

Calendar No. 158

107TH CONGRESS
1ST SESSION**S. 1419**

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2001

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

- Sec. 1. Short title.
 Sec. 2. Table of contents.
 Sec. 3. Congressional defense committees defined.

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 Sec. 102. Navy and Marine Corps.
 Sec. 103. Air Force.
 Sec. 104. Defense-wide activities.
 Sec. 105. Defense Inspector General.
 Sec. 106. Chemical agents and munitions destruction, Defense.
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(Reserved)

Subtitle C—Navy Programs

- Sec. 121. Virginia class submarine program.
 Sec. 122. Multiyear procurement authority for F/A-18E/F aircraft engines.
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- Sec. 201. Authorization of appropriations.
 Sec. 202. Amount for basic and applied research.

Subtitle B—Program Requirements, Restrictions, and Limitations

- Sec. 211. F-22 aircraft program.
 Sec. 212. C-5 aircraft reliability enhancement and reengining.
 Sec. 213. Review of alternatives to the V-22 Osprey aircraft.
 Sec. 214. Joint biological defense program.

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 Sec. 222. Program elements and procurement budget displays for ballistic missile defense programs.

- Sec. 223. Ballistic missile defense research and development program baseline document.
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- Sec. 231. Technology Transition Initiative.
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- Sec. 1121. Housing allowance for the chaplain for the Corps of Cadets at the United States Military Academy.
- Sec. 1122. Study of adequacy of compensation provided for teachers in the Department of Defense overseas dependents' schools.

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 Sec. 1302. Reductions.
 Sec. 1303. Reference to Concurrent Resolution on the Budget for Fiscal Year 2002.

1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

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

- 4 (1) the Committee on Armed Services and the
- 5 Committee on Appropriations of the Senate; and
- 6 (2) the Committee on Armed Services and the
- 7 Committee on Appropriations of the House of Rep-
- 8 resentatives.

TITLE I—PROCUREMENT
Subtitle A—Authorization of
Appropriations

SEC. 101. ARMY.

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

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

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

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

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

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

SEC. 102. NAVY AND MARINE CORPS.

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

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

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

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

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

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

1 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
2 are hereby authorized to be appropriated for fiscal year
3 2002 for procurement of ammunition for the Navy and
4 the Marine Corps in the amount of \$476,099,000.

5 **SEC. 103. AIR FORCE.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2002 for procurement for the Air Force as fol-
8 lows:

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

10 (2) For ammunition, \$865,344,000.

11 (3) For missiles, \$3,263,436,000.

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

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

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

17 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

18 Funds are hereby authorized to be appropriated for
19 fiscal year 2002 for procurement for the Inspector General
20 of the Department of Defense in the amount of
21 \$2,800,000.

1 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
 2 **TION, DEFENSE.**

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

6 (1) the destruction of lethal chemical agents
 7 and munitions in accordance with section 1412 of
 8 the Department of Defense Authorization Act, 1986
 9 (50 U.S.C. 1521); and

10 (2) the destruction of chemical warfare materiel
 11 of the United States that is not covered by section
 12 1412 of such Act.

13 **SEC. 107. DEFENSE HEALTH PROGRAMS.**

14 Funds are hereby authorized to be appropriated for
 15 fiscal year 2002 for the Department of Defense for pro-
 16 curement for carrying out health care programs, projects,
 17 and activities of the Department of Defense in the total
 18 amount of \$267,915,000.

19 **Subtitle B—Army Programs**

20 (RESERVED)

21 **Subtitle C—Navy Programs**

22 **SEC. 121. VIRGINIA CLASS SUBMARINE PROGRAM.**

23 Section 123(b)(1) of the Floyd D. Spence National
 24 Defense Authorization Act for Fiscal Year 2001 (as en-
 25 acted into law by Public Law 106–398; 114 Stat. 1654A–
 26 25) is amended—

1 (1) by striking “five Virginia class submarines”
2 and inserting “seven Virginia class submarines”;
3 and
4 (2) by striking “through 2006” and inserting
5 “2007”.

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

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

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

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

19 (1) the solutions to the problems regarding the
20 reliability of hydraulic system components and flight
21 control software that were identified by the panel
22 appointed by the Secretary of Defense on January
23 5, 2001, to review the V-22 aircraft program are
24 adequate to achieve low risk for crews and pas-

1 sengers aboard V-22 aircraft that are operating
2 under operational conditions;

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

7 (3) the V-22 aircraft will be operationally
8 effective—

9 (A) when employed in operations with
10 other V-22 aircraft; and

11 (B) when employed in operations with
12 other types of aircraft; and

13 (4) the V-22 aircraft can be operated effec-
14 tively, taking into consideration the downwash ef-
15 fects inherent in the operation of the aircraft, when
16 the aircraft—

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

19 (B) is deploying and recovering
20 personnel—

21 (i) while hovering within the zone of
22 ground effect; and

23 (ii) while hovering outside the zone of
24 ground effect; and

25 (C) is operated with external loads.

1 **Subtitle D—Air Force Programs**

2 **SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR**
3 **C-17 AIRCRAFT.**

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

8 **Subtitle E—Other Matters**

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

14 Section 141(a) of the National Defense Authorization
15 Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C.
16 4543 note) is amended by striking “through 2001” and
17 inserting “through 2002”.

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

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

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

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

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

11 (2) For the Navy, \$11,135,806,000.

12 (3) For the Air Force, \$14,481,157,000.

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

17 (5) For the Defense Health Program,
 18 \$65,304,000.

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

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

24 (b) BASIC RESEARCH AND APPLIED RESEARCH DE-
 25 FINED.—For purposes of this section, the term “basic re-

1 search and applied research” means work funded in pro-
 2 gram elements for defense research and development
 3 under Department of Defense category 6.1 or 6.2.

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

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

8 (a) REPEAL OF LIMITATIONS ON TOTAL COST OF
 9 ENGINEERING AND MANUFACTURING DEVELOPMENT.—
 10 The following provisions of law are repealed:

11 (1) Section 217(a) of the National Defense Au-
 12 thorization Act for Fiscal Year 1998 (Public Law
 13 105–85; 111 Stat. 1660).

14 (2) Section 8125 of the Department of Defense
 15 Appropriations Act, 2001 (Public Law 106–259;
 16 114 Stat. 702).

17 (3) Section 219(b) of the Floyd D. Spence Na-
 18 tional Defense Authorization Act for Fiscal Year
 19 2001 (as enacted into law by Public Law 106–398;
 20 114 Stat. 1654A–38).

21 (b) CONFORMING AMENDMENTS.—(1) Section 217 of
 22 the National Defense Authorization Act for Fiscal Year
 23 1998 (Public Law 105–85; 111 Stat. 1660) is amended—

24 (A) in subsection (c)—

1 (i) by striking “limitations set forth in sub-
 2 sections (a) and (b)” and inserting “limitation
 3 set forth in subsection (b)”;

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

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

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

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

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

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

21 **SEC. 212. C-5 AIRCRAFT RELIABILITY ENHANCEMENT AND**
 22 **REENGINEING.**

23 The Secretary of the Air Force shall ensure that engi-
 24 neering manufacturing and development under the C-5
 25 aircraft reliability enhancement and reengining program

1 includes kit development for an equal number of C-5A and
2 C-5B aircraft.

3 **SEC. 213. REVIEW OF ALTERNATIVES TO THE V-22 OSPREY**
4 **AIRCRAFT.**

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

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

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

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

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

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

23 Section 217(a) of the Floyd D. Spence National De-
24 fense Authorization Act for Fiscal Year 2001 (as enacted
25 into law by Public Law 106-398; 114 Stat. 1654A-36)

1 is amended by striking “funds authorized to be appro-
 2 priated by this Act may not” and inserting “no funds au-
 3 thorized to be appropriated to the Department of Defense
 4 for fiscal year 2002 may”.

