICARE program.

10 **SEC. 706. LIMITATION ON FISCAL YEAR 2007 INCREASE IN**
11 **PREMIUMS FOR COVERAGE UNDER TRICARE**
12 **OF MEMBERS OF RESERVE COMPONENTS**
13 **WHO COMMIT TO CONTINUED SERVICE IN SE-**
14 **LECTED RESERVE AFTER RELEASE FROM AC-**
15 **TIVE DUTY.**

16 Any premium charged under subsection (d) of section
17 1076d of title 10, United States Code, for coverage under
18 TRICARE of members of reserve components who commit
19 to continued service in the Selected Reserve after release
20 from active duty, as authorized by subsection (a) of such
21 section, may not be increased during fiscal year 2007 by
22 an amount which exceeds 2.2 percent of such premium
23 as of September 30, 2006.

1 **Subtitle B—Planning,**
2 **Programming, and Management**

3 **SEC. 721. TREATMENT OF TRICARE RETAIL PHARMACY**
4 **NETWORK UNDER FEDERAL PROCUREMENT**
5 **OF PHARMACEUTICALS.**

6 Section 1074g of title 10, United States Code, is
7 amended—

8 (1) by redesignating subsections (f) and (g) as
9 subsections (g) and (h), respectively; and

10 (2) by inserting after subsection (e) the fol-
11 lowing new subsection (f):

12 “(f) TRICARE RETAIL PHARMACY NETWORK.—The
13 TRICARE Retail Pharmacy Network under the
14 TRICARE program shall be treated as an element of the
15 Department of Defense for purposes of the procurement
16 of drugs by Federal agencies under section 8126 of title
17 38 in connection with the provision by pharmacies in the
18 Network of pharmaceutical services to eligible covered
19 beneficiaries under this section.”.

20 **SEC. 722. RELATIONSHIP BETWEEN THE TRICARE PRO-**
21 **GRAM AND EMPLOYER-SPONSORED GROUP**
22 **HEALTH CARE PLANS.**

23 (a) IN GENERAL.—Chapter 55 of title 10, United
24 States Code, is amended by inserting after section 1097b
25 the following new section:

1 **“§ 1097c. TRICARE program: relationship with em-**
2 **ployer-sponsored group health plans**

3 “(a) IN GENERAL.—(1) The TRICARE program is
4 the secondary payer for any health care services provided
5 by an employer to a TRICARE eligible employee of such
6 employer, and the spouse of such employee, through any
7 group health plan offered by such employer.

8 “(2) An employer shall provide that a TRICARE eli-
9 gible employee of such employer, and the spouse of such
10 employee, is entitled to benefits and services under the
11 group health plan offered by such employer in the same
12 manner and to the same extent as similarly situated em-
13 ployees of such employer who are not TRICARE eligible
14 employees.

15 “(3) An employer of a TRICARE eligible employee
16 may not establish any condition applicable to the partici-
17 pation of the employee in a group health plan offered by
18 such employer in connection with the entitlement of the
19 employee for health care services under the TRICARE
20 program, including any condition on—

21 “(A) the eligibility of the employee for partici-
22 pation in the plan; or

23 “(B) benefits or services available to the em-
24 ployee under the plan.

25 “(b) PROHIBITION ON INCENTIVES FOR TRICARE
26 ELIGIBLE EMPLOYEES NOT TO ENROLL OR TO

1 DISENROLL IN GROUP HEALTH PLANS.—(1) An employer
2 may not offer a TRICARE eligible employee any financial
3 or other benefit (including health services coverage that
4 is supplemental to health services coverage under the
5 TRICARE program) not to enroll, or to disenroll, in the
6 group health plan offered by the employer in order to en-
7 sure that the TRICARE program, rather than the plan,
8 is the primary payer for health care services received by
9 the employee.

10 “(2)(A) An employer who violates the prohibition in
11 paragraph (1) shall be liable to the United States for a
12 civil penalty in an amount not to exceed \$5,000 for each
13 violation.

14 “(B) Any amounts collected under this paragraph
15 shall be credited to the appropriation available for the
16 TRICARE program for the fiscal year in which such
17 amounts are collected.

18 “(3)(A) Except as provided in subparagraph (B), the
19 provisions of section 1128A of the Social Security Act (42
20 U.S.C. 1320a–7a), other than subsections (a) and (b) of
21 such section 1128A, which provisions relate to procedures
22 for the imposition of civil money penalties for certain viola-
23 tions of the Social Security Act, shall apply to the imposi-
24 tion of penalties under paragraph (2).

1 “(B) The Secretary of Defense may provide in the
2 regulations prescribed under this section for the applica-
3 tion to the imposition of penalties under paragraph (2)
4 of procedural requirements specified in such regulations
5 rather than the procedural requirements referred to in
6 subparagraph (A). Any procedural requirements under
7 such regulations shall be comparable to the procedural re-
8 quirements referred to in subparagraph (A).

9 “(c) ELECTION OF TRICARE ELIGIBLE EMPLOYEES
10 TO PARTICIPATE IN GROUP HEALTH PLAN.—A
11 TRICARE eligible employee shall have the opportunity to
12 elect to participate in the group health plan offered by
13 the employer of the employee and receive primary coverage
14 for health care services under the plan in the same manner
15 and to the same extent as similarly situated employees of
16 such employer who are not TRICARE eligible employees.

17 “(d) INAPPLICABILITY TO CERTAIN EMPLOYERS.—
18 The provisions of this section do not apply to any employer
19 who has fewer than 20 employees.

20 “(e) RETENTION OF ELIGIBILITY FOR COVERAGE
21 UNDER TRICARE.—Nothing in this section, including an
22 election made by a TRICARE eligible employee under sub-
23 section (c), shall be construed to effect, modify, or termi-
24 nate the eligibility of a TRICARE eligible employee or
25 spouse of such employee for health care or dental services

1 under this chapter in accordance with the other provisions
2 of this chapter.

3 “(f) COLLECTION OF INFORMATION.—(1) To improve
4 the administration of this section, the Secretary of De-
5 fense may utilize the authorities on collection of informa-
6 tion set forth in paragraphs (1) and (2) of section 1095(k)
7 of this title, including the authority in the second sentence
8 of paragraph (2) of such section.

9 “(2) Information obtained pursuant to the use of the
10 authorities in paragraph (1) may not be disclosed for any
11 purpose of than to carry out the purpose of this section.

12 “(g) OUTREACH.—The Secretary of Defense shall, in
13 coordination with the other administering Secretaries,
14 conduct outreach to inform covered beneficiaries who are
15 entitled to health care benefits under the TRICARE pro-
16 gram of the rights and responsibilities of such bene-
17 ficiaries and employers under this section.

18 “(h) REGULATIONS.—The Secretary of Defense shall
19 prescribe regulations relating to the administration and
20 enforcement of this section. The regulations shall be pre-
21 scribed in consultation with the other administering Secre-
22 taries and the Attorney General, as appropriate.

23 “(i) DEFINITIONS.—In this section:

24 “(1) The term ‘employer’ includes a State or
25 unit of local government.

1 “(2) The term ‘group health plan’ means a
2 group health plan (as that term is defined in section
3 5000(b)(1) of the Internal Revenue Code of 1986
4 without regard to section 5000(d) of the Internal
5 Revenue Code of 1986).

6 “(3) The term ‘primary payer’ means a group
7 health plan that provides a benefit that would be
8 primary under section 1079(j)(1) or 1086(g) of this
9 title.

10 “(4) The term ‘secondary payer’ means a plan
11 or program whose medical benefits are payable only
12 after a primary payer has provided medical benefits
13 in accordance with applicable law and the plan of
14 the primary payer.

15 “(5) The term ‘TRICARE eligible employee’
16 means a covered beneficiary under section 1086 of
17 this title entitled to health care benefits under the
18 TRICARE program.

19 “(j) EFFECTIVE DATE.—This section shall take ef-
20 fect on January 1, 2008.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of chapter 55 of such title is amended
23 by inserting after the item relating to section 1097b the
24 following new item:

 “1097c. TRICARE program: relationship with employer-sponsored group health
 plans.”.

1 **SEC. 723. ENROLLMENT IN THE TRICARE PROGRAM.**

2 (a) SYSTEM OF ENROLLMENT REQUIRED.—Chapter
3 55 of title 10, United States Code, is amended by inserting
4 after section 1097c, as added by section 722(a) of this
5 Act, the following new section:

6 **“§ 1097d. TRICARE program: system of enrollment**

7 “(a) ESTABLISHMENT OF SYSTEM.—Not later than
8 October 1, 2007, the Secretary of Defense shall establish
9 a universal system for enrollment of all beneficiaries who
10 obtain health care services from military medical treat-
11 ment facilities or civilian health care providers under the
12 TRICARE program (in this section referred to as ‘parti-
13 cating beneficiaries’).

14 “(b) PURPOSES OF SYSTEM.—The purposes of the
15 system required by subsection (a) shall be as follows:

16 “(1) To ensure the efficient administration of
17 benefits under the TRICARE program, including
18 the Standard option of TRICARE.

19 “(2) To ensure that the geographic distribution
20 of healthcare providers under the TRICARE pro-
21 gram meets the needs of participating beneficiaries
22 for ready access to health care services under the
23 program.

24 “(3) To promote the implementation of disease
25 management and chronic care management pro-
26 grams authorized by the National Defense Author-

1 ization Act for Fiscal Year 2007 and other provi-
2 sions of law.

3 “(c) ELEMENTS.—The system required by subsection
4 (a) shall be subject to the following:

5 “(1) Enrollment is required for all benefits op-
6 tions under the TRICARE program.

7 “(2) A one-time enrollment fee (in the amount
8 of \$25, in the case of an individual enrolling in self
9 only coverage, or \$40, in the case of an individual
10 enrolling in self and family coverage) may be col-
11 lected for all participating beneficiaries who utilize
12 the Standard option of TRICARE, except that such
13 enrollment fee may not be collected from the fol-
14 lowing:

15 “(A) Dependents of members of the armed
16 forces on active duty.

17 “(B) Dependents of Reserves on extended
18 active duty pursuant to a call or order to active
19 duty of 30 days or more.

20 “(C) Participating beneficiaries who are
21 also eligible for benefits under the Medicare
22 program under title XVIII of the Social Secu-
23 rity Act (42 U.S.C. 1395 et seq.).

1 “(D) Participating beneficiaries enrolled in
2 TRICARE Reserve Select under section 1076d
3 of this title.

4 “(3) Enrollment in the system may occur at
5 any time.

6 “(4) Enrollment in the system shall be by a va-
7 riety of means utilizing a standard format.

8 “(d) ADMINISTRATION.—The Secretary shall provide
9 for the administration of the system in each region of the
10 TRICARE program by the TRICARE Regional Director
11 for such region.

12 “(e) HEALTH RISK ASSESSMENT.—(1) The Sec-
13 retary of Defense shall provide to each participating bene-
14 ficiary who enrolls in the system required by subsection
15 (a) a health risk assessment not later than 120 days after
16 the date of the enrollment of such participating beneficiary
17 in the system.

18 “(2) The Secretary shall provide health risk assess-
19 ments under paragraph (1) by any means that the Sec-
20 retary considers appropriate for purposes of this section.

21 “(f) CONSEQUENCES OF LACK OF PAYMENT OF EN-
22 ROLLMENT FEE.—(1) In the case of any participating
23 beneficiary who is subject to the payment of an enrollment
24 fee under the authority in subsection (c)(2), payment of
25 the enrollment fee shall, except as provided in paragraph

1 (2), be a condition for receipt of benefits under the
2 TRICARE program.

3 “(2) The Secretary of Defense may waive the applica-
4 bility of paragraph (1) to any participating beneficiary or
5 class of participating beneficiaries if the Secretary deter-
6 mines that the waiver is in the best interests of the United
7 States.

8 “(g) COMMUNICATIONS AND OUTREACH WITH EN-
9 ROLLEES.—(1) The Secretary of Defense shall, on a peri-
10 odic basis but not less often than annually, provide to par-
11 ticipating beneficiaries who are enrolled in the system re-
12 quired by subsection (a) information on current matters
13 relating to the TRICARE program, including information
14 on benefits available under the TRICARE program and
15 information on preventive health care services and other
16 practices intended to promote health and wellness among
17 such participating beneficiaries.

18 “(2) The Secretary shall, on a periodic basis, conduct
19 surveys or otherwise collect information on participating
20 beneficiaries enrolled in the system with respect to the fol-
21 lowing:

22 “(A) The satisfaction of such beneficiaries who
23 are participants in the option of the TRICARE pro-
24 gram known as TRICARE Standard with the nature

1 and scope of, and access to, health care services
2 under that option.

3 “(B) Other health care insurance, if any, that
4 is available to such beneficiaries.

5 “(C) Any other matters that the Secretary con-
6 siders appropriate to improve health care benefits
7 and access to health care services under the
8 TRICARE program.

9 “(h) CONSULTATION.—The Secretary of Defense
10 shall carry out this section in consultation with the other
11 administering Secretaries.”.

12 (b) COMPTROLLER GENERAL REPORT ON SYSTEM.—
13 Not later than September 15, 2007, the Comptroller Gen-
14 eral of the United States shall submit to the congressional
15 defense committees a report on the system of enrollment
16 required by section 1097d of title 10, United States Code
17 (as added by subsection (a)). The report shall include the
18 following:

19 (1) An assessment of the progress made toward
20 implementation of the system.

21 (2) A description and assessment of the inte-
22 gration of the system with the regional business plan
23 of the TRICARE Regional Offices.

1 (3) An assessment of the readiness of the De-
2 partment to implement the system by October 1,
3 2007.

4 (c) REPEAL OF SUPERSEDED AUTHORITY.—Section
5 1099 of title 10, United States Code, is repealed.

6 (d) CLERICAL AMENDMENTS.—The table of sections
7 at the beginning of chapter 55 of such title is amended—

8 (1) by inserting after the item relating to sec-
9 tion 1097c, as added by section 722(b) of this Act,
10 the following new item:

 “1097d. TRICARE program: system of enrollment.”;

11 and

12 (2) by striking the item relating to section
13 1099.

14 **SEC. 724. INCENTIVE PAYMENTS FOR THE PROVISION OF**
15 **SERVICES UNDER THE TRICARE PROGRAM IN**
16 **MEDICALLY UNDERSERVED AREAS.**

17 (a) IN GENERAL.—Chapter 55 of title 10, United
18 States Code, is amended by inserting after section 1097d,
19 as added by section 723(a) of this Act, the following new
20 section:

21 **“§ 1097e. TRICARE program: incentive payments for**
22 **provision of services in medically under-**
23 **served areas**

24 “(a) INCENTIVE PAYMENTS AUTHORIZED.—(1)
25 Commencing with the calendar quarter beginning on Jan-

1 uary 1, 2008, the Secretary of Defense, after consultation
2 with the other administering Secretaries, shall make in-
3 centive payments under this section to physicians partici-
4 pating in the TRICARE program in a medically under-
5 served area.

6 “(2) Incentive payments payable under this section
7 shall be paid with respect to physician professional serv-
8 ices furnished in medically underserved areas.

9 “(3) The incentive payment payable under this sec-
10 tion with respect to a physician professional service is in
11 addition to any other amounts payable for such service
12 under the TRICARE program.

13 “(b) MEDICALLY UNDERSERVED AREA.—For pur-
14 poses of this section, a medically underserved area is ei-
15 ther of the following:

16 “(1) A primary care scarcity county (with re-
17 spect to a primary care physician) or specialist care
18 scarcity county (with respect to any other physician)
19 identified by the Secretary of Health and Human
20 Services under section 1833(u)(4) of the Social Se-
21 curity Act (42 U.S.C. 1395l(u)(4)).

22 “(2) A health professional shortage area identi-
23 fied by the Secretary of Health and Human Services
24 under section 1833(m)(1) of the Social Security Act
25 (42 U.S.C. 1395l(m)(1)).

1 “(c) AMOUNT OF INCENTIVE PAYMENT.—The
2 amount of the incentive payment payable under subsection
3 (a) with respect to a physician professional service is as
4 follows:

5 “(1) In the case of a service furnished by a pri-
6 mary care physician in a primary care scarcity coun-
7 ty or a service furnished by any other physician in
8 a specialist care scarcity county covered by sub-
9 section (b)(1), an amount equal to 5 percent of the
10 amount payable for the service under the TRICARE
11 program.

12 “(2) In the case of a service furnished in an
13 area covered by subsection (b)(2), an amount equal
14 to 10 percent of the amount payable for the service
15 under the TRICARE program.

16 “(3) In the case of a service provided in a loca-
17 tion that is covered by both paragraphs (1) and (2)
18 of subsection (b), an amount equal to 15 percent of
19 the amount payable for the service under the
20 TRICARE program.

21 “(d) LOCATION OF PROVISION OF SERVICE.—(1) For
22 purposes of identifying the location in which a physician
23 professional service is furnished for purposes of this sec-
24 tion, the Secretary of Defense shall use the 5–digit postal
25 ZIP code system.

1 “(2) If the 5–digit postal ZIP code for an area covers
 2 more than one county, the dominant county (as deter-
 3 mined by the United States Postal Service or otherwise)
 4 shall be used to determine whether the postal ZIP code
 5 is in a scarcity county covered by subsection (b)(1).

6 “(e) FREQUENCY OF PAYMENT.—Incentive payments
 7 payable under this section shall be paid on a quarterly
 8 basis for incentive payments accrued during the previous
 9 calendar quarter.

10 “(f) REGULATIONS.—The Secretary of Defense, in
 11 consultation with the other administering Secretaries,
 12 shall prescribe regulations for the administration of this
 13 section.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 55 of such title, as amended
 16 by section 723(d)(1) of this Act, is further amended by
 17 inserting after the item relating to section 1097d the fol-
 18 lowing new item:

“1097e. TRICARE program: incentive payments for provision of services in
 medically underserved areas.”.

19 **SEC. 725. STANDARDIZATION OF CLAIMS PROCESSING**
 20 **UNDER TRICARE PROGRAM AND MEDICARE**
 21 **PROGRAM.**

22 (a) IN GENERAL.—Effective October 1, 2007, the
 23 claims processing requirements under the TRICARE pro-
 24 gram on the matters described in subsection (b) shall be

1 identical to the claims processing requirements under the
2 Medicare program on such matters.

3 (b) COVERED MATTERS.—The matters described in
4 this subsection are as follows:

5 (1) The utilization of single or multiple provider
6 identification numbers for purposes of the payment
7 of health care claims by Department of Defense con-
8 tractors.

9 (2) The documentation required to substantiate
10 medical necessity for items and services that are cov-
11 ered under both the TRICARE program and the
12 Medicare program.

13 (c) IMMEDIATE COLLECTION FROM THIRD-PARTY
14 PAYERS.—

15 (1) POLICY REQUIRED.—The Secretary of De-
16 fense, in consultation with the other administering
17 Secretaries, shall prescribe in regulations a policy for
18 the collection of amounts from third-party payers as
19 authorized by section 1095 of title 10, United States
20 Code, immediately upon the presentation of claims
21 for health care services to the Department of De-
22 fense.

23 (2) OVERPAYMENT.—The policy required by
24 subsection (a) shall include mechanisms for the

1 recoupment by third-party payers of amounts over-
2 paid to the United States under the policy.

3 (d) ANNUAL REPORTS ON CLAIMS PROCESSING
4 STANDARDIZATION.—

5 (1) IN GENERAL.—Not later than October 1,
6 2007, and annually thereafter, the Secretary of De-
7 fense shall submit to the congressional defense com-
8 mittees a report setting forth a complete list of the
9 claims processing requirements under the TRICARE
10 program that differ from claims processing require-
11 ments under the Medicare program.

12 (2) ELEMENTS.—Each report under paragraph
13 (1) shall include, for each claims processing require-
14 ment listed in such report, a business case that jus-
15 tifies maintaining such requirement under the
16 TRICARE program as a different claims processing
17 requirement than that required under the Medicare
18 program.

19 (e) DEFINITIONS.—In this section:

20 (1) The term “administering Secretaries” has
21 the meaning given that term in section 1072(3) of
22 title 10, United States Code.

23 (2) The term “Medicare program” means the
24 program under title XVIII of the Social Security Act
25 (42 U.S.C. 1395 et seq.).

1 (3) The term “TRICARE program” has the
2 meaning given that term in section 1072(7) of title
3 10, United States Code.

4 **SEC. 726. REQUIREMENTS FOR SUPPORT OF MILITARY**
5 **TREATMENT FACILITIES BY CIVILIAN CON-**
6 **TRACTORS UNDER TRICARE.**

7 (a) ANNUAL INTEGRATED REGIONAL REQUIRE-
8 MENTS ON SUPPORT.—The Regional Director of each re-
9 gion under the TRICARE program shall develop each year
10 integrated, comprehensive requirements for the support of
11 military treatment facilities in such region that is provided
12 by contract civilian health care and administrative per-
13 sonnel under the TRICARE program.

14 (b) PURPOSES.—The purposes of the requirements
15 established under subsection (a) shall be as follows:

16 (1) To ensure consistent standards of quality in
17 the support of military treatment facilities by con-
18 tract civilian health care personnel under the
19 TRICARE program.

20 (2) To identify targeted, actionable opportuni-
21 ties throughout each region of the TRICARE pro-
22 gram for the most efficient delivery of health care
23 and support of military treatment facilities.

24 (3) To ensure the most effective use of various
25 available contracting methods in securing support of

1 military treatment facilities by civilian personnel
2 under the TRICARE program, including resource-
3 sharing and clinical support agreements, direct con-
4 tracting, and venture capital investments.

5 (4) To achieve savings targets for each region
6 under the TRICARE program.

7 (c) FACILITATION AND ENHANCEMENT OF CON-
8 TRACTOR SUPPORT.—

9 (1) IN GENERAL.—The Secretary of Defense
10 shall take appropriate actions to facilitate and en-
11 hance the support of military treatment facilities
12 under the TRICARE program in order to assure
13 maximum quality and productivity.

14 (2) ACTIONS.—In taking actions under para-
15 graph (1), the Secretary shall—

16 (A) ensure approval by a Regional Director
17 of all proposals for the support of military
18 treatment facilities in the region concerned in
19 accordance with the most current requirements
20 established by such Regional Director under
21 subsection (a);

22 (B) ensure the availability of adequate and
23 sustainable funding support for projects which
24 produce a return on investment to the military
25 treatment facilities;

1 (C) ensure that a portion of any return on
2 investment is returned to the military treatment
3 facility to which such savings are attributable;

4 (D) require consistent standards of quality
5 for contract civilian health care personnel pro-
6 viding support of military treatment facilities
7 under the TRICARE program, including—

8 (i) consistent credentialing require-
9 ments among military treatment facilities;
10 and

11 (ii) accreditation of health care staff-
12 ing firms by the Joint Commission on the
13 Accreditation of Health Care Organization
14 Health Care Staffing Standards;

15 (E) remove financial disincentives for mili-
16 tary treatment facilities and civilian contractors
17 to initiate and sustain agreements for the sup-
18 port of military treatment facilities by such con-
19 tractors under the TRICARE program;

20 (F) provide for a consistent process across
21 all regions of the TRICARE program for devel-
22 oping cost benefit analyses of agreements for
23 the support of military treatment facilities by
24 civilian contractors under the TRICARE pro-
25 gram based on actual cost and utilization data

1 within each region of the TRICARE program;
2 and

3 (G) provide for a system for tracking the
4 performance of each project for support of mili-
5 tary treatment facilities by a civilian contractor
6 under the TRICARE program.

7 (d) REPORTS TO CONGRESS.—

8 (1) ANNUAL REPORTS REQUIRED.—Not later
9 than February 1 each year, the Secretary shall sub-
10 mit to the congressional defense committees a report
11 on the support of military treatment facilities by ci-
12 vilian contractors under the TRICARE program
13 during the preceding fiscal year.

14 (2) ELEMENTS.—Each report shall set forth,
15 for the fiscal year covered by such report, the fol-
16 lowing:

17 (A) The status of the support of military
18 health treatment facilities that is provided by
19 contract civilian health care personnel under the
20 TRICARE program in each region of the
21 TRICARE program.

22 (B) An assessment of the compliance of
23 such support with regional requirements under
24 subsection (a).

1 (C) The number and type of agreements
2 for the support of military treatment facilities
3 by contract civilian health care personnel.

4 (D) The standards of quality in effect
5 under the requirements under subsection (a).

6 (E) The savings anticipated, and any sav-
7 ings achieved, as a result of the implementation
8 of the requirements under subsection (a).

9 **SEC. 727. UNIFORM STANDARDS FOR ACCESS TO HEALTH**
10 **CARE SERVICES FOR WOUNDED OR INJURED**
11 **SERVICEMEMBERS.**

12 (a) **UNIFORM STANDARDS REQUIRED.**—The Sec-
13 retary of Defense shall prescribe in regulations uniform
14 standards for the access of wounded or injured members
15 of the Armed Forces to health care services through the
16 military health care system.

17 (b) **MATTERS COVERED BY STANDARDS.**—The
18 standards required by subsection (a) shall establish uni-
19 form policy with respect to the following:

20 (1) The access of wounded or injured members
21 of the Armed Forces to emergency care.

22 (2) The access of such members to surgical
23 services.

24 (3) Waiting times for referrals and consulta-
25 tions of such members by medical personnel, dental

1 personnel, mental health specialists, and rehabilita-
2 tive service specialists, including personnel and spe-
3 cialists with expertise in prosthetics and the in treat-
4 ment of head, vision, and spinal cord injuries.

5 (4) Waiting times of such members for acute
6 care and for routine follow-up care.

7 (c) REFERRAL TO PROVIDERS OUTSIDE MILITARY
8 HEALTH CARE SYSTEM.—To the extent practicable, the
9 Secretary shall require in the standards under subsection
10 (a) that the standards be met through whatever means
11 or mechanisms possible, including through the referral of
12 members described in that subsection to health care pro-
13 viders outside the military health care system.

14 (d) TRACKING OF PERFORMANCE.—The standards
15 required by subsection (a) shall require each Secretary
16 concerned to establish mechanisms for tracking the per-
17 formance of the military health care system under the ju-
18 risdiction of such Secretary in meeting the requirements
19 for access of wounded or injured members of the Armed
20 Forces to health care services set forth in such standards.

21 (e) SECRETARY CONCERNED DEFINED.—In this sec-
22 tion, the term “Secretary concerned” has the meaning
23 given that term in section 101(a) of title 10, United States
24 Code.

1 **SEC. 728. DISEASE AND CHRONIC CARE MANAGEMENT.**

2 (a) PROGRAM REQUIRED.—Not later than October 1,
3 2007, the Secretary of Defense shall establish and imple-
4 ment throughout the military health care system a fully-
5 integrated program on disease and chronic care manage-
6 ment that provides, to the extent practicable, uniform poli-
7 cies and practices, and regional execution of such policies
8 and practices, on disease management and chronic care
9 management throughout that system, including both mili-
10 tary hospitals and clinics and civilian healthcare providers.

11 (b) PURPOSES OF PROGRAM.—The purposes of the
12 program required by subsection (a) are as follows:

13 (1) To facilitate the improvement of the health
14 status of individuals under care in the military
15 health care system.

16 (2) To ensure the availability of effective health
17 care services in that system for individuals with dis-
18 eases and other chronic conditions.

19 (3) To ensure the proper allocation of health
20 care resources for individuals who need care for dis-
21 ease or other chronic conditions.

22 (c) ELEMENTS.—The program required by sub-
23 section (a) shall meet the following requirements:

24 (1) Based on uniform policies prescribed by the
25 Secretary under subsection (a), the program shall, at

1 a minimum, address the following chronic diseases
2 and conditions:

3 (A) Diabetes.

4 (B) Cancer.

5 (C) Heart disease.

6 (D) Asthma.

7 (E) Chronic obstructive pulmonary dis-
8 order.

9 (F) Depression and anxiety disorders.

10 (2) The program shall meet nationally-recog-
11 nized accreditation standards for disease and chronic
12 care management.

13 (3) The program shall include specific outcome
14 measures and objectives on disease and chronic care
15 management.

16 (4) The program shall include strategies for
17 disease and chronic care management for all bene-
18 ficiaries, including beneficiaries eligible for benefits
19 under the Medicare program under title XVIII of
20 the Social Security Act (42 U.S.C. 1395 et seq.), for
21 whom the TRICARE program is not the primary
22 payer for health care benefits.

23 (5) Activities under the program shall conform
24 to applicable laws and regulations relating to the
25 confidentiality of health care information.

1 (d) DESIGN OF CERTAIN PORTIONS OF PROGRAM.—

2 As part of the program required under subsection (a), the
3 Secretary may contract for the design of a disease and
4 chronic care management program for the military health
5 care system.

6 (e) ACTIONS TO FACILITATE PROGRAM.—In order to
7 facilitate the carrying out of the program required by sub-
8 section (a), the Secretary shall—

9 (1) require a comprehensive analysis of the dis-
10 ease and chronic care management opportunities
11 within each region of the TRICARE program, in-
12 cluding within military treatment facilities and
13 through contractors under the TRICARE program;

14 (2) ensure continuous, adequate funding of dis-
15 ease and chronic care management activities
16 throughout the military health care system in order
17 to achieve maximum health outcomes and cost avoid-
18 ance;

19 (3) eliminate, to the extent practicable, any fi-
20 nancial disincentives to sustained investment by mili-
21 tary hospitals and health care services contractors of
22 the Department of Defense in the disease and chron-
23 ic care management activities of the Department;

1 (4) ensure that appropriate clinical and claims
2 data, including pharmacy utilization data, is avail-
3 able for use in implementing the program;

4 (5) ensure outreach to eligible beneficiaries,
5 who, on the basis of their clinical conditions, are
6 candidates for the program utilizing print and elec-
7 tronic media, telephone, and personal interaction;
8 and

9 (6) provide a system for monitoring improve-
10 ments in health status and clinical outcomes under
11 the program and savings associated with the pro-
12 gram.

13 (f) COMPTROLLER GENERAL REPORT.—Not later
14 than September 15, 2007, the Comptroller General of the
15 United States shall submit to the congressional defense
16 committees a report on the program required by sub-
17 section (a). The report shall include the following:

18 (1) An assessment of the progress made toward
19 implementation of the program.

20 (2) A description and assessment of the inte-
21 gration of disease and chronic care management
22 strategies in the regional business plan of the
23 TRICARE Regional Offices.

1 (3) An assessment of the readiness of the De-
2 partment to implement the program by October 1,
3 2007.

4 (g) SECRETARY OF DEFENSE REPORTS.—

5 (1) IN GENERAL.—Not later than January 1,
6 2008, and every year thereafter, the Secretary shall
7 submit to the congressional defense committees a re-
8 port on the program required by subsection (a).

9 (2) REPORT ELEMENTS.—Each report required
10 by this subsection shall include the following:

11 (A) An assessment of the program during
12 the one-year period ending on the date of such
13 report.

14 (B) A description and assessment of im-
15 provements in health status and clinical out-
16 comes.

17 (C) A description of the savings and return
18 on investment associated with the program.

19 (D) A description of an investment strat-
20 egy to assure the sustainment of the disease
21 and chronic care management programs of the
22 Department of Defense.

1 **SEC. 729. POST-DEPLOYMENT HEALTH ASSESSMENTS FOR**
2 **MEMBERS OF THE ARMED FORCES RETURN-**
3 **ING FROM DEPLOYMENT IN SUPPORT OF A**
4 **CONTINGENCY OPERATION.**

5 (a) IN GENERAL.—Not later than 60 days after the
6 date of the enactment of this Act, the Secretary of Defense
7 shall prescribe in regulations requirements applicable to
8 the conduct of post-deployment health assessments for
9 members of the Armed Forces returning from deployment
10 in support of a contingency operation.

11 (b) GENERAL REQUIREMENTS.—The regulations pre-
12 scribed under subsection (a) shall require the following:

13 (1) That a health assessment be conducted on
14 each member of the Armed Forces returning from
15 deployment in support of a contingency operation
16 within such time after the return of such member
17 from deployment as the Secretary shall specify in
18 the regulations.

19 (2) That each health assessment be conducted
20 by a healthcare provider having such qualifications
21 as the Secretary shall specify in the regulations.