5 **Subtitle C—Missile Defense**

6 **SEC. 221. PRESIDENTIAL CERTIFICATION AND EXPEDITED** 7 **CONGRESSIONAL APPROVAL PROCESS FOR** 8 **CERTAIN USES OF BALLISTIC MISSILE DE-** 9 **FENSE FUNDS.**

10 (a) LIMITATION.—No funds authorized to be appro-
 11 priated for ballistic missile defense under this Act may be
 12 obligated or expended for any activity that would be incon-
 13 sistent with the requirements of the Anti-Ballistic Missile
 14 Treaty of 1972 (as in effect on August 1, 2001), as deter-
 15 mined by the President with the advice of the Secretary
 16 of State and the Secretary of Defense, unless—

17 (1) the ABM Treaty has been modified or su-
 18 perseded by a new strategic framework or other
 19 agreement in a manner that, as determined by the
 20 President with the advice of those officials, permits
 21 such activity; or

22 (2)(A) the President submits a certification to
 23 Congress in accordance with the requirements of
 24 subsection (b); and

1 (B) there is enacted a joint resolution specifi-
2 cally authorizing the obligation or expenditure in ac-
3 cordance with the expedited procedures specified in
4 subsection (c).

5 (b) PRESIDENTIAL CERTIFICATION.—(1) A certifi-
6 cation satisfies the requirements of this subsection if the
7 certification states that—

8 (A) the President has endeavored in good faith
9 and for a reasonable period to negotiate a new stra-
10 tegic framework or other appropriate modification to
11 the ABM Treaty, but has been unable to do so;

12 (B) further efforts to negotiate such framework
13 or other modification are not likely to be successful
14 within a reasonable period; and

15 (C) it is in the national security interest of the
16 United States to conduct activities that would be in-
17 consistent with the requirements of the ABM Trea-
18 ty.

19 (2) The President shall submit to Congress, with a
20 certification under subsection (a)(2)(A), a written state-
21 ment that—

22 (A) sets forth the basis for the President's de-
23 termination to certify the matters in the certification
24 under subparagraphs (B) and (C) of paragraph (1);
25 and

1 (B) specifies each activity for which the Presi-
 2 dent has determined that it is in the national inter-
 3 est to conduct with funds authorized to be appro-
 4 priated by this Act, notwithstanding the inconsis-
 5 tency of the activity with the requirements of the
 6 ABM Treaty.

7 (c) EXPEDITED APPROVAL PROCEDURES.—(1) A
 8 joint resolution referred to in subparagraph (B) of sub-
 9 section (a)(2) means only a joint resolution introduced
 10 after the date on which a certification of the President
 11 pursuant to subparagraph (A) of such subsection is re-
 12 ceived by Congress—

13 (A) the title of which is as follows: “A joint res-
 14 olution approving the expenditure of funds for activi-
 15 ties proposed by the President on _____.”, the
 16 blank space being filled in with the date on which
 17 the President submitted the certification;

18 (B) which does not have a preamble; and

19 (C) the text of which only approves the activi-
 20 ties specified by the President in the written state-
 21 ment submitted with the certification pursuant to
 22 subsection (b)(2)(B) by providing after the enacting
 23 clause only the following: “That Congress approves
 24 the expenditure of funds for activities proposed by
 25 the President on _____, notwithstanding the in-

1 consistency of such activities with the requirements
2 of the Anti-Ballistic Missile Treaty of 1972.”, the
3 blank space being filled in with the date on which
4 the President submitted the certification.

5 (2) A joint resolution described in paragraph (1) shall
6 be considered in a House of Congress in accordance with
7 the procedures applicable to joint resolutions under para-
8 graphs (3) through (8) of section 8066(c) of the Depart-
9 ment of Defense Appropriations Act, 1985 (as contained
10 in section 101(h) of Public Law 98–473; 98 Stat. 1936),
11 except that—

12 (A) the committee to which the joint resolution
13 is referred under this paragraph in the Senate shall
14 be the Committee on Armed Services of the Senate,
15 and the committee to which the joint resolution is
16 referred under this paragraph in the House of Rep-
17 resentatives shall be the Committee on Armed Serv-
18 ices of the House of Representatives; and

19 (B) the limitation on total time for debate
20 under section 8066(c)(5)(B) of the Department of
21 Defense Appropriations Act, 1985, as applied to a
22 joint resolution under this paragraph, shall be 20
23 hours instead of 10 hours.

24 (d) RELATIONSHIP TO ABM TREATY.—Nothing in
25 this section shall be construed—

1 (1) to limit the authority of the United States
 2 to withdraw from the ABM Treaty at any time upon
 3 a decision for the United States that extraordinary
 4 events related to the subject matter of the Treaty
 5 have jeopardized its supreme interests in accordance
 6 with Article XV of the Treaty; or

7 (2) to authorize any obligation or expenditure
 8 of funds for activities that would be inconsistent
 9 with the requirements of the ABM Treaty, if the
 10 United States has not withdrawn from the Treaty in
 11 accordance with Article XV of the Treaty.

12 (e) ABM TREATY DEFINED.—In this section, the
 13 terms “Anti-Ballistic Missile Treaty of 1972” and “ABM
 14 Treaty” mean the Treaty Between the United States of
 15 America and the Union of Soviet Socialist Republics on
 16 the Limitation of Anti-Ballistic Missile Systems, signed at
 17 Moscow on May 26, 1972, and includes the Protocol to
 18 that treaty, signed at Moscow on July 3, 1974.

19 **SEC. 222. PROGRAM ELEMENTS AND PROCUREMENT BUDG-**
 20 **ET DISPLAYS FOR BALLISTIC MISSILE DE-**
 21 **FENSE PROGRAMS.**

22 (a) PROGRAM ELEMENTS.—Section 223 of title 10,
 23 United States Code, is amended—

24 (1) by redesignating subsections (b) and (c) as
 25 subsections (d) and (e); and

1 (2) by striking subsection (a) and inserting the
2 following:

3 “(a) PROGRAM ELEMENTS SPECIFIED.—In the budg-
4 et justification materials submitted to Congress in support
5 of the Department of Defense budget for any fiscal year
6 (as submitted with the budget of the President under sec-
7 tion 1105(a) of title 31), the amount requested for activi-
8 ties of the Ballistic Missile Defense Organization shall be
9 set forth in accordance with the following program ele-
10 ments:

11 “(1) Ballistic Missile Defense system.

12 “(2) Terminal Defense segment.

13 “(3) Mid-Course Defense segment.

14 “(4) Boost Defense segment.

15 “(5) Sensors.

16 “(6) Technology.

17 “(b) ADDITIONAL INFORMATION REQUIRED.—(1)
18 Within each program element set forth in paragraphs (2)
19 through (5) of subsection (a), the budget justification ma-
20 terials submitted to Congress shall separately specify the
21 amounts requested for specific categories of systems, as
22 follows:

23 “(A) Land-based systems.

24 “(B) Sea-based systems.

25 “(C) Air-based systems.

1 “(D) Space-based systems.

2 “(2) Within the amounts specified pursuant to para-
3 graph (1), the budget justification materials shall sepa-
4 rately set forth amounts requested for established pro-
5 grams, as follows:

6 “(A) Within the amount specified for land-
7 based systems in the Terminal Defense segment, the
8 materials shall set forth the amount requested for
9 the Theater High-Altitude Area Defense system and
10 the amount requested for the Arrow system.

11 “(B) Within the amount specified for sea-based
12 systems in the Mid-Course Defense segment, the
13 materials shall set forth the amount requested for
14 the Navy Theater Wide system.

15 “(C) Within the amount specified for air-based
16 systems in the Boost Defense segment, the materials
17 shall set forth the amount requested for the Air-
18 borne Laser system.

19 “(D) Within the amount specified for space-
20 based systems in the Boost Defense segment, the
21 materials shall set forth the amount requested for
22 the Space-Based Laser system.

23 “(E) Within the amount specified for space-
24 based systems in the Sensors segment, the materials
25 shall set forth the amount requested for the Space-

1 Based Infrared System Low Component and the
2 amount requested for the Russian American Obser-
3 vation Satellites (RAMOS) system.

4 “(c) LIMITED AUTHORITY TO VARY INDIVIDUAL
5 AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any
6 case in which the Secretary of Defense determines that
7 it is necessary to do so in the national interest, the Sec-
8 retary may obligate amounts authorized to be appro-
9 priated for an established program or class of systems de-
10 scribed in subsection (b) in excess of the amount specifi-
11 cally authorized for such program or class of systems.

12 “(2) An obligation of funds for a program or class
13 of systems described in subsection (b) in excess of the spe-
14 cific amount authorized for such program or class of sys-
15 tems may be made under the authority of paragraph (1)
16 only after—

17 “(A) the Secretary submits to Congress a noti-
18 fication of the intent to do so together with a com-
19 plete discussion of the justification for doing so; and

20 “(B) 15 days have elapsed following the date of
21 the notification.

22 “(3) The Secretary may not, under the authority of
23 paragraph (1)—

1 “(A) obligate an amount for any program or
 2 class of systems described in subsection (b) that is
 3 in excess of the lesser of—

4 “(i) the amount that is 115 percent of the
 5 amount specifically authorized for such pro-
 6 gram or class of systems; or

7 “(ii) the amount that is \$100,000,000
 8 more than the amount specifically authorized
 9 for such program or class of systems;

10 “(B) reduce the amount that is available for ob-
 11 ligation or expenditure for any such program or
 12 class of systems below the higher of—

13 “(i) the amount that is 85 percent of the
 14 amount specifically authorized for such pro-
 15 gram or class of systems; or

16 “(ii) the amount that is \$100,000,000 less
 17 than the amount specifically authorized for such
 18 program or class of systems; or

19 “(C) obligate amounts for any program element
 20 described in subsection (a) in excess of the amount
 21 specifically authorized for such program element.”.

22 (b) REPEAL OF PROCUREMENT BUDGET DISPLAY
 23 REQUIREMENT.—(1) Section 224 of such title is repealed.

1 (2) The table of sections at the beginning of chapter
 2 9 of such title is amended by striking the item relating
 3 to section 224.

4 **SEC. 223. BALLISTIC MISSILE DEFENSE RESEARCH AND DE-**
 5 **VELOPMENT PROGRAM BASELINE DOCU-**
 6 **MENT.**

7 (a) REQUIREMENT FOR BASELINE DOCUMENT.—Not
 8 later than February 1, 2002, the Secretary of Defense
 9 shall submit to the congressional defense committees a
 10 baseline document for the ballistic missile defense research
 11 and development program through the period covered by
 12 the future-years defense program that is submitted to
 13 Congress that year under section 221 of title 10, United
 14 States Code.

15 (b) CONTENTS OF BASELINE DOCUMENT.—The
 16 baseline document required by subsection (a) shall, at a
 17 minimum, include the following matters:

18 (1) A statement of the objectives of the ballistic
 19 missile defense research and development program,
 20 including, at a minimum, a specification of—

21 (A) the country or countries the program
 22 is intended to protect;

23 (B) the type or types of missile threat the
 24 program is intended to protect against, includ-

1 ing the number of ballistic missiles and types of
2 countermeasures to be addressed; and

3 (C) the level of success and degree of con-
4 fidence that are the intended standards for de-
5 termining whether and when the objectives are
6 achieved.

7 (2) For each established program and each
8 class of systems identified under section 223(b) of
9 title 10, United States Code—

10 (A) each major technology to be pursued;
11 and

12 (B) an explanation of how each such tech-
13 nology relates to the objectives of the ballistic
14 missile defense research and development pro-
15 gram.

16 (3) For each technology identified pursuant to
17 paragraph (2)(A)—

18 (A) a technical baseline that identifies re-
19 search and development objectives and program
20 requirements for the technology;

21 (B) a schedule baseline for the period cov-
22 ered by the baseline document, including the
23 specific key program milestones and when the
24 program is expected to achieve each milestone;

1 (C) a cost baseline that includes estimates
 2 of the total life-cycle costs and specifies for
 3 each year of such period the costs for research
 4 and development of the technology; and

5 (D) a testing baseline for such period that
 6 specifies—

7 (i) key test events for the program;

8 (ii) when the tests are to be con-
 9 ducted;

10 (iii) the purposes of the tests; and

11 (iv) whether the tests are expected to
 12 conflict with existing United States obliga-
 13 tions under international law.

14 (c) CONSULTATION REQUIREMENTS.—In developing
 15 the baseline document required by subsection (a), the Sec-
 16 retary shall ensure that—

17 (1) the technical baseline required by subsection
 18 (b)(3)(A) is developed in consultation with the Joint
 19 Requirements Oversight Council and the Director of
 20 Program Analysis and Evaluation of the Depart-
 21 ment of Defense;

22 (2) the schedule baseline required by subsection
 23 (b)(3)(B) is developed in consultation with the
 24 Under Secretary of Defense for Acquisition, Tech-
 25 nology, and Logistics and the Director of Program

1 Analysis and Evaluation of the Department of De-
2 fense;

3 (3) the cost baseline required by subsection
4 (b)(3)(C) is developed in consultation with the Cost
5 Analysis and Improvement Group of the Department
6 of Defense; and

7 (4) the testing baseline required by subsection
8 (b)(3)(D) is developed in consultation with the Di-
9 rector of Operational Testing and Evaluation and
10 the Treaty Compliance Review Group of the Depart-
11 ment of Defense.

12 (d) ANNUAL UPDATES TO BASELINE DOCUMENT.—
13 Beginning in 2003 and ending with 2010, the Secretary
14 shall—

15 (1) update the baseline document each year to
16 cover the period covered by the future-years defense
17 program that is submitted to Congress that year
18 under section 221 of title 10, United States Code;
19 and

20 (2) submit the updated baseline document to
21 the congressional defense committees not later than
22 February 1 of that year.

1 **SEC. 224. ANNUAL PROGRAM PLAN FOR BALLISTIC MISSILE**
2 **DEFENSE RESEARCH AND DEVELOPMENT**
3 **PROGRAM.**

4 (a) REQUIREMENT FOR ANNUAL PROGRAM PLAN.—
5 With the submission of the program baseline document,
6 and with each annual update of the program baseline doc-
7 ument, required under section 223, the Secretary shall
8 submit to the congressional defense committees each year
9 a program of activities planned to be carried out during
10 the fiscal year in which submitted and the two fiscal years
11 following such fiscal year.

12 (b) CONTENT OF ANNUAL PROGRAM PLAN.—Each
13 program plan required by subsection (a) shall include, at
14 a minimum, the following matters:

15 (1) A funding profile that includes, for each
16 major technology identified in the program baseline
17 document, an estimate of—

18 (A) the total expenditures to be made in
19 each fiscal year covered by the program plan;

20 (B) the expenditures to be made for each
21 procurement or military construction activity to
22 be conducted in such period;

23 (C) the expenditures to be made for each
24 ballistic missile defense flight test to be con-
25 ducted in such period;

1 (D) the expenditures to be made for each
2 other test activity to be conducted in such pe-
3 riod; and

4 (E) the expenditures to be made for each
5 research and development activity to be con-
6 ducted in such period.