22 (3) That each health assessment assess such
23 health-related matters as the Secretary shall specify
24 in the regulations, including an assessment of men-
25 tal health for referral of a member for further eval-

1 uation relating to mental health (including evalua-
2 tion of the effects of combat or operational stress).

3 (4) That the results of each health assessment
4 be stored in a centralized data base maintained by
5 the Secretary under this section.

6 (c) ASSESSMENTS OF MENTAL HEALTH.—

7 (1) CRITERIA FOR REFERRAL FOR FURTHER
8 EVALUATIONS.—The regulations prescribed under
9 subsection (a) shall include—

10 (A) criteria to be utilized by healthcare
11 providers in determining whether to refer a
12 member of the Armed Forces for further eval-
13 uation relating to mental health;

14 (B) mechanisms to ensure that healthcare
15 providers are trained in the application of such
16 criteria in making such determinations; and

17 (C) mechanisms for oversight to ensure
18 that healthcare providers apply such criteria
19 consistently.

20 (2) AVAILABILITY OF REFERRAL.—Under the
21 regulations, a copy of a referral of a member for fur-
22 ther evaluation relating to mental health shall be—

23 (A) provided to the member;

1 (B) placed in the healthcare record of the
2 member that is maintained by the Department
3 of Defense; and

4 (C) provided to the healthcare manager of
5 the member.

6 (3) TRACKING MECHANISMS.—The regulations
7 shall include mechanisms to ensure that a member
8 who receives a referral for further evaluation relat-
9 ing to mental health receives such evaluation and ob-
10 tains such care and services as are warranted.

11 (4) QUALITY ASSURANCE.—The regulations
12 shall include a requirement that the Department ad-
13 dress, as part of the deployment health assessment
14 quality assurance program of the Department, the
15 following:

16 (A) The types of healthcare providers con-
17 ducting post-deployment health assessments.

18 (B) The training received by such pro-
19 viders applicable to the conduct of such assess-
20 ments, including training on assessments and
21 referrals relating to mental health.

22 (C) The guidance available to such pro-
23 viders on how to apply the criteria prescribed
24 under paragraph (1)(A) in determining whether
25 to make a referral for further evaluation of a

1 member of the Armed Forces relating to mental
2 health.

3 (D) The effectiveness of the tracking
4 mechanisms required under paragraph (3) in
5 ensuring that members who receive referrals for
6 further evaluations relating to mental health re-
7 ceive such evaluations and obtain such care and
8 services as are warranted.

9 (d) COMPTROLLER GENERAL REPORTS ON IMPLE-
10 MENTATION OF REQUIREMENTS.—

11 (1) STUDY ON IMPLEMENTATION.—The Comp-
12 troller General of the United States shall carry out
13 a study of the implementation of the requirements
14 prescribed under this section.

15 (2) PERIODIC EVALUATION OF MENTAL
16 HEALTH ASSESSMENT PROCESSES.—The Comp-
17 troller General shall, on a periodic basis, evaluate
18 the following:

19 (A) The compliance of the Department of
20 Defense and healthcare providers with the re-
21 quirements under this section applicable to the
22 assessment and referral of members of the
23 Armed Forces relating to mental health.

24 (B) The effectiveness of the processes
25 under such requirements in addressing the

1 mental health care needs of members returning
2 from deployments overseas.

3 (3) REPORTS.—(A) Not later than March 1,
4 2007, the Comptroller General shall submit to the
5 Committees on Armed Services of the Senate and
6 the House of Representatives a report on the study
7 carried out under paragraph (1).

8 (B) Upon completion of an evaluation under
9 paragraph (2), the Comptroller General shall submit
10 to the committees of Congress referred to in sub-
11 paragraph (A) a report on such evaluation.

12 (e) CONTINGENCY OPERATION DEFINED.—In this
13 section, the term “contingency operation” has the mean-
14 ing given that term in section 101(a)(13) of title 10,
15 United States Code.

16 **Subtitle C—Studies and Reports**

17 **SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND** 18 **TREATMENT OF POST TRAUMATIC STRESS** 19 **DISORDER AND OTHER MENTAL HEALTH** 20 **CONDITIONS.**

21 (a) PILOT PROJECTS REQUIRED.—The Secretary of
22 Defense shall carry out not less than three pilot projects
23 to evaluate the efficacy of various approaches to improving
24 the capability of the military and civilian health care sys-
25 tems to provide early diagnosis and treatment of Post

1 Traumatic Stress Disorder (PTSD) and other mental
2 health conditions.

3 (b) DURATION.—The requirement to carry out pilot
4 projects under this section shall commence on October 1,
5 2007. Any pilot projects carried out under this section
6 shall cease on September 30, 2008.

7 (c) PILOT PROJECT REQUIREMENTS.—

8 (1) MOBILIZATION-DEMOBILIZATION FACIL-
9 ITY.—

10 (A) IN GENERAL.—One of the pilot
11 projects under this section shall be carried out
12 at a military medical facility at a large military
13 installation at which the mobilization or demo-
14 bilization of members of the Armed Forces oc-
15 curs.

16 (B) ELEMENTS.—The pilot project under
17 this paragraph shall be designed to evaluate
18 and produce effective diagnostic and treatment
19 approaches for use by primary care providers in
20 the military health care system in order to im-
21 prove the capability of such providers to diag-
22 nose and treat Post Traumatic Stress Disorder
23 in a manner that avoids the referral of patients
24 to specialty care by a psychiatrist or other men-
25 tal health professional.

1 (2) NATIONAL GUARD OR RESERVE FACILITY.—

2 (A) IN GENERAL.—One of the pilot
3 projects under this section shall be carried out
4 at the location of a National Guard or Reserve
5 unit or units that are located more than 40
6 miles from a military medical facility and whose
7 personnel are served primarily by civilian com-
8 munity health resources.

9 (B) ELEMENTS.—The pilot project under
10 this paragraph shall be designed—

11 (i) to evaluate approaches for pro-
12 viding evidence-based clinical information
13 on Post Traumatic Stress Disorder to civil-
14 ian primary care providers; and

15 (ii) to develop educational materials
16 and other tools for use by members of the
17 National Guard or Reserve who come into
18 contact with other members of the Na-
19 tional Guard or Reserve who may suffer
20 from Post Traumatic Stress Disorder in
21 order to encourage and facilitate early re-
22 porting and referral for treatment.

23 (3) INTERNET-BASED DIAGNOSIS AND TREAT-
24 MENT.—One of the pilot projects under this section
25 shall be designed to evaluate—

1 (A) Internet-based automated tools avail-
2 able to military and civilian health care pro-
3 viders for the early diagnosis and treatment of
4 Post Traumatic Stress Disorder, and for track-
5 ing patients who suffer from Post Traumatic
6 Stress Disorder; and

7 (B) Internet-based tools available to family
8 members of members of the Armed Forces in
9 order to assist such family members in the
10 identification of the emergence of Post Trau-
11 matic Stress Disorder.

12 (d) EVALUATION OF PILOT PROJECTS.—The Sec-
13 retary shall evaluate each pilot project carried out under
14 this section in order to assess the effectiveness of the ap-
15 proaches taken under such pilot project—

16 (1) to improve the capability of the military and
17 civilian health care systems to provide early diag-
18 nosis and treatment of Post Traumatic Stress Dis-
19 order and other mental health conditions among
20 members of the regular components of the Armed
21 Forces, and among members of the National Guard
22 and Reserves, who have returned from deployment;
23 and

24 (2) to provide outreach to the family members
25 of the members of the Armed Forces described in

1 paragraph (1) on Post Traumatic Stress Disorder
2 and other mental health conditions among such
3 members of the Armed Forces.

4 (e) REPORT TO CONGRESS.—

5 (1) REPORT REQUIRED.—Not later than De-
6 cember 31, 2008, the Secretary shall submit to the
7 congressional defense committees a report on the
8 pilot projects carried out under this section.

9 (2) ELEMENTS.—The report required by para-
10 graph (1) shall include the following:

11 (A) A description of each pilot project car-
12 ried out under this section.

13 (B) An assessment of the effectiveness of
14 the approaches taken under each pilot project
15 to improve the capability of the military and ci-
16 vilian health care systems to provide early diag-
17 nosis and treatment of Post Traumatic Stress
18 Disorder and other mental health conditions
19 among members of the Armed Forces.

20 (C) Any recommendations for legislative or
21 administrative action that the Secretary con-
22 siders appropriate in light of the pilot projects,
23 including recommendations on—

24 (i) the training of health care pro-
25 viders in the military and civilian health

1 care systems on early diagnosis and treat-
2 ment of Post Traumatic Stress Disorder
3 and other mental health conditions; and

4 (ii) the provision of outreach on Post
5 Traumatic Stress Disorder and other men-
6 tal health conditions to members of the
7 National Guard and Reserves who have re-
8 turned from deployment.

9 (D) A plan, in light of the pilot projects,
10 for the improvement of the health care services
11 provided to members of the Armed Forces in
12 order to better assure the early diagnosis and
13 treatment of Post Traumatic Stress Disorder
14 and other mental health conditions among
15 members of the Armed Forces, including a spe-
16 cific plan for outreach on Post Traumatic
17 Stress Disorder and other mental health condi-
18 tions to members of the National Guard and
19 Reserve who have returned from deployment in
20 order to facilitate and enhance the early diag-
21 nosis and treatment of Post Traumatic Stress
22 Disorder and other mental health conditions
23 among such members of the National Guard
24 and Reserves.

25 (f) FUNDING.—

1 (ii) either—

2 (I) a judgment was entered
3 against the United States in the
4 amount of \$1,000,000 or more; or

5 (II) an award, compromise, or
6 settlement was entered into by the
7 United States requiring payment by
8 the United States in the amount of
9 \$1,000,000 or more.

10 (B) Each case during the preceding cal-
11 endar year in which the death of, or serious
12 personal injury to, a member of the Armed
13 Forces on active duty occurred as a result of
14 medical malpractice while the member was a
15 patient in a medical treatment facility of such
16 military department or under the care of a
17 health care provider of or employed by such
18 military department.

19 (2) REQUIRED INFORMATION.—The informa-
20 tion required in a report under paragraph (1) on a
21 case covered by such paragraph shall include the fol-
22 lowing:

23 (A) A description of the medical mal-
24 practice involved.

1 (B) A description of the actions, if any,
2 taken with respect to the continued practice in
3 the military health care system of the health
4 care professionals involved.

5 (b) TRANSMITTAL OF REPORTS TO CONGRESS.—

6 (1) TRANSMITTAL REQUIRED.—Not later than
7 April 1, 2007, and annually thereafter, the Secretary
8 of Defense shall transmit to the congressional de-
9 fense committees the reports submitted to the Sec-
10 retary by the Secretaries of the military departments
11 in such year.

12 (2) TRANSMITTAL MATTERS.—In transmitting
13 reports for a year under paragraph (1), the Sec-
14 retary may include with such reports the following:

15 (A) Any information or recommendations
16 with respect to the matters covered by such re-
17 ports that the Secretary considers appropriate.

18 (B) A summary of the actions taken dur-
19 ing the year to address medical malpractice in
20 the military health care system.

21 (c) DISCLOSURE OF INFORMATION.—In submitting
22 or transmitting reports under this section, the Secretaries
23 of the military departments and the Secretary of Defense
24 shall ensure that the information contained in such re-

1 ports is suitable for disclosure to the public, taking into
2 account the provisions of law as follows:

3 (1) Section 552a of title 5, United States Code
4 (commonly referred to as the “Privacy Act”).

5 (2) Laws relating to the protection and con-
6 fidentiality of medical quality assurance records, in-
7 cluding the provisions of section 1102 of title 10,
8 United States Code.

9 (3) Any other laws relating to the protection
10 and confidentiality of medical records.

11 **SEC. 743. COMPTROLLER GENERAL STUDY ON DEPART-**
12 **MENT OF DEFENSE PHARMACY BENEFITS**
13 **PROGRAM.**

14 (a) IN GENERAL.—The Comptroller General of the
15 United States shall conduct a study of the Department
16 of Defense pharmacy benefits program required by section
17 1074g of title 10, United States Code.

18 (b) ELEMENTS.—The study required by subsection
19 (a) shall include an examination of the following:

20 (1) The cost of the Department of Defense
21 pharmacy benefits program since the inception of
22 the program.

23 (2) The relative costs of various options under
24 the program.

1 (3) The copayment structure under the pro-
2 gram.

3 (4) The effectiveness of the rebate system
4 under the program as a way of passing on discounts
5 received by the Federal Government in the purchase
6 of pharmaceutical agents.

7 (5) The uniform formulary under the program,
8 including the success of the formulary in achieving
9 savings anticipated through use of the formulary.

10 (6) Various alternative means of purchasing
11 pharmaceutical agents more efficiently for avail-
12 ability under the program.

13 (7) The composition and decision-making proc-
14 esses of the Pharmacy and Therapeutics Committee.

15 (8) The composition of the Beneficiary Advisory
16 Panel and its history as an advisory panel under the
17 program (including the frequency of the acceptance
18 of its recommendations by the Secretary of De-
19 fense).

20 (9) Quality assurance mechanisms under the
21 program.

22 (10) The role of the program in support of the
23 disease and chronic care management programs of
24 the Department of Defense.

1 (11) Mechanisms for customer service and cus-
2 tomer feedback under the program.

3 (12) Beneficiary satisfaction with the program.

4 (c) RESPONSE TO CERTAIN FINDINGS.—

5 (1) PHARMACY AND THERAPEUTICS COM-
6 MITTEE.—The Pharmacy and Therapeutics Com-
7 mittee shall—

8 (A) examine the results of the study of the
9 Comptroller General under subsection (b)(7);
10 and

11 (B) make such recommendations to the
12 Secretary of Defense for modifications in the
13 composition and decision-making processes of
14 the Committee as the Committee considers ap-
15 propriate in light of such results in order to im-
16 prove the efficiency of such processes.

17 (2) BENEFICIARY ADVISORY PANEL.—The Ben-
18 eficiary Advisory Panel shall—

19 (A) examine the results of the study of the
20 Comptroller General under subsection (b)(8);
21 and

22 (B) make such recommendations to the
23 Secretary of Defense for modifications in the
24 composition and advisory functions of the Panel

1 as the Panel considers appropriate in light of
2 such results in order to—

3 (i) ensure the independence and con-
4 sumer focus of the Panel;

5 (ii) ensure the participation of the
6 Panel as an advisory board throughout im-
7 plementation of the Department of De-
8 fense pharmacy benefits program; and

9 (iii) achieve more effective commu-
10 nication between the Secretary and the
11 Panel.

12 (d) REPORT.—Not later than nine months after the
13 date of the enactment of this Act, the Comptroller General
14 shall submit to the congressional defense committees a re-
15 port on the study required by subsection (a). The report
16 shall include such recommendations as the Comptroller
17 General considers appropriate for legislative or adminis-
18 trative action to improve the Department of Defense phar-
19 macy benefits program in light of the study.

20 **SEC. 744. COMPTROLLER GENERAL AUDITS OF DEPART-**
21 **MENT OF DEFENSE HEALTH CARE COSTS**
22 **AND COST-SAVING MEASURES.**

23 (a) GENERAL AUDIT REQUIRED.—

24 (1) IN GENERAL.—The Comptroller General of
25 the United States shall conduct an audit of the

1 health care costs and cost-saving measures of the
2 Department of Defense in accordance with this sub-
3 section. The Comptroller General shall conduct the
4 audit in conjunction with the Department of Defense
5 initiative to manage future medical benefits available
6 through the Department known as “Sustain the
7 Benefit”.

8 (2) ELEMENTS.—The audit required by para-
9 graph (1) shall examine the following:

10 (A) The basis for the calculation by the
11 Department of Defense of the portion of the
12 costs of health care benefits provided by the
13 Department to beneficiaries that were paid by
14 such beneficiaries in each of 1995 and 2005, in-
15 cluding—

16 (i) a comparison of the cost to the De-
17 partment of providing such benefits in
18 each of 1995 and 2005;

19 (ii) the explanation for any increases
20 in the costs of the Department of pro-
21 viding such benefits between 1995 and
22 2005; and

23 (iii) a comparison of the amounts
24 paid, by category of beneficiaries, for
25 health care benefits in 1995 with the

1 amounts paid, by category of beneficiaries,
2 for such benefits in 2005.

3 (B) The calculations and assumptions uti-
4 lized by the Department in estimating the sav-
5 ings anticipated through the implementation of
6 proposed increases in cost-sharing for health
7 care benefits beginning in 2007.

8 (C) The average annual rate of increase,
9 based on inflation, of medical costs for the De-
10 department under the Defense Health Program.

11 (D) The annual rate of growth in the cost
12 of the Defense Health Program that is attrib-
13 utable to inflation in the cost of medical serv-
14 ices over the last five years and how such rate
15 of growth compares with annual rates of in-
16 creases in health care premiums under the Fed-
17 eral Employee Health Benefit Program and
18 other health care programs as well as rates of
19 growth of other health care cost indices over
20 that time.

21 (E) The assumptions utilized by the De-
22 partment in estimating savings associated with
23 adjustments in copayments for pharmaceuticals.

1 (F) The costs of the administration of the
2 Defense Health Program and the TRICARE
3 program for all categories of beneficiaries.

4 (c) AUDIT OF TRICARE RESERVE SELECT PRO-
5 GRAM.—

6 (1) IN GENERAL.—In addition to the audit re-
7 quired by subsection (a), the Comptroller General
8 shall conduct an audit of the costs of the Depart-
9 ment of Defense in implementing the TRICARE Re-
10 serve Select Program.

11 (2) ELEMENTS.—The audit required by para-
12 graph (1) shall include an examination of the fol-
13 lowing:

14 (A) A comparison of the annual premium
15 amounts established by the Department of De-
16 fense for the TRICARE Reserve Select Pro-
17 gram with the actual costs of the Department
18 in providing benefits under that program in fis-
19 cal years 2004 and 2005.

20 (B) The rate of inflation of health care
21 costs of the Department during fiscal years
22 2004 and 2005, and a comparison of that rate
23 of inflation with the annual increase in pre-
24 miums under the TRICARE Reserve Select
25 Program in January 2006.

1 (C) A comparison of the financial and
2 health-care utilization assumptions utilized by
3 the Department in establishing premiums under
4 the TRICARE Reserve Select Program with ac-
5 tual experiences under that program in the first
6 year of the implementation of that program.

7 (3) TRICARE RESERVE SELECT PROGRAM DE-
8 FINED.—In this section, the term “TRICARE Re-
9 serve Select Program” means the program carried
10 out under section 1074d of title 10, United States
11 Code.

12 (d) USE OF INDEPENDENT EXPERTS.—Notwith-
13 standing any other provision of law, in conducting the au-
14 dits required by this section, the Comptroller General may
15 engage the services of appropriate independent experts, in-
16 cluding actuaries.

17 (e) REPORT.—Not later than April 1, 2007, the
18 Comptroller General shall submit to the congressional de-
19 fense committees a report on the audits conducted under
20 this section. The report shall include—

21 (1) the findings of the Comptroller General as
22 a result of the audits; and

23 (2) such recommendations as the Comptroller
24 General considers appropriate in light of such find-
25 ings to ensure maximum efficiency in the adminis-

1 (4) An assessment of the patient safety pro-
2 grams of the Department.

3 (5) A description of the extent to which the De-
4 partment seeks to address particular medical errors,
5 and an assessment of the adequacy of such efforts.

6 (6) An assessment of accountability within the
7 military health care system for preventable negative
8 outcomes involving negligence.

9 (7) An assessment of the performance of the
10 health care safety and quality measures of the De-
11 partment.

12 (8) An assessment of the collaboration of the
13 Department with national initiatives to develop evi-
14 dence-based quality measures and intervention strat-
15 egies, especially the initiatives of the Agency for
16 Health Care Research and Quality within the De-
17 partment of Health and Human Services.

18 (9) A comparison of the methods, mechanisms,
19 and programs and activities referred to in para-
20 graphs (1) through (8) with similar methods, mecha-
21 nisms, programs, and activities used in other public
22 and private health care systems and organizations.

23 (c) REPORT.—

24 (1) IN GENERAL.—Not later than one year
25 after the date of the enactment of this Act, the Sec-

1 retary shall submit to the congressional defense com-
2 mittees a report on the review required pursuant to
3 subsection (a).

4 (2) ELEMENTS.—The report required by para-
5 graph (1) shall include the following:

6 (A) The results of the review required pur-
7 suant to subsection (a).

8 (B) A discussion of recent highlights in the
9 accomplishments of the Department of Defense
10 medical quality assurance program.

11 (C) Such recommendations for legislative
12 or administrative action as the Secretary con-
13 siders appropriate for the improvement of the
14 program.

15 **Subtitle D—Other Matters**

16 **SEC. 761. EXTENSION OF LIMITATION ON CONVERSION OF** 17 **MILITARY MEDICAL AND DENTAL POSITIONS** 18 **TO CIVILIAN MEDICAL AND DENTAL POSI-** 19 **TIONS.**

20 Section 744(a)(1) of the National Defense Authoriza-
21 tion Act for Fiscal Year 2006 (Public Law 109–163; 119
22 Stat. 3360; 10 U.S.C. 129c note) is amended—

23 (1) by inserting “in a fiscal year” before
24 “until”;

1 (2) by inserting “with respect to that fiscal
2 year” after “House of Representatives”; and

3 (3) by striking the last sentence and inserting
4 the following new sentences: “The certification with
5 respect to fiscal year 2007 may not be submitted be-
6 fore June 30, 2006. The certification with respect to
7 any fiscal year after fiscal year 2007 shall be sub-
8 mitted at the same time the budget of the President
9 for such fiscal year is submitted to Congress pursu-
10 ant to section 1105(a) of title 31, United States
11 Code.”.

12 **TITLE VIII—ACQUISITION POL-**
13 **ICY, ACQUISITION MANAGE-**
14 **MENT, AND RELATED MAT-**
15 **TERS**

16 **Subtitle A—Acquisition Policy and**
17 **Management**

18 **SEC. 801. ADDITIONAL CERTIFICATION REQUIREMENTS**
19 **FOR MAJOR DEFENSE ACQUISITION PRO-**
20 **GRAMS.**

21 (a) **ADDITIONAL CERTIFICATION REQUIREMENTS.—**

22 Subsection (a) of section 2366a of title 10, United States
23 Code, is amended—

24 (1) in paragraph (6), by striking “and” at the
25 end;

1 “(C) If the Secretary concerned determines that the
2 program acquisition unit cost or procurement unit cost of
3 a major defense acquisition program has increased by a
4 percentage equal to or greater than the significant cost
5 growth threshold for the program and a Selected Acquisi-
6 tion Report has been submitted to Congress under sub-
7 paragraph (A) or (B), each subsequent quarterly or com-
8 prehensive annual Selected Acquisition Report shall in-
9 clude the information required by subsection (g). No fur-
10 ther report on increases in the program acquisition unit
11 cost or procurement unit cost shall be required under sub-
12 section (c) or (d) unless the program manager has reason-
13 able cause to believe that the program acquisition unit cost
14 or procurement unit cost has increased by a percentage
15 equal to or greater than the critical cost growth thresh-
16 old.”.

17 **SEC. 804. MAJOR AUTOMATED INFORMATION SYSTEM PRO-**
18 **GRAMS.**

19 (a) REPORTS AND INFORMATION ON PROGRAM COST
20 AND PERFORMANCE.—

21 (1) IN GENERAL.—Part IV of subtitle A of title
22 10, United States Code, is amended by inserting
23 after chapter 144 the following new chapter:

1 **“CHAPTER 144A—MAJOR AUTOMATED**
2 **INFORMATION SYSTEM PROGRAMS**

“Sec.

“2445a. Major automated information system program defined.

“2445b. Cost, schedule, and performance information.

“2445c. Reports: quarterly reports; reports on program changes.

“2445d. Construction with other reporting requirements.

3 **“§ 2445a. Major automated information system pro-**
4 **gram defined**

5 “(a) IN GENERAL.—In this chapter, the term ‘major
6 automated information system program’ means a Depart-
7 ment of Defense program for the acquisition of an auto-
8 mated information system (either as a product or a serv-
9 ice) if—

10 “(1) the program is designated by the Secretary
11 of Defense, or a designee of the Secretary, as a
12 major automated information system program; or

13 “(2) the dollar value of the program is esti-
14 mated to exceed—

15 “(A) \$32,000,000 in fiscal year 2000 con-
16 stant dollars for all program costs in a single
17 fiscal year;

18 “(B) \$126,000,000 in fiscal year 2000
19 constant dollars for all program acquisition
20 costs for the entire program; or

21 “(C) \$378,000,000 in fiscal year 2000 con-
22 stant dollars for the total life-cycle costs of the

1 program (including operation and maintenance
2 costs).

3 “(b) ADJUSTMENT.—The Secretary of Defense may
4 adjust the amounts (and base fiscal year) set forth in sub-
5 section (a) on the basis of Department of Defense esca-
6 lation rates. An adjustment under this subsection shall be
7 effective after the Secretary transmits a written notifica-
8 tion of the adjustment to the congressional defense com-
9 mittees.

10 **“§ 2445b. Cost, schedule, and performance informa-**
11 **tion**

12 “(a) SUBMITTAL OF COST, SCHEDULE, AND PER-
13 FORMANCE INFORMATION.—The Secretary of Defense
14 shall submit to Congress each calendar year, not later
15 than 45 days after the President submits to Congress the
16 budget for a fiscal year under section 1105 of title 31,
17 budget justification documents regarding cost, schedule,
18 and performance for each major automated information
19 system program for which funds are requested by the
20 President in the budget.

21 “(b) ELEMENTS.—The documents submitted under
22 subsection (a) with respect to a major automated informa-
23 tion system program shall include detailed and summa-
24 rized information with respect to the automated informa-

1 tion system to be acquired under the program, and shall
2 specifically include each of the following:

3 “(1) The development schedule, including major
4 milestones.

5 “(2) The implementation schedule, including es-
6 timates of milestone dates, initial operational capa-
7 bility, and full operational capability

8 “(3) Estimates of development costs and full
9 life-cycle costs.

10 “(4) A summary of key performance param-
11 eters.

12 **“§ 2445c. Reports: quarterly reports; reports on pro-**
13 **gram changes**

14 “(a) QUARTERLY REPORTS BY PROGRAM MAN-
15 AGERS.—The program manager of a major automated in-
16 formation system program shall, on a quarterly basis, sub-
17 mit to the senior Department of Defense official respon-
18 sible for the program a written report identifying any vari-
19 ance in the projected development schedule, implementa-
20 tion schedule, life-cycle costs, or key performance param-
21 eters for the major automated information system to be
22 acquired under the program from such information as
23 originally submitted to Congress under section 2445b of
24 this title.

1 “(b) SENIOR OFFICIALS RESPONSIBLE FOR PRO-
2 GRAMS.—For purposes of this section, the senior Depart-
3 ment of Defense official responsible for a major automated
4 information system program is—

5 “(1) in the case of an automated information
6 system to be acquired for a military department, the
7 senior acquisition executive for the military depart-
8 ment; or

9 “(2) in the case of any other automated infor-
10 mation system to be acquired for the Department of
11 Defense or any component of the Department of De-
12 fense, the Under Secretary of Defense for Acquisi-
13 tion, Technology, and Logistics.

14 “(c) REPORT ON SIGNIFICANT CHANGES IN PRO-
15 GRAM.—

16 “(1) IN GENERAL.—If, based on a quarterly re-
17 port submitted by the program manager of a major
18 automated information system program pursuant to
19 subsection (a), the senior Department of Defense of-
20 ficial responsible for the program makes a deter-
21 mination described in paragraph (2), the official
22 shall, not later than 45 days after receiving such re-
23 port, notify the congressional defense committees in
24 writing of such determination.

1 “(2) COVERED DETERMINATION.—A determina-
2 tion described in this paragraph with respect to a
3 major automated information system program is a
4 determination that—

5 “(A) there has been a schedule change that
6 will cause a delay of more than six months but
7 less than a year in any program schedule mile-
8 stone or significant event from the schedule
9 originally submitted to Congress under para-
10 graph (1) or (2) of section 2445b(b) of this
11 title;

12 “(B) the estimated program development
13 cost or full life-cycle cost for the program has
14 increased by at least 15 percent, but less than
15 25 percent, over the original estimate submitted
16 to Congress under paragraph (3) of section
17 2445b(b) of this title; or

18 “(C) there has been a significant, adverse
19 change in the expected performance of the
20 major automated information system to be ac-
21 quired under the program from the parameters
22 originally submitted to Congress under para-
23 graph (4) of section 2445b(b) of this title.

24 “(d) REPORT ON CRITICAL CHANGES IN PRO-
25 GRAM.—

1 “(1) IN GENERAL.—If, based on a quarterly re-
2 port submitted by the program manager of a major
3 automated information system program pursuant to
4 subsection (a), the senior Department of Defense of-
5 ficial responsible for the program makes a deter-
6 mination described in paragraph (2), the official
7 shall, not later than 60 days after receiving such re-
8 port—

9 “(A) carry out an evaluation of the pro-
10 gram under subsection (e); and

11 “(B) submit, through the Secretary of De-
12 fense, to the congressional defense committees a
13 report meeting the requirements of subsection
14 (f).

15 “(2) COVERED DETERMINATION.—A determina-
16 tion described in this paragraph with respect to a
17 major automated information system program is a
18 determination that—

19 “(A) there has been a schedule change that
20 will cause a delay of one year or more in any
21 program schedule milestone or significant event
22 from the schedule originally submitted to Con-
23 gress under paragraph (1) or (2) of section
24 2445b(b) of this title;

1 “(B) the estimated program development
2 cost or full life-cycle cost for the program has
3 increased by 25 percent or more over the origi-
4 nal estimate submitted to Congress under para-
5 graph (3) of section 2445b(b) of this title; or

6 “(C) there has been a change in the ex-
7 pected performance of the major automated in-
8 formation system to be acquired under the pro-
9 gram that will undermine the ability of the sys-
10 tem to perform the functions anticipated at the
11 time information on the program was originally
12 submitted to Congress under section 2445b(b)
13 of this title.

14 “(e) PROGRAM EVALUATION.—The evaluation of a
15 major automated information system program conducted
16 under this subsection for purposes of subsection (d)(1)(A)
17 shall include an assessment of—

18 “(1) the projected cost and schedule for com-
19 pleting the program if current requirements are not
20 modified;

21 “(2) the projected cost and schedule for com-
22 pleting the program based on reasonable modifica-
23 tion of such requirements; and

1 “(3) the rough order of magnitude of the cost
2 and schedule for any reasonable alternative system
3 or capability.

4 “(f) REPORT ON CRITICAL PROGRAM CHANGES.—A
5 report on a major automated information system program
6 conducted under this subsection for purposes of subsection
7 (d)(1)(B) shall include a written certification (with sup-
8 porting explanation) stating that—

9 “(1) the automated information system to be
10 acquired under the program is essential to the na-
11 tional security or to the efficient management of the
12 Department of Defense;

13 “(2) there is no alternative to the system which
14 will provide equal or greater capability at less cost;

15 “(3) the new estimates of the costs, schedule,
16 and performance parameters with respect to the pro-
17 gram and system are reasonable; and

18 “(4) the management structure for the program
19 is adequate to manage and control program costs.

20 **“§ 2445d. Construction with other reporting require-**
21 **ments**

22 “‘In the case of a major automated information sys-
23 tem program covered by this chapter that is also treatable
24 as a major defense acquisition program for which reports
25 would be required under chapter 144 of this title, no re-

1 ports on the program are required under such chapter if
2 the requirements of this chapter with respect to the pro-
3 gram are met.”.

4 (2) CLERICAL AMENDMENTS.—The tables of
5 chapters the beginning of subtitle A of such title,
6 and of part IV of subtitle A of such title, are each
7 amended by inserting after the item relating to
8 chapter 144 the following new item:

“144A. Major Automated Information System Programs ..2445a”.

9 (b) REPORT ON REPORTING REQUIREMENTS APPLI-
10 CABLE TO MAJOR AUTOMATED INFORMATION SYSTEM
11 PROGRAMS.—Not later than 180 days after the date of
12 enactment of this Act, the Secretary of Defense shall sub-
13 mit to the congressional defense committees a report set-
14 ting forth the reporting requirements applicable to major
15 automated information system programs as of the date of
16 the report, including a specification of such reporting re-
17 quirements considered by the Secretary to be duplicative
18 or redundant.