7 (2) A program schedule that identifies, for each
8 major technology identified in the program baseline
9 document—

10 (A) the planned schedule for each procure-
11 ment or military construction activity to be con-
12 ducted during the period covered by the pro-
13 gram plan;

14 (B) the planned date of each ballistic mis-
15 sile defense flight test to be conducted in such
16 period;

17 (C) the planned schedule for each other
18 test activity to be conducted in such period; and

19 (D) the planned schedule for each research
20 and development activity to be conducted in
21 such period.

22 (3) A legal compliance plan that includes a pre-
23 liminary assessment by the Treaty Compliance Re-
24 view Group of the Department of Defense regarding
25 whether each expenditure included in the funding

1 profile and each activity included in the schedule is
2 likely to be consistent with existing United States
3 obligations under international law.

4 (c) INTERIM PROGRAM PLAN.— Not later than 60
5 days after the date of enactment of this Act, the Secretary
6 shall submit to the congressional defense committees an
7 interim program plan covering planned program activities
8 for fiscal years 2002 and 2003. The interim program plan
9 shall contain the information required by subsection (b)
10 for such fiscal years, and shall govern program activities
11 until the Secretary submits the program baseline docu-
12 ment and program plan that are required to be submitted
13 on February 1, 2002.

14 (d) MODIFICATIONS.—The Secretary may modify a
15 program plan submitted to the congressional defense com-
16 mittees pursuant to subsection (a) at any time. A modi-
17 fication to a program plan shall become effective 30 days
18 after the date on which the congressional defense commit-
19 tees are notified of the modification. Each notification
20 shall include a description of how the plan is to be modi-
21 fied and an explanation of the reasons for the modifica-
22 tion.

23 (e) REQUIREMENT THAT OBLIGATIONS AND EX-
24 PENDITURES BE CONSISTENT WITH PROGRAM PLAN.—
25 (1) Not more than 25 percent of the funds authorized to

1 be appropriated for ballistic missile defense research, de-
2 velopment, test, and evaluation under section 201(4) may
3 be obligated or expended before the date on which the in-
4 terim program plan required by subsection (c) is sub-
5 mitted to the congressional defense committees.

6 (2) Not more than 50 percent of the funds authorized
7 to be appropriated for ballistic missile defense research,
8 development, test, and evaluation under section 201(4)
9 may be obligated or expended before the date on which
10 the program baseline document required by section 223
11 and the first program plan required by subsection (a) are
12 submitted to the congressional defense committees.

13 (3) After the date on which the interim program plan
14 required by subsection (c) is submitted to the congres-
15 sional defense committees, none of the funds authorized
16 to be appropriated for ballistic missile defense research,
17 development, test, and evaluation may be obligated or ex-
18 pended for an activity unless—

19 (A) the cost of the activity is specifically identi-
20 fied in the funding profile included in an interim
21 program plan, program plan, or modification to a
22 program plan in accordance with subsection (b)(1);

23 (B) the date or schedule for the activity is spe-
24 cifically identified in an interim program plan, pro-

1 gram plan, or modification to a program plan in ac-
 2 cordance with subsection (b)(2);

3 (C) a preliminary assessment of the legal status
 4 of the activity is specifically included in an interim
 5 program plan, program plan, or modification to a
 6 program plan in accordance with subsection (b)(3);
 7 and

8 (D) the interim program plan, program plan, or
 9 modification to a program plan has been submitted
 10 to the congressional defense committees and be-
 11 comes effective in accordance with the requirements
 12 of subsection (a), (c), or (d), respectively.

13 **Subtitle D—Other Matters**

14 **SEC. 231. TECHNOLOGY TRANSITION INITIATIVE.**

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

18 **“§ 2355. Technology Transition Initiative**

19 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
 20 of Defense shall carry out a Technology Transition Initia-
 21 tive to facilitate the rapid transition of new technologies
 22 from science and technology programs of the Department
 23 of Defense into acquisition programs for the production
 24 of the technologies.

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

3 “(1) To successfully demonstrate new tech-
4 nologies in relevant environments.

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

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

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

13 “(3) The Initiative Manager shall—

14 “(A) in consultation with the Commander of
15 the Joint Forces Command, identify promising tech-
16 nologies that have been demonstrated in science and
17 technology programs of the Department of Defense;

18 “(B) identify potential sponsors in the Depart-
19 ment of Defense to undertake the transition of such
20 technologies into production;

21 “(C) work with the science and technology com-
22 munity and the acquisition community to develop
23 memoranda of agreement, joint funding agreements,
24 and other cooperative arrangements to provide for

1 the transition of the technologies into production;
2 and

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

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

14 “(2) The Initiative Manager, in consultation with the
15 Commander of the Joint Forces Command, shall select
16 projects for funding support from among the projects on
17 the lists submitted under paragraph (1). The Initiative
18 Manager shall provide funds, out of the Technology Tran-
19 sition Fund, for each selected project. The total amount
20 provided for a project shall be an amount that equals or
21 exceeds 50 percent of the total cost of the project.

22 “(3) The senior procurement executive of the military
23 department shall manage each project selected under
24 paragraph (2) that is undertaken by the military depart-
25 ment. Memoranda of agreement, joint funding agree-

1 ments, and other cooperative arrangements between the
2 science and technology community and the acquisition
3 community shall be used in carrying out the project if the
4 senior procurement executive determines that it is appro-
5 priate to do so to achieve the objectives of the project.

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

9 “(2) Subject to the authority, direction, and control
10 of the Secretary of Defense, the Initiative Manager shall
11 administer the Fund consistent with the provisions of this
12 section.

13 “(3) Amounts appropriated for the Initiative shall be
14 deposited in the Fund.

15 “(4) Amounts in the Fund shall be available, to the
16 extent provided in appropriations Acts, for carrying out
17 the Initiative.

18 “(5) The President shall specify in the budget sub-
19 mitted for a fiscal year pursuant to section 1105(a) of title
20 31 the amount provided in that budget for the Initiative.

21 “(f) DEFINITIONS.—In this section:

22 “(1) The term ‘Initiative’ means the Tech-
23 nology Transition Initiative carried out under this
24 section.

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

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

6 “(4) The term ‘senior procurement executive’,
7 with respect to a military department, means the of-
8 ficial designated as the senior procurement executive
9 for that military department under section 16(3) of
10 the Office of Federal Procurement Policy Act (41
11 U.S.C. 414(3)).”.

12 (b) CLERICAL AMENDMENT.—The table of sections
13 at the beginning of such chapter is amended by inserting
14 after the item relating to section 2354 the following new
15 item:

 “2355. Technology Transition Initiative.”.

16 **SEC. 232. COMMUNICATION OF SAFETY CONCERNS BE-**
17 **TWEEN OPERATIONAL TESTING AND EVALUA-**
18 **TION OFFICIALS AND PROGRAM MANAGERS.**

19 Section 139 of title 10, United States Code, is
20 amended by adding at the end the following new sub-
21 section:

22 “(c) The Director shall ensure that safety concerns
23 developed during the operational test and evaluation of a
24 weapon system under a major defense acquisition program

1 are timely communicated to the program manager for con-
 2 sideration in the acquisition decisionmaking process.”.

3 **TITLE III—OPERATION AND** 4 **MAINTENANCE** 5 **Subtitle A—Authorization of** 6 **Appropriations**

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

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

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

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

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

16 (4) For the Air Force, \$26,013,582,000.

17 (5) For Defense-wide activities,
 18 \$12,482,532,000.

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

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

21 (8) For the Marine Corps Reserve,
 22 \$142,956,000.

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

24 (10) For the Army National Guard,
 25 \$3,697,659,000.