19 (c) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 subsection (a) shall take effect on January 1, 2008,
22 and shall apply with respect to any major automated
23 information system program for which amounts are
24 requested in the budget of the President (as sub-
25 mitted to Congress under section 1105 of title 31,

1 United States Code) for a fiscal year after fiscal
2 year 2008, regardless of whether the acquisition of
3 the automated information system to be acquired
4 under the program was initiated before, on, or after
5 January 1, 2008.

6 (2) REPORT REQUIREMENT.—Subsection (b)
7 shall take effect on the date of the enactment of this
8 Act.

9 **SEC. 805. ADJUSTMENT OF ORIGINAL BASELINE ESTIMATE**
10 **FOR MAJOR DEFENSE ACQUISITION PRO-**
11 **GRAMS EXPERIENCING COST GROWTH RE-**
12 **SULTING FROM DAMAGE CAUSED BY HURRI-**
13 **CANES KATRINA, RITA, AND WILMA.**

14 (a) ADJUSTMENT AUTHORIZED.—Notwithstanding
15 any limitations under section 2435(d) of title 10, United
16 States Code, the Secretary of Defense may adjust the
17 original Baseline Estimate for a major defense acquisition
18 program that is carried out primarily in the Hurricane
19 Katrina disaster area, Hurricane Rita disaster area, or
20 Hurricane Wilma disaster area for the sole purpose of ad-
21 dressing cost growth in such program that, as determined
22 by the Secretary, is directly attributable to damage caused
23 by Hurricane Katrina, Hurricane Rita, or Hurricane
24 Wilma.

1 (b) NOTICE TO CONGRESS.—The Secretary shall
2 identify any adjustment to the original Baseline Estimate
3 of a major defense acquisition program under subsection
4 (a), and provide an explanation of the basis for such ad-
5 justment, in the first Selected Acquisition Report that is
6 submitted under section 2432 of title 10, United States
7 Code, after such adjustment is made.

8 (c) SUNSET.—The authority to adjust an original
9 Baseline Estimate for a major defense acquisition pro-
10 gram under subsection (a) shall expire on the date that
11 is one year after the date of the enactment of this Act.

12 (d) DEFINITIONS.—In this section:

13 (1) The term “major defense acquisition pro-
14 gram” has the meaning given that term in section
15 2430 of title 10, United States Code.

16 (2) The term “original Baseline Estimate”, in
17 the case of a major defense acquisition program,
18 means the first baseline description for the program
19 established under section 2435(a) of title 10, United
20 States Code.

21 (3) The terms “Hurricane Katrina disaster
22 area”, “Hurricane Rita disaster area”, and “Hurri-
23 cane Wilma disaster area” have the meaning given
24 such terms in section 1400M of the Internal Rev-
25 enue Code of 1986.

1 **SEC. 806. INTERNAL CONTROLS FOR PROCUREMENTS ON**
2 **BEHALF OF THE DEPARTMENT OF DEFENSE**
3 **BY CERTAIN NON-DEFENSE AGENCIES.**

4 (a) INSPECTOR GENERAL REVIEWS AND DETER-
5 MINATIONS.—

6 (1) IN GENERAL.—For each covered non-de-
7 fense agency, the Inspector General of the Depart-
8 ment of Defense and the Inspector General of such
9 non-defense agency shall, not later than March 15,
10 2007, jointly—

11 (A) review—

12 (i) the procurement policies, proce-
13 dures, and internal controls of such non-
14 defense agency that are applicable to the
15 procurement of property and services on
16 behalf of the Department by such non-de-
17 fense agency; and

18 (ii) the administration of those poli-
19 cies, procedures, and internal controls; and

20 (B) determine in writing whether—

21 (i) such non-defense agency is compli-
22 ant with defense procurement require-
23 ments;

24 (ii) such non-defense agency is not
25 compliant with defense procurement re-
26 quirements, but has a program or initiative

1 to significantly improve compliance with
2 defense procurement requirements;

3 (iii) neither of the conclusions stated
4 in clauses (i) and (ii) is correct in the case
5 of such non-defense agency; or

6 (iv) such non-defense agency is not
7 compliant with defense procurement re-
8 quirements to such an extent that the in-
9 terests of the Department of Defense are
10 at risk in procurements conducted by such
11 non-defense agency.

12 (2) ACTIONS FOLLOWING CERTAIN DETERMINA-
13 TIONS.—If the Inspectors General determine under
14 paragraph (1) that the conclusion stated in clause
15 (ii), (iii), or (iv) of subparagraph (B) of that para-
16 graph is correct in the case of a covered non-defense
17 agency, such Inspectors General shall, not later than
18 June 15, 2008, jointly—

19 (A) conduct a second review, as described
20 in subparagraph (A) of that paragraph, regard-
21 ing such non-defense agency's procurement of
22 property or services on behalf of the Depart-
23 ment of Defense in fiscal year 2007; and

1 (B) determine in writing whether such
2 non-defense agency is or is not compliant with
3 defense procurement requirements.

4 (b) COMPLIANCE WITH DEFENSE PROCUREMENT
5 REQUIREMENTS.—For the purposes of this section, a cov-
6 ered non-defense agency is compliant with defense pro-
7 curement requirements if such non-defense agency’s pro-
8 curement policies, procedures, and internal controls appli-
9 cable to the procurement of products and services on be-
10 half of the Department of Defense, and the manner in
11 which they are administered, are adequate to ensure such
12 non-defense agency’s compliance with the requirements of
13 laws and regulations that apply to procurements of prop-
14 erty and services made directly by the Department of De-
15 fense.

16 (c) MEMORANDA OF UNDERSTANDING BETWEEN IN-
17 SPECTORS GENERAL.—

18 (1) IN GENERAL.—Not later than 60 days after
19 the date of the enactment of this Act, the Inspector
20 General of the Department of Defense and the In-
21 spector General of each covered non-defense agency
22 shall enter into a memorandum of understanding
23 with each other to carry out the reviews and make
24 the determinations required by this section.

1 (2) SCOPE OF MEMORANDA.—The Inspector
2 General of the Department of Defense and the In-
3 spector General of a covered non-defense agency
4 may by mutual agreement conduct separate reviews
5 of the procurement of property and services on be-
6 half of the Department of Defense that are con-
7 ducted by separate business units, or under separate
8 governmentwide acquisition contracts, of such non-
9 defense agency. In any case where such separate re-
10 views are conducted, the Inspectors General shall
11 make separate determinations under paragraph (1)
12 or (2) of subsection (a), as applicable, with respect
13 to each such separate review.

14 (d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF
15 DEPARTMENT OF DEFENSE.—

16 (1) LIMITATION DURING REVIEW PERIOD.—
17 After March 15, 2007, and before June 16, 2008,
18 no official of the Department of Defense may, except
19 as provided in subsection (e) or (f), order, purchase,
20 or otherwise procure property or services in an
21 amount in excess of \$100,000 through a covered
22 non-defense agency for which a determination de-
23 scribed in clause (iii) or (iv) of paragraph (1)(B) of
24 subsection (a) has been made under subsection (a).

1 (2) LIMITATION AFTER REVIEW PERIOD.—After
2 June 15, 2008, no official of the Department of De-
3 fense may, except as provided in subsection (e) or
4 (f), order, purchase, or otherwise procure property
5 or services in an amount in excess of \$100,000
6 through a covered non-defense agency that, having
7 been subject to review under this section, has not
8 been determined under this section as being compli-
9 ant with defense procurement requirements.

10 (3) LIMITATION FOLLOWING FAILURE TO
11 REACH MOU.—Commencing on the date that is 60
12 days after the date of the enactment of this Act, if
13 a memorandum of understanding between the In-
14 spector General of the Department of Defense and
15 the Inspector General of a covered non-defense agen-
16 cy cannot be attained causing the review required by
17 this section to not be performed, no official of the
18 Department of Defense, except as provided in sub-
19 section (e) or (f), may order, purchase or otherwise
20 procure property or services in an amount in excess
21 of \$100,000 through such non-defense agency.

22 (e) EXCEPTION FROM APPLICABILITY OF LIMITA-
23 TIONS.—

24 (1) EXCEPTION.—No limitation applies under
25 subsection (d) with respect to the procurement of

1 property and services on behalf of the Department
2 of Defense by a covered non-defense agency during
3 any period that there is in effect a determination of
4 the Under Secretary of Defense for Acquisition,
5 Technology, and Logistics, made in writing, that it
6 is necessary in the interest of the Department of De-
7 fense to continue to procure property and services
8 through such non-defense agency.

9 (2) APPLICABILITY OF DETERMINATION.—A
10 written determination with respect to a covered non-
11 defense agency under paragraph (1) is in effect for
12 the period, not in excess of one year, that the Under
13 Secretary shall specify in the written determination.
14 The Under Secretary may extend from time to time,
15 for up to one year at a time, the period for which
16 the written determination remains in effect.

17 (f) TERMINATION OF APPLICABILITY OF LIMITA-
18 TIONS.—Subsection (d) shall cease to apply to a covered
19 non-defense agency on the date on which the Inspector
20 General of the Department of Defense and the Inspector
21 General of such non-defense agency jointly—

22 (1) determine that such non-defense agency is
23 compliant with defense procurement requirements;
24 and

1 (2) notify the Secretary of Defense of that de-
2 termination.

3 (g) IDENTIFICATION OF PROCUREMENTS MADE
4 DURING A PARTICULAR FISCAL YEAR.—For the purposes
5 of subsection (a), a procurement shall be treated as being
6 made during a particular fiscal year to the extent that
7 funds are obligated by the Department of Defense for that
8 procurement in that fiscal year.

9 (h) RESOLUTION OF DISAGREEMENTS.—If the In-
10 spector General of the Department of Defense and the In-
11 spector General of a covered non-defense agency are un-
12 able to agree on a joint determination under subsection
13 (a) or subsection (f), a determination by the Inspector
14 General of the Department of Defense under such sub-
15 section shall be conclusive for the purposes of this section.

16 (i) DEFINITIONS.—In this section:

17 (1) The term “covered non-defense agency”
18 means each of the following:

19 (A) The Department of Veterans Affairs.

20 (B) The National Institutes of Health.

21 (2) The term “governmentwide acquisition con-
22 tract”, with respect to a covered non-defense agency,
23 means a task or delivery order contract that—

24 (A) is entered into by the non-defense
25 agency; and

1 (B) may be used as the contract under
2 which property or services are procured for one
3 or more other departments or agencies of the
4 Federal Government.

5 **SEC. 807. REGULATIONS ON USE OF FIXED PRICE CON-**
6 **TRACTS IN DEVELOPMENT PROGRAMS.**

7 (a) IN GENERAL.—Not later than 120 days after the
8 date of the enactment of this Act, the Secretary of Defense
9 shall modify the regulations of the Department of Defense
10 on the use of fixed-price type contracts in development
11 programs.

12 (b) ELEMENTS.—As modified under subsection (a),
13 the regulations described in that subsection shall—

14 (1) establish a preference for the use of fixed-
15 price type contracts in development programs to the
16 maximum extent practicable in light of the level of
17 program risk; and

18 (2) require the use of fixed-price type contracts
19 in each contract for system development and dem-
20 onstration, or operational system development, un-
21 less the use of a different contract type is specifi-
22 cally authorized pursuant to subsection (c).

23 (c) AUTHORIZATION OF USE OF DIFFERENT CON-
24 TRACT TYPE.—

1 (1) IN GENERAL.—As modified under sub-
2 section (a), the regulations described in that sub-
3 section shall provide that the Secretary of Defense
4 may authorize the use of a difference contract type
5 under subsection (b)(2) with respect to a program
6 upon a written determination by the Secretary
7 that—

8 (A) the program is so complex and tech-
9 nically challenging that it would not be prac-
10 ticable to reduce program risk to a level that
11 would permit the use of a fixed-price type con-
12 tract; and

13 (B) the complexity and technical challenge
14 of the program is not the result of a failure to
15 meet the certification requirements established
16 in section 2366a of title 10, United States
17 Code.

18 (2) SUBMITTAL TO CONGRESSIONAL DEFENSE
19 COMMITTEES.—The regulations shall provide that a
20 copy of any determination on a program under para-
21 graph (1), together with an explanation of the basis
22 for such determination, shall be submitted to the
23 congressional defense committees with the first Se-
24 lected Acquisition Report submitted under section

1 2432 of title 10, United States Code, after such de-
2 termination is made.

3 (3) DELEGATION OF AUTHORITY.—The regula-
4 tions shall provide that the authority to make a de-
5 termination under paragraph (1) may not be dele-
6 gated below the level of the Under Secretary of De-
7 fense for Acquisition, Technology, and Logistics.

8 (c) REPEAL OF SUPERSEDED REQUIREMENTS.—Sec-
9 tion 807 of the National Defense Authorization Act for
10 Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

11 (d) EFFECTIVE DATE OF REGULATIONS.—

12 (1) IN GENERAL.—The modified regulations re-
13 quired under this section shall apply to any contract
14 entered into after the date that is 120 days after the
15 date of the enactment of this Act.

16 (2) SYSTEM DEVELOPMENT AND DEMONSTRA-
17 TION OR OPERATIONAL SYSTEM DEVELOPMENT.—
18 The modification required by subsection (b)(2) in
19 the regulations shall apply with respect to programs
20 that enter into system development and demonstra-
21 tion, or operational system development, after the
22 date that is 120 days after the date of the enact-
23 ment of this Act.

1 **SEC. 808. AVAILABILITY OF FUNDS FOR PERFORMANCE-**
2 **BASED LOGISTICS CONTRACTS FOR WEAPON**
3 **SYSTEMS LOGISTICS SUPPORT.**

4 (a) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—

6 (1) IN GENERAL.—Amounts available to the
7 Department of Defense for operation and maintenance—
8 nance—

9 (A) are available for performance-based logistics contracts for weapon systems; and
10

11 (B) subject to paragraph (2), may be used
12 in accordance with the terms of such contracts
13 to implement engineering changes that result in
14 a reduction of the operation and maintenance
15 costs to the Government of such systems.

16 (2) LIMITATION.—Funds may not be used for
17 a performance-based logistics contract to implement
18 engineering changes the total cost of which is expected to exceed \$20,000,000.
19

20 (b) NOTICE TO CONGRESS ON ENTRY INTO CONTRACTS.—
21

22 (1) IN GENERAL.—Not later than 30 days before entering into a performance-based logistics contract under this section, the Secretary of a military department shall submit to Congress a notice of intent to enter into such contract.
23
24
25
26

1 (2) ELEMENTS.—The notice on a performance-
2 based logistics contract under paragraph (1) shall
3 include the following:

4 (A) A statement that the military depart-
5 ment concerned—

6 (i) has performed a business case
7 analysis for such contract;

8 (ii) has determined, based on such
9 analysis, that there is a reasonable expect-
10 tation that such contract will result in an
11 overall reduction of operation and mainte-
12 nance costs with respect to a weapon sys-
13 tem; and

14 (iii) has specific plans in place to—

15 (I) update such analysis at ap-
16 propriate decision points when suffi-
17 cient cost and performance data have
18 been collected to validate the assump-
19 tions used in developing such analysis;
20 and

21 (II) periodically review and vali-
22 date the propriety and integrity of
23 program performance measures, and
24 verify the reliability of contractor cost

1 and performance data, with respect to
2 such contract.

3 (B) An estimate of the projected cost and
4 savings from such contract, together with an
5 explanation of the basis for such estimates.

6 (c) PERFORMANCE-BASED LOGISTICS CONTRACT
7 DEFINED.—In this section, the term “performance-based
8 logistics contract” means a contract for the acquisition of
9 logistics support (whether at the system, subsystem, or
10 major assembly level) for a weapon system that combines
11 logistics support in an integrated, affordable, performance
12 package designed to optimize system readiness and meet
13 performance goals for the weapon system through long-
14 term support arrangements with clear lines of authority
15 and responsibility for the provision of such support.

16 (d) REPORT.—

17 (1) IN GENERAL.—Not later than March 1,
18 2012, the Secretary of Defense shall submit to the
19 congressional defense committees a report on the
20 status of all performance-based logistics contracts
21 entered into pursuant to this section.

22 (2) ELEMENTS.—The report under paragraph
23 (1) shall include, for each contract covered by such
24 report, a comparison of the projected cost and sav-
25 ings of such contract (as estimated in the notice to

1 Congress under subsection (b)(2)(B)) with the ac-
2 tual cost and savings of such contract (as deter-
3 mined in accordance with the plan for such contract
4 under subsection (b)(2)(A)(iii)).

5 (e) SUNSET.—

6 (1) IN GENERAL.—The authority to enter con-
7 tracts under this section shall terminate on Sep-
8 tember 30, 2012.

9 (2) EFFECT ON EXISTING CONTRACTS.—The
10 termination under paragraph (1) of the authority to
11 enter contracts under this section shall not affect
12 the use of funds for purposes authorized by sub-
13 section (a) under contracts entered on or before the
14 date specified in that paragraph.

15 **SEC. 809. QUALITY CONTROL IN PROCUREMENT OF SHIP**
16 **CRITICAL SAFETY ITEMS AND RELATED**
17 **SERVICES.**

18 (a) QUALITY CONTROL POLICY.—The Secretary of
19 Defense shall prescribe in regulations a quality control
20 policy for the procurement of the following:

21 (1) Ship critical safety items.

22 (2) Modifications, repair, and overhaul of ship
23 critical safety items.

24 (b) ELEMENTS.—The policy required under sub-
25 section (a) shall include requirements as follows:

1 (1) That the head of the design control activity
2 for ship critical safety items establish processes to
3 identify and manage the procurement, modification,
4 repair, and overhaul of such items.

5 (2) That the head of the contracting activity for
6 a ship critical safety item enter into a contract for
7 the procurement, modification, repair, or overhaul of
8 such item only with a source on a qualified manufac-
9 turers list or a source approved by the design control
10 activity in accordance with section 2319 of title 10,
11 United States Code (as amended by subsection (d)).

12 (3) That the ship critical safety items delivered,
13 and the services performed with respect to such
14 items, meet all technical and quality requirements
15 specified by the design control activity.

16 (c) DEFINITIONS.—In this section, the terms “ship
17 critical safety item” and “design control activity” have the
18 meanings given such terms in subsection (g) of 2319 of
19 title 10, United States Code (as so amended).

20 (d) CONFORMING AMENDMENTS.—Section 2319 of
21 title 10, United States Code, is amended—

22 (1) in subsection (c)(3), by inserting “or ship
23 critical safety item” after “aviation critical safety
24 item”; and

25 (2) in subsection (g)—

1 (A) by redesignating paragraph (2) as
2 paragraph (3);

3 (B) by inserting after paragraph (1) the
4 following new paragraph (2):

5 “(2) The term ‘ship critical safety item’ means
6 any ship part, assembly, or support equipment con-
7 taining a characteristic the failure, malfunction, or
8 absence of which could cause a catastrophic or crit-
9 ical failure resulting in loss of or serious damage to
10 the ship or unacceptable risk of personal injury or
11 loss of life.”; and

12 (C) in paragraph (3), as so redesignated—

13 (i) by inserting “or ship critical safety
14 item” after “aviation critical safety item”;

15 (ii) by inserting “, or the seaworthi-
16 ness of a ship or ship equipment,” after
17 “equipment”; and

18 (iii) by striking “the item” and insert-
19 ing “such item”.

20 **SEC. 810. THREE-YEAR EXTENSION OF REQUIREMENT FOR**
21 **REPORTS ON COMMERCIAL PRICE TREND**
22 **ANALYSES OF THE DEPARTMENT OF DE-**
23 **FENSE.**

24 Section 803(c)(4) of the Strom Thurmond National
25 Defense Authorization Act for Fiscal Year 1999 (10

1 U.S.C. 2306a note) is amended by striking “2006” and
2 inserting “2009”.

3 **SEC. 811. PILOT PROGRAM ON TIME-CERTAIN DEVELOP-**
4 **MENT IN ACQUISITION OF MAJOR WEAPON**
5 **SYSTEMS.**

6 (a) PILOT PROGRAM AUTHORIZED.—The Secretary
7 of Defense may carry out a pilot program on the use of
8 time-certain development in the acquisition of major weap-
9 on systems.

10 (b) PURPOSE OF PILOT PROGRAM.—The purpose of
11 the pilot program authorized by subsection (a) is to assess
12 the feasibility and advisability of utilizing time-certain de-
13 velopment in the acquisition of major weapon systems in
14 order to deliver new capabilities to the warfighter more
15 rapidly through disciplined decision-making, emphasis on
16 technological maturity, and appropriate trade-offs between
17 system performance and schedule.

18 (c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

19 (1) IN GENERAL.—The decision whether to in-
20 clude a major weapon system in the pilot program
21 shall be made by the Milestone Decision Authority
22 for the acquisition program for the system.

23 (2) CRITERIA.—A major weapon system may be
24 included in the pilot program only if the Milestone
25 Decision Authority determines, in consultation with

1 the service acquisition executive for the military de-
2 partment carrying out the acquisition program for
3 the system and one or more combatant commanders
4 responsible for fielding the system, that—

5 (A) the certification requirements of sec-
6 tion 2366a of title 10, United States Code, have
7 been met, and no waivers have been granted
8 from such requirements;

9 (B) a preliminary design has been com-
10 pleted after appropriate requirements analysis
11 using systems engineering, and the system, as
12 so designed, will meet battlefield needs identi-
13 fied by the relevant combatant commanders;

14 (C) all critical technologies needed to meet
15 system requirements have been demonstrated in
16 an operational environment;

17 (D) an independent cost estimate has been
18 conducted and used as the basis for funding re-
19 quirements for the acquisition program for the
20 system;

21 (E) the budget of the military department
22 responsible for carrying out the acquisition pro-
23 gram for the system provides the funding nec-
24 essary to execute the product development and

1 production plan consistent with the require-
2 ments identified pursuant to subparagraph (D);

3 (F) an appropriately-qualified program
4 manager has entered into a performance agree-
5 ment with the Milestone Decision Authority
6 that establishes expected parameters for the
7 cost, schedule, and performance of the acquisi-
8 tion program for the system, consistent with a
9 business case for such acquisition program;

10 (G) the service acquisition executive and
11 the program manager have agreed that the pro-
12 gram manager will continue in such position
13 until the delivery of the initial operational capa-
14 bility under the acquisition program for the sys-
15 tem;

16 (H) the service acquisition executive, the
17 relevant combatant commanders, and the pro-
18 gram manager have agreed that no additional
19 requirements will be added during the develop-
20 ment phase of the acquisition program for the
21 system; and

22 (I) a planned initial operational capability
23 will be delivered to the relevant combatant com-
24 manders no more than 6 years after the date of
25 the milestone B approval for the system.

1 (3) TIMING OF DECISION.—The decision wheth-
2 er to include a major weapon system in the pilot
3 program shall be made at the time of milestone ap-
4 proval for the acquisition program for the system.

5 (d) LIMITATION ON NUMBER OF SYSTEM IN PILOT
6 PROGRAM.—The number of major weapon systems in-
7 cluded in the pilot program at any time may not exceed
8 12 major weapon systems.

9 (e) SPECIAL FUNDING AUTHORITY.—

10 (1) AUTHORITY FOR RESERVE ACCOUNT.—Not-
11 withstanding any other provision of law, the Sec-
12 retary of Defense may establish a special reserve ac-
13 count utilizing funds made available for the major
14 weapon systems included in the pilot program.

15 (2) ELEMENTS.—The special reserve account
16 may include—

17 (A) funds made available for any major
18 weapon system included in the pilot program to
19 cover termination liability;

20 (B) funds made available for any major
21 weapon system included in the pilot program
22 for award fees that may be earned by contrac-
23 tors; and

24 (C) funds appropriated to the special re-
25 serve account.

1 (3) AVAILABILITY OF FUNDS.—Funds in the
2 special reserve account may be used, in accordance
3 with guidance issued by the Secretary for purposes
4 of this section, for the following purposes:

5 (A) To cover termination liability for any
6 major weapon system included in the pilot pro-
7 gram.

8 (B) To pay award fees that are earned by
9 any contractor for a major weapon system in-
10 cluded in the pilot program.

11 (C) To address unforeseen contingencies
12 that could prevent a major weapon system in-
13 cluded in the pilot program from meeting crit-
14 ical schedule or performance requirements.

15 (4) REPORTS ON USE OF FUNDS.—Not later
16 than 30 days after the use of funds in the special
17 reserve account for the purpose specified in para-
18 graph (3)(C), the Secretary shall submit to the con-
19 gressional defense committees a report on report the
20 use of funds in the account for such purpose. The
21 report shall set forth the purposes for which the
22 funds were used and the reasons for the use of the
23 funds for such purposes.

24 (f) ADMINISTRATION OF PILOT PROGRAM.—The Sec-
25 retary of Defense shall prescribe policies and procedures

1 on the administration of the pilot program. Such policies
2 and procedures shall—

3 (1) provide for the use of program status re-
4 ports based on earned value data to track progress
5 on a major weapon system under the pilot program
6 against baseline estimates applicable to such system
7 at each systems engineering technical review point;
8 and

9 (2) grant authority to the program manager for
10 the acquisition program for a major weapon system
11 to make key program decisions and trade-offs, sub-
12 ject to management reviews only if cost or schedule
13 deviations exceed 10 percent baselines for such ac-
14 quisition program.

15 (g) EXPIRATION OF AUTHORITY TO INCLUDE ADDI-
16 TIONAL SYSTEMS IN PILOT PROGRAM.—

17 (1) EXPIRATION.—A major weapon system may
18 not be included in the pilot program after September
19 30, 2012.

20 (2) RETENTION OF SYSTEMS.—A major weapon
21 system included in the pilot program before the date
22 specified in paragraph (1) in accordance with the re-
23 quirements of this section may remain in the pilot
24 program after that date.

25 (h) ANNUAL REPORT.—

1 (1) IN GENERAL.—Not later than one year
2 after including the first major weapon system in the
3 pilot program, and annually thereafter, the Sec-
4 retary shall submit to the congressional defense com-
5 mittees a report on the pilot program, and the major
6 weapon systems included in the pilot program, dur-
7 ing the one-year period ending on the date of such
8 report.

9 (2) ELEMENTS.—Each report under this sub-
10 section shall include—

11 (A) a description of progress under the
12 pilot program, and on each major weapon sys-
13 tem included in the pilot program, during the
14 period covered by such report; and

15 (B) such other matters as the Secretary
16 considers appropriate.

17 (i) MAJOR WEAPON SYSTEM DEFINED.—In this sec-
18 tion, the term “major weapon system” means a weapon
19 system that is treatable as a major system under section
20 2302(5) of title 10, United States Code.

1 **Subtitle B—Defense Industrial**
2 **Base Matters**

3 **SEC. 821. REMOVAL OF HAND AND MEASURING TOOLS**
4 **FROM CERTAIN REQUIREMENTS.**

5 (a) IN GENERAL.—Subsection (b) of section 2533a
6 of title 10, United States Code, is amended by striking
7 paragraph (3).

8 (b) CONFORMING AMENDMENT.—Subsection (d) of
9 such section is amended by striking “(b)(1)(A), (b)(2), or
10 (b)(3)” each place it appears and inserting “(b)(1)(A) or
11 (b)(2)”.

12 **SEC. 822. SUBSTITUTION OF SPECIALTY METALS WITH TI-**
13 **TANIUM AND NICKEL UNDER CERTAIN RE-**
14 **QUIREMENTS.**

15 (a) IN GENERAL.—Subsection (b) of section 2533a
16 of title 10, United States Code, as amended by section
17 821(a) of this Act, is further amended by striking para-
18 graph (2) and inserting the following new paragraphs:

19 “(2) Titanium.

20 “(3) Nickel.”.

21 (b) CONFORMING AMENDMENTS.—Such section
22 2533a is further amended—

23 (1) in subsection (c), by striking “or specialty
24 metals (including stainless steel flatware)” and in-
25 serting “, titanium, or nickel”; and

1 (2) in subsection (e)—

2 (A) in the subsection caption, by striking
3 “SPECIALTY METALS” and inserting “TITA-
4 NIUM, NICKEL,”; and

5 (B) in the matter preceding paragraph (1),
6 by striking “specialty metals” and inserting “ti-
7 tanium, nickel,”.

8 **SEC. 823. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR**
9 **CONTENT REQUIREMENTS.**

10 (a) **AUTHORITY.**—Subchapter V of chapter 148 of
11 title 10, United States Code, is amended by adding at the
12 end the following new section:

13 **“§ 2539c. Waiver of domestic source or content re-**
14 **quirements**

15 “(a) **AUTHORITY.**—Except as provided in subsection
16 (f), the Secretary of Defense may waive the application
17 of any domestic source requirement or domestic content
18 requirement referred to in subsection (b) and thereby au-
19 thorize the procurement of items that are grown, reproc-
20 essed, reused, produced, or manufactured—

21 “(1) in a foreign country that has a Declaration
22 of Principles with the United States;

23 “(2) in a foreign country that has a Declaration
24 of Principles with the United States substantially
25 from components and materials grown, reprocessed,

1 reused, produced, or manufactured in the United
2 States or any foreign country that has a Declaration
3 of Principles with the United States; or

4 “(3) in the United States substantially from
5 components and materials grown, reprocessed, re-
6 used, produced, or manufactured in the United
7 States or any foreign country that has a Declaration
8 of Principles with the United States.

9 “(b) COVERED REQUIREMENTS.—For purposes of
10 this section:

11 “(1) A domestic source requirement is any re-
12 quirement under law that the Department of De-
13 fense satisfy its requirements for an item by pro-
14 curing an item that is grown, reprocessed, reused,
15 produced, or manufactured in the United States or
16 by a manufacturer that is a part of the national
17 technology and industrial base (as defined in section
18 2500(1) of this title).

19 “(2) A domestic content requirement is any re-
20 quirement under law that the Department of De-
21 fense satisfy its requirements for an item by pro-
22 curing an item produced or manufactured partly or
23 wholly from components and materials grown, re-
24 processed, reused, produced, or manufactured in the
25 United States.

1 “(c) APPLICABILITY.—The authority of the Secretary
2 to waive the application of a domestic source or content
3 requirements under subsection (a) applies to the procure-
4 ment of items for which the Secretary of Defense deter-
5 mines that—

6 “(1) application of the requirement would im-
7 pede the reciprocal procurement of defense items
8 under a Declaration of Principles with the United
9 States; and

10 “(2) such country does not discriminate against
11 defense items produced in the United States to a
12 greater degree than the United States discriminates
13 against defense items produced in that country.

14 “(d) LIMITATION ON DELEGATION.—The authority
15 of the Secretary to waive the application of domestic
16 source or content requirements under subsection (a) may
17 not be delegated to any officer or employee other than the
18 Under Secretary of Defense for Acquisition, Technology,
19 and Logistics.

20 “(e) CONSULTATIONS.—The Secretary may grant a
21 waiver of the application of a domestic source or content
22 requirement under subsection (a) only after consultation
23 with the United States Trade Representative, the Sec-
24 retary of Commerce, and the Secretary of State.

1 “(f) LAWS NOT WAIVABLE.—The Secretary of De-
2 fense may not exercise the authority under subsection (a)
3 to waive any domestic source or content requirement con-
4 tained in any of the following laws:

5 “(1) The Small Business Act (15 U.S.C. 631 et
6 seq.).

7 “(2) The Javits-Wagner-O’Day Act (41 U.S.C.
8 46 et seq.).

9 “(3) Sections 7309 and 7310 of this title.

10 “(4) Section 2533a of this title.

11 “(g) RELATIONSHIP TO OTHER WAIVER AUTHOR-
12 ITY.—The authority under subsection (a) to waive a do-
13 mestic source requirement or domestic content require-
14 ment is in addition to any other authority to waive such
15 requirement.

16 “(h) CLARIFICATION OF RELATIONSHIP WITH BUY
17 AMERICAN ACT.—Nothing in this section shall be con-
18 strued to alter in any way the applicability of the Buy
19 American Act (41 U.S.C. 10a), or the authority of the
20 Secretary of Defense to waive the requirements of such
21 Act, with respect to the procurement of any item to which
22 such Act would apply without regard to this section.

23 “(i) CONSTRUCTION WITH RESPECT TO LATER EN-
24 ACTED LAWS.—This section may not be construed as
25 being inapplicable to a domestic source requirement or do-

1 mestic content requirement that is set forth in a law en-
2 acted after the enactment of this section solely on the
3 basis of the later enactment.

4 “(j) DECLARATION OF PRINCIPLES.—(1) In this sec-
5 tion, the term ‘Declaration of Principles’ means a written
6 understanding (including any Statement of Principles) be-
7 tween the Department of Defense and its counterpart in
8 a foreign country signifying a cooperative relationship be-
9 tween the Department and its counterpart to standardize
10 or make interoperable defense equipment used by the
11 armed forces and the armed forces of the foreign country
12 across a broad spectrum of defense activities, including—

13 “(A) harmonization of military requirements
14 and acquisition processes;

15 “(B) security of supply;

16 “(C) export procedures;

17 “(D) security of information;

18 “(E) ownership and corporate governance;

19 “(F) research and development;

20 “(G) flow of technical information; and

21 “(H) defense trade.

22 “(2) A Declaration of Principles is underpinned by
23 a memorandum of understanding or other agreement pro-
24 viding for the reciprocal procurement of defense items be-
25 tween the United States and the foreign country con-

1 cerned without unfair discrimination in accordance with
2 section 2531 of this title.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of such subchapter is amended by insert-
5 ing after the item relating to section 2539b the following
6 new item:

“2539c. Waiver of domestic source or content requirements.”.

7 **SEC. 824. REPEAL OF REQUIREMENT FOR IDENTIFICATION**
8 **OF ESSENTIAL MILITARY ITEMS AND MILI-**
9 **TARY SYSTEM ESSENTIAL ITEM BREAKOUT**
10 **LIST.**

11 Section 813 of the National Defense Authorization
12 Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat.
13 1543) is repealed.

14 **SEC. 825. CONSISTENCY WITH UNITED STATES OBLIGA-**
15 **TIONS UNDER TRADE AGREEMENTS.**

16 No provision of this Act or any amendment made by
17 this Act shall apply to a procurement by or for the Depart-
18 ment of Defense to the extent that the Secretary of De-
19 fense, in consultation with the Secretary of Commerce, the
20 United States Trade Representative, and the Secretary of
21 State, determines that it is inconsistent with United
22 States obligations under a trade agreement.

1 **Subtitle C—Defense Contractor**
2 **Matters**

3 **SEC. 841. REQUIREMENTS FOR DEFENSE CONTRACTORS**
4 **RELATING TO CERTAIN FORMER DEPART-**
5 **MENT OF DEFENSE OFFICIALS.**

6 (a) REQUIREMENTS.—

7 (1) IN GENERAL.—Chapter 141 of title 10,
8 United States Code, is amended by adding at the
9 end the following new section:

10 **“§ 2410p. Defense contractors: requirements con-**
11 **cerning former Department of Defense of-**
12 **icials**

13 “(a) IN GENERAL.—Each contract for the procure-
14 ment of goods or services in excess of \$10,000,000, other
15 than a contract for the procurement of commercial items,
16 that is entered into by the Department of Defense shall
17 include a provision under which the contractor agrees to
18 submit to the Secretary of Defense, not later than April
19 1 of each year such contract is in effect, a written report
20 setting forth the information required by subsection (b).

21 “(b) REPORT INFORMATION.—Except as provided in
22 subsection (c), a report by a contractor under subsection
23 (a) shall—

24 “(1) list the name of each person who—

1 “(A) is a former officer or employee of the
2 Department of Defense or a former or retired
3 member of the armed forces who served—

4 “(i) in an Executive Schedule position
5 under subchapter II of chapter 53 of title
6 5;

7 “(ii) in a position in the Senior Exec-
8 utive Service under subchapter VIII of
9 chapter 53 of title 5;

10 “(iii) in a general or flag officer posi-
11 tion compensated at a rate of pay for
12 grade 0–7 or above under section 201 of
13 title 37; or

14 “(iv) as a program manager, deputy
15 program manager, procuring contracting
16 officer, administrative contracting officer,
17 source selection authority, member of the
18 source selection evaluation board, or chief
19 of a financial or technical evaluation team
20 for a contract with a value in excess of
21 \$10,000,000; and

22 “(B) during the preceding calendar year
23 was provided compensation by the contractor, if
24 such compensation was first provided by the
25 contractor not more than two years after such

1 officer, employee, or member left service in the
2 Department of Defense; and

3 “(2) in the case of each person listed under
4 paragraph (1)—

5 “(A) identify the agency in which such per-
6 son was employed or served on active duty dur-
7 ing the last two years of such person’s service
8 with the Department of Defense;

9 “(B) state such person’s job title and iden-
10 tify each major defense system, if any, on which
11 such person performed any work with the De-
12 partment of Defense during the last two years
13 of such person’s service with the Department;
14 and

15 “(C) state such person’s current job title
16 with the contractor and identify each major de-
17 fense system on which such person has per-
18 formed any work on behalf of the contractor.

19 “(c) DUPLICATE INFORMATION NOT REQUIRED.—An
20 annual report submitted by a contractor pursuant to sub-
21 section (b) need not provide information with respect to
22 any former officer or employee of the Department of De-
23 fense or former or retired member of the armed forces
24 if such information has already been provided in a pre-

1 vious annual report filed by such contractor under this
2 section.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 141 of such title
5 is amended by adding at the end the following new
6 item:

“2410p. Defense contractors: requirements concerning former Department of
Defense officials.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall take effect on the date of the enact-
9 ment of this Act, and shall apply with respect to contracts
10 entered into on or after that date.

11 **SEC. 842. LEAD SYSTEMS INTEGRATORS.**

12 (a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD
13 SYSTEMS INTEGRATORS.—

14 (1) IN GENERAL.—Chapter 141 of title 10,
15 United States Code, as amended by section
16 841(a)(1) of this Act, is further amended by adding
17 at the end the following new section:

18 **“§ 2410q. Contracts: limitations on lead systems inte-
19 grators**

20 “(a) IN GENERAL.—Except as provided in subsection
21 (b), no contractor performing any inherently governmental
22 functions, or functions closely associated with inherently
23 governmental functions, relating to the acquisition, engi-
24 neering, structuring, planning, integration, management,

1 or control of a system of systems, regardless of whether
2 or not such contractor is expressly designated as a so-
3 called ‘lead systems integrator’, may have any financial
4 interest in the development or construction of any indi-
5 vidual system or element of such system of systems.

6 “(b) EXCEPTION.—A contractor described in sub-
7 section (a) may have a financial interest in the develop-
8 ment or construction of an individual system or element
9 of a system of systems if the Secretary of Defense certifies
10 to the congressional defense committees that—

11 “(1) the contractor is the preferred best of in-
12 dustry supplier of the system or element concerned;
13 and

14 “(2) the contractor was selected to develop or
15 construct the system or element concerned only after
16 a formal competition for such system or element
17 conducted by the Department of Defense in which
18 the contractor participated only as a respondent to
19 the request for proposal (RFP) under the competi-
20 tion.

21 “(c) CONSTRUCTION.—Nothing in this section shall
22 be construed to preclude a contractor described in sub-
23 section (a) from performing work necessary to integrate
24 two or more individual systems or elements of a system
25 of systems with each other.

1 “(d) DEFINITIONS.—In this section:

2 “(1) The term ‘best of industry’, with respect
3 to the development or construction of a system or
4 element by a contractor, means that the contractor
5 provides the Government any of the following in the
6 development or construction of the system or ele-
7 ment for the Government:

8 “(A) Best overall value.

9 “(B) Best technology.

10 “(C) Best capability.

11 “(D) Best availability.

12 “(2) The term ‘functions closely associated with
13 inherently governmental functions’ has the meaning
14 given such term in section 2383(b)(3) of this title.

15 “(3) The term ‘inherently governmental func-
16 tions’ has the meaning given such term in section
17 2383(b)(2) of this title.

18 “(4) The term ‘system of systems’ means a set
19 of interdependent systems, including one or more
20 major weapon systems, that are related to provide a
21 given capability and in which the loss of any one
22 would significantly degrade the performance or capa-
23 bilities of the set of systems as a whole.”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions at the beginning of chapter 141 of such title,

1 as amended by section 841(a)(2) of this Act, is fur-
2 ther amended by adding at the end the following
3 new item:

“2410q. Contracts: limitations on lead systems integrators.”.

4 (3) EFFECTIVE DATE.—The amendments made
5 by subsection (a) shall take effect on the date of the
6 enactment of this Act, and shall apply with respect
7 to contracts entered into on or after that date.

8 (b) UPDATE OF REGULATIONS ON LEAD SYSTEMS
9 INTEGRATORS.—Not later than December 31, 2006, the
10 Secretary of Defense shall update the acquisition regula-
11 tions of the Department of Defense in order to specify
12 fully in such regulations the matters with respect to lead
13 systems integrators set forth in section 805(b) of the Na-
14 tional Defense Authorization for Fiscal Year 2006 (Public
15 Law 109–163; 119 Stat. 3372).

16 (c) DEFINITION OF LEAD SYSTEMS INTEGRATOR.—

17 (1) DEFINITION REQUIRED.—The Secretary of
18 Defense shall include in the report required by sec-
19 tion 805 of the National Defense Authorization for
20 Fiscal Year 2006 a precise and comprehensive defi-
21 nition of the term “lead systems integrator”, as that
22 term is utilized in such section.

23 (2) MATTERS TO BE ADDRESSED.—In defining
24 the term “lead systems integrator” under paragraph

1 (1), the Secretary shall take into account the fol-
2 lowing:

3 (A) The importance of lead systems inte-
4 grators in the production, fielding, and
5 sustainment of complex systems, including their
6 role in addressing increases in cost, the evo-
7 lution of interoperability requirements, and the
8 maintenance and sustainment of critical capa-
9 bilities.

10 (B) The unique engineering and integra-
11 tion skills of lead systems integrators.

12 (C) The management and organizational
13 skills and capabilities of lead systems integra-
14 tors, including the capacity of lead systems in-
15 tegrators to facilitate the participation of small
16 and disadvantaged businesses in the production,
17 fielding, and sustainment of complex systems.

18 (d) CONTRACT TYPES AND FEE STRUCTURES.—The
19 Secretary of Defense shall include in the report required
20 by section 805 of the National Defense Authorization for
21 Fiscal Year 2006 a specification of various types of con-
22 tracts and fee structures, including award and incentive
23 fees, that are appropriate for use by lead systems integra-
24 tors in the production, fielding, and sustainment of com-
25 plex systems.

1 **SEC. 843. LINKING OF AWARD AND INCENTIVE FEES TO AC-**
2 **QUISITION OUTCOMES.**

3 (a) GUIDANCE ON LINKING OF AWARD AND INCEN-
4 TIVE FEES TO ACQUISITION OUTCOMES.—Not later than
5 180 days after the date of the enactment of this Act, the
6 Secretary of Defense shall issue guidance, with detailed
7 implementation instructions (including definitions), for
8 the Department of Defense on the appropriate use of
9 award and incentive fees in Department of Defense acqui-
10 sition programs.

11 (b) ELEMENTS.—The guidance under subsection (a)
12 shall—

13 (1) ensure that all new contracts using award
14 fees link such fees to acquisition outcomes (which
15 shall be defined in terms of program cost, schedule,
16 and performance);

17 (2) provide guidance on the circumstances in
18 which contractor performance may be judged to be
19 “excellent” or “superior” and the percentage of the
20 available award fee which contractors should be paid
21 for such performance;

22 (3) establish standards for determining the per-
23 centage of the available award fee, if any, which con-
24 tractors should be paid for performance that is
25 judged to be “acceptable”, “average”, “expected”,
26 “good”, or “satisfactory”;

1 (4) ensure that no award fee may be paid for
2 contractor performance that is judged to be poor;

3 (5) provide specific direction on the cir-
4 cumstances, if any, in which it may be appropriate
5 to roll over award fees that are not earned in one
6 award fee period to a subsequent award fee period
7 or periods;

8 (6) ensure that the Department of Defense—

9 (A) collects relevant data on award and in-
10 centive fees paid to contractors; and

11 (B) has mechanisms in place to evaluate
12 such data on a regular basis;

13 (7) include performance measures to evaluate
14 the effectiveness of award and incentive fees as a
15 tool for improving contractor performance and
16 achieving desired program outcomes; and

17 (8) provide mechanisms for sharing proven in-
18 centive strategies for the acquisition of different
19 types of products and services among contracting
20 and program management officials.

21 (c) ASSESSMENT OF INDEPENDENT EVALUATION
22 MECHANISMS.—

23 (1) IN GENERAL.—The Secretary of Defense
24 shall select a federally-funded research and develop-
25 ment center to assess various mechanisms that could

1 be used to ensure an independent evaluation of con-
2 tractor performance for the purpose of making de-
3 terminations applicable to the judging and payment
4 of award fees.

5 (2) CONSIDERATIONS.—The assessment con-
6 ducted pursuant to paragraph (1) shall include con-
7 sideration of the advantages and disadvantages of a
8 system in which award fees are—

9 (A) held in a separate fund or funds of the
10 Department of Defense; and

11 (B) allocated to a specific program only
12 upon a determination by an independent board,
13 charged with comparing contractor performance
14 across programs, that such fees have been
15 earned by the contractor for such program.

16 (3) REPORT.—The Secretary shall submit to
17 the congressional defense committees a report on the
18 assessment conducted pursuant to paragraph (1) not
19 later than one year after the date of the enactment
20 of this Act.

21 **SEC. 844. PROHIBITION ON EXCESSIVE PASS-THROUGH**
22 **CHARGES.**

23 (a) REGULATIONS REQUIRED.—Not later than 120
24 days after the date of the enactment of this Act, the Sec-
25 retary of Defense shall prescribe regulations prohibiting

1 excessive pass-through charges on contracts or sub-
2 contracts (or task or delivery orders) that are entered into
3 for or on behalf of the Department of Defense that are
4 in excess of the simplified acquisition threshold, as speci-
5 fied in section 4(11) of the Office of Federal Procurement
6 Policy Act (41 U.S.C. 403(11)).

7 (b) SCOPE OF REGULATIONS.—The regulations pre-
8 scribed under this section shall not apply to any firm,
9 fixed-price contract or subcontract (or task or delivery
10 order) that is—

11 (1) awarded on the basis of adequate price com-
12 petition; or

13 (2) for the acquisition of a commercial item, as
14 defined in section 4(12) of the Office of Federal
15 Procurement Policy Act (41 U.S.C. 403(12)).

16 (c) DEFINITIONS.—In this section:

17 (1) The term “excessive pass-through charge”
18 means a charge by a covered contractor or subcon-
19 tractor for overhead or profit on work performed by
20 a covered lower-tier contractor (other than charges
21 for the direct costs of managing lower-tier contracts
22 and overhead and profit based on such direct costs).

23 (2) The term “covered contractor” means the
24 following:

1 (A) A contractor that assigns work ac-
2 counting for more than 90 percent of the cost
3 of contract performance (not including overhead
4 or profit) to subcontractors.

5 (B) In the case of a contract providing for
6 the development or production of more than one
7 weapon system, a contractor that assigns work
8 accounting for more than 90 percent of the cost
9 of contract performance (not including overhead
10 or profit) for any particular weapon system
11 under such contract to subcontractors.

12 (3) The term “covered lower-tier contractor”
13 means the following:

14 (A) With respect to a covered contractor
15 described by paragraph (2)(A) in a contract,
16 any lower-tier subcontractor under such con-
17 tract.

18 (B) With respect to a covered contractor
19 described by paragraph (2)(B) in a contract,
20 any lower-tier subcontractor on a weapon sys-
21 tem under such contract for which such covered
22 contractor has assigned work accounting for
23 more than 90 percent of the cost of contract
24 performance (not including overhead or profit).

1 (d) EFFECTIVE DATE.—The regulations prescribed
2 under this section shall apply to contracts awarded for or
3 on behalf of the Department of Defense on or after the
4 date that is 120 days after the date of the enactment of
5 this Act.

6 **SEC. 845. REPORT ON DEPARTMENT OF DEFENSE CON-**
7 **TRACTING WITH CONTRACTORS OR SUB-**
8 **CONTRACTORS EMPLOYING MEMBERS OF**
9 **THE SELECTIVE RESERVE.**

10 (a) STUDY REQUIRED.—The Secretary of Defense
11 shall conduct a study on contracting with the Department
12 of Defense by actual and potential contractors and sub-
13 contractors of the Department who employ members of
14 the Selected Reserve of the reserve components of the
15 Armed Forces.

16 (b) ELEMENTS.—The study required by subsection
17 (a) shall address the following:

18 (1) The extent to which actual and potential
19 contractors and subcontractors of the Department,
20 including small businesses, employ members of the
21 Selective Reserve.

22 (2) The extent to which actual and potential
23 contractors and subcontractors of the Department
24 have been or are likely to be disadvantaged in the
25 performance of contracts with the Department, or in

1 competition for new contracts with the Department,
2 when employees who are such members are mobi-
3 lized as part of a United States military operation
4 overseas.

5 (3) Any actions that, in the view of the Sec-
6 retary, should be taken to address any such dis-
7 advantage, including—

8 (A) the extension of additional time for the
9 performance of contracts to contractors and
10 subcontractors of Department who employ
11 members of the Selected Reserve who are mobi-
12 lized as part of a United States military oper-
13 ation overseas; and

14 (B) the provision of assistance in forming
15 contracting relationships with other entities to
16 ameliorate the temporary loss of qualified per-
17 sonnel.

18 (c) REPORT.—Not later than one year after the date
19 of the enactment of this Act, the Secretary shall submit
20 to Congress a report on the study required by this section.
21 The report shall set forth the findings and recommenda-
22 tions of the Secretary as a result of the study.

23 (d) REPEAL OF SUPERSEDED AUTHORITY.—Section
24 819 of the National Defense Authorization Act for Fiscal

1 Year 2006 (Public Law 109–163; 119 Stat. 3385; 10
2 U.S.C. 2305 note) is repealed.

3 **Subtitle D—Program Manager**
4 **Matters**

5 **SEC. 861. PROGRAM MANAGER EMPOWERMENT AND AC-**
6 **COUNTABILITY.**

7 (a) STRATEGY.—The Secretary of Defense shall de-
8 velop a comprehensive strategy for enhancing the role of
9 Department of Defense program managers in developing
10 and carrying out defense acquisition programs.

11 (b) MATTERS TO BE ADDRESSED.—The strategy re-
12 quired by this section shall address, at a minimum—

13 (1) enhanced training and educational opportu-
14 nities for program managers;

15 (2) increased emphasis on the mentoring of cur-
16 rent and future program managers by experienced
17 senior executives and program managers within the
18 Department;

19 (3) improved career paths and career opportu-
20 nities for program managers;

21 (4) additional incentives for the recruitment
22 and retention of highly qualified individuals to serve
23 as program managers;

24 (5) improved resources and support (including
25 systems engineering expertise, cost estimating exper-

1 tise, and software development expertise) for pro-
2 gram managers;

3 (6) improved means of collecting and dissemi-
4 nating best practices and lessons learned to enhance
5 program management across the Department;

6 (7) common templates and tools to support im-
7 proved data gathering and analysis for program
8 management and oversight purposes;

9 (8) increased accountability of program man-
10 agers for the results of defense acquisition pro-
11 grams; and

12 (9) enhanced monetary and nonmonetary
13 awards for successful accomplishment of program
14 objectives by program managers.

15 (c) REPORT.—Not later than 180 days after the date
16 of the enactment of this Act, the Secretary shall submit
17 to the congressional defense committees a report on the
18 strategy developed pursuant to this section.

19 **SEC. 862. TENURE AND ACCOUNTABILITY OF PROGRAM**
20 **MANAGERS FOR PROGRAM DEVELOPMENT**
21 **PERIODS.**

22 (a) REVISED GUIDANCE REQUIRED.—Not later than
23 180 days after the date of the enactment of this Act, the
24 Secretary of Defense shall revise Department of Defense
25 guidance for defense acquisition programs to address the

1 tenure and accountability of program managers for the
2 program development period of defense acquisition pro-
3 grams.

4 (b) PROGRAM DEVELOPMENT PERIOD.—For the pur-
5 pose of this section, the term “program development pe-
6 riod” refers to the period before a decision on Milestone
7 B approval (or Key Decision Point B approval in the case
8 of a space program).

9 (c) RESPONSIBILITIES.—The revised guidance re-
10 quired by subsection (a) shall provide that the program
11 manager for the program development period of a defense
12 acquisition program is responsible for—

13 (1) bringing to maturity the technologies and
14 manufacturing processes that will be needed to carry
15 out such program;

16 (2) ensuring continuing focus during program
17 development on meeting stated mission requirements
18 and other requirements of the Department of De-
19 fense;

20 (3) making trade-offs between program cost,
21 schedule and performance for the life-cycle of such
22 program;

23 (4) developing a business case for such pro-
24 gram; and

1 (5) ensuring that appropriate information is
2 available to the milestone decision authority to make
3 a decision on Milestone B approval (or Key Decision
4 Point B approval in the case of a space program),
5 including information necessary to make the certifi-
6 cation required by section 2366a of title 10, United
7 States Code.

8 (d) QUALIFICATIONS, RESOURCES, AND TENURE.—
9 The Secretary shall ensure that each program manager
10 for the program development period of a defense acqui-
11 sition program—

12 (1) has the appropriate management, engineer-
13 ing, technical, and financial expertise needed to meet
14 the responsibilities assigned pursuant to subsection
15 (c);

16 (2) is provided the resources and support (in-
17 cluding systems engineering expertise, cost esti-
18 mating expertise, and software development exper-
19 tise) needed to meet such responsibilities; and

20 (3) is assigned to the program manager posi-
21 tion for such program until such time as such pro-
22 gram is ready for a decision on Milestone B approval
23 (or Key Decision Point B approval in the case of a
24 space program).

1 **SEC. 863. TENURE AND ACCOUNTABILITY OF PROGRAM**
2 **MANAGERS FOR PROGRAM EXECUTION PERI-**
3 **ODS.**

4 (a) REVISED GUIDANCE REQUIRED.—Not later than
5 180 days after the date of the enactment of this Act, the
6 Secretary of Defense shall revise Department of Defense
7 guidance for defense acquisition programs to address the
8 tenure and accountability of program managers for the
9 program execution period of defense acquisition programs.

10 (b) PROGRAM EXECUTION PERIOD.—For the pur-
11 pose of this section, the term “program execution period”
12 refers to the period after Milestone B approval (or Key
13 Decision Point B approval in the case of a space pro-
14 gram).

15 (c) RESPONSIBILITIES.—The revised guidance re-
16 quired by subsection (a) shall—

17 (1) require the program manager for the pro-
18 gram execution period of a defense acquisition pro-
19 gram to enter into a performance agreement with
20 the milestone decision authority for such program
21 within six months of assignment, that—

22 (A) establishes expected parameters for the
23 cost, schedule, and performance of such pro-
24 gram consistent with the business case for such
25 program;

1 (B) provides the commitment of the mile-
2 stone decision authority to provide the level
3 funding and resources required to meet such
4 parameters; and

5 (C) provides the assurance of the program
6 manager that such parameters are achievable
7 and that such program manager will be ac-
8 countable for meeting such parameters; and

9 (2) provide the program manager with the au-
10 thority to—

11 (A) veto the addition of new program re-
12 quirements that would be inconsistent with the
13 parameters established in the performance
14 agreement entered pursuant to paragraph (1);

15 (B) make trade-offs between cost, schedule
16 and performance, provided that such trade-offs
17 are consistent with the parameters established
18 in the performance agreement entered pursuant
19 to paragraph (1);

20 (C) redirect funding within such program,
21 to the extent necessary to achieve the param-
22 eters established in the performance agreement
23 entered pursuant to paragraph (1);

24 (D) develop such interim goals and mile-
25 stones as may be required to achieve the pa-

1 parameters established in the performance agree-
2 ment entered pursuant to paragraph (1); and

3 (E) use program funds to recruit and hire
4 such technical experts as may be required to
5 carry out such program, if necessary expertise
6 is not otherwise provided by the Department of
7 Defense.

8 (d) QUALIFICATIONS, RESOURCES, AND TENURE.—
9 The Secretary shall ensure that each program manager
10 for the program execution period of a defense acquisition
11 program—

12 (1) has the appropriate management, engineer-
13 ing, technical, and financial expertise needed to meet
14 the responsibilities assigned pursuant to subsection
15 (c);

16 (2) is provided the resources and support (in-
17 cluding systems engineering expertise, cost esti-
18 mating expertise, and software development exper-
19 tise) needed to meet such responsibilities; and

20 (3) is assigned to the program manager posi-
21 tion for such program at the time of Milestone B ap-
22 proval (or Key Decision Point B approval in the case
23 of a space program) and continues in such position
24 until the delivery of the first production units of
25 such program.

1 (e) LIMITED WAIVER AUTHORITY.—The Secretary
2 may waive the requirement in subsection (d)(3) that a pro-
3 gram manager for the program execution period of a de-
4 fense acquisition program serve in that position until the
5 delivery of the first production units of such program upon
6 submitting to the congressional defense committees a writ-
7 ten determination that—

8 (1) such program is so complex, and the deliv-
9 ery of the first production units will take so long,
10 that it would not be feasible for a single individual
11 to serve as program manager for the entire period
12 covered by such subsection; and

13 (2) the complexity of such program, and length
14 of time that will be required to deliver the first pro-
15 duction units, are not the result of a failure to meet
16 the certification requirements established in section
17 2366a of title 10, United States Code.

18 **SEC. 864. INTERAGENCY PLAN FOR CONTINGENCY PRO-**
19 **GRAM MANAGEMENT.**

20 (a) REQUIREMENT.—Not later than one year after
21 the date of the enactment of this Act, the Secretary of
22 Defense, in consultation with the Department of State and
23 the heads of other appropriate agencies, shall develop an
24 interagency plan for contingency program management
25 during combat operations and post-conflict operations.

1 (b) MATTERS TO BE COVERED.—The interagency
2 plan for contingency program management required by
3 subsection (a) shall, at a minimum, provide for—

4 (1) the designation of a senior executive service
5 official on the Joint Staff with the responsibility for
6 administering the plan;

7 (2) the assignment of a senior commissioned of-
8 ficer of the Armed Forces with appropriate program
9 management experience and qualifications to act as
10 head of contingency program management during
11 combat operations, post-conflict operations, and con-
12 tingency operations, who shall report directly to the
13 commander of the combatant command in whose
14 area of responsibility the operations occur;

15 (3) a preplanned organizational structure for
16 contingency program management that is designed
17 to ensure that the United States Government is pre-
18 pared to conduct contingency program management
19 during combat operations and post-conflict oper-
20 ations, including advance planning for—

21 (A) unified, agile program management
22 processes and procedures for an interagency
23 and coalition environment;

24 (B) standardized joint contract mecha-
25 nisms with clearly defined metrics;

1 (C) continuity of program and project
2 management;

3 (D) identification of a deployable cadre of
4 experts, trained in processes required under
5 paragraph (4);

6 (E) required information technology re-
7 sources and reliable, interoperable connections
8 and communications; and

9 (F) coordination of program management
10 operations with the activities of commanders in
11 the field;

12 (4) a requirement for the development of a
13 training program for contingency program manage-
14 ment, including—

15 (A) comprehension of program manage-
16 ment that focuses on cost, scope, schedule, suc-
17 cess metrics, project oversight, and resource
18 balancing;

19 (B) contracting options and rules;

20 (C) government procedures on funding, ac-
21 countability and component and partner respon-
22 sibilities; and

23 (D) effective communications and rules for
24 coordination with commanders in the field; and

1 (5) a requirement for identification of hiring
2 and appointment authorities for rapid deployment of
3 personnel under this section to ensure the avail-
4 ability of key personnel for sufficient lengths of time
5 to provide for continuing of program and project
6 management.

7 **SEC. 865. COMPTROLLER GENERAL REPORT.**

8 Not later than February 1, 2007, the Comptroller
9 General of the United States shall submit to the congress-
10 sional defense committees a report on the actions taken
11 by the Secretary of Defense to comply with the require-
12 ments of this subtitle. The report shall include a descrip-
13 tion of such actions and an assessment by the Comptroller
14 General of the effectiveness of such actions in meeting
15 such requirements.

16 **Subtitle E—Other Matters**

17 **SEC. 871. CLARIFICATION OF AUTHORITY TO CARRY OUT**
18 **CERTAIN PROTOTYPE PROJECTS.**

19 Section 845(a) of the National Defense Authorization
20 Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amend-
21 ed—

22 (1) in paragraph (2)(A), by inserting “or, for a
23 defense agency, the director of the defense agency”
24 after “(41 U.S.C. 414(c))”; and

1 (2) in paragraph (3), by striking “or director of
2 a defense agency” after “executive”.

3 **SEC. 872. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY**
4 **CONTRACT CLOSEOUT AUTHORITY.**

5 Section 804(d) of the National Defense Authorization
6 Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat.
7 1542) is amended by striking “September 30, 2006” and
8 inserting “September 30, 2007”.

9 **SEC. 873. ONE-YEAR EXTENSION OF INAPPLICABILITY OF**
10 **CERTAIN LAWS TO CONTRACTING WITH EM-**
11 **PLOYERS OF PERSONS WITH DISABILITIES.**

12 Subsections (a)(2)(A) and (b)(2)(A) of the Ronald W.
13 Reagan National Defense Authorization Act for Fiscal
14 Year 2005 (Public Law 108–375; 118 Stat. 2021), as
15 amended by section 848(a) of the National Defense Au-
16 thorization Act for Fiscal Year 2006 (Public Law 109–
17 163; 119 Stat. 3395), are each further amended by strik-
18 ing “2006” and inserting “2007”.

1 **TITLE IX—DEPARTMENT OF DE-**
2 **FENSE ORGANIZATION AND**
3 **MANAGEMENT**

4 **Subtitle A—Duties and Functions**
5 **of Department of Defense Offi-**
6 **cers and Organizations**

7 **SEC. 901. UNITED STATES MILITARY CANCER INSTITUTE.**

8 (a) ESTABLISHMENT.—Chapter 104 of title 10,
9 United States Code, is amended by adding at the end the
10 following new section:

11 **“§ 2117. United States Military Cancer Institute**

12 “(a) ESTABLISHMENT.—The Secretary of Defense
13 shall establish in the University the United States Military
14 Cancer Institute. The Institute shall be established pursu-
15 ant to regulations prescribed by the Secretary.

16 “(b) PURPOSES.—The purposes of the Institute are
17 as follows:

18 “(1) To establish and maintain a clearinghouse
19 of data on the incidence and prevalence of cancer
20 among members and former members of the armed
21 forces.

22 “(2) To conduct research that contributes to
23 the detection or treatment of cancer among the
24 members and former members of the armed forces.

1 “(c) HEAD OF INSTITUTE.—The Director of the
2 United States Military Cancer Institute is the head of the
3 Institute. The Director shall report to the President of the
4 University regarding matters relating to the Institute.

5 “(d) ELEMENTS.—(1) The Institute is composed of
6 clinical and basic scientists in the Department of Defense
7 who have an expertise in research, patient care, and edu-
8 cation relating to oncology and who meet applicable cri-
9 teria for affiliation with the Institute.

10 “(2) The components of the Institute include military
11 treatment and research facilities that meet applicable cri-
12 teria and are designated as affiliates of the Institute.

13 “(e) RESEARCH.—(1) The Director of the United
14 States Military Cancer Institute shall carry out research
15 studies on the following:

16 “(A) The epidemiological features of cancer, in-
17 cluding assessments of the carcinogenic effect of ge-
18 netic and environmental factors, and of disparities in
19 health, inherent or common among populations of
20 various ethnic origins within the members of the
21 armed forces.

22 “(B) The prevention and early detection of can-
23 cer among members and former members of the
24 armed forces.

1 “(C) Basic, translational, and clinical investiga-
2 tion matters relating to the matters described in
3 subparagraphs (A) and (B).

4 “(2) The research studies under paragraph (1) shall
5 include complementary research on oncologic nursing.

6 “(f) COLLABORATIVE RESEARCH.—The Director of
7 the United States Military Cancer Institute shall carry out
8 the research studies under subsection (e) in collaboration
9 with other cancer research organizations and entities se-
10 lected by the Institute for purposes of the research studies.