1 (11) For the Air National Guard,
2 \$4,037,161,000.

3 (12) For the Defense Inspector General,
4 \$149,221,000.

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

7 (14) For Environmental Restoration, Army,
8 \$389,800,000.

9 (15) For Environmental Restoration, Navy,
10 \$257,517,000.

11 (16) For Environmental Restoration, Air Force,
12 \$385,437,000.

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

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

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

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

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

24 (22) For the Defense Health Program,
25 \$17,546,750,000.

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

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

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

7 **SEC. 302. WORKING CAPITAL FUNDS.**

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

13 (1) For the Defense Working Capital Funds,
14 \$1,917,186,000.

15 (2) For the National Defense Sealift Fund,
16 \$506,408,000.

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

18 There is hereby authorized to be appropriated for fis-
19 cal year 2002 from the Armed Forces Retirement Home
20 Trust Fund the sum of \$71,440,000 for the operation of
21 the Armed Forces Retirement Home, including the United
22 States Soldiers' and Airmen's Home and the Naval Home.

1 **SEC. 304. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
2 **THAT BENEFIT DEPENDENTS OF MEMBERS**
3 **OF THE ARMED FORCES AND DEPARTMENT**
4 **OF DEFENSE CIVILIAN EMPLOYEES.**

5 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
6 PROGRAM FOR FISCAL YEAR 2002.—Of the amount au-
7 thorized to be appropriated by section 301(5) for oper-
8 ation and maintenance for Defense-wide activities,
9 \$35,000,000 shall be available only for the purpose of pro-
10 viding educational agencies assistance (as defined in sub-
11 section (d)(1)) to local educational agencies.

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

16 (1) that agency's eligibility for educational
17 agencies assistance; and

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

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

25 (d) DEFINITIONS.—In this section:

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

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

10 **SEC. 305. AMOUNT FOR IMPACT AID FOR CHILDREN WITH**
 11 **SEVERE DISABILITIES.**

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

17 **Subtitle B—Environmental**
 18 **Provisions**

19 **SEC. 311. ESTABLISHMENT IN ENVIRONMENTAL RESTORA-**
 20 **TION ACCOUNTS OF SUB-ACCOUNTS FOR**
 21 **UNEXPLODED ORDNANCE AND RELATED**
 22 **CONSTITUENTS.**

23 Section 2703 of title 10, United States Code, is
 24 amended—

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

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

5 “(b) SUB-ACCOUNTS FOR UNEXPLODED ORDNANCE
 6 AND RELATED CONSTITUENTS.—There is hereby estab-
 7 lished within each environmental restoration account es-
 8 tablished under subsection (a) a sub-account to be known
 9 as the ‘Environmental Restoration Sub-Account,
 10 Unexploded Ordnance and Related Constituents’, for the
 11 account concerned.”.

12 **SEC. 312. ASSESSMENT OF ENVIRONMENTAL REMEDIATION**
 13 **OF UNEXPLODED ORDNANCE AND RELATED**
 14 **CONSTITUENTS.**

15 (a) REPORT REQUIRED.—The report submitted to
 16 Congress under section 2706(a) of title 10, United States
 17 Code, in 2002 shall include, in addition to the matters
 18 required by such section, a comprehensive assessment of
 19 the extent of unexploded ordnance and related constitu-
 20 ents at current and former facilities of the Department
 21 of Defense.

22 (b) ELEMENTS.—The assessment included under
 23 subsection (a) in the report referred to in that subsection
 24 shall include, at a minimum—

1 (1) an estimate of the aggregate projected costs
2 of the remediation of unexploded ordnance and re-
3 lated constituents at all active facilities of the De-
4 partment;

5 (2) an estimate of the aggregate projected costs
6 of the remediation of unexploded ordnance and re-
7 lated constituents at all installations that are being,
8 or have been, closed or realigned under the base clo-
9 sure laws as of the date of the report under sub-
10 section (a);

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

14 (4) a comprehensive plan for addressing the
15 unexploded ordnance and related constituents re-
16 ferred to in paragraphs (1) through (3), including
17 an assessment of the funding required and the pe-
18 riod of time over which such funding will be pro-
19 vided; and

20 (5) an assessment of the technology available
21 for the remediation of unexploded ordnance and re-
22 lated constituents, an assessment of the impact of
23 improved technology on the cost of remediation of
24 such ordnance and constituents, and a plan for the

1 development and utilization of such improved tech-
2 nology.

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

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

8 (B) set forth the differing assumptions under-
9 lying each such low estimate and high estimate,
10 including—

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

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

17 (iii) the technologies to be applied to uti-
18 lized this purpose; and

19 (C) include, and identify separately, an estimate
20 of the aggregate projected costs of the remediation
21 of any ground water contamination that may be
22 caused by unexploded ordnance and related constitu-
23 ents at the facilities, installations, or sites con-
24 cerned.

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

9 (3) The estimate of the aggregate projected costs of
 10 remediation of ground water contamination under para-
 11 graph (1)(C) shall be based on a comprehensive assess-
 12 ment of the risk of such contamination and of the actions
 13 required to protect the ground water supplies concerned.

14 **SEC. 313. DEPARTMENT OF DEFENSE ENERGY EFFICIENCY**
 15 **PROGRAM.**

16 (a) IN GENERAL.—The Secretary of Defense shall
 17 carry out a program to significantly improve the energy
 18 efficiency of Department of Defense facilities through
 19 2010.

20 (b) RESPONSIBLE OFFICIALS.—The Secretary shall
 21 designate a senior official of the Department of Defense
 22 to be responsible for managing the program for the De-
 23 partment and a senior official of each military department
 24 to be responsible for managing the program for such de-
 25 partment.

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

4 (1) In the case of industrial and laboratory fa-
 5 cilities, reductions in the average energy consump-
 6 tion per square foot of such facilities, per unit of
 7 production or other applicable unit, relative to en-
 8 ergy consumption in 1990—

9 (A) by 20 percent by 2005; and

10 (B) by 25 percent by 2010.

11 (2) In the case of other facilities, reductions in
 12 average energy consumption per gross square foot of
 13 such facilities, relative to energy consumption per
 14 gross square foot in 1985—

15 (A) by 30 percent by 2005; and

16 (B) by 35 percent by 2010.

17 (d) STRATEGIES FOR IMPROVING ENERGY EFFI-
 18 CIENCY.—In order to achieve the goals set forth in sub-
 19 section (c), the Secretary shall, to the maximum extent
 20 practicable—

21 (1) purchase energy-efficient products, as so
 22 designated by the Environmental Protection Agency
 23 and the Department of Energy, and other energy-ef-
 24 ficient products;

1 (2) utilize energy savings performance con-
2 tracts, utility energy-efficiency service contracts, and
3 other contracts designed to achieve energy conserva-
4 tion;

5 (3) use life-cycle cost analysis, including assess-
6 ment of life-cycle energy costs, in making decisions
7 about investments in products, services, construc-
8 tion, and other projects;

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

12 (5) explore opportunities for energy efficiency in
13 industrial facilities for steam systems, boiler oper-
14 ation, air compressor systems, industrial processes,
15 and fuel switching; and

16 (6) retire inefficient equipment on an acceler-
17 ated basis where replacement results in lower life-
18 cycle costs.

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

24 (1) the percentage reduction in energy con-
25 sumption accomplished as of the date of such report

1 by the Department, and by each of the military de-
 2 partments, in facilities covered by the goals set forth
 3 in subsection (c)(1);

4 (2) the percentage reduction in energy con-
 5 sumption accomplished as of the date of such report
 6 by the Department, and by each of the military de-
 7 partments, in facilities covered by the goals set forth
 8 in subsection (c)(2); and

9 (3) the steps taken by the Department, and by
 10 each of the military departments, to implement the
 11 energy efficiency strategies required by subsection
 12 (d) in the preceding calendar year.