11 “(g) ANNUAL REPORT.—(1) Not later than Novem-
12 ber 1 each year, the Director of the United States Military
13 Cancer Institute shall submit to the President of the Uni-
14 versity a report on the current status of the research stud-
15 ies being carried out by the Institute under subsection (e).

16 “(2) Not later than 60 days after receiving a report
17 under paragraph (1), the President of the University shall
18 transmit such report to the Secretary of Defense and to
19 Congress.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of chapter 104 of such title is amended
22 by adding at the end the following new item:

“2117. United States Military Cancer Institute.”.

1 **SEC. 902. SENIOR ACQUISITION EXECUTIVE FOR SPECIAL**
2 **OPERATIONS WITHIN STAFF OF THE ASSIST-**
3 **ANT SECRETARY OF DEFENSE FOR SPECIAL**
4 **OPERATIONS AND LOW INTENSITY CONFLICT.**

5 (a) INCLUSION WITHIN STAFF.—The staff of the As-
6 sistant Secretary of Defense for Special Operations and
7 Low Intensity Conflict under section 138(b)(4) of title 10,
8 United States Code, shall include a senior acquisition ex-
9 ecutive for special operations.

10 (b) DUTIES.—The senior acquisition executive within
11 the staff of the Assistant Secretary of Defense for Special
12 Operations and Low Intensity Conflict under subsection
13 (a) shall conduct policy and management oversight of the
14 acquisition activities of the Special Operations Command
15 under section 167 of title 10, United States Code, and
16 shall have such other duties as the Assistant Secretary
17 shall designate.

18 **Subtitle B—Space Activities**

19 **SEC. 911. ESTABLISHMENT OF OPERATIONALLY RESPON-**
20 **SIVE SPACE CAPABILITIES.**

21 (a) FINDINGS.—Congress makes the following find-
22 ings:

23 (1) Access to and use of space is critical for
24 preserving peace and protecting the national secu-
25 rity, commercial, and civil interests of the United
26 States.

1 (2) Key priorities for the national security
2 space activities of the United States include improv-
3 ing the capacity to support military operations
4 worldwide and responding to strategic military
5 threats.

6 (3) To the maximum extent possible, space ca-
7 pabilities should be integrated into the strategy, doc-
8 trine, operations, and contingency plans of the
9 Armed Forces of the United States.

10 (4) The commanders of the combatant com-
11 mands should have access to responsive space capa-
12 bilities that provide prompt, focused support in their
13 theater of operations, which capabilities should com-
14 pliment other national and Department of Defense
15 space assets while providing direct and flexible sup-
16 port to the warfighter on the battlefield.

17 (5) The United States Space Transportation
18 Policy of January 6, 2005, calls for the demonstra-
19 tion, before 2010, of an initial capability for oper-
20 ationally responsive access to and use of space to
21 support the national security requirements of the
22 United States.

23 (b) POLICY.—It is the policy of the United States—

1 (1) to demonstrate, acquire, and deploy an ef-
2 fective capability for operationally responsive space
3 to support the warfighter from space; and

4 (2) that the capability described in paragraph
5 (1) shall consist of—

6 (A) responsive satellite payloads;

7 (B) inexpensive space launch vehicles and
8 range procedures that facilitate the timely
9 launch of satellites;

10 (C) common technical standards for sat-
11 ellite busses; and

12 (D) a configuration of operations and com-
13 mand and control capabilities that permit the
14 warfighter to exploit responsive space assets for
15 combat operations.

16 (c) OPERATIONALLY RESPONSIVE SPACE HYBRID
17 PROGRAM OFFICE.—

18 (1) IN GENERAL.—The Secretary of Defense
19 shall establish within the Department of Defense an
20 office to be known as the Operationally Responsive
21 Space Hybrid Program Office (in this subsection re-
22 ferred to as the “Office”).

23 (2) ELEMENTS.—The Office shall consist of ele-
24 ments of the Department of Defense selected by the
25 Secretary from among the science and technology,

1 acquisition, and operations elements of the Depart-
2 ment having the capacity to contribute to the devel-
3 opment of capabilities for operationally responsive
4 space. Such elements shall be selected so as to
5 achieve a balanced representation of the military de-
6 partments in the Office in order to ensure proper ac-
7 knowledgment of joint considerations in the activi-
8 ties of the Office.

9 (3) ORGANIZATION OF ELEMENTS.—The ele-
10 ments of the Office under paragraph (2) shall be or-
11 ganized by the Secretary into divisions as follows:

12 (A) A science and technology division that
13 shall pursue innovative approaches to the devel-
14 opment of capabilities for operationally respon-
15 sive space through basic and applied research
16 focused on payloads, bus, and launch equip-
17 ment.

18 (B) An acquisition division that shall un-
19 dertake the acquisition of systems necessary to
20 procure, integrate, sustain, and launch assets
21 for operationally responsive space.

22 (C) An operations division that shall—

23 (i) sustain and maintain assets for
24 operationally responsive space prior to
25 launch;

- 1 (ii) integrate and launch such assets;
2 and
3 (iii) operate such assets in orbit.

4 (D) A combatant command support divi-
5 sion that shall serve as the primary inter-
6 mediary between the military departments and
7 the combatant commands on operationally re-
8 sponsive space, including the integration of as-
9 sets for operationally responsive space into—

- 10 (i) the operations plans of the combat-
11 ant commands;
12 (ii) the training and tactics proce-
13 dures of the military departments; and
14 (iii) military exercises, demonstra-
15 tions, and war games.

16 (3) ACCOUNTABILITY.—The head of the Office
17 shall report to the Executive Agent for Space of the
18 Department of Defense regarding the activities of
19 Office under this subsection.

20 (4) ACQUISITION AUTHORITY.—The acquisition
21 activities of the Office shall be subject to the fol-
22 lowing:

23 (A) The Executive Agent for Space of the
24 Department of Defense shall be the senior ac-
25 quisition executive of the Office.

1 (B) The Joint Capabilities Integration and
2 Development System process shall not apply to
3 acquisitions by the Office.

4 (C) The commander of the United States
5 Strategic Command, or a designate of the com-
6 mander, shall—

7 (i) validate all system requirements
8 for systems to be acquired by the Office;
9 and

10 (ii) participate in the approval of any
11 acquisition program initiated by the Office.

12 (D) The unit procurement cost of a launch
13 vehicle procured by the Office may not exceed
14 \$20,000,000.

15 (E) The unit procurement cost of an inte-
16 grated satellite procured by the Office may not
17 exceed \$40,000,000.

18 (5) ADJUSTMENT OF UNIT PROCUREMENT COST
19 LIMITS.—The Executive Agent for Space shall ad-
20 just the amounts specified in subparagraphs (D) and
21 (E) of paragraph (4) to take into account the effects
22 of inflation. Such adjustment shall take place once
23 every five years.

24 (d) PLAN FOR OPERATIONALLY RESPONSIVE
25 SPACE.—

1 (1) PLAN REQUIRED.—Not later than 180 days
2 after the date of the enactment of this Act, the Sec-
3 retary of Defense shall submit to the congressional
4 defense committees a report setting forth a plan for
5 the acquisition by the Department of Defense of ca-
6 pabilities for operationally responsive space to sup-
7 port the warfighter.

8 (2) ELEMENTS.—The plan required by para-
9 graph (1) shall include the following:

10 (A) An identification of the roles and mis-
11 sions of each military department, Defense
12 Agency, and other component or element of the
13 Department of Defense for the fulfillment of
14 the mission of the Department with respect to
15 operationally responsive space.

16 (B) An identification of the capabilities re-
17 quired by the Department to fulfill such mis-
18 sion.

19 (C) A description of the chain of command
20 and reporting structure of the Operationally
21 Responsive Space Hybrid Program Office under
22 subsection (c).

23 (D) The security classification level re-
24 quired for the Office in order to ensure that the

1 Office carries out its responsibilities under sub-
2 section (c) in a proper and efficient manner.

3 (E) A description of the acquisition policies
4 and procedures applicable to the Office, includ-
5 ing a description of any legislative or adminis-
6 trative action necessary to provide the Office
7 additional acquisition authority to carry out its
8 responsibilities.

9 (F) A schedule for the implementation of
10 the plan.

11 (G) The funding and personnel required to
12 implement the plan over the course of the cur-
13 rent future-years defense program under section
14 221 of title 10, United States Code.

15 (e) DEFINITIONS.—In this section:

16 (1) The term “operationally responsive space”
17 means the development and launch of space assets
18 upon demand in a low-cost manner.

19 (2) The term “procurement unit cost” has the
20 meaning given that term in section 2432(a) of title
21 10, United States Code.

1 **SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM**
2 **ON PROVISION OF SPACE SURVEILLANCE**
3 **NETWORK SERVICES TO NON-UNITED STATES**
4 **GOVERNMENT ENTITIES.**

5 Section 2274(i) of title 10, United States Code, is
6 amended by striking “shall be conducted during the three-
7 year period beginning on a date specified by the Secretary
8 of Defense, which date shall be not later than 180 days
9 after the date of the enactment of this section” and insert-
10 ing “may be conducted through September 30, 2009”.

11 **Subtitle C—Other Matters**

12 **SEC. 921. DEPARTMENT OF DEFENSE POLICY ON UN-**
13 **MANNED SYSTEMS.**

14 (a) **POLICY REQUIRED.**—The Secretary of Defense
15 shall, in consultation with the Chairman of the Joint
16 Chiefs of Staff, develop a policy applicable throughout the
17 Department of Defense on research, development, test,
18 and evaluation, procurement, and operation of unmanned
19 systems.

20 (b) **ELEMENTS.**—The policy required by subsection
21 (a) shall include the following:

22 (1) Mission requirements (including mission re-
23 quirements for the military departments and joint
24 mission requirements) for unmanned systems to re-
25 place manned systems in the performance of routine
26 or dangerous missions.

1 (2) A strategy and schedules for the replace-
2 ment of manned systems with unmanned systems in
3 the performance of such missions.

4 (3) Preference for joint unmanned systems in
5 acquisition programs for new systems, including a
6 requirement under any such program for the devel-
7 opment of a manned system for a certification that
8 an unmanned system is incapable of meeting pro-
9 gram requirements.

10 (4) Joint development and procurement of un-
11 manned systems and components.

12 (5) A strategy for the divestment of the mili-
13 tary department unmanned systems unique to a par-
14 ticular department with a preference for joint un-
15 manned systems.

16 (6) Programs to address technical, operational,
17 and production challenges, and gaps in capabilities,
18 with respect to unmanned systems.

19 (7) An organizational structure for effective
20 management, coordination, and budgeting for the
21 development and procurement of unmanned systems,
22 including an assessment of the feasibility and advis-
23 ability of designating a single department or other
24 element of the Department of Defense to act as ex-

1 (b) CONFORMING AMENDMENT.—Section 5314 of
2 title 5, United States Code, is amended by striking the
3 item relating to the Deputy Under Secretary of Defense
4 for Logistics and Materiel Readiness.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall take effect on the date of the enactment
7 of this Act, and shall apply with respect to individuals ap-
8 pointed as Deputy Under Secretary of Defense for Logis-
9 tics and Materiel Readiness on or after that date.

10 **SEC. 923. THREE-YEAR EXTENSION OF JOINT INCENTIVES**
11 **PROGRAM ON SHARING OF HEALTH CARE RE-**
12 **SOURCES BY THE DEPARTMENT OF DEFENSE**
13 **AND DEPARTMENT OF VETERANS AFFAIRS.**

14 Section 8111(d)(4) of title 38, United States Code,
15 is amended by striking “September 30, 2007” and insert-
16 ing “September 30, 2010”.

17 **TITLE X—GENERAL PROVISIONS**
18 **Subtitle A—Financial Matters**

19 **SEC. 1001. TRANSFER AUTHORITY.**

20 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

21 (1) AUTHORITY.—Upon determination by the
22 Secretary of Defense that such action is necessary in
23 the national interest, the Secretary may transfer
24 amounts of authorizations made available to the De-
25 partment of Defense in this division for fiscal year

1 2007 between any such authorizations for that fiscal
2 year (or any subdivisions thereof). Amounts of au-
3 thorizations so transferred shall be merged with and
4 be available for the same purposes as the authoriza-
5 tion to which transferred.

6 (2) AGGREGATE LIMITATION.—The total
7 amount of authorizations that the Secretary may
8 transfer under the authority of this section may not
9 exceed \$4,000,000,000.

10 (b) LIMITATIONS.—The authority provided by this
11 section to transfer authorizations—

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

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

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

1 (d) NOTICE TO CONGRESS.—The Secretary shall
2 promptly notify Congress of each transfer made under
3 subsection (a).

4 **SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
5 **PRIATIONS FOR FISCAL YEAR 2006.**

6 Amounts authorized to be appropriated to the De-
7 partment of Defense and the Department of Energy for
8 fiscal year 2006 in the National Defense Authorization
9 Act for Fiscal Year 2006 (Public Law 109–163) are here-
10 by adjusted, with respect to any such authorized amount,
11 by the amount by which appropriations pursuant to such
12 authorization are increased (by a supplemental appropria-
13 tion) or decreased (by a rescission), or both, or are in-
14 creased by a transfer of funds, pursuant to an Act appro-
15 priating emergency supplemental appropriations for fiscal
16 year 2006.

17 **SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE**
18 **TO SAVINGS RELATING TO LOWER INFLA-**
19 **TION.**

20 (a) REDUCTION.—The aggregate amount authorized
21 to be appropriated by titles I, II, and III is the amount
22 equal to the sum of all the amounts authorized to be ap-
23 propriated by such titles reduced by \$951,469,000.

24 (b) SOURCE OF SAVINGS.—Reductions required in
25 order to comply with subsection (a) shall be derived from

1 savings resulting from lower-than-expected inflation as a
2 result of a review of the inflation assumptions used in the
3 preparation of the budget of the President for fiscal year
4 2007, as submitted to Congress pursuant to section 1005
5 of title 31, United States Code.

6 (c) ALLOCATION OF REDUCTION.—The Secretary of
7 Defense shall allocate the reduction required by subsection
8 (a) among the amounts authorized to be appropriated for
9 accounts in titles I, II, and III to reflect the extent to
10 which net savings from lower-than-expected inflation are
11 allocable to amounts authorized to be appropriated to such
12 accounts.

13 **SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL**
14 **TRANSFER AUTHORITY.**

15 Section 1001(a)(2) of the National Defense Author-
16 ization Act for Fiscal Year 2006 (Public Law 109–163;
17 119 Stat. 3418) is amended by striking “\$3,500,000,000”
18 and inserting “\$3,750,000,000”.

19 **SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COM-**
20 **MON-FUNDED BUDGETS IN FISCAL YEAR 2007.**

21 (a) FISCAL YEAR 2007 LIMITATION.—The total
22 amount contributed by the Secretary of Defense in fiscal
23 year 2007 for the common-funded budgets of NATO may
24 be any amount up to, but not in excess of, the amount
25 specified in subsection (b) (rather than the maximum

1 amount that would otherwise be applicable to those con-
2 tributions under the fiscal year 1998 baseline limitation).

3 (b) TOTAL AMOUNT.—The amount of the limitation
4 applicable under subsection (a) is the sum of the following:

5 (1) The amounts of unexpended balances, as of
6 the end of fiscal year 2006, of funds appropriated
7 for fiscal years before fiscal year 2007 for payments
8 for those budgets.

9 (2) The amount specified in subsection (c)(1).

10 (3) The amount specified in subsection (c)(2).

11 (4) The total amount of the contributions au-
12 thorized to be made under section 2501.

13 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
14 be appropriated by titles II and III of this Act are avail-
15 able for contributions for the common-funded budgets of
16 NATO as follows:

17 (1) Of the amount provided in section 201(1),
18 \$797,000 for the Civil Budget.

19 (2) Of the amount provided in section 301(1),
20 \$310,277,000 for the Military Budget.

21 (d) DEFINITIONS.—For purposes of this section:

22 (1) COMMON-FUNDED BUDGETS OF NATO.—
23 The term “common-funded budgets of NATO”
24 means the Military Budget, the Security Investment
25 Program, and the Civil Budget of the North Atlantic

1 Treaty Organization (and any successor or addi-
2 tional account or program of NATO).

3 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—

4 The term “fiscal year 1998 baseline limitation”
5 means the maximum annual amount of Department
6 of Defense contributions for common-funded budgets
7 of NATO that is set forth as the annual limitation
8 in section 3(2)(C)(ii) of the resolution of the Senate
9 giving the advice and consent of the Senate to the
10 ratification of the Protocols to the North Atlantic
11 Treaty of 1949 on the Accession of Poland, Hun-
12 gary, and the Czech Republic (as defined in section
13 4(7) of that resolution), approved by the Senate on
14 April 30, 1998.

15 **SEC. 1006. MODIFICATION OF DATE OF SUBMITTAL OF OMB/**

16 **CBO REPORT ON SCORING OF OUTLAYS.**

17 Section 226(a) of title 10, United States Code, is
18 amended by striking “January 15 of each year” and in-
19 serting “April 1 of each year”.

20 **SEC. 1007. PROHIBITION ON PARKING OF FUNDS.**

21 (a) PROHIBITION.—

22 (1) IN GENERAL.—Chapter 165 of title 10,
23 United States Code, is amended by inserting after
24 section 2773a the following new section:

1 **“§ 2773b. Parking of funds: prohibition; penalties**

2 “(a) PROHIBITION.—An officer or employee of the
3 Department of Defense may not direct the designation of
4 funds for a particular purpose in the budget of the Presi-
5 dent, as submitted to Congress pursuant to section 1105
6 of title 31, or the supporting documents of the Depart-
7 ment of Defense component of such budget, with the
8 knowledge or intent that such funds, if made available to
9 the Department, will not be used for the purpose for which
10 they are designated.

11 “(b) PENALTIES.—The direction of the designation
12 of funds in violation of the prohibition in subsection (a)
13 shall be treated for purposes of chapter 13 of title 31 as
14 a violation of section 1341(a)(1)(A) of title 31.”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions at the beginning of chapter 165 of such title
17 is amended by inserting after the item relating to
18 section 2773a the following new item:

“2773b. Parking of funds: prohibition; penalties.”.

19 (b) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 subsection (a) shall take effect on the date that is
22 31 days after the date of the enactment of this Act.

23 (2) MODIFICATION OF CERTAIN POLICIES AND
24 REGULATIONS.—Not later than 30 days after the
25 date of the enactment of this Act, the Secretary of

1 Defense shall modify the policies and regulations of
2 the Department of Defense regarding the prepara-
3 tion and submittal to Congress of budget materials
4 for the Department of Defense to take into account
5 the provisions of section 2773b of title 10, United
6 States Code (as added by subsection (a)).

7 **Subtitle B—Naval Vessels**

8 **SEC. 1011. REPEAL OF REQUIREMENT FOR 12 OPER-** 9 **ATIONAL AIRCRAFT CARRIERS WITHIN THE** 10 **NAVY.**

11 Section 5062 of title 10, United States Code, is
12 amended—

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

14 (2) by redesignating subsections (c) and (d) as
15 subsections (b) and (c), respectively.

16 **SEC. 1012. APPROVAL OF TRANSFER OF NAVAL VESSELS TO** 17 **FOREIGN NATIONS BY VESSEL CLASS.**

18 Section 7307(a) of title 10, United States Code, is
19 amended by inserting “or vessel of that class” after “that
20 vessel”.

1 **Subtitle C—Counterdrug Matters**

2 **SEC. 1021. EXTENSION OF AVAILABILITY OF FUNDS FOR** 3 **UNIFIED COUNTERDRUG AND** 4 **COUNTERTERRORISM CAMPAIGN IN COLOM-** 5 **BIA.**

6 Section 1021 of the Ronald W. Reagan National De-
7 fense Authorization Act for Fiscal Year 2005 (Public Law
8 108–375; 118 Stat. 2042) is amended—

9 (1) in subsection (a)(1), by striking “2005 and
10 2006” and inserting “2005 through 2008”; and

11 (2) in subsection (c), by striking “2005 and
12 2006” and inserting “2005 through 2008”.

13 **SEC. 1022. EXTENSION OF AUTHORITY OF DEPARTMENT OF** 14 **DEFENSE TO PROVIDE ADDITIONAL SUPPORT** 15 **FOR COUNTERDRUG ACTIVITIES OF OTHER** 16 **GOVERNMENTAL AGENCIES.**

17 Section 1004(a) of the National Defense Authoriza-
18 tion Act for Fiscal Year 1991 (10 U.S.C. 374 note) is
19 amended by striking “through 2006” and inserting
20 “through 2011”.

21 **SEC. 1023. EXTENSION AND EXPANSION OF CERTAIN AU-** 22 **THORITIES TO PROVIDE ADDITIONAL SUP-** 23 **PORT FOR COUNTERDRUG ACTIVITIES.**

24 (a) **CONCURRENCE OF SECRETARY OF STATE IN**
25 **PROVISION OF SUPPORT.**—Paragraph (1) of subsection

1 (a) of section 1033 of the National Defense Authorization
2 Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
3 1881), as amended by section 1021 of the National De-
4 fense Authorization Act for Fiscal Year 2004 (Public Law
5 108–136; 117 Stat. 1593), is further amended by striking
6 “shall consult with” and inserting “shall seek the concur-
7 rence of”.

8 (b) EXTENSION OF AUTHORITY.—Paragraph (2) of
9 such subsection is amended by striking “September 30,
10 2006” and inserting “September 30, 2008”.

11 (c) ADDITIONAL GOVERNMENTS ELIGIBLE TO RE-
12 CEIVE SUPPORT.—Subsection (b) of such section 1033, as
13 so amended, is further amended by adding at the end the
14 following new paragraphs:

15 “(10) The Government of Azerbaijan.

16 “(11) The Government of Kazakhstan.

17 “(12) The Government of Kyrgyzstan.

18 “(13) The Government of Armenia.

19 “(14) The Government of Niger.

20 “(15) The Government of Mauritania.

21 “(16) The Government of Mali.

22 “(17) The Government of Chad.

23 “(18) The Government of Indonesia.

24 “(19) The Government of Philippines.

25 “(20) The Government of Thailand.

1 “(21) The Government of Malaysia.

2 “(22) The Government of Guatemala.

3 “(23) The Government of Belize.

4 “(24) The Government of Panama.”.

5 (d) TYPES OF SUPPORT.—Subsection (c)(2) of such
6 section 1033, as so amended, is further amended by in-
7 serting “, vehicles, and aircraft, and detection, intercep-
8 tion, monitoring, and testing equipment” after “patrol
9 boats”.

10 (e) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Sub-
11 section (e)(2) of such section 1033, as so amended, is fur-
12 ther amended—

13 (1) by striking “or \$40,000,000” and inserting
14 “\$40,000,000”; and

15 (2) by inserting before the period at the end the
16 following: “, or \$80,000,000 during any of the fiscal
17 years 2007 through 2008”.

18 (f) ANNUAL REPORT ON SUPPORT PROVIDED TO AD-
19 DITIONAL GOVERNMENTS.—Such section 1033 is further
20 amended by adding at the end the following new sub-
21 section:

22 “(i) ANNUAL REPORT ON SUPPORT PROVIDED TO
23 CERTAIN GOVERNMENTS.—Not later than November 30
24 each year through 2008, the Secretary of Defense shall
25 submit to the congressional defense committees a com-

1 prehensive report on the support provided under this sec-
2 tion during the preceding fiscal year to each government
3 referred to in paragraphs (10) through (24) of subsection
4 (b).”.

5 **Subtitle D—Defense Intelligence** 6 **and Related Matters**

7 **SEC. 1031. TWO-YEAR EXTENSION OF AUTHORITY TO EN-** 8 **GAGE IN COMMERCIAL ACTIVITIES AS SECUR-** 9 **ITY FOR INTELLIGENCE COLLECTION AC-** 10 **TIVITIES.**

11 Section 431(a) of title 10, United States Code, is
12 amended by striking “December 31, 2006” and inserting
13 “December 31, 2008”.

14 **SEC. 1032. ANNUAL REPORT ON INTELLIGENCE OVERSIGHT** 15 **ACTIVITIES OF THE DEPARTMENT OF DE-** 16 **FENSE.**

17 (a) ANNUAL REPORT REQUIRED.—Not later than
18 March 1, 2007, and annually thereafter, the Secretary of
19 Defense shall submit to the congressional defense commit-
20 tees and the congressional intelligence committees a report
21 on the intelligence oversight activities of the Department
22 of Defense during the previous calendar year.

23 (b) ELEMENTS.—Each report under subsection (a)
24 shall include, for the calendar year covered by such report,
25 the following:

1 (1) A description of any questionable intel-
2 ligence activity that came to the attention of any
3 General Counsel or Inspector General within the De-
4 partment of Defense, or the Under Secretary of De-
5 fense for Intelligence, and a description of the ac-
6 tions taken by such official with respect to such ac-
7 tivity.

8 (2) A description of the results of intelligence
9 oversight inspections undertaken by each of the fol-
10 lowing:

11 (A) The Office of the Secretary of Defense.

12 (B) Each military department.

13 (C) Each combat support agency.

14 (D) Each field operating agency.

15 (3) A description of any changes made in—

16 (A) any program for the intelligence over-
17 sight activities of the Department of Defense,
18 including any training program; or

19 (B) any published directive or policy
20 memoranda on the intelligence or intelligence-
21 related activities of—

22 (i) any military department;

23 (ii) any combat support agency; or

24 (iii) any field operating agency.

25 (c) DEFINITIONS.—In this section:

1 (1) The term “combat support agency” has the
2 meaning given that term in section 193(f) of title
3 10, United States Code.

4 (2) The term “congressional intelligence com-
5 mittees” has the meaning given that term in section
6 3(7) of the National Security Act of 1947 (50
7 U.S.C. 401a(7)).

8 (3) The term “field operating agency” means a
9 specialized subdivision of the Department of Defense
10 that carries out activities under the operational con-
11 trol of the Department.

12 (4) The term “intelligence oversight activities of
13 the Department of Defense” refers to any activity
14 undertaken by an agency, element, or component of
15 the Department of Defense to ensure compliance
16 with regard to requirements or instructions on the
17 intelligence and intelligence-related activities of the
18 Department under law or any Executive order or
19 Presidential directive (including Executive Order No.
20 12333).

21 (5) The term “questionable intelligence activ-
22 ity” means an intelligence or intelligence-related ac-
23 tivity of the Department of Defense that may violate
24 the law or any Executive order or Presidential direc-
25 tive (including Executive Order No. 12333).

1 **SEC. 1033. ADMINISTRATION OF PILOT PROJECT ON CIVIL-**
2 **IAN LINGUIST RESERVE CORPS.**

3 (a) TRANSFER OF ADMINISTRATION TO SECRETARY
4 OF DEFENSE.—

5 (1) IN GENERAL.—Administration of the pilot
6 project on the establishment of a Civilian Linguist
7 Reserve Corps required by section 613 of the Intel-
8 ligence Authorization Act for Fiscal Year 2005
9 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C.
10 403–1b note) is hereby transferred from the Direc-
11 tor of National Intelligence to the Secretary of De-
12 fense.

13 (2) CONFORMING AMENDMENTS.—Section 613
14 of the Intelligence Authorization Act for Fiscal Year
15 2005 is amended—

16 (A) by striking “Director of National Intel-
17 ligence” each place it appears and inserting
18 “Secretary of Defense”; and

19 (B) by striking “Director” each place it
20 appears and inserting “Secretary”.

21 (b) DISCHARGE OF PROJECT.—Subsection (a) of
22 such section is further amended by adding at the end the
23 following new sentence: “The Secretary shall carry out the
24 pilot project through the National Security Education
25 Program.”.

1 (c) REPEAL OF SPECIFICATION OF DURATION OF
2 PROJECT.—Such section is further amended—

3 (1) by striking subsection (c); and

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

6 (d) MODIFICATION OF REPORT REQUIREMENTS.—

7 Subsection (d) of such section, as redesignated by sub-
8 section (b) of this section, is further amended—

9 (1) in paragraph (1), by striking “an initial and
10 a final report” and inserting “a report”;

11 (2) in paragraph (2), by striking “Each report”
12 and inserting “The report”; and

13 (3) in paragraph (3), by striking “final report”
14 and inserting “report required under paragraph
15 (1)”.

16 (e) REPEAL OF SUPERSEDED AUTHORIZATION.—

17 Such section is further amended by striking subsection (f).

18 **SEC. 1034. IMPROVEMENT OF AUTHORITIES ON THE NA-**

19 **TIONAL SECURITY EDUCATION PROGRAM.**

20 (a) EXPANSION OF EMPLOYMENT CREDITABLE

21 UNDER SERVICE AGREEMENTS.—Paragraph (2) of sub-

22 section (b) of section 802 of the David L. Boren National

23 Security Education Act of 1991 (50 U.S.C. 1902) is

24 amended to read as follows:

1 “(2)(A) will (in accordance with regulations
2 prescribed by the Secretary of Defense in coordina-
3 tion with the heads of the other Federal depart-
4 ments and agencies concerned) begin work not later
5 than three years after the recipient’s completion of
6 degree study during which scholarship assistance
7 was provided under the program—

8 “(i) for not less than one year in a position
9 certified by the Secretary of Defense, in coordi-
10 nation with the Director of National Intel-
11 ligence, the Secretary of Homeland Security,
12 and the Secretary of State (as appropriate), as
13 contributing to the national security of the
14 United States in the Department of Defense,
15 any element of the intelligence community, the
16 Department of Homeland Security, or the De-
17 partment of State;

18 “(ii) for not less than one year in a posi-
19 tion in a Federal agency or office that is identi-
20 fied by the Secretary of Defense under sub-
21 section (g) as having national security respon-
22 sibilities if the recipient demonstrates to the
23 Secretary that no position is available in the de-
24 partments and agencies covered by clause (i); or

1 “(iii) for not less than one academic year
2 in a position in the field of education in a dis-
3 cipline related to the study supported by the
4 program if the recipient demonstrates to the
5 Secretary of Defense that no position is avail-
6 able in the departments, agencies, and offices
7 covered by clauses (i) and (ii); or

8 “(B) will (in accordance with such regulations)
9 begin work not later than two years after the recipi-
10 ent’s completion or termination of study for which
11 fellowship assistance was provided under the pro-
12 gram—

13 “(i) for not less than one year in a position
14 certified by the Secretary of Defense, in coordi-
15 nation with the Director of National Intel-
16 ligence, the Secretary of Homeland Security,
17 and the Secretary of State (as appropriate), as
18 contributing to the national security of the
19 United States in the Department of Defense,
20 any element of the intelligence community, the
21 Department of Homeland Security, or the De-
22 partment of State;

23 “(ii) for not less than one year in a posi-
24 tion in a Federal agency or office that is identi-
25 fied by the Secretary of Defense under sub-

1 section (g) as having national security respon-
2 sibilities if the recipient demonstrates to the
3 Secretary that no position is available in the de-
4 partments and agencies covered by clause (i); or
5 “(iii) for not less than one academic year
6 in a position in the field of education in a dis-
7 cipline related to the study supported by the
8 program if the recipient demonstrates to the
9 Secretary of Defense that no position is avail-
10 able in the departments, agencies, and offices
11 covered by clauses (i) and (ii); and”.

12 (b) TEMPORARY EMPLOYMENT AND RETENTION OF
13 CERTAIN PARTICIPANTS.—Such section is further amend-
14 ed—

15 (1) by redesignating subsections (h) and (i) as
16 subsections (i) and (j), respectively; and

17 (2) by inserting after subsection (g) the fol-
18 lowing new subsection (h):

19 “(h) TEMPORARY EMPLOYMENT AND RETENTION OF
20 CERTAIN PARTICIPANTS.—

21 “(1) IN GENERAL.—The Secretary of Defense
22 may—

23 “(A) appoint or retain a person provided
24 scholarship or fellowship assistance under the
25 program in a position in the Department of De-

1 fense on an interim basis during the period of
2 the person's pursuit of a degree under the pro-
3 gram and for a period not to exceed two years
4 after completion of the degree, but only if, in
5 the case of the period after completion of the
6 degree—

7 “(i) there is no appropriate perma-
8 nent position for the person under sub-
9 section (b)(2)(A); and

10 “(ii) there is an active and ongoing ef-
11 fort to identify and assign the person to an
12 appropriate permanent position as soon as
13 possible; and

14 “(B) if there is no appropriate permanent
15 position available for the person after the end
16 of the periods described in subparagraph (A),
17 separate the person from employment with the
18 Department without regard to any other provi-
19 sion of law, in which event the service agree-
20 ment of the person under subsection (b) shall
21 terminate.