13 **SEC. 314. EXTENSION OF PILOT PROGRAM FOR SALE OF**
 14 **AIR POLLUTION EMISSION REDUCTION IN-**
 15 **CENTIVES.**

16 Section 351(a)(2) of the National Defense Authoriza-
 17 tion Act for Fiscal Year 1998 (Public Law 105–85; 10
 18 U.S.C. 2701 note) is amended by striking “September 30,
 19 2001” and inserting “September 30, 2003”.

20 **SEC. 315. REIMBURSEMENT OF ENVIRONMENTAL PROTEC-**
 21 **TION AGENCY FOR CERTAIN RESPONSE**
 22 **COSTS IN CONNECTION WITH HOOPER SANDS**
 23 **SITE, SOUTH BERWICK, MAINE.**

24 (a) **AUTHORITY TO REIMBURSE.**—Using amounts
 25 specified in subsection (c), the Secretary of the Navy may

1 pay \$1,005,478 to the Hooper Sands Special Account
2 within the Hazardous Substance Superfund established by
3 section 9507 of the Internal Revenue Code of 1986 (26
4 U.S.C. 9507) to reimburse the Environmental Protection
5 Agency for the response costs incurred by the Environ-
6 mental Protection Agency for actions taken between May
7 12, 1992, and July 31, 2000, pursuant to the Comprehen-
8 sive Environmental Response, Compensation, and Liabil-
9 ity Act of 1980 (42 U.S.C. 9601 et seq.) at the Hooper
10 Sands site in South Berwick, Maine, in accordance with
11 the Interagency Agreement entered into by the Depart-
12 ment of the Navy and the Environmental Protection Agen-
13 cy in January 2001.

14 (b) TREATMENT OF REIMBURSEMENT.—Payment of
15 the amount authorized by subsection (a) shall be in full
16 satisfaction of amounts due from the Department of the
17 Navy to the Environmental Protection Agency for the re-
18 sponse costs described in that subsection.

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

1 **SEC. 316. CONFORMITY OF SURETY AUTHORITY UNDER EN-**
 2 **VIRONMENTAL RESTORATION PROGRAM**
 3 **WITH SURETY AUTHORITY UNDER SUPER-**
 4 **FUND.**

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

7 **SEC. 317. PROCUREMENT OF ALTERNATIVE FUELED AND**
 8 **HYBRID ELECTRIC LIGHT DUTY TRUCKS.**

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

17 (2) The Secretary, in consultation with the Adminis-
 18 trator, may waive the policy regarding the procurement
 19 of hybrid electric vehicles in paragraph (1) to the extent
 20 that the Secretary determines necessary—

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

1 (B) to procure vehicles consistent with the
2 standards applicable to the procurement of fleet ve-
3 hicles for the Federal Government; or

4 (C) to adjust to limitations on the commercial
5 availability of light duty trucks that are hybrid elec-
6 tric vehicles.

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

10 (b) REQUIREMENT TO EXCEED REQUIREMENT IN
11 ENERGY POLICY ACT OF 1992.—(1) The Secretary of De-
12 fense shall coordinate with the Administrator of General
13 Services to ensure that, of the light duty trucks procured
14 in fiscal years after fiscal year 2004 for the fleets of light
15 duty vehicles of the Department of Defense to which sec-
16 tion 303 of the Energy Policy Act of 1992 (42 U.S.C.
17 13212) applies—

18 (A) five percent of the total number of such
19 trucks that are procured in each of fiscal years 2005
20 and 2006 are alternative fueled vehicles or hybrid
21 electric vehicles; and

22 (B) ten percent of the total number of such
23 trucks that are procured in each fiscal year after fis-
24 cal year 2006 are alternative fueled vehicles or hy-
25 brid electric vehicles.

1 (2) Light duty trucks acquired for the Department
2 of Defense that are counted to comply with section 303
3 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for
4 a fiscal year shall be counted to determine the total num-
5 ber of light duty trucks procured for the Department of
6 Defense for that fiscal year for the purposes of paragraph
7 (1), but shall not be counted to satisfy the requirement
8 in that paragraph.

9 (c) REPORT ON PLANS FOR IMPLEMENTATION.—At
10 the same time that the President submits the budget for
11 fiscal year 2003 to Congress under section 1105(a) of title
12 31, United States Code, the Secretary shall submit to
13 Congress a report summarizing the plans for carrying out
14 subsections (a) and (b).

15 (d) DEFINITIONS.—In this section:

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

19 (A) an internal combustion or heat engine
20 using combustible fuel; and

21 (B) a rechargeable energy storage system.

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

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

4 **SEC. 321. REBATE AGREEMENTS WITH PRODUCERS OF**
 5 **FOODS PROVIDED UNDER THE SPECIAL SUP-**
 6 **PLEMENTAL FOOD PROGRAM.**

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

9 (1) by striking “(b) FUNDING MECHANISM.—”
 10 and inserting “(b) FUNDING.—(1)”; and

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

13 “(2)(A) In the administration of the program under
 14 this section, the Secretary of Defense may enter into a
 15 contract with a producer of a particular brand of food that
 16 provides for—

17 “(i) the Secretary of Defense to procure that
 18 particular brand of food, exclusive of other brands of
 19 the same or similar food, for the purpose of pro-
 20 viding the food in commissary stores of the Depart-
 21 ment of Defense as a supplemental food under the
 22 program; and

23 “(ii) the producer to rebate to the Department
 24 of Defense amounts equal to agreed portions of the
 25 amounts paid by the department for the procure-

1 ment of that particular brand of food for the pro-
2 gram.

3 “(B) The Secretary shall use competitive procedures
4 under chapter 137 of this title for entering into contracts
5 under this paragraph.

6 “(C) The period covered by a contract entered into
7 under this paragraph may not exceed one year. No such
8 contract may be extended by a modification of the con-
9 tract, by exercise of an option, or by any other means.
10 Nothing in this subparagraph prohibits a contractor under
11 a contract entered into under this paragraph for any year
12 from submitting an offer for, and being awarded, a con-
13 tract that is to be entered into under this paragraph for
14 a successive year.

15 “(D) Amounts rebated under a contract entered into
16 under subparagraph (A) shall be credited to the appro-
17 priation available for carrying out the program under this
18 section in the fiscal year in which rebated, shall be merged
19 with the other sums in that appropriation, and shall be
20 available for the program for the same period as the other
21 sums in the appropriation.”.

1 **SEC. 322. REIMBURSEMENT FOR USE OF COMMISSARY FA-**
 2 **CILITIES BY MILITARY DEPARTMENTS FOR**
 3 **PURPOSES OTHER THAN COMMISSARY**
 4 **SALES.**

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

8 **“§ 2483. Commissary stores: reimbursement for use of**
 9 **commissary facilities by military depart-**
 10 **ments**

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

17 “(b) AMOUNT.—The amount payable under sub-
 18 section (a) for use of a commissary facility by a military
 19 department shall be equal to the share of depreciation of
 20 the facility that is attributable to that use, as determined
 21 under regulations prescribed by the Secretary of Defense.

22 “(c) COVERED FACILITIES.—This section applies
 23 with respect to a commissary facility that is acquired, con-
 24 structed, converted, expanded, installed, or otherwise im-
 25 proved (in whole or in part) with the proceeds of an ad-

1 justment or surcharge applied under section 2486(c) of
2 this title.