22 “(2) TREATMENT OF CERTAIN SERVICE.—The
23 period of service of a person covered by paragraph
24 (1) in a position on an interim basis under that
25 paragraph shall, after completion of the degree, be

1 treated as a period of service for purposes of satis-
2 fying the obligated service requirements of the per-
3 son under the service agreement of the person under
4 subsection (b).”.

5 (c) PLAN FOR IMPROVING PROGRAM.—Not later than
6 90 days after the date of the enactment of this Act, the
7 Secretary of Defense shall submit to Congress a plan for
8 improving the recruitment, placement, and retention with-
9 in the Department of Defense of individuals who receive
10 scholarships or fellowships under the David L. Boren Na-
11 tional Security Education Act of 1991 (50 U.S.C. 1901
12 et seq.) in order to facilitate the purposes of that Act in
13 meeting the requirements of the Department in acquiring
14 individuals with critical foreign language skills and indi-
15 viduals who are regional experts.

16 **Subtitle E—Defense Against Ter-**
17 **rorism and Related Security**
18 **Matters**

19 **SEC. 1041. ENHANCEMENT OF AUTHORITY TO PAY MONE-**
20 **TARY REWARDS FOR ASSISTANCE IN COM-**
21 **BATING TERRORISM.**

22 Section 127b(e) of title 10, United States Code, is
23 amended—

24 (1) in paragraph (1)(B), by inserting “, or to
25 a subcommander of a combatant command des-

1 ignated by the commander of the combatant com-
2 mand and approved by an Under Secretary of De-
3 fense to whom such authority is delegated under
4 subparagraph (A),” after “combatant command”;
5 and

6 (2) in paragraph (2), by striking “\$2,500” and
7 inserting “\$10,000”.

8 **SEC. 1042. USE OF THE ARMED FORCES IN MAJOR PUBLIC**
9 **EMERGENCIES.**

10 (a) USE OF THE ARMED FORCES AUTHORIZED.—

11 (1) IN GENERAL.—Section 333 of title 10,
12 United States Code, is amended to read as follows:

13 **“§ 333. Major public emergencies; interference with**
14 **State and Federal law**

15 “(a) USE OF ARMED FORCES IN MAJOR PUBLIC
16 EMERGENCIES.—(1) The President may employ the
17 armed forces, including the National Guard in Federal
18 service, to—

19 “(A) restore public order and enforce the laws
20 of the United States when, as a result of a natural
21 disaster, epidemic, or other serious public health
22 emergency, terrorist attack or incident, or other con-
23 dition in any State or possession of the United
24 States, the President determines that—

1 “(i) domestic violence has occurred to such
2 an extent that the constituted authorities of the
3 State or possession are incapable of maintain-
4 ing public order; and

5 “(ii) such violence results in a condition
6 described in paragraph (2); or

7 “(B) suppress, in a State, any insurrection, do-
8 mestic violence, unlawful combination, or conspiracy
9 if such insurrection, violation, combination, or con-
10 spiracy results in a condition described in paragraph
11 (2).

12 “(2) A condition described in this paragraph is a con-
13 dition that—

14 “(A) so hinders the execution of the laws of a
15 State or possession, as applicable, and of the United
16 States within that State or possession, that any part
17 or class of its people is deprived of a right, privilege,
18 immunity, or protection named in the Constitution
19 and secured by law, and the constituted authorities
20 of that State or possession are unable, fail, or refuse
21 to protect that right, privilege, or immunity, or to
22 give that protection; or

23 “(B) opposes or obstructs the execution of the
24 laws of the United States or impedes the course of
25 justice under those laws.

1 “(3) In any situation covered by paragraph (1)(B),
2 the State shall be considered to have denied the equal pro-
3 tection of the laws secured by the Constitution.

4 “(b) NOTICE TO CONGRESS.—The President shall
5 notify Congress of the determination to exercise the au-
6 thority in subsection (a)(1)(A) as soon as practicable after
7 the determination and every 14 days thereafter during the
8 duration of the exercise of the authority.”.

9 (2) PROCLAMATION TO DISPERSE.—Section 334
10 of such title is amended by inserting “or those ob-
11 structing the enforcement of the laws” after “insur-
12 gents”.

13 (3) HEADING AMENDMENT.—The heading of
14 such 15 of such title is amended to read as follows:

15 **“CHAPTER 15—ENFORCEMENT OF THE**
16 **LAWS TO RESTORE PUBLIC ORDER”.**

17 (4) CLERICAL AMENDMENTS.—(A) The table of
18 chapters at the beginning of subtitle A of title 10,
19 United States Code, and at the beginning of part I
20 of such subtitle, are each amended by striking the
21 item relating to chapter 15 and inserting the fol-
22 lowing new item:

“15. Enforcement of the Laws to Restore Public Order 331”.

23 (B) The table of sections at the beginning of
24 chapter 15 of such title is amended by striking the

1 item relating to sections 333 and inserting the fol-
 2 lowing new item:

“333. Major public emergencies; interference with State and Federal law.”.

3 (b) PROVISION OF SUPPLIES, SERVICES, AND EQUIP-
 4 MENT.—

5 (1) IN GENERAL.—Chapter 152 of such title is
 6 amended by adding at the end the following new sec-
 7 tion:

8 **“§ 2567. Provision of supplies, services, and equip-
 9 ment in major public emergencies**

10 “(a) PROVISION AUTHORIZED.—In any situation in
 11 which the President determines to exercise the authority
 12 in section 333(a)(1)(A) of this title, the President may
 13 direct the Secretary of Defense to provide supplies, serv-
 14 ices, and equipment to persons affected by the situation.

15 “(c) COVERED SUPPLIES, SERVICES, AND EQUIP-
 16 MENT.—The supplies, services, and equipment provided
 17 under this section may include food, water, utilities, bed-
 18 ding, transportation, tentage, search and rescue, medical
 19 care, minor repairs, the removal of debris, and other as-
 20 sistance necessary for the immediate preservation of life
 21 and property.

22 “(c) LIMITATIONS.—(1) Supplies, services, and
 23 equipment may be provided under this section—

24 “(A) only to the extent that the constituted au-
 25 thorities of the State or possession concerned are

1 unable to provide such supplies, services, and equip-
2 ment, as the case may be; and

3 “(B) only until such authorities, or other de-
4 partments or agencies of the United States charged
5 with the provision of such supplies, services, and
6 equipment, are able to provide such supplies, serv-
7 ices, and equipment.

8 “(2) The Secretary may provide supplies, services,
9 and equipment under this section only to the extent that
10 the Secretary determines that doing so will not interfere
11 with military preparedness or ongoing military operations
12 or functions.

13 “(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—
14 The provision of supplies, services, or equipment under
15 this section shall not be subject to the provisions of section
16 403(c) of the Robert T. Stafford Disaster Relief and
17 Emergency Assistance Act (42 U.S.C. 5170b(c)).”.

18 (2) CLERICAL AMENDMENT.—The table of sec-
19 tions at the beginning of such chapter is amended
20 by adding at the end the following new item:

“2567. Provision of supplies, services, and equipment in major public emer-
gencies.”.

21 (c) CONFORMING AMENDMENTS.—Section 12304(c)
22 of such title is amended—

23 (1) by striking paragraph (1); and

1 (2) by redesignating paragraphs (2) and (3) as
2 paragraphs (1) and (2), respectively.

3 **SEC. 1043. TREATMENT UNDER FREEDOM OF INFORMA-**
4 **TION ACT OF CERTAIN CONFIDENTIAL IN-**
5 **FORMATION SHARED WITH STATE AND**
6 **LOCAL PERSONNEL.**

7 Confidential business information and other sensitive
8 but unclassified homeland security information in the pos-
9 session of the Department of Defense that is shared, pur-
10 suant to section 892 of the Homeland Security Act of
11 2002 (6 U.S.C. 482), with State and local personnel in-
12 volved in the prevention, interdiction, or disruption of, or
13 response to, terrorist activity shall not be subject to dislo-
14 sure under section 552 of title 5, United States Code
15 (commonly referred to as the “Freedom of Information
16 Act”), by virtue of the sharing of such information with
17 such personnel.

1 **Subtitle F—Miscellaneous Authori-**
2 **ties on Availability and Use of**
3 **Funds**

4 **SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSE-**
5 **MENT FROM NON-FEDERAL SOURCES TO DE-**
6 **FRAY DEPARTMENT OF DEFENSE COSTS OF**
7 **CONFERENCES.**

8 (a) IN GENERAL.—Subchapter II of chapter 134 of
9 title 10, United States Code, is amended by adding at the
10 end the following new section:

11 **“§ 2262. Department of Defense conferences: collec-**
12 **tion of fees to cover Department of De-**
13 **fense costs**

14 “(a) IN GENERAL.—(1) The Secretary of Defense
15 may, whether directly or by contract, collect fees from any
16 individual or commercial participant in a conference, sem-
17 inar, exhibition, symposium, or similar meeting (in this
18 section referred to collectively as a ‘conference’) conducted
19 by the Department of Defense.

20 “(2) Fees may be collected with respect to a con-
21 ference under this subsection in advance of the conference.

22 “(3) The total amount of fees collected under this
23 subsection with respect to a conference may not exceed
24 the costs of the Department of Defense with respect to
25 the conference.

1 “(b) TREATMENT OF COLLECTIONS.—(1) Amounts
2 collected under subsection (a) with respect to a conference
3 shall be credited to the appropriation or account from
4 which the costs of the conference are paid.

5 “(2) In the event the total amount of fees collected
6 with respect to a conference exceeds the costs of the De-
7 partment with respect to the conference, the amount of
8 such excess shall be deposited into the Treasury as mis-
9 cellaneous receipts.

10 “(3) Amounts credited to an appropriation or account
11 under paragraph (1) with respect to a conference shall be
12 available to pay the costs of the Department with respect
13 to the conference or to reimburse the Department for costs
14 incurred with respect to the conference.

15 “(c) ANNUAL REPORTS.—(1) Each year, not later
16 than 45 days after the President submits to Congress the
17 budget for a fiscal year under section 1105 of title 31,
18 the Secretary shall submit to the congressional defense
19 committees budget justification documents summarizing
20 the use of the authority under this section.

21 “(2) Each report under this subsection shall include
22 the following:

23 “(A) A list of conferences during the last two
24 calendar years for which fees were collected under
25 subsection (a).

1 “(B) For each conference listed under subpara-
2 graph (A)—

3 “(i) The estimated costs of the Depart-
4 ment for such conference.

5 “(ii) The actual costs of the Department
6 for such conference, including a separate state-
7 ment of the amount of any conference coordi-
8 nator fees associated with such conference.

9 “(iii) The amount for collected under sub-
10 section (a) for such conference.

11 “(C) An estimate of the number of conferences
12 to be conducted in the calendar year of such report
13 for which the Department will collect fees under sub-
14 section (a).”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 at the beginning of subchapter II of chapter 134 of such
17 title is amended by adding at the end the following new
18 item:

“2262. Department of Defense conferences: collection of fees to cover Depart-
ment of Defense costs.”.

19 **SEC. 1052. MINIMUM ANNUAL PURCHASE AMOUNTS FOR**
20 **AIRLIFT FROM CARRIERS PARTICIPATING IN**
21 **THE CIVIL RESERVE AIR FLEET.**

22 (a) IN GENERAL.—Chapter 931 of title 10, United
23 States Code, is amended by adding at the end the fol-
24 lowing new section:

1 **“§ 9515. Airlift services: minimum annual purchase**
2 **amount for carriers participating in Civil**
3 **Reserve Air Fleet**

4 “(a) IN GENERAL.—The Secretary of Defense may
5 award to air carriers participating in the Civil Reserve Air
6 Fleet on a fiscal year basis a one-year contract for airlift
7 services with a minimum purchase amount determined in
8 accordance with this section.

9 “(b) MINIMUM PURCHASE AMOUNT.—(1) The aggre-
10 gate amount of the minimum purchase amount for all con-
11 tracts awarded under subsection (a) for a fiscal year shall
12 be based on forecast needs, but may not exceed the
13 amount equal to 80 percent of the annual average expendi-
14 ture of the Department of Defense for airlift during the
15 five-fiscal year period ending in the fiscal year before the
16 fiscal year for which such contracts are awarded.

17 “(2) In calculating the annual average expenditure
18 of the Department of Defense for airlift for purposes of
19 paragraph (1), the Secretary of Defense may omit from
20 the calculation any fiscal year exhibiting unusually high
21 demand for airlift if the Secretary determines that the
22 omission of such fiscal year from the calculation will result
23 in a more accurate forecast of anticipated airlift for pur-
24 poses of that paragraph.

25 “(3) The aggregate amount of the minimum purchase
26 amount for all contracts awarded under subsection (a) for

1 a fiscal year, as determined under paragraph (1), shall
2 be allocated among all carriers awarded contracts under
3 that subsection for such fiscal year in proportion to the
4 commitments of such carriers to the Civil Reserve Air
5 Fleet for such fiscal year.

6 “(c) ADJUSTMENT TO MINIMUM PURCHASE AMOUNT
7 FOR PERIODS OF UNAVAILABILITY OF AIRLIFT.—In de-
8 termining the minimum purchase amount payable under
9 a contract under subsection (a) for airlift provided by a
10 carrier during the fiscal year covered by such contract,
11 the Secretary of Defense may adjust the amount allocated
12 to the carrier under subsection (b)(3) to take into account
13 periods during such fiscal year when services of the carrier
14 are unavailable for usage by the Department of Defense,
15 including during periods of refused business or suspended
16 operations or when the carrier is placed in nonuse status
17 pursuant to section 2640 of this title for safety issues.

18 “(d) DISTRIBUTION OF AMOUNTS.—If any amount
19 available under this section for the minimum purchase of
20 airlift from a carrier for a fiscal year under a contract
21 under subsection (a) is not utilized to purchase airlift from
22 the carrier in such fiscal year, such amount shall be pro-
23 vided to the carrier prior to the first day of the following
24 fiscal year.

1 “(e) TRANSFER OF FUNDS.—At the beginning of
2 each fiscal year, the Secretary of each military department
3 shall transfer to the transportation working capital fund
4 a percentage of the total amount anticipated to be re-
5 quired in such fiscal year for payment of minimum pur-
6 chase amounts under all contracts awarded under sub-
7 section (a) for such fiscal year equivalent to the percent-
8 age of the anticipated use of airlift by such military de-
9 partment during such fiscal year from all carriers under
10 contracts awarded under subsection (a) for such fiscal
11 year.

12 “(f) AVAILABILITY OF AIRLIFT.—(1) From the total
13 amount of airlift available for a fiscal year under all con-
14 tracts awarded under subsection (a) for such fiscal year,
15 a military department shall be entitled to obtain a percent-
16 age of such airlift equivalent to the percentage of the con-
17 tribution of the military department to the transportation
18 working capital fund for such fiscal year under subsection
19 (e).

20 “(2) A military department may transfer any entitle-
21 ment to airlift under paragraph (1) to any other military
22 department or to any other agency, element, or component
23 of the Department of Defense.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of chapter 931 of such title is amended
3 by adding at the end the following new item:

“9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet.”.

4 **SEC. 1053. INCREASED FLEXIBILITY IN USE OF FUNDS FOR**
5 **JOINT STAFF EXERCISES.**

6 (a) IN GENERAL.—Amounts available to the Chair-
7 man of the Joint Chiefs of Staff for joint staff exercises
8 may be available for any expenses as follows:

9 (1) Expenses of the Armed Forces in connec-
10 tion with such exercises, including expense relating
11 to self-deploying watercraft under the jurisdiction of
12 a military department.

13 (2) Expenses relating to the costs of port sup-
14 port activities in connection with such exercises, in-
15 cluding transportation and port handling.

16 (3) Expenses relating to the breakout and oper-
17 ation of prepositioned watercraft and lighterage for
18 joint logistics and over the shore exercises in connec-
19 tion with such exercises.

20 (b) SUPPLEMENT NOT SUPPLANT.—Any amounts
21 made available by the Chairman of the Joint Chiefs of
22 Staff under subsection (a) for expenses covered by that
23 subsection are in addition to any other amounts available
24 under law for such expenses.

1 **Subtitle G—Report Matters**

2 **SEC. 1061. REPORT ON CLARIFICATION OF PROHIBITION** 3 **ON CRUEL, INHUMAN, OR DEGRADING** 4 **TREATMENT OR PUNISHMENT.**

5 (a) FINDINGS.—Congress makes the following find-
6 ings:

7 (1) It is critical that members of the Armed
8 Forces have clear guidelines about the legality of in-
9 terrogation techniques as they seek critical intel-
10 ligence in the War on Terrorism.

11 (2) To avoid confusion, any determination made
12 about the legality of various interrogation techniques
13 must be consistent across the United States Govern-
14 ment.

15 (3) Confusion continues about the permissibility
16 of various interrogation techniques, even after the
17 enactment of the Detainee Treatment Act of 2005
18 (title X of division A of Public Law 109–148).

19 (4) In testimony before the Senate and in writ-
20 ten response to queries from the Senate, senior mili-
21 tary commanders, Judge Advocates General of the
22 Armed Forces, and various civilian officials of the
23 Executive Branch have given incomplete or varying
24 answers to questions on what constitutes cruel, inhu-
25 man, or degrading treatment.

1 (5) It is critical to clarify these matters in order
2 to ensure that members of the Armed Forces do not
3 receive unclear or misleading guidance on such mat-
4 ters.

5 (b) REPORT.—Not later than 90 days after the date
6 of the enactment of this Act, the President shall submit
7 to the congressional defense committees a report setting
8 forth the coordinated and definitive legal opinion of the
9 United States Government on whether each of the fol-
10 lowing interrogation techniques constitutes cruel, inhu-
11 man, or degrading treatment or punishment (as defined
12 in section 1002(d) of the Detainee Treatment Act of 2006
13 (as defined in the Detainee Treatment Act of 2005 (119
14 Stat. 2740; 42 U.S.C. 2000dd(d)):

15 (1) Waterboarding, or any other technique
16 using water, bags, or other devices or substances to
17 induce a sensation of drowning or asphyxiation.

18 (2) Sleep deprivation, including, at a minimum,
19 depriving a prisoner of sleep for 24 hours or more
20 or permitting five or less hours of sleep per day over
21 a period of three or more days.

22 (3) Stress positions, including the use of any
23 technique in which a prisoner is placed or shackled
24 in a painful or awkward position (including pro-
25 longed standing or crouching, shackling arms above

1 the head for prolonged periods, or the use of shack-
2 les or handcuffs in a manner which causes pain due
3 to the swelling of tissue over a prolonged period of
4 time).

5 (4) The use of extreme temperatures as an aid
6 to interrogation.

7 (5) The use of beatings, slapping, or violent
8 shaking.

9 (6) The use of dogs as an aid to interrogation.

10 (7) The use of nakedness or other forms of sex-
11 ual humiliation as an aid to interrogation.

12 (c) ELEMENTS.—The report under subsection (b)
13 shall state, for each interrogation technique listed in that
14 subsection, the following

15 (1) Whether the technique would constitute
16 cruel and unusual punishment under the Constitu-
17 tion of the United States if used on a United States
18 citizen within the United States.

19 (2) Whether the technique would constitute
20 cruel and unusual punishment under the Constitu-
21 tion of the United States if used on a United States
22 citizen outside the United States.

23 (3) Whether the technique would be legal if
24 used to interrogate a member of the Armed Forces

1 of the United States by a state party to the Geneva
2 Conventions.

3 (4) Whether the technique would be legal if
4 used to interrogate a United States citizen by a
5 state party to the Convention Against Torture and
6 Other Cruel, Inhuman or Degrading Treatment or
7 Punishment.

8 (d) CERTIFICATION ON NATURE OF OPINIONS.—The
9 report under subsection (b) shall include a certification
10 that the legal opinions set forth in the report are the co-
11 ordinated and definitive opinion of the United States Gov-
12 ernment binding on all departments and agencies of the
13 United States Government, any personnel of such depart-
14 ments and agencies, and any contractors of such depart-
15 ments and agencies.

16 (e) DISSEMINATION OF OPINIONS.—

17 (1) IN GENERAL.—The President shall ensure
18 the dissemination of the legal opinions set forth in
19 the report to all departments and agencies of the
20 United States Government, together with the in-
21 struction that such opinions be further disseminated
22 to all personnel of such departments and agencies
23 and all contractors of such departments and agen-
24 cies.

1 (2) CERTIFICATION ON DISSEMINATION.—The
2 report shall include a certification regarding compli-
3 ance with the requirement in paragraph (1).

4 (f) DEFINITIONS.—In this section:

5 (1) The term “Convention Against Torture and
6 Other Cruel, Inhuman or Degrading Treatment or
7 Punishment” means the Convention Against Torture
8 and Other Cruel, Inhuman or Degrading Treatment
9 or Punishment, done at New York, December 10,
10 1984, and entering into force June 26, 1987 (T.
11 Doc. 100–20).

12 (2) The term “Geneva Conventions” means—

13 (A) the Convention for the Amelioration of
14 the Condition of the Wounded and Sick in
15 Armed Forces in the Field, done at Geneva Au-
16 gust 12, 1949 (6 UST 3114);

17 (B) the Convention for the Amelioration of
18 the Condition of the Wounded, Sick, and Ship-
19 wrecked Members of Armed Forces at Sea,
20 done at Geneva August 12, 1949 (6 UST
21 3217);

22 (C) the Convention Relative to the Treat-
23 ment of Prisoners of War, done at Geneva Au-
24 gust 12, 1949 (6 UST 3316); and

1 (D) the Convention Relative to the Protec-
2 tion of Civilian Persons in Time of War, done
3 at Geneva August 12, 1949 (6 UST 3516).

4 **SEC. 1062. REPORTS ON MEMBERS OF THE ARMED FORCES**
5 **AND CIVILIAN EMPLOYEES OF THE DEPART-**
6 **MENT OF DEFENSE SERVING IN THE LEGIS-**
7 **LATIVE BRANCH.**

8 (a) MONTHLY REPORTS ON DETAILS AND FELLOW-
9 SHIPS OF LONG DURATION.—Not later than 120 days
10 after the date of the enactment of this Act, and monthly
11 thereafter, the Secretary of Defense shall submit to the
12 congressional defense committees a report on the members
13 of the Armed Forces and civilian employees of the Depart-
14 ment of Defense who, as of the date of such report, have
15 served continuously in the Legislative Branch for more
16 than 12 consecutive months in one or a combination of
17 covered legislative details or fellowships.

18 (b) REPORTS ON CERTAIN MILITARY DETAILS AND
19 FELLOWSHIPS.—If a member of the Armed Forces is as-
20 signed to a covered legislative detail or fellowship as the
21 last tour of duty of such member before retirement or sep-
22 aration from the Armed Forces in contravention of the
23 regulations of the Department of Defense, the Secretary
24 shall submit to the congressional defense committees a re-
25 port on the assignment of such member to such covered

1 legislative detail or fellowship. The report shall include a
2 rationale for the waiver of the regulations of the Depart-
3 ment in order to permit the detail or fellowship.

4 (c) REPORT ELEMENTS.—Each report under sub-
5 section (a) or (b) shall set forth, for each member of the
6 Armed Forces or civilian employee covered of the Depart-
7 ment of Defense covered by such report, the following:

8 (1) The name of such member or employee.

9 (2) In the case of a member, the Armed Force
10 of such member.

11 (3) The committee or member of Congress to
12 which such member or employee is detailed or as-
13 signed.

14 (4) A general description of the projects or
15 tasks undertaken or to be undertaken, as applicable,
16 by such member or employee as a detailee, fellow, or
17 both.

18 (5) The anticipated termination date of the cur-
19 rent detail or fellowship of such member or em-
20 ployee.

21 (d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP
22 DEFINED.—In this section, the term “covered legislative
23 detail or fellowship” means the following:

24 (1) A detail under the provisions of Department
25 of Defense Directive 1000.17.

1 (2) A legislative fellowship (including a legisla-
2 tive fellowship under the provisions of Department
3 of Defense Directive 1322.6).

4 **SEC. 1063. ADDITIONAL ELEMENT IN ANNUAL REPORT ON**
5 **CHEMICAL AND BIOLOGICAL WARFARE DE-**
6 **FENSE.**

7 Section 1703(b) of the National Defense Authoriza-
8 tion Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is
9 amended by adding at the end the following new para-
10 graph:

11 “(10) A description of the coordination and in-
12 tegration of the program of the Defense Advanced
13 Research Projects Agency (DARPA) on basic and
14 applied research and advanced technology develop-
15 ment on chemical and biological warfare defense
16 technologies and systems under section 1701(c)(2)
17 with the overall program of the Department of De-
18 fense on chemical and biological warfare defense, in-
19 cluding—

20 “(A) the degree to which the program of
21 the Defense Advanced Research Projects Agen-
22 cy supports the objectives and requirements of
23 the program of the Department of Defense; and

24 “(B) the means of determining the level of
25 coordination and support provided by the pro-

1 gram of the Defense Advanced Research
2 Projects Agency for the program of the Depart-
3 ment of Defense.”.

4 **SEC. 1064. REPORT ON LOCAL BOARDS OF TRUSTEES OF**
5 **THE ARMED FORCES RETIREMENT HOME.**

6 Not later than 30 days after the date of the enact-
7 ment of this Act, the Secretary of Defense shall submit
8 to the congressional defense committees a report setting
9 forth the following:

10 (1) The current composition and activities of
11 the Local Board of Trustees of the Armed Forces
12 Retirement Home—Washington under section 1516
13 of the Armed Forces Retirement Home Act of 1991
14 (24 U.S.C. 416).

15 (2) The current composition and activities of
16 the Local Board of Trustees of the Armed Forces
17 Retirement Home—Gulfport under section 1516 of
18 such Act.

19 **SEC. 1065. REPEAL OF CERTAIN REPORT REQUIREMENTS.**

20 (a) ANNUAL REPORT ON AVIATION CAREER INCEN-
21 TIVE PAY.—Section 301a of title 37, United States Code,
22 is amended by striking subsection (f).

23 (b) ANNUAL REPORT ON EFFECTS OF CERTAIN INI-
24 TIATIVES ON RECRUITMENT AND RETENTION.—

1 (1) REPEAL.—Section 1015 of title 37, United
2 States Code, is repealed.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 19 of such title is
5 amended by striking the item relating to section
6 1015.

7 (c) SECRETARY OF DEFENSE RECOMMENDATION ON
8 NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section
9 1041 of the National Defense Authorization Act for Fiscal
10 Year 2002 (Public Law 107–107; 115 Stat. 1217) is re-
11 pealed.

12 (d) REPORT ON PILOT PROGRAM TO ENHANCE MILI-
13 TARY RECRUITING BY IMPROVING MILITARY AWARENESS
14 OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564
15 of the Floyd D. Spence National Defense Authorization
16 Act for Fiscal Year 2001 (as enacted into law by Public
17 Law 106–398 (114 Stat. 1654A–134); 10 U.S.C. 503
18 note) is amended by striking subsection (c).

19 (e) ANNUAL REPORT ON MEDICAL INFORMATICS.—
20 Section 723(d) of the National Defense Authorization Act
21 for Fiscal Year 2000 (10 U.S.C. 1071 note) is amended—

22 (1) by striking paragraph (5); and

23 (2) by redesignating paragraphs (6) and (7) as
24 paragraphs (5) and (6), respectively.

1 (f) REPORT ON IMPOSITION OF ADDITIONAL
2 CHARGES OR FEES FOR ATTENDANCE AT CERTAIN ACAD-
3 EMIES.—Section 553(b) of the National Defense Author-
4 ization Act for Fiscal Year 1995 (Public Law 103–337;
5 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by
6 striking the second sentence.

7 **Subtitle H—Technical and** 8 **Conforming Amendments**

9 **SEC. 1071. UNIFORM DEFINITION OF NATIONAL SECURITY** 10 **SYSTEM FOR CERTAIN DEPARTMENT OF DE-** 11 **FENSE PURPOSES.**

12 (a) DEFENSE BUSINESS SYSTEMS.—Section
13 2222(j)(6) of title 10, United States Code, is amended by
14 striking “section 2315 of this title” and inserting “section
15 3542(b)(2) of title 44”.

16 (b) INFORMATION TECHNOLOGY.—Section
17 2223(c)(3) of such title is amended by striking “section
18 11103 of title 40” and inserting “section 3542(b)(2) of
19 title 44”.

20 (c) PROCUREMENT OF AUTOMATIC DATA PROC-
21 ESSING EQUIPMENT AND SERVICES.—The text of section
22 2315 of such title is amended to read as follows:

23 “For the purposes of subtitle III of title 40, the term
24 ‘national security system’ has the meaning given that term
25 in section 3542(b)(2) of title 44.”.

1 **SEC. 1072. CONFORMING AMENDMENT RELATING TO RE-**
 2 **DESIGNATION OF DEFENSE COMMUNICA-**
 3 **TIONS AGENCY AS DEFENSE INFORMATION**
 4 **SYSTEMS AGENCY.**

5 Paragraph (1) of section 193(f) of title 10, United
 6 States Code, is amended to read as follows:

7 “(1) The Defense Information Systems Agen-
 8 cy.”.

9 **SEC. 1073. TECHNICAL AMENDMENT.**

10 Effective as of the date of the enactment of the Na-
 11 tional Defense Authorization Act for Fiscal Year 2006
 12 (Public Law 109–163) and as if included in the enactment
 13 thereof, section 341(e) of such Act (119 Stat. 3199) is
 14 amended by striking “(a)(1)(E)” and inserting
 15 “(a)(1)(F)”.

16 **Subtitle I—Other Matters**

17 **SEC. 1081. NATIONAL FOREIGN LANGUAGE COORDINATION**
 18 **COUNCIL.**

19 (a) ESTABLISHMENT.—

20 (1) IN GENERAL.—Effective on October 1,
 21 2006, there is established the National Foreign Lan-
 22 guage Coordination Council (in this section referred
 23 to as the “Council”).

24 (2) INDEPENDENT ESTABLISHMENT.—The Na-
 25 tional Foreign Language Coordination Council shall

1 be an independent establishment as defined under
2 section 104 of title 5, United States Code.

3 (b) MEMBERSHIP.—The Council shall consist of the
4 following members or their designees:

5 (1) The National Language Director, who shall
6 serve as the chairperson of the Council.

7 (2) The Secretary of Education.

8 (3) The Secretary of Defense.

9 (4) The Secretary of State.

10 (5) The Secretary of Homeland Security.

11 (6) The Attorney General.

12 (7) The Director of National Intelligence.

13 (8) The Secretary of Labor.

14 (9) The Director of the Office of Personnel
15 Management.

16 (10) The Director of the Office of Management
17 and Budget.

18 (11) The Secretary of Commerce.

19 (12) The Secretary of Health and Human Serv-
20 ices.

21 (13) The Secretary of the Treasury.

22 (14) The Secretary of Housing and Urban De-
23 velopment.

24 (15) The Secretary of Agriculture.

1 (16) The Chairman and President of the Ex-
2 port-Import Bank of the United States.

3 (17) The heads of such other Federal agencies
4 as the Council considers appropriate.

5 (c) RESPONSIBILITIES.—

6 (1) IN GENERAL.—The Council shall be
7 charged with—

8 (A) developing a national foreign language
9 strategy, within 18 months of the date of the
10 enactment of this Act, in consultation with—

11 (i) State and local government agen-
12 cies;

13 (ii) academic sector institutions;

14 (iii) foreign language related interest
15 groups;

16 (iv) business associations;

17 (v) industry;

18 (vi) heritage associations; and

19 (vii) other relevant stakeholders;

20 (B) conducting a survey of the extent of
21 Federal agency foreign language and area ex-
22 pertise, and of Federal agency needs for such
23 expertise;

24 (C) identifying and evaluating the ade-
25 quacy of Federal foreign language programs,

1 including any duplicative or overlapping pro-
2 grams that may impede efficiency; and

3 (D) monitoring the implementation of such
4 strategy through—

5 (i) application of current and recently
6 enacted laws; and

7 (ii) the promulgation and enforcement
8 of rules and regulations.

9 (2) STRATEGY CONTENT.—The strategy devel-
10 oped under paragraph (1) shall include—

11 (A) identification of priorities to expand
12 foreign language skills in the public and private
13 sectors;

14 (B) recommendations for improving coordi-
15 nation of foreign language programs and activi-
16 ties among Federal agencies, enhancing Federal
17 foreign language programs and activities, and
18 allocating resources appropriately in order to
19 maximize the use of resources;

20 (C) needed national policies and cor-
21 responding legislative and regulatory actions in
22 support of, and allocation of designated re-
23 sources to, promising programs and initiatives
24 at all levels (Federal, State, and local), espe-
25 cially in the less commonly taught languages

1 that are seen as critical for national security
2 and global competitiveness during the next 20
3 to 50 years;

4 (D) effective ways to increase public
5 awareness of the need for foreign language
6 skills and career paths in the public and private
7 sectors that can employ those skills, with the
8 objective of increasing support for foreign lan-
9 guage study among—

10 (i) Federal, State, and local leaders;

11 (ii) students;

12 (iii) parents;

13 (iv) elementary, secondary, and post-
14 secondary educational institutions; and

15 (v) employers;

16 (E) recommendations for incentives for de-
17 veloping related educational programs, includ-
18 ing foreign language teacher training;

19 (F) coordination of public and private sec-
20 tor efforts to provide foreign language instruc-
21 tion and acquire foreign language and area ex-
22 pertise;

23 (G) coordination of public and private sec-
24 tor initiatives to develop a strategic posture for
25 language research;

1 (H) recommendations for—

2 (i) the development of foreign lan-
3 guage achievement standards; and

4 (ii) corresponding assessments of for-
5 eign language achievement standards for
6 the elementary, secondary, and postsec-
7 ondary education levels, including the Na-
8 tional Assessment of Educational Progress
9 in foreign languages;

10 (I) recommendations for development of—

11 (i) language skill-level certification
12 standards;

13 (ii) frameworks for pre-service and
14 professional development study for those
15 who teach foreign language;

16 (iii) suggested graduation criteria for
17 foreign language studies in non-language
18 areas, such as—

19 (I) international business;

20 (II) national security;

21 (III) public administration;

22 (IV) health care;

23 (V) engineering;

24 (VI) law;

25 (VII) journalism; and

1 (VIII) sciences;

2 (J) identification of and means for repli-
3 cating best practices for teaching foreign lan-
4 guages in the public and private sectors, includ-
5 ing best practices from the international com-
6 munity; and

7 (K) recommendations for overcoming bar-
8 riers in foreign language proficiency.

9 (d) SUBMISSION OF STRATEGY TO PRESIDENT AND
10 CONGRESS.—Not later than 18 months after the date of
11 the enactment of this Act, the Council shall prepare and
12 transmit to the President and the relevant committees of
13 Congress the national foreign language strategy required
14 under subsection (c).

15 (e) MEETINGS.—The Council may hold such meet-
16 ings, and sit and act at such times and places, as the
17 Council considers appropriate, but shall meet in formal
18 session at least 2 times a year. State and local government
19 agencies and other organizations (such as academic sector
20 institutions, foreign language-related interest groups,
21 business associations, industry, and heritage community
22 organizations) shall be invited, as appropriate, to public
23 meetings of the Council at least once a year.

24 (f) STAFF.—

25 (1) IN GENERAL.—The Director may—

1 (A) appoint, without regard to the provi-
2 sions of title 5, United States Code, governing
3 the competitive service, such personnel as the
4 Director considers necessary; and

5 (B) compensate such personnel without re-
6 gard to the provisions of chapter 51 and sub-
7 chapter III of chapter 53 of that title.

8 (2) DETAIL OF GOVERNMENT EMPLOYEES.—
9 Upon request of the Council, any Federal Govern-
10 ment employee may be detailed to the Council with-
11 out reimbursement, and such detail shall be without
12 interruption or loss of civil service status or privilege

13 (3) EXPERTS AND CONSULTANTS.—With the
14 approval of the Council, the Director may procure
15 temporary and intermittent services under section
16 3109(b) of title 5, United States Code.

17 (4) TRAVEL EXPENSES.—Council members and
18 staff shall be allowed travel expenses, including per
19 diem in lieu of subsistence, at rates authorized for
20 employees of agencies under subchapter I of chapter
21 57 of title 5, United States Code, while away from
22 their homes or regular places of business in the per-
23 formance of services for the Council.

24 (5) SECURITY CLEARANCE.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), the appropriate Federal agencies or
3 departments shall cooperate with the Council in
4 expeditiously providing to the Council members
5 and staff appropriate security clearances to the
6 extent possible pursuant to existing procedures
7 and requirements.

8 (B) EXCEPTION.—No person shall be pro-
9 vided with access to classified information
10 under this section without the appropriate re-
11 quired security clearance access.

12 (6) COMPENSATION.—The rate of pay for any
13 employee of the Council (including the Director)
14 may not exceed the rate payable for level V of the
15 Executive Schedule under section 5316 of title 5,
16 United States Code.

17 (g) POWERS.—

18 (1) DELEGATION.—Any member or employee of
19 the Council may, if authorized by the Council, take
20 any action that the Council is authorized to take in
21 this section.

22 (2) INFORMATION.—

23 (A) COUNCIL AUTHORITY TO SECURE.—
24 The Council may secure directly from any Fed-
25 eral agency such information, consistent with

1 Federal privacy laws, including the Family
2 Educational Rights and Privacy Act (20 U.S.C.
3 1232g) and the Department of Education's
4 General Education Provisions Act (20 U.S.C.
5 1232(h)), the Council considers necessary to
6 carry out its responsibilities.

7 (B) REQUIREMENT TO FURNISH RE-
8 QUESTED INFORMATION.—Upon request of the
9 Director, the head of such agency shall furnish
10 such information to the Council.

11 (3) DONATIONS.—The Council may accept, use,
12 and dispose of gifts or donations of services or prop-
13 erty.

14 (4) MAIL.—The Council may use the United
15 States mail in the same manner and under the same
16 conditions as other Federal agencies.

17 (h) CONFERENCES, NEWSLETTER, AND WEBSITE.—
18 In carrying out this section, the Council—

19 (1) may arrange Federal, regional, State, and
20 local conferences for the purpose of developing and
21 coordinating effective programs and activities to im-
22 prove foreign language education;

23 (2) may publish a newsletter concerning Fed-
24 eral, State, and local programs that are effectively

1 meeting the foreign language needs of the nation;
2 and

3 (3) shall create and maintain a website con-
4 taining information on the Council and its activities,
5 best practices on language education, and other rel-
6 evant information.

7 (i) REPORTS.—Not later than April 1, 2007, and an-
8 nually thereafter, the Council shall prepare and transmit
9 to the President and the relevant committees of Congress
10 a report that describes—

11 (1) the activities of the Council to develop the
12 national foreign language strategy required under
13 subsection (c);

14 (2) the findings of the Council as of the date
15 of such report;

16 (3) the efforts of the Council to improve foreign
17 language education and training; and

18 (4) impediments identified by the Council to the
19 implementation of a comprehensive national foreign
20 language strategy, including any statutory and regu-
21 latory restrictions.

22 (j) ESTABLISHMENT OF NATIONAL LANGUAGE DI-
23 RECTOR.—

24 (1) IN GENERAL.—There is established a Na-
25 tional Language Director who shall be appointed by

1 the President. The National Language Director shall
2 be a nationally recognized individual with credentials
3 and abilities in the public and private sectors to be
4 involved with creating and implementing long-term
5 solutions to achieving national foreign language and
6 cultural competency.

7 (2) RESPONSIBILITIES.—The National Lan-
8 guage Director shall—

9 (A) develop and monitor the implementa-
10 tion of a national foreign language strategy
11 across the public and private sectors;

12 (B) establish formal relationships among
13 the major stakeholders in meeting the needs of
14 the Nation for improved capabilities in foreign
15 languages and cultural understanding, including
16 Federal, State, and local government agencies,
17 academia, industry, labor, and heritage commu-
18 nities; and

19 (C) coordinate and lead a public informa-
20 tion campaign that raises awareness of public
21 and private sector careers requiring foreign lan-
22 guage skills and cultural understanding, with
23 the objective of increasing interest in and sup-
24 port for the study of foreign languages among

1 national leaders, the business community, local
2 officials, parents, and individuals.

3 (k) ENCOURAGEMENT OF STATE INVOLVEMENT.—

4 (1) STATE CONTACT PERSONS.—The Council
5 shall consult with each State to provide for the des-
6 ignation by each State of an individual to serve as
7 a State contact person for the purpose of receiving
8 and disseminating information and communications
9 received from the Council.

10 (2) STATE INTERAGENCY COUNCILS AND LEAD
11 AGENCIES.—Each State is encouraged to establish a
12 State interagency council on foreign language co-
13 ordination or designate a lead agency for the State
14 for the purpose of assuming primary responsibility
15 for coordinating and interacting with the Council
16 and State and local government agencies as nec-
17 essary.

18 (l) SUNSET.—This section shall cease to have effect
19 on September 30, 2015.

20 (m) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated for fiscal year 2007,
22 \$1,500,000 to carry out this section.

1 **SEC. 1082. SUPPORT OF SUCCESSOR ORGANIZATIONS OF**
2 **THE DISESTABLISHED INTERAGENCY GLOB-**
3 **AL POSITIONING SYSTEM EXECUTIVE BOARD.**

4 Section 8 of the Commercial Space Transportation
5 Competitiveness Act of 2000 (Public Law 106–405; 114
6 Stat. 1753; 10 U.S.C. 2281 note) is amended by striking
7 “the Interagency Global Positioning System Executive
8 Board, including an Executive Secretariat to be housed
9 at the Department of Commerce” and inserting “the Na-
10 tional Space-Based Positioning, Navigation, and Timing
11 Executive Committee, the National Space-Based Posi-
12 tioning, Navigation, and Timing Coordination Office, and
13 the National Space-Based Positioning, Navigation, and
14 Timing Advisory Board, and any successor organization”.

15 **SEC. 1083. SENSE OF CONGRESS ON THE QUADRENNIAL DE-**
16 **FENSE REVIEW.**

17 (a) FINDINGS.—Congress makes the following find-
18 ings:

19 (1) The Quadrennial Defense Review (QDR)
20 under section 118 of title 10, United States Code,
21 is vital in laying out the strategic military planning
22 and threat objectives of the Department of Defense.

23 (2) The Quadrennial Defense Review is critical
24 to identifying the correct mix of military planning
25 assumptions, defense capabilities, and strategic fo-
26 cuses for the Armed Forces of the United States.

1 (b) SENSE OF CONGRESS.—It is the sense of Con-
2 gress that—

3 (1) the Quadrennial Defense Review is intended
4 to provide more than an overview of global threats
5 and the general strategic orientation of the Depart-
6 ment of Defense;

7 (2) the Quadrennial Defense Review should in-
8 clude strategic planning guidance and specific capa-
9 bilities, including the military platforms needed to
10 achieve the strategic and warfighting objectives iden-
11 tified in the Review, and do so in a risk-based
12 framework;

13 (3) the development of each Quadrennial De-
14 fense Review would benefit from an official assess-
15 ment, by a so-called “red team”, of Quadrennial De-
16 fense Review assumptions, planning guidelines, capa-
17 bility recommendations, and realism, and from hav-
18 ing that team brief Congress on the results of its as-
19 sessment;

20 (4) the recommendations of the Quadrennial
21 Defense Review should not be constrained by budget
22 considerations; and

23 (5) the risk assessment prepared by the Chair-
24 man of the Joint Chiefs to accompany the Quadren-
25 nial Defense Review should be comprehensive and

1 should include a description of the capabilities need-
2 ed to address the risks identified in that assessment.

3 **TITLE XI—DEPARTMENT OF DE-**
4 **FENSE CIVILIAN PERSONNEL**
5 **POLICY**

6 **SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF**
7 **THE UNIFORMED SERVICES ON TERMINAL**
8 **LEAVE PERFORMING DUAL EMPLOYMENT.**

9 Section 5534a of title 5, United States Code, is
10 amended by adding at the end the following new sentence:
11 “Such a member is also entitled to accrue annual leave
12 with pay in the manner specified in section 6303(a) of this
13 title for a retired member of the uniformed services.”.

14 **SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MAN-**
15 **AGEMENT, FUNCTIONAL, AND TECHNICAL**
16 **WORKFORCE OF THE DEPARTMENT OF DE-**
17 **FENSE.**

18 (a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL
19 PLAN.—The Secretary of Defense shall include in the
20 March 1, 2007, Strategic Human Capital Plan required
21 by section 1122(c) of the National Defense Authorization
22 Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
23 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape
24 and improve the senior management, functional, and tech-

1 nical workforce (including scientists and engineers) of the
2 Department of Defense.

3 (b) SCOPE OF PLAN.—The strategic plan required by
4 subsection (a) shall cover, at a minimum, the following
5 categories of Department of Defense civilian personnel:

6 (1) Appointees in the senior executive service
7 under section 3131 of title 5, United States Code.

8 (2) Persons serving in positions described in
9 section 5376(a) of title 5, United States Code.

10 (3) Highly qualified experts appointed pursuant
11 to section 9903 of title 5, United States Code.

12 (4) Scientists and engineers appointed pursuant
13 to section 342(b) of the National Defense Authoriza-
14 tion Act for Fiscal Year 1995 (Public Law 103–337;
15 108 Stat. 2721), as amended by section 1114 of the
16 Floyd D. Spence National Defense Authorization
17 Act for Fiscal Year 2001 (as enacted into by law by
18 Public Law 106–398 (114 Stat. 1654A–315)).

19 (5) Scientists and engineers appointed pursuant
20 to section 1101 of the Strom Thurmond National
21 Defense Authorization Act for Fiscal Year 1999 (5
22 U.S.C. 3104 note).

23 (6) Persons serving in the Defense Intelligence
24 Senior Executive Service under section 1606 of title
25 10, United States Code.

1 (7) Persons serving in Intelligence Senior Level
2 positions under section 1607 of title 10, United
3 States Code.

4 (c) CONTENTS OF PLAN.—The strategic plan re-
5 quired by subsection (a) shall include—

6 (1) an assessment of—

7 (A) the needs of the Department of De-
8 fense for senior management, functional, and
9 technical personnel (including scientists and en-
10 gineers) in light of recent trends and projected
11 changes in the mission and organization of the
12 Department and in light of staff support needed
13 to accomplish that mission;

14 (B) the capability of the existing civilian
15 employee workforce of the Department to meet
16 requirements relating to the mission of the De-
17 partment, including the impact on that capa-
18 bility of projected trends in the senior manage-
19 ment, functional, and technical personnel work-
20 force of the Department based on expected
21 losses due to retirement and other attrition; and

22 (C) gaps in the existing or projected civil-
23 ian employee workforce of the Department that
24 should be addressed to ensure that the Depart-
25 ment has continued access to the senior man-

1 agement, functional, and technical personnel
2 (including scientists and engineers) it needs;
3 and

4 (2) a plan of action for developing and reshap-
5 ing the senior management, functional, and technical
6 workforce of the Department to address the gaps
7 identified under paragraph (1)(C), including—

8 (A) any legislative or administrative action
9 that may be needed to adjust the requirements
10 applicable to any category of civilian personnel
11 identified in subsection (b) or to establish a new
12 category of senior management or technical per-
13 sonnel;

14 (B) any changes in the number of per-
15 sonnel authorized in any category of personnel
16 identified in subsection (b) that may be needed
17 to address such gaps and effectively meet the
18 needs of the Department;

19 (C) any changes in the rates or methods of
20 pay for any category of personnel identified in
21 subsection (b) that may be needed to address
22 inequities and ensure that the Department has
23 full access to appropriately qualified personnel
24 to address such gaps and meet the needs of the
25 Department;

1 (D) specific recruiting and retention goals,
2 including the program objectives of the Depart-
3 ment to be achieved through such goals;

4 (E) specific strategies for development,
5 training, deploying, compensating, motivating,
6 and designing career paths and career opportu-
7 nities for the senior management, functional,
8 and technical workforce of the Department, in-
9 cluding the program objectives of the Depart-
10 ment to be achieved through such strategies;
11 and

12 (F) specific steps that the Department has
13 taken or plans to take to ensure that the senior
14 management, functional, and technical work-
15 force of the Department is managed in compli-
16 ance with the requirements of section 129 of
17 title 10, United States Code.

18 **SEC. 1103. AUTHORITY TO EQUALIZE ALLOWANCES, BENE-**
19 **FITS, AND GRATUITIES OF PERSONNEL ON**
20 **OFFICIAL DUTY IN IRAQ AND AFGHANISTAN.**

21 (a) FINDINGS.—Congress makes the following find-
22 ings:

23 (1) As part of the United States effort to bring
24 democracy and freedom to Iraq and Afghanistan,
25 employees of a broad range of Federal agencies are

1 needed to serve in those countries, furnishing exper-
2 tise to their counterpart agencies in the Government
3 of Iraq and the Government of Afghanistan.

4 (2) While the heads of a number of Federal
5 agencies already possess authority to provide to their
6 personnel on official duty abroad allowances, bene-
7 fits, and death gratuities comparable to those pro-
8 vided by the Secretary of State to similarly-situated
9 Foreign Service personnel on official duty abroad,
10 other agency heads do not possess such authority.

11 (3) In order to assist the United States Govern-
12 ment in recruiting personnel to serve in Iraq and Af-
13 ghanistan, and to avoid inequities in allowances,
14 benefits, and death gratuities among similarly-situ-
15 ated United States Government civilian personnel on
16 official duty in these countries, it is essential that
17 the heads of all agencies that have personnel on offi-
18 cial duty in Iraq and Afghanistan have the same
19 basic authority with respect to allowances, benefits,
20 and death gratuities for such personnel.

21 (b) IN GENERAL.—During any fiscal year, the head
22 of an agency may, in the agency head's discretion, provide
23 to an individual employed by, or assigned or detailed to,
24 such agency allowances, benefits, and gratuities com-
25 parable to those provided by the Secretary of State to

1 members of the Foreign Service under section 413 and
2 chapter 9 of title I of the Foreign Service Act of 1980
3 (22 U.S.C. 3973; 4081 et seq.), if such individual is on
4 official duty in Iraq or Afghanistan.

5 (c) CONSTRUCTION.—Nothing in this section shall be
6 construed to impair or otherwise affect the authority of
7 the head of an agency under any other provision of law.

8 **TITLE XII—MATTERS RELATING**
9 **TO OTHER NATIONS**

10 **Subtitle A—General Matters**

11 **SEC. 1201. EXPANSION OF HUMANITARIAN AND CIVIC AS-**
12 **SISTANCE TO INCLUDE COMMUNICATIONS**
13 **AND INFORMATION CAPACITY.**

14 Section 401 of title 10, United States Code, as
15 amended—

16 (1) in subsection (c)—

17 (A) by redesignating paragraphs (2), (3),
18 and (4) as paragraphs (3), (4), and (5), respec-
19 tively;

20 (B) by inserting after paragraph (1) end
21 the following new paragraph (2):

22 “(2) Expenses covered by paragraph (1) include com-
23 munications or information systems equipment or supplies
24 incurred in providing assistance described in subsection
25 (e)(4).”; and

1 (C) in paragraph (4), as redesignated by
2 subparagraph (A) of this paragraph, by striking
3 “paragraph (2)(B)” and inserting “paragraph
4 (3)(B)”; and

5 (2) in subsection (e)(4), by inserting before the
6 period the following: “, including information and
7 communications technology facilities”.

8 **SEC. 1202. MODIFICATION OF AUTHORITIES RELATING TO**
9 **THE REGIONAL DEFENSE**
10 **COUNTERTERRORISM FELLOWSHIP PRO-**
11 **GRAM.**

12 (a) REDESIGNATION OF PROGRAM AS REGIONAL DE-
13 FENSE COMBATTING TERRORISM FELLOWSHIP PRO-
14 GRAM.—Section 2249c of title 10, United States Code, is
15 amended in subsections (a) and (c)(3), by striking
16 “Counterterrorism” and inserting “Combating Ter-
17 rorism”.

18 (b) AVAILABILITY OF FUNDS.—

19 (1) IN GENERAL.—Subsection (a) of such sec-
20 tion is further amended by striking “the attendance”
21 and all that follows through “military educational in-
22 stitutions” and inserting “the education and training
23 of foreign military officers and other foreign officials
24 at military or civilian educational institutions”.

1 (2) INCREASE IN AMOUNT AVAILABLE.—Sub-
2 section (b) of such section is amended by striking
3 “\$20,000,000” and inserting “\$25,000,000”.

4 (3) AVAILABILITY OF AMOUNTS ACROSS FISCAL
5 YEARS.—Subsection (b) of such section is further
6 amended by adding at the end the following new
7 sentence: “Amounts available under the authority in
8 subsection (a) for a fiscal year may be used for pro-
9 grams that begin in such fiscal year but end in the
10 next fiscal year.”.

11 (c) CONFORMING AND CLERICAL AMENDMENTS.—

12 (1) CONFORMING AMENDMENT.—The heading
13 of such section is amended to read as follows:

14 “**§ 2249c. Authority to use appropriated funds for**
15 **education and training of foreign visitors**
16 **under Regional Defense Combatting Ter-**
17 **rorism Fellowship Program”.**

18 (2) CLERICAL AMENDMENT.—The table of sec-
19 tions at the beginning of subchapter I of chapter
20 134 of such title is amended by striking the item re-
21 lating to section 2249c and insert the following new
22 item:

“2249c. Authority to use appropriated funds for education and training of for-
 eign visitors under Regional Defense Combatting Terrorism
 Fellowship Program.”.

1 **SEC. 1203. LOGISTIC SUPPORT OF ALLIED FORCES FOR**
2 **COMBINED OPERATIONS.**

3 (a) **AUTHORITY TO USE FUNDS TO PROVIDE SUP-**
4 **PORT.—**

5 (1) **IN GENERAL.—**Subchapter I of chapter 134
6 of title 10, United States Code, is amended by in-
7 serting after section 2249c the following new section:

8 **“§ 2249d. Authority to use appropriated funds for lo-**
9 **gistic support of allied forces for com-**
10 **bined operations**

11 **“(a) AUTHORITY TO USE FUNDS.—**Subject to sub-
12 sections (b) and (c), funds appropriated to the Depart-
13 ment of Defense for operation and maintenance may be
14 used by the Secretary of Defense, with the concurrence
15 of the Secretary of State, to provide logistic support, sup-
16 plies, and services to allied forces participating in com-
17 bined operations with the armed forces of the United
18 States.

19 **“(b) LIMITATION RELATING TO COMBINED OPER-**
20 **ATIONS.—**The authority in subsection (a) to provide logis-
21 tic support, supplies, and services may be exercised only—

22 **“(1)** with respect to combined operations during
23 a period of active hostilities, a contingency oper-
24 ation, or a noncombat operation (including an oper-
25 ation in support of the provision of humanitarian or
26 foreign disaster assistance, country stabilization op-

1 erations, or peacekeeping operations under chapter
2 VI or VII of the Charter of the United Nations);
3 and

4 “(2) in circumstances in which the Secretary of
5 Defense determines that the allied forces to be pro-
6 vided such logistic support, supplies, and services—

7 “(A) are essential to the success of such
8 combined operations; and

9 “(B) would not be able to participate in
10 such combined operations but for the provision
11 of such logistic support, supplies, and services.

12 “(c) LIMITATIONS RELATING TO AMOUNT.—(1) Ex-
13 cept as provided in paragraph (2), the amount of logistic
14 support, supplies, and services provided under subsection
15 (a) in any fiscal year may not exceed \$100,000,000.

16 “(2) In any fiscal year, in addition to any logistic
17 support, supplies, and services provided under subsection
18 (a) that are covered by paragraph (1), logistic support,
19 supplies, and services in the amount of \$5,000,000 may
20 be provided under that subsection if such support, sup-
21 plies, and services are solely for purposes of enhancing the
22 interoperability of the logistical support systems of allied
23 forces with the logistical support systems of the armed
24 forces of the United States in order to facilitate combined
25 operations.

1 “(d) ANNUAL REPORT.—Not later than December 31
2 each year, the Secretary of Defense, in coordination with
3 the Secretary of State, shall submit to the appropriate
4 committees of Congress a report on the use of the author-
5 ity in subsection (a) during the preceding fiscal year. Each
6 report shall include, for the fiscal year covered by such
7 report, the following:

8 “(1) Each nation provided logistic support, sup-
9 plies, and services.

10 “(2) For each such nation, a description of the
11 type and value of logistic support, supplies, and
12 services so provided.

13 “(e) DEFINITIONS.—In this section:

14 “(1) The term ‘appropriate committees of Con-
15 gress’ means—

16 “(A) the Committees on Armed Services
17 and Foreign Relations of the Senate; and

18 “(B) the Committees on Armed Services
19 and International Relations of the House of
20 Representatives.

21 “(2) The term ‘logistic support, supplies, and
22 services’ has the meaning given such term in section
23 2350(1) of this title and includes sealift.”.

24 “(2) CLERICAL AMENDMENT.—The table of sec-
25 tions at the beginning of subchapter I of such chap-

1 ter is amended by inserting after the item relating
2 to section 2249c the following new item:

“2249d. Authority to use appropriated funds for logistic support of allied forces
for combined operations.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall take effect on October 1, 2006, and shall
5 apply with respect to fiscal years beginning on or after
6 that date.

7 **SEC. 1204. EXCLUSION OF PETROLEUM, OIL, AND LUBRI-**
8 **CANTS FROM LIMITATIONS ON AMOUNT OF**
9 **LIABILITIES THE UNITED STATES MAY AC-**
10 **CRUE UNDER ACQUISITION AND CROSS-**
11 **SERVICING AGREEMENTS.**

12 (a) **EXCLUSION.**—Section 2347 of title 10, United
13 States Code, is amended by adding at the end the fol-
14 lowing new subsection:

15 “(d) The limitations in this section on the amount
16 of reimbursable liabilities or reimbursable credits that the
17 United States may accrue under this subchapter shall not
18 apply with respect to the sale, purchase, or exchange of
19 petroleum, oils, or lubricants.”.

20 (b) **CONFORMING AMENDMENTS.**—Paragraphs (1)
21 and (2) of subsection (a) of such section are each amended
22 by striking “(other than petroleum, oils, and lubricants)”.

1 **SEC. 1205. TEMPORARY AUTHORITY TO USE ACQUISITION**
2 **AND CROSS-SERVICING AGREEMENTS TO**
3 **LOAN SIGNIFICANT MILITARY EQUIPMENT**
4 **TO FOREIGN FORCES IN IRAQ AND AFGHANI-**
5 **STAN FOR PERSONNEL PROTECTION AND**
6 **SURVIVABILITY.**

7 (a) AUTHORITY.—

8 (1) IN GENERAL.—Subject to paragraphs (2)
9 and (3), the Secretary of Defense may treat signifi-
10 cant military equipment as logistic support, supplies,
11 and services under subchapter I of chapter 138 of
12 title 10, United States Code, for purposes of pro-
13 viding for the use of such equipment by military
14 forces of nations participating in combined oper-
15 ations with United States Forces in Iraq and Af-
16 ghanistan if the Secretary, with the concurrence of
17 the Secretary of State, determines in writing that it
18 is in the national security interests of the United
19 States to provide for the use of such equipment in
20 such manner.

21 (2) LIMITATION ON DURATION OF PROVI-
22 SION.—Equipment may be used by foreign military
23 forces under this subsection for not longer than one
24 year.

25 (3) LIMITATION ON USE.—Equipment may be
26 used by foreign military forces under this subsection

1 solely for personnel protection or to aid in the per-
2 sonnel survivability of such forces.

3 (b) SEMIANNUAL REPORTS.—

4 (1) REPORTS REQUIRED.—The Secretary of
5 Defense shall, in coordination with the Secretary of
6 State, submit to the appropriate committees of Con-
7 gress a report on the exercise of the authority in
8 subsection (a) as follows:

9 (A) If the authority is exercised during the
10 first six-month period of a fiscal year, not later
11 than 30 days after such period.

12 (B) If the authority is exercised during the
13 second six-month period of a fiscal year, not
14 later than 30 days after such period.

15 (2) ELEMENTS.—Each report under paragraph
16 (1) shall include, for each exercise of authority
17 under subsection (a) during the period covered by
18 such report, the following:

19 (A) A copy of the written determination
20 under subsection (a) with respect to the exer-
21 cise of such authority.

22 (B) A statement of each recipient of equip-
23 ment under the exercise of such authority.

24 (C) A description of the type, quantity,
25 and value of the equipment supplied to each

1 such recipient, and a description of the terms
2 and duration of the supply of the equipment to
3 such recipient.

4 (c) CONSTRUCTION WITH LIMITATIONS ON TRANS-
5 FER OF MILITARY EQUIPMENT.—The provision of signifi-
6 cant military equipment for use under this section shall
7 be subject to the provisions of the Arms Export Control
8 Act (22 U.S.C. 2751 et seq.) and of any other export con-
9 trol regime under law relating to the transfer of military
10 technology to foreign nations.

11 (d) DEFINITIONS.—In this section:

12 (1) The term “appropriate committees of Con-
13 gress” means—

14 (A) the Committees on Armed Services
15 and Foreign Relations of the Senate; and

16 (B) the Committees on Armed Services
17 and International Relations of the House of
18 Representatives.

19 (2) The term “significant military equipment”
20 means items designated as significant military
21 equipment on the United States Munitions List
22 under section 38(a)(1) of the Arms Export Control
23 Act (22 U.S.C. 2778(a)(1)).

24 (e) EXPIRATION.—The authority in subsection (a)
25 shall expire on September 30, 2008.

1 **SEC. 1206. MODIFICATION OF AUTHORITIES RELATING TO**
2 **THE BUILDING OF THE CAPACITY OF FOR-**
3 **EIGN MILITARY FORCES.**

4 (a) FUNDS AVAILABLE FOR PRESIDENTIAL PRO-
5 GRAM.—Subsection (c) of section 1206 of the National
6 Defense Authorization Act for Fiscal Year 2006 (Public
7 Law 109–163; 119 Stat. 3456) is amended by striking
8 “defense-wide”.

9 (b) LIMITED AUTHORITY TO RESPOND TO UNAN-
10 TICIPATED CHANGES IN SECURITY ENVIRONMENT.—Such
11 section is further amended—

12 (1) by redesignating subsections (f) and (g) as
13 subsections (h) and (i), respectively; and

14 (2) by inserting after subsection (e) the fol-
15 lowing new subsection (f):

16 “(f) COMBATANT COMMANDER AUTHORITY TO RE-
17 SPOND TO UNANTICIPATED CHANGES IN SECURITY ENVI-
18 RONMENT.—

19 “(1) IN GENERAL.—During fiscal years 2007
20 and 2008, the Secretary of Defense may, with the
21 concurrence of the Secretary of State, authorize any
22 commander of a geographic combatant command to
23 respond to unanticipated changes in a security envi-
24 ronment within the area of responsibility of such
25 commander by conducting a program to build the
26 capacity of the national military forces of a country

1 within such area of responsibility in order for such
2 country to—

3 “(A) conduct counterterrorist operations;

4 or

5 “(B) participate in or support military and
6 stability operations.

7 “(2) REQUIRED ELEMENTS.—Any program
8 under paragraph (1) shall include elements that pro-
9 mote—

10 “(A) observance of and respect for human
11 rights and fundamental freedoms; and

12 “(B) respect for legitimate civilian author-
13 ity within the country concerned.

14 “(3) AUTHORIZED ELEMENTS.—Any program
15 under paragraph (1) may include the provision of
16 equipment, supplies, and training.

17 “(4) ANNUAL FUNDING LIMITATION.—The Sec-
18 retary of Defense may make available, from funds
19 available for operation and maintenance for fiscal
20 year 2007 or 2008, not to exceed \$200,000,000 to
21 conduct activities under paragraph (1) in such fiscal
22 year. Of the amount so made available for a fiscal
23 year, not more than \$50,000,000 may be available
24 for any commander of a particular geographic com-
25 batant command in such fiscal year. Amounts avail-

1 able under this paragraph are in addition to any
2 other amounts available to the commanders of the
3 geographic combatant commands, including amounts
4 in the Combatant Commanders Initiative Fund.