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

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of such chapter is amended by inserting
10 after the item relating to section 2482a the following new
11 item:

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

12 **SEC. 323. PUBLIC RELEASES OF COMMERCIALY VALU-**
13 **ABLE INFORMATION OF COMMISSARY**
14 **STORES.**

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

18 **“§ 2487. Commissary stores: release of certain com-**
19 **mercially valuable information to the**
20 **public**

21 “(a) AUTHORITY TO LIMIT RELEASE.—(1) The Sec-
22 retary of Defense may limit the release to the public of
23 any information described in paragraph (2) if the Sec-
24 retary determines that it is in the best interest of the De-

1 partment of Defense to limit the release of such informa-
2 tion. If the Secretary determines to limit the release of
3 any such information, the Secretary may provide for lim-
4 ited release of such information in accordance with sub-
5 section (b).

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

7 “(A) Information contained in the computerized
8 business systems of commissary stores or the De-
9 fense Commissary Agency that is collected through
10 or in connection with the use of electronic scanners
11 in commissary stores, including the following infor-
12 mation:

13 “(i) Data relating to sales of goods or serv-
14 ices.

15 “(ii) Demographic information on cus-
16 tomers.

17 “(iii) Any other information pertaining to
18 commissary transactions and operations.

19 “(B) Business programs, systems, and applica-
20 tions (including software) relating to commissary op-
21 erations that were developed with funding derived
22 from commissary surcharges.

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

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

4 “(A) the manufacturer or producer of that
5 item; or

6 “(B) the manufacturer or producer’s agent
7 when necessary to accommodate electronic ordering
8 of the item by commissary stores.

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

17 “(4) Each contract entered into under this subsection
18 shall specify the amount to be paid for information re-
19 leased or a license granted under the contract, as the case
20 may be.

21 “(c) FORM OF RELEASE.—Information described in
22 subsection (a)(2) may not be released, under subsection
23 (b) or otherwise, in a form that identifies any customer
24 or that provides information making it possible to identify
25 any customer.

1 “(d) RECEIPTS.—Amounts received by the Secretary
 2 under this section shall be credited to funds derived from
 3 commissary surcharges, shall be merged with those funds,
 4 and shall be available for the same purposes as the funds
 5 with which merged.

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

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

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

12 **Subtitle D—Other Matters**

13 **SEC. 331. CODIFICATION OF AUTHORITY FOR DEPARTMENT** 14 **OF DEFENSE SUPPORT FOR COUNTERDRUG** 15 **ACTIVITIES OF OTHER GOVERNMENTAL** 16 **AGENCIES.**

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

20 **“§ 383. Additional support for counterdrug activities** 21 **of other agencies**

22 “(a) SUPPORT TO OTHER AGENCIES.—The Secretary
 23 of Defense may provide support for the counterdrug activi-
 24 ties of any other department or agency of the Federal Gov-

1 ernment or of any State, local, or foreign law enforcement
2 agency for any of the purposes set forth in subsection (b)
3 if such support is requested—

4 “(1) by the official who has responsibility for
5 the counterdrug activities of the department or
6 agency of the Federal Government, in the case of
7 support for the department or agency;

8 “(2) by the appropriate official of a State or
9 local government, in the case of support for the
10 State or local law enforcement agency; or

11 “(3) by an appropriate official of a department
12 or agency of the Federal Government that has
13 counterdrug responsibilities, in the case of support
14 for a foreign law enforcement agency.

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

18 “(1) The maintenance and repair of equipment
19 that has been made available to any department or
20 agency of the Federal Government or to any State
21 or local government by the Department of Defense
22 for the purposes of—

23 “(A) preserving the potential future utility
24 of such equipment for the Department of De-
25 fense; and

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

4 “(2) The maintenance, repair, or upgrading of
5 equipment (including computer software), other than
6 equipment referred to in subparagraph (A) for the
7 purpose of—

8 “(A) ensuring that the equipment being
9 maintained or repaired is compatible with
10 equipment used by the Department of Defense;
11 and

12 “(B) upgrading such equipment to ensure
13 the compatibility of that equipment with equip-
14 ment used by the Department of Defense.

15 “(3) The transportation of personnel of the
16 United States and foreign countries (including per
17 diem expenses associated with such transportation),
18 and the transportation of supplies and equipment,
19 for the purpose of facilitating counterdrug activities
20 within or outside the United States.

21 “(4) The establishment (including an unspec-
22 ified minor military construction project) and oper-
23 ation of bases of operations or training facilities for
24 the purpose of facilitating counterdrug activities of
25 the Department of Defense or any Federal, State, or

1 local law enforcement agency within or outside the
2 United States or counterdrug activities of a foreign
3 law enforcement agency outside the United States.

4 “(5) Counterdrug related training of law en-
5 forcement personnel of the Federal Government, of
6 State and local governments, and of foreign coun-
7 tries, including associated support expenses for
8 trainees and the provision of materials necessary to
9 carry out such training.

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

12 “(A) air and sea traffic within 25 miles of
13 and outside the geographic boundaries of the
14 United States; and

15 “(B) surface traffic outside the geographic
16 boundary of the United States and within the
17 United States not to exceed 25 miles of the
18 boundary if the initial detection occurred out-
19 side of the boundary.

20 “(7) Construction of roads and fences and in-
21 stallation of lighting to block drug smuggling cor-
22 ridors across international boundaries of the United
23 States.

24 “(8) Establishment of command, control, com-
25 munications, and computer networks for improved

1 integration of law enforcement, active military, and
2 National Guard activities.

3 “(9) The provision of linguist and intelligence
4 analysis services.

5 “(10) Aerial and ground reconnaissance.

6 “(c) LIMITATION ON COUNTERDRUG REQUIRE-
7 MENTS.—The Secretary of Defense may not limit the re-
8 quirements for which support may be provided under sub-
9 section (a) only to critical, emergent, or unanticipated re-
10 quirements.

11 “(d) CONTRACT AUTHORITY.—In carrying out sub-
12 section (a), the Secretary of Defense may acquire services
13 or equipment by contract for support provided under that
14 subsection if the Department of Defense would normally
15 acquire such services or equipment by contract for the
16 purpose of conducting a similar activity for the Depart-
17 ment of Defense.

18 “(e) LIMITED WAIVER OF PROHIBITION.—Notwith-
19 standing section 376 of this title, the Secretary of Defense
20 may provide support pursuant to subsection (a) in any
21 case in which the Secretary determines that the provision
22 of such support would adversely affect the military pre-
23 paredness of the United States in the short term if the
24 Secretary determines that the importance of providing
25 such support outweighs such short-term adverse effect.

1 “(f) CONDUCT OF TRAINING OR OPERATION TO AID
2 CIVILIAN AGENCIES.—In providing support pursuant to
3 subsection (a), the Secretary of Defense may plan and exe-
4 cute otherwise valid military training or operations (in-
5 cluding training exercises undertaken pursuant to section
6 1206(a) of the National Defense Authorization Act for
7 Fiscal Years 1990 and 1991 (Public Law 101–189; 103
8 Stat. 1564; 10 U.S.C. 124 note)) for the purpose of aiding
9 civilian law enforcement agencies.

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

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

19 “(h) CONGRESSIONAL NOTIFICATION OF FACILITIES
20 PROJECTS.—(1) When a decision is made to carry out a
21 military construction project described in paragraph (2),
22 the Secretary of Defense shall submit to the committees
23 of Congress named in paragraph (3) a written notice of
24 the decision, including the justification for the project and
25 the estimated cost of the project. The project may be com-

1 menced only after the end of the 21-day period beginning
 2 on the date on which the written notice is received by the
 3 committees.

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

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

9 “(B) has an estimated cost of more than
 10 \$500,000.

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

13 “(A) The Committee on Armed Services and
 14 the Committee on Appropriations of the Senate.

15 “(B) The Committee on Armed Services and
 16 the Committee on Appropriations of the House of
 17 Representatives.”.