5 “(5) ASSISTANCE OTHERWISE PROHIBITED BY
6 LAW.—The commander of a geographic combatant
7 command may not use the authority in paragraph
8 (1) to provide any type of assistance described in
9 paragraphs (2) and (3) that is otherwise prohibited
10 by any provision of law.

11 “(6) LIMITATION ON ELIGIBLE COUNTRIES.—
12 The commander of a geographic combatant com-
13 mand may not use the authority in paragraph (1) to
14 provide any type of assistance described in para-
15 graphs (2) and (3) to any foreign country that is
16 otherwise prohibited from receiving such type of as-
17 sistance under any other provision of law.

18 “(7) FORMULATION AND EXECUTION OF PRO-
19 GRAMS.—The Secretary of Defense shall prescribe
20 guidance for programs authorized by paragraph (1).
21 Such guidance shall include requirements for the
22 commanders of the geographic combatant commands
23 to—

24 “(A) formulate any program under para-
25 graph (1) for a country jointly with the United

1 States ambassador or chief of mission to such
2 country; and

3 “(B) coordinate with the United States
4 ambassador or chief of mission to a country in
5 implementing any program under paragraph (1)
6 for such country.

7 “(8) CONGRESSIONAL NOTIFICATION.—Not less
8 than 15 days after the initiation of activities in a
9 country under a program under paragraph (1), the
10 Secretary of Defense, in coordination with the Sec-
11 retary of State, shall submit to the congressional
12 committees specified in subsection (e)(3) a notice of
13 the following:

14 “(A) The country being assisted in the
15 building of the capacity of its military forces
16 under the program.

17 “(B) The budget, implementation timeline
18 with milestones, and completion date for the
19 program.

20 “(C) The source and planned expenditure
21 of funds to complete the program.”.

22 (c) LIMITED AUTHORITY TO MEET UNANTICIPATED
23 HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIRE-
24 MENTS.—Such section is further amended by inserting

1 after subsection (f), as added by subsection (b)(2) of this
2 section, the following new subsection (g):

3 “(g) COMBATANT COMMANDER AUTHORITY TO
4 MEET UNANTICIPATED HUMANITARIAN RELIEF OR RE-
5 CONSTRUCTION REQUIREMENTS.—

6 “(1) IN GENERAL.—During fiscal years 2007
7 and 2008, the Secretary of Defense may authorize
8 any commander of a geographic combatant com-
9 mand to provide the assistance described in para-
10 graph (2) to respond to urgent and unanticipated
11 humanitarian relief or reconstruction requirements
12 in a foreign country within the area of responsibility
13 of the commander of the geographic combatant com-
14 mand if the commander of the geographic combatant
15 command determines that the provision of such as-
16 sistance will promote the security interests of the
17 United States and the country to which such assist-
18 ance will be provided. Such assistance may be pro-
19 vided without regard to any provision of chapter
20 137, 140, or 141 of title 10, United States Code, or
21 any other provision of law that would prohibit, re-
22 strict, or limit the provision of such assistance.

23 “(2) TYPES OF ASSISTANCE.—The assistance
24 that may be provided under paragraph (1) includes
25 the following:

1 “(A) Construction, reconstruction, or re-
2 pair of municipal, educational, cultural, or other
3 local facilities.

4 “(B) Reconstitution or improvement of
5 utilities or other local infrastructure.

6 “(C) Provision of any other goods or serv-
7 ices necessary to respond to urgent and unan-
8 ticipated humanitarian relief or reconstruction
9 requirements.

10 “(3) PROHIBITION ON ASSISTANCE IN CERTAIN
11 COUNTRIES.—Assistance may not be provided under
12 paragraph (1) in Iraq or Afghanistan.

13 “(4) ANNUAL FUNDING LIMITATION.—From
14 funds available for operation and maintenance for
15 fiscal year 2007 or 2008, not more than \$200,000
16 may be available to the commander of a geographic
17 combatant command to conduct activities under
18 paragraph (1) in any particular country in such fis-
19 cal year. Amounts available under this paragraph
20 are in addition to any other amounts available to the
21 commanders of the geographic combatant com-
22 mands, including amounts in the Combatant Com-
23 manders Initiative Fund.

24 “(5) CONSTRUCTION OF AUTHORITY.—The au-
25 thority and funds available to the commanders of

1 the geographic combatant commands under this sub-
2 section are in addition to any other authorities and
3 funds available to the commanders of the geographic
4 combatant commands.

5 “(6) GUIDANCE ON PROVISION OF ASSIST-
6 ANCE.—(A) No funds may be obligated or expended
7 for the provision of assistance under paragraph (1)
8 until the Secretary of Defense prescribes guidance
9 on the provision of assistance under that paragraph.

10 “(B) The guidance under this paragraph shall
11 include a requirement that any assistance provided
12 under paragraph (1) in a particular country be pro-
13 vided only with the concurrence of the United States
14 ambassador or chief of mission to that country.

15 “(C) Not later than 30 days after the issuance
16 of the guidance under this paragraph, the Secretary
17 shall submit to the congressional defense committees
18 a report setting forth such guidance.

19 “(D) Not later than 30 days after issuing any
20 modification to the guidance under this paragraph,
21 the Secretary shall submit to the congressional de-
22 fense committees a report on such modification.

23 “(7) REPORT.—Not later than November 1 of
24 2007 and 2008, the Secretary of Defense shall sub-
25 mit to the congressional defense committees a report

1 on the provision of assistance under paragraph (1)
2 during the preceding fiscal year. Each report shall
3 include, for the fiscal year covered by such report,
4 the following:

5 “(A) The source of funds utilized to pro-
6 vide assistance under paragraph (1) during
7 such fiscal year.

8 “(B) Each country in which assistance was
9 so provided.

10 “(C) For each country so provided assist-
11 ance, the type and amount of assistance pro-
12 vided.”.

13 (d) TERMINATION OF AUTHORITY.—Subsection (i) of
14 such section, as redesignated by subsection (b)(1) of this
15 section, is further amended to read as follows:

16 “(i) TERMINATION.—

17 “(1) TERMINATION OF PRESIDENTIAL PRO-
18 GRAM.—The authority of the President under sub-
19 section (a) to direct the Secretary of Defense to con-
20 duct a program terminates at the close of September
21 30, 2008. Any program directed before that date
22 may be completed, but only using funds available for
23 fiscal year 2006, 2007, or 2008.

24 “(2) TERMINATION OF COMBATANT COM-
25 MANDER AUTHORITIES.—The authority of the com-

1 manders of the geographic combatant commands to
2 carry out programs under subsection (f), and to pro-
3 vide assistance under subsection (g), terminates at
4 the close of September 30, 2008. Any program or
5 assistance commenced before that date may be com-
6 pleted, but only using funds available for fiscal year
7 2007 or 2008.”.

8 **SEC. 1207. PARTICIPATION OF THE DEPARTMENT OF DE-**
9 **FENSE IN MULTINATIONAL MILITARY CEN-**
10 **TERS OF EXCELLENCE.**

11 (a) PARTICIPATION AUTHORIZED.—During fiscal
12 year 2007, the Secretary of Defense may, with the concur-
13 rence of the Secretary of State, authorize the participation
14 of the Department of Defense, and of members of the
15 armed forces and civilian personnel of the Department, in
16 multinational military centers of excellence hosted by any
17 nation or combination of nations referred to in subsection
18 (b) for purposes of—

- 19 (1) enhancing the ability of military forces and
20 civilian personnel of the nations participating in
21 such centers to engage in joint exercises or coalition
22 or international military operations; or
23 (2) improving interoperability between the
24 Armed Forces of the United States and the military
25 forces of friendly foreign nations.

1 (b) COVERED NATIONS.—The nations referred to in
2 this section are as follows:

3 (1) The United States.

4 (2) Any member nation of the North Atlantic
5 Treaty Organization (NATO).

6 (3) Any major non-NATO ally.

7 (4) Any other friendly foreign nation identified
8 by the Secretary of Defense, with the concurrence of
9 the Secretary of State, for purposes of this section.

10 (c) MEMORANDUM OF UNDERSTANDING.—The par-
11 ticipation of the Department of Defense, or of members
12 of the armed forces or civilian personnel of the Depart-
13 ment, in a multinational military center of excellence
14 under subsection (a) shall be governed by the terms of
15 one or more memoranda of understanding entered into by
16 the Secretary of Defense, with the concurrence of the Sec-
17 retary of State, and the foreign nation or nations con-
18 cerned.

19 (d) AVAILABILITY OF APPROPRIATED FUNDS.—(1)
20 Funds appropriated to the Department of Defense for op-
21 eration and maintenance are available as follows:

22 (A) To pay the United States share of the ex-
23 penses of any multinational military center of excel-
24 lence in which the United States participates under
25 this section.

1 (B) To pay the costs of the participation of the
2 Department of Defense, and of members of the
3 armed forces and civilian personnel of the Depart-
4 ment, in multinational military centers of excellence
5 under this section, including the costs of pay, sala-
6 ries, and expenses of such members and personnel in
7 participating in such centers.

8 (2) The amount available under paragraph (1) in fis-
9 cal year 2007 for the expenses and costs referred to in
10 that paragraph may not exceed \$3,000,000.

11 (e) USE OF DEPARTMENT OF DEFENSE FACILITIES
12 AND EQUIPMENT.—(1) Facilities and equipment of the
13 Department of Defense may be used for purposes of the
14 support of multinational military centers of excellence
15 under this section that are hosted by the Department.

16 (2) The use of facilities and equipment for support
17 of a multinational military center of excellence under para-
18 graph (1) may, at the election of the Secretary of Defense,
19 be with or without reimbursement by other nations partici-
20 pating in the center.

21 (f) REPORT ON USE OF AUTHORITY.—

22 (1) REPORT REQUIRED.—Not later than Octo-
23 ber 31, 2007, the Secretary of Defense shall submit
24 to the congressional defense committees a report on

1 the use of the authority in this section during fiscal
2 year 2007.

3 (2) ELEMENTS.—The report required by para-
4 graph (1) shall include the following:

5 (A) A detailed description of the participa-
6 tion of the Department of Defense, and of
7 members of the Armed Forces and civilian per-
8 sonnel of the Department, in multinational mili-
9 tary centers of excellence under the authority of
10 this section during fiscal year 2007.

11 (B) For each multinational military center
12 of excellence in which the Department of De-
13 fense, or members of the Armed Forces or civil-
14 ian personnel of the Department, so partici-
15 pated—

16 (i) a description of such multinational
17 military center of excellence;

18 (ii) a description of the activities par-
19 ticipated in by the Department, or by
20 members of the Armed Forces or civilian
21 personnel of the Department; and

22 (iii) a statement of the costs of the
23 Department for such participation, includ-
24 ing—

1 (I) a statement of the United
2 States share of the expenses of such
3 center, and a statement of the per-
4 centage of the United States share of
5 the expenses of such center to the
6 total expenses of such center; and

7 (II) a statement of the amount of
8 such costs (including a separate state-
9 ment of the amount of costs paid for
10 under the authority of this section by
11 category of costs).

12 (g) DEFINITIONS.—In this section:

13 (1) The term “multinational military center of
14 excellence” means an entity sponsored by one or
15 more nations that is accredited and approved by the
16 North Atlantic Treaty Organization military com-
17 mittee as offering recognized expertise and experi-
18 ence to personnel participating in the activities of
19 such entity for the benefit of the North Atlantic
20 Treaty Organization by providing such personnel op-
21 portunities to—

22 (A) enhance education and training;

23 (B) improve interoperability and capabili-
24 ties;

1 (C) assist in the development of doctrine;
2 and

3 (D) validate concepts through experimen-
4 tation.

5 (2) The term “major non-NATO ally” means a
6 country (other than a member nation of the North
7 Atlantic Treaty Organization) that is designated as
8 a major non-NATO ally for purposes of this section
9 by the Secretary of Defense with the concurrence of
10 the Secretary of State.

11 **SEC. 1208. DISTRIBUTION OF EDUCATION AND TRAINING**
12 **MATERIALS AND INFORMATION TECH-**
13 **NOLOGY TO ENHANCE INTEROPERABILITY.**

14 (a) DISTRIBUTION AUTHORIZED.—In furtherance of
15 the national security objectives of the United States and
16 to improve interoperability between the Armed Forces of
17 the United States and military forces of friendly foreign
18 countries, the Secretary of Defense may—

19 (1) provide to the personnel referred to in sub-
20 section (b) electronically-distributed learning content
21 for the education and training of such personnel for
22 the development and enhancement of allied and
23 friendly military capabilities for multinational oper-
24 ations, including joint exercises and coalition oper-
25 ations; and

1 (2) provide information technology, including
2 computer software developed for such purpose, to
3 support the use of such learning content for the edu-
4 cation and training of such personnel.

5 (b) PERSONNEL.—The personnel to which learning
6 content and information technology may be provided
7 under subsection (a) are as follows:

8 (1) Military and civilian personnel of friendly
9 foreign governments.

10 (2) Personnel of internationally-recognized non-
11 governmental organizations.

12 (c) EDUCATION AND TRAINING.—The education and
13 training provided under subsection (a) shall include the
14 following:

15 (1) Internet based education and training.

16 (2) Advanced distributed learning and similar
17 Internet learning tools, as well as distributed train-
18 ing and computer assisted exercises.

19 (d) INFORMATION TECHNOLOGY.—In providing in-
20 formation technology under subsection (a)(2), the Sec-
21 retary of Defense may only expend funds for the develop-
22 ment and provision of information technology and learning
23 content necessary to support the provision of education
24 and training authorized by this section.

1 (e) SECRETARY OF STATE CONCURRENCE IN CER-
2 TAIN ACTIVITIES.—In the case of any activity proposed
3 to be undertaken under the authority in this section that
4 is not authorized by another provision of law, the Sec-
5 retary of Defense may not undertake such activity without
6 the concurrence of the Secretary of State.

7 (f) CONSTRUCTION WITH OTHER AUTHORITY.—

8 (1) SUPPLEMENTAL AUTHORITY.—The author-
9 ity in this section is in addition to any other author-
10 ity available to the Secretary of Defense to provide
11 assistance to foreign nations or military forces.

12 (2) LIMITATION.—The provision of learning
13 content and information technology under the au-
14 thority in this section shall be subject to the provi-
15 sions of the Arms Export Control Act (22 U.S.C.
16 2751 et seq.) and any other export control regime
17 under law relating to the transfer of military tech-
18 nology to foreign nations.

19 (g) GUIDANCE.—

20 (1) GUIDANCE REQUIRED.—The Secretary of
21 Defense shall develop and issue guidance on the pro-
22 cedures for the use of the authority in this section.

23 (2) SUBMITTAL TO CONGRESS.—Not later than
24 30 days after issuing the guidance required by para-
25 graph (1), the Secretary shall submit to the congress-

1 sional defense committees a report setting forth such
2 guidance.

3 (3) MODIFICATION.—In the event the Secretary
4 modifies the guidance required by paragraph (1), the
5 Secretary shall submit to the congressional defense
6 committees a report setting forth the modified guid-
7 ance not later than 30 days after the date of such
8 modification.

9 (h) ANNUAL REPORT.—

10 (1) REPORT REQUIRED.—Not later than Octo-
11 ber 31 of 2007 and 2008, the Secretary of Defense
12 shall submit to the congressional defense committees
13 a report on the exercise of the authority in this sec-
14 tion during the preceding fiscal year.

15 (2) ELEMENTS.—The report under paragraph
16 (1) shall include, for the fiscal year covered by such
17 report, the following:

18 (A) A statement of the recipients of learn-
19 ing content and information technology pro-
20 vided under this section.

21 (B) A description of the type, quantity,
22 and value of the learning content and informa-
23 tion technology provided under this section.

24 (i) TERMINATION.—The authority in this section
25 shall expire on September 30, 2008.

Subtitle B—Report Matters

SEC. 1221. REPORT ON INCREASED ROLE AND PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, and a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

1 (3) A discussion of whether and how members
2 of the United Nations Command in the Republic of
3 Korea might be persuaded to deploy military forces
4 in peacetime to the Republic of Korea to bolster the
5 deterrence mission of the United Nations Command.

6 (4) An assessment of how the military and po-
7 litical requirements for United States military forces
8 in the Republic of Korea might be affected were
9 multinational partners in the United Nations Com-
10 mand in the Republic of Korea to increase their con-
11 tribution of military forces stationed in the Republic
12 of Korea.

13 (5) An assessment of whether and how the con-
14 tribution of additional military forces to the United
15 Nations Command in the Republic of Korea by a
16 multinational partner might affect that partner's ap-
17 proach to facilitating a diplomatic resolution of the
18 nuclear challenge posed by the Democratic Peoples
19 Republic of Korea.

20 (c) FORM.—The report required by subsection (a)
21 shall be submitted in unclassified form, but may include
22 a classified annex.

23 (d) APPROPRIATE COMMITTEES OF CONGRESS DE-
24 FINED.—In this section, the term “appropriate commit-
25 tees of Congress” means—

1 (1) the Committees on Armed Services and
2 Foreign Relations of the Senate; and

3 (2) the Committees on Armed Services and
4 International Relations of the House of Representa-
5 tives.

6 **SEC. 1222. REPORT ON INTERAGENCY OPERATING PROCE-**
7 **DURES FOR STABILIZATION AND RECON-**
8 **STRUCTION OPERATIONS.**

9 (a) SENSE OF CONGRESS.—It is the sense of Con-
10 gress that—

11 (1) the United States Government should bring
12 to bear all elements of national power to achieve its
13 national security objectives, including stabilization
14 and reconstruction operations;

15 (2) civilian agencies of the United States Gov-
16 ernment lack the capacity to deploy rapidly, and for
17 sustained periods of time, trained personnel to sup-
18 port stabilization and reconstruction operations in
19 the field;

20 (3) civilian agencies of the United States Gov-
21 ernment should expand their capacity to plan, co-
22 ordinate, and conduct stabilization and reconstruc-
23 tion operations, including their capacity to deploy ci-
24 vilians with relevant expertise to participate in sus-
25 tained stability and reconstruction operations;

1 (4) National Security Presidential Directive 44,
2 entitled “Management of Interagency Efforts Con-
3 cerning Reconstruction and Stabilization”, is a posi-
4 tive step toward improving coordination, planning,
5 and implementation by the United States Govern-
6 ment of reconstruction and stabilization assistance
7 for foreign states and regions at risk of, in, or in
8 transition from conflict or civil strife;

9 (5) all the relevant United States Government
10 agencies should include in their budget requests for
11 future fiscal years adequate funding for planning
12 and preparing to support contingency operations
13 and, as necessary, request emergency supplemental
14 funds for unanticipated contingency operations; and

15 (6) the President should provide clear guidance
16 to United States Government agencies to manage
17 complex operations and establish a standard, inte-
18 grated approach to the planning and conduct of
19 interagency operations to ensure a coherent and uni-
20 fied United States Government approach to contin-
21 gency operations.

22 (b) REPORT.—Not later than six months after the
23 date of the enactment of this Act, the President shall sub-
24 mit to Congress a report setting forth a plan to establish
25 interagency operating procedures for the departments and

1 agencies of the United States Government for the plan-
2 ning and conduct of stabilization and reconstruction oper-
3 ations.

4 (c) PLAN ELEMENTS.—The plan required under the
5 report under subsection (b) shall include the following:

6 (1) A delineation of the roles, responsibilities,
7 and authorities of the departments and agencies of
8 the United States Government for stabilization and
9 reconstruction operations.

10 (2) A description of operational processes for
11 setting policy direction for stabilization and recon-
12 struction operations in order to guide—

13 (A) operational planning and funding deci-
14 sions of such departments and agencies;

15 (B) oversight of policy implementation;

16 (C) integration of programs and activities
17 into an implementation plan;

18 (D) integration of civilian and military
19 planning efforts;

20 (E) provision of guidance to field-level per-
21 sonnel on program direction and priorities; and

22 (F) monitoring of field implementation of
23 assistance programs.

24 (3) A description of available capabilities and
25 resources of each department and agency of the

1 United States Government that could be used in
2 support of stabilization and reconstruction oper-
3 ations, and an identification of additional resources
4 needed to support the conduct of stabilization and
5 reconstruction activities.

6 (4) A description of how the capabilities and re-
7 sources of the departments and agencies of the
8 United States Government under stabilization and
9 reconstruction operations will be coordinated.

10 (5) A description of existing, or planned, proto-
11 cols between departments and agencies of the United
12 States Government on the utilization and allocation
13 of assets in field operations under stabilization and
14 reconstruction operations.

15 (6) Recommendations for improving interagency
16 training, education, and simulation exercises in
17 order to adequately prepare civilian and military
18 personnel in the departments and agencies of the
19 United States Government to perform stabilization
20 and reconstruction operations.

21 (7) A discussion of the statutory and budgetary
22 impediments, if any, that prevent civilian agencies of
23 the United States Government from fully and effec-
24 tively participating in stabilization and reconstruc-
25 tion operations, and recommendations for legislative

1 or administration actions to enhance the ability of
2 the United States Government to conduct stabiliza-
3 tion and reconstruction operations.

4 (8) Guidance for the implementation of the
5 plan.

6 **TITLE XIII—COOPERATIVE**
7 **THREAT REDUCTION WITH**
8 **STATES OF THE FORMER SO-**
9 **VIET UNION**

10 **SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT RE-**
11 **DUCTION PROGRAMS AND FUNDS.**

12 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
13 poses of section 301 and other provisions of this Act, Co-
14 operative Threat Reduction programs are the programs
15 specified in section 1501(b) of the National Defense Au-
16 thorization Act for Fiscal Year 1997 (Public Law 104–
17 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

18 (b) FISCAL YEAR 2007 COOPERATIVE THREAT RE-
19 Duction FUNDS DEFINED.—As used in this title, the
20 term “fiscal year 2007 Cooperative Threat Reduction
21 funds” means the funds appropriated pursuant to the au-
22 thorization of appropriations in section 301 for Coopera-
23 tive Threat Reduction programs.

24 (c) AVAILABILITY OF FUNDS.—Funds appropriated
25 pursuant to the authorization of appropriations in section

1 301 for Cooperative Threat Reduction programs shall be
2 available for obligation for three fiscal years.

3 **SEC. 1302. FUNDING ALLOCATIONS.**

4 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
5 \$372,128,000 authorized to be appropriated to the De-
6 partment of Defense for fiscal year 2007 in section
7 301(19) for Cooperative Threat Reduction programs, the
8 following amounts may be obligated for the purposes spec-
9 ified:

10 (1) For strategic offensive arms elimination in
11 Russia, \$77,000,000.

12 (2) For nuclear weapons storage security in
13 Russia, \$87,100,000.

14 (3) For nuclear weapons transportation security
15 in Russia, \$33,000,000.

16 (4) For weapons of mass destruction prolifera-
17 tion prevention in the states of the former Soviet
18 Union, \$37,500,000.

19 (5) For biological weapons proliferation preven-
20 tion in the former Soviet Union, \$68,400,000.

21 (6) For chemical weapons destruction in Rus-
22 sia, \$42,700,000.

23 (7) For defense and military contacts,
24 \$8,000,000.

1 (8) For activities designated as Other Assess-
2 ments/Administrative Support, \$18,500,000.

3 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
4 FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Co-
5 operative Threat Reduction funds may be obligated or ex-
6 pended for a purpose other than a purpose listed in para-
7 graphs (1) through (8) of subsection (a) until 30 days
8 after the date that the Secretary of Defense submits to
9 Congress a report on the purpose for which the funds will
10 be obligated or expended and the amount of funds to be
11 obligated or expended. Nothing in the preceding sentence
12 shall be construed as authorizing the obligation or expend-
13 iture of fiscal year 2007 Cooperative Threat Reduction
14 funds for a purpose for which the obligation or expendi-
15 ture of such funds is specifically prohibited under this title
16 or any other provision of law.

17 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
18 AMOUNTS.—

19 (1) AUTHORITY.—Subject to paragraphs (2)
20 and (3), in any case in which the Secretary of De-
21 fense determines that it is necessary to do so in the
22 national interest, the Secretary may obligate
23 amounts appropriated for fiscal year 2007 for a pur-
24 pose listed in any of the paragraphs in subsection

1 (a) in excess of the specific amount authorized for
2 that purpose.

3 (2) NOTICE AND WAIT.—An obligation of funds
4 for a purpose stated in any of the paragraphs in
5 subsection (a) in excess of the specific amount au-
6 thorized for such purpose may be made using the
7 authority provided in paragraph (1) only after—

8 (A) the Secretary submits to Congress no-
9 tification of the intent to do so together with a
10 complete discussion of the justification for
11 doing so; and

12 (B) 15 days have elapsed following the
13 date of the notification.

14 (3) LIMITATION.—The Secretary may not,
15 under the authority provided in paragraph (1), obli-
16 gate amounts for a purpose stated in any of para-
17 graphs (6) through (8) of subsection (a) in excess of
18 125 percent of the specific amount authorized for
19 such purpose.

20 **SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO**
21 **WAIVE LIMITATION ON FUNDING FOR CHEM-**
22 **ICAL WEAPONS DESTRUCTION FACILITY IN**
23 **RUSSIA.**

24 Section 1303(b) of the Ronald W. Reagan National
25 Defense Authorization Act for Fiscal Year 2005 (Public

1 Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is
2 amended by striking “December 31, 2006, and no waiver
3 shall remain in effect after that date” and inserting “De-
4 cember 31, 2011”.

5 **TITLE XIV—AUTHORIZATION**
6 **FOR INCREASED COSTS DUE**
7 **TO OPERATION IRAQI FREE-**
8 **DOM AND OPERATION EN-**
9 **DURING FREEDOM**

10 **SEC. 1401. PURPOSE.**

11 The purpose of this title is to authorize anticipated
12 future emergency supplemental appropriations for the De-
13 partment of Defense for fiscal year 2007 to provide funds
14 for additional costs due to Operation Iraqi Freedom and
15 Operation Enduring Freedom.

16 **SEC. 1402. ARMY PROCUREMENT.**

17 Funds are hereby authorized to be appropriated for
18 fiscal year 2007 for procurement accounts of the Army
19 in amounts as follows:

20 (1) For aircraft, \$404,100,000.

21 (2) For missile procurement, \$450,000,000.

22 (3) For weapons and tracked combat vehicles,
23 \$214,400,000.

24 (4) For other procurement, \$686,600,000.

1 **SEC. 1403. MARINE CORPS PROCUREMENT.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2007 for the procurement account for the Ma-
4 rine Corps in the amount of \$319,800,000.

5 **SEC. 1404. AIR FORCE PROCUREMENT.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2007 for the aircraft procurement account for
8 the Air Force in the amount of \$51,800,000.

9 **SEC. 1405. OPERATION AND MAINTENANCE.**

10 Funds are hereby authorized to be appropriated for
11 fiscal year 2007 for the use of the Armed Forces for ex-
12 penses, not otherwise provided for, for operation and
13 maintenance, in amounts as follows:

14 (1) For the Army, \$22,124,466,000.

15 (2) For the Navy, \$2,349,560,000.

16 (3) For the Marine Corps, \$1,544,920,000.

17 (4) For the Air Force, \$2,779,898,000.

18 (5) For Defense-wide activities,
19 \$3,388,402,000.

20 (6) For the Army National Guard,
21 \$59,000,000.

22 **SEC. 1406. DEFENSE HEALTH PROGRAM.**

23 Funds are hereby authorized to be appropriated for
24 the Department of Defense for fiscal year 2007 for ex-
25 penses, not otherwise provided for, for the Defense Health

1 Program in the amount of \$960,200,000 for operation and
2 maintenance.

3 **SEC. 1407. MILITARY PERSONNEL.**

4 There is hereby authorized to be appropriated to the
5 Department of Defense for fiscal year 2007 for military
6 personnel accounts a total of \$7,335,872,000.

7 **SEC. 1408. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT**
8 **FUND.**

9 There is hereby authorized to be appropriated to the
10 Department of Defense for fiscal year for the Joint Impro-
11 vised Explosive Device Defeat Fund a total of
12 \$2,100,000,000.

13 **SEC. 1409. CLASSIFIED PROGRAMS.**

14 There is hereby authorized to be appropriated to the
15 Department of Defense for fiscal year 2007 for classified
16 programs a total of \$3,000,000,000.

17 **SEC. 1410. IRAQ FREEDOM FUND.**

18 (a) IN GENERAL.—Funds are hereby authorized to
19 be appropriated for fiscal year 2007 for the Iraq Freedom
20 Fund in the amount of \$2,230,982,000.

21 (b) TRANSFER.—

22 (1) TRANSFER AUTHORIZED.—Subject to para-
23 graph (2), amounts authorized to be appropriated by
24 subsection (a) may be transferred from the Iraq
25 Freedom Fund to any accounts as follows:

1 (A) Operation and maintenance accounts
2 of the Armed Forces.

3 (B) Military personnel accounts.

4 (C) Research, development, test, and eval-
5 uation accounts of the Department of Defense.

6 (D) Procurement accounts of the Depart-
7 ment of Defense.

8 (E) Accounts providing funding for classi-
9 fied programs.

10 (F) The operating expenses account of the
11 Coast Guard.

12 (2) NOTICE TO CONGRESS.—A transfer may not
13 be made under the authority in paragraph (1) until
14 five days after the date on which the Secretary of
15 Defense notifies the congressional defense commit-
16 tees in writing of the transfer.

17 (3) TREATMENT OF TRANSFERRED FUNDS.—
18 Amounts transferred to an account under the au-
19 thority in paragraph (1) shall be merged with
20 amounts in such account and shall be made available
21 for the same purposes, and subject to the same con-
22 ditions and limitations, as amounts in such account.

23 (4) EFFECT ON AUTHORIZATION AMOUNTS.—A
24 transfer of an amount to an account under the au-
25 thority in paragraph (1) shall be deemed to increase

1 the amount authorized for such account by an
2 amount equal to the amount transferred.

3 **SEC. 1411. TREATMENT AS ADDITIONAL AUTHORIZATIONS.**

4 The amounts authorized to be appropriated by this
5 title are in addition to amounts otherwise authorized to
6 be appropriated by this Act.

7 **SEC. 1412. TRANSFER AUTHORITY.**

8 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

9 (1) **AUTHORITY.**—Upon determination by the
10 Secretary of Defense that such action is necessary in
11 the national interest, the Secretary may transfer
12 amounts of authorizations made available to the De-
13 partment of Defense in this title for fiscal year 2007
14 between any such authorizations for that fiscal year
15 (or any subdivisions thereof). Amounts of authoriza-
16 tions so transferred shall be merged with and be
17 available for the same purposes as the authorization
18 to which transferred.

19 (2) **LIMITATION.**—The total amount of author-
20 izations that the Secretary may transfer under the
21 authority of this section may not exceed
22 \$2,500,000,000. The transfer authority provided in
23 this section is in addition to any other transfer au-
24 thority available to the Secretary of Defense.

1 (b) LIMITATIONS.—The authority provided by this
2 section to transfer authorizations—

3 (1) may only be used to provide authority for
4 items that have a higher priority than the items
5 from which authority is transferred;

6 (2) may not be used to provide authority for an
7 item that has been denied authorization by Con-
8 gress; and

9 (3) may not be combined with the authority
10 under section 1001.

11 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
12 transfer made from one account to another under the au-
13 thority of this section shall be deemed to increase the
14 amount authorized for the account to which the amount
15 is transferred by an amount equal to the amount trans-
16 ferred.

17 (d) NOTICE TO CONGRESS.—A transfer may be made
18 under the authority of this section only after the Secretary
19 of Defense—

20 (1) consults with the chairmen and ranking
21 members of the congressional defense committees
22 with respect to the proposed transfer; and

23 (2) after such consultation, notifies those com-
24 mittees in writing of the proposed transfer not less
25 than five days before the transfer is made.

1 **SEC. 1413. AVAILABILITY OF FUNDS.**

2 Funds in this title shall be made available for obliga-
3 tion to the Army, Navy, Marine Corps, Air Force, and
4 Defense-wide components by the end of the second quarter
5 of fiscal year 2007.

Calendar No. 427

109TH CONGRESS
2^D SESSION
S. 2767

A BILL

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

MAY 9, 2006

Read twice and placed on the calendar