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

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

21 (b) REPEAL OF SUPERSEDED PROVISION.—Section
 22 1004 of the National Defense Authorization Act for Fiscal
 23 Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is
 24 repealed.

1 (c) SAVINGS PROVISION.—The repeal of section 1004
2 of the National Defense Authorization Act for Fiscal Year
3 1991 by subsection (b) shall not affect any support pro-
4 vided under that section that is ongoing as of the date
5 of the enactment of this Act. The support may be contin-
6 ued in accordance with section 383 of title 10, United
7 States Code, as added by subsection (a).

8 **SEC. 332. EXCLUSION OF CERTAIN EXPENDITURES FROM**
9 **LIMITATION ON PRIVATE SECTOR PERFORM-**
10 **ANCE OF DEPOT-LEVEL MAINTENANCE.**

11 (a) AMOUNTS EXCLUDED.—Amounts expended out
12 of funds described in subsection (b) for the performance
13 of a depot-level maintenance and repair workload by non-
14 Federal Government personnel at a Center of Industrial
15 and Technical Excellence designated pursuant to section
16 2474(a) of title 10, United States Code, shall not be
17 counted for purposes of section 2466(a) of such title if
18 the personnel are provided by private industry pursuant
19 to a public-private partnership undertaken by the Center
20 under section 2474(b) of such title.

21 (b) FUNDS FOR FISCAL YEARS 2002 THROUGH
22 2004.—The funds referred to in subsection (a) are funds
23 available to the military departments for depot-level main-
24 tenance and repair workloads for fiscal years 2002, 2003,
25 and 2004.

1 **SEC. 333. REPAIR, RESTORATION, AND PRESERVATION OF**
 2 **LAFAYETTE ESCADRILLE MEMORIAL,**
 3 **MARNES LA-COQUETTE, FRANCE.**

4 (a) **AUTHORITY TO MAKE GRANT.**—The Secretary of
 5 the Air Force may, using amounts specified in subsection
 6 (d), make a grant to the Lafayette Escadrille Memorial
 7 Foundation, Inc., for purposes of the repair, restoration,
 8 and preservation of the structure, plaza, and surrounding
 9 grounds of the Lafayette Escadrille Memorial in Marnes
 10 la-Coquette, France.

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

13 (c) **USE OF GRANT.**—Amounts from the grant under
 14 this section shall be used solely for the purposes described
 15 in subsection (a). None of such amounts may be used for
 16 remuneration of any entity or individual associated with
 17 fundraising for any project for such purposes.

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

22 **SEC. 334. IMPLEMENTATION OF THE NAVY-MARINE CORPS**
 23 **INTRANET CONTRACT.**

24 (a) **ADDITIONAL PHASE-IN AUTHORITY.**—Subsection
 25 (b) of section 814 of the Floyd D. Spence National De-
 26 fense Authorization Act for Fiscal Year 2001 (as enacted

1 by Public Law 106–398; 114 Stat. 1654A–215) is amend-
2 ed by adding at the end the following new paragraphs:

3 “(5)(A) The Secretary of the Navy may, before the
4 submittal of the joint certification referred to in paragraph
5 (3)(D), contract for one or more additional increments of
6 work stations under the Navy-Marine Corps Intranet con-
7 tract, with the number of work stations to be ordered in
8 each additional increment to be determined by the Under
9 Secretary of Defense for Acquisition, Technology, and Lo-
10 gistics.

11 “(B) Upon determining the number of work stations
12 in an additional increment for purposes of subparagraph
13 (A), the Under Secretary of Defense for Acquisition, Tech-
14 nology, and Logistics shall submit to the congressional de-
15 fense committees a report, current as of the date of such
16 determination, on the following:

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

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

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

23 “(C) The Under Secretary of Defense for Acquisition,
24 Technology, and Logistics may not make a determination
25 to order any number of work stations to be contracted for

1 under subparagraph (A) in excess of the number per-
2 mitted under paragraph (2) until—

3 “(i) the completion of a three-phase contractor
4 test and user evaluation, observed by the Depart-
5 ment of Defense, of the work stations operating on
6 the Navy-Marine Corps Intranet at the first three
7 sites under the Navy-Marine Corps Intranet pro-
8 gram; and

9 “(ii) the Chief Information Officer of the Navy
10 has certified to the Secretary of the Navy and the
11 Chief Information Officer of the Department of De-
12 fense that the results of the test and evaluation re-
13 ferred to in clause (i) are acceptable.

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

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

22 “(ii) the work stations referred to in clause (i)
23 have met service-level agreements specified in the
24 Navy-Marine Corps Intranet contract for not less
25 than 30 days, as determined by contractor perform-

1 ance measurement under oversight by the Depart-
2 ment of the Navy; and

3 “(iii) the Chief Information Officer of the De-
4 partment of Defense and the Assistant Secretary of
5 Defense for Command, Control, Communications,
6 and Intelligence jointly certify to the congressional
7 defense committees that the results of testing of the
8 work stations referred to in clause (i) are accept-
9 able.”.

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

12 “(f) DEFINITIONS.—In this section:

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

22 “(2) The term ‘provide’, in the case of a work
23 station under the Navy-Marine Corps Intranet con-
24 tract, means transfer of the legacy information in-
25 frastructure and systems of the user of the work sta-

1 tion to Navy-Marine Corps Intranet infrastructure
 2 and systems of the work station under the Navy-Ma-
 3 rine Corps Intranet contract and performance there-
 4 of consistent with the service-level agreements speci-
 5 fied in the Navy-Marine Corps Intranet contract.”.

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

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

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

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

16 **SEC. 402. AUTHORIZED DAILY AVERAGE ACTIVE DUTY**
 17 **STRENGTH FOR NAVY ENLISTED MEMBERS**
 18 **IN PAY GRADE E-8.**

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

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

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, 2002, as follows:

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

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

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

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

11 (5) The Air National Guard of the United
12 States, 108,400.

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

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

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 proportion-
7 ately increased 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, 2002, 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, 23,698.

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

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

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

23 (5) The Air National Guard of the United
24 States, 11,591.

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

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 2002 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, 6,249.

9 (2) For the Army National Guard of the United
10 States, 23,615.

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

12 (4) For the Air National Guard of the United
13 States, 22,422.

14 **SEC. 414. FISCAL YEAR 2002 LIMITATION ON NON-DUAL STA-**
15 **TUS TECHNICIANS.**

16 (a) LIMITATION.—The number of non-dual status
17 technicians employed by the reserve components of the
18 Army and the Air Force as of September 30, 2002, may
19 not exceed the following:

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

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

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

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

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

SEC. 415. LIMITATIONS ON NUMBERS OF RESERVE PERSONNEL SERVING ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY IN CERTAIN GRADES FOR ADMINISTRATION OF RESERVE COMPONENTS.

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

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

Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army Reserve:			
10,000	1,390	740	230
11,000	1,529	803	242
12,000	1,668	864	252
13,000	1,804	924	262
14,000	1,940	984	272
15,000	2,075	1,044	282
16,000	2,210	1,104	291
17,000	2,345	1,164	300
18,000	2,479	1,223	309
19,000	2,613	1,282	318
20,000	2,747	1,341	327
21,000	2,877	1,400	336
Army National Guard:			
20,000	1,500	850	325
22,000	1,650	930	350

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of officers of that reserve component who may be serving in the grade of:		
	Major	Lieutenant Colonel	Colonel
24,000	1,790	1,010	370
26,000	1,930	1,085	385
28,000	2,070	1,160	400
30,000	2,200	1,235	405
32,000	2,330	1,305	408
34,000	2,450	1,375	411
36,000	2,570	1,445	411
38,000	2,670	1,515	411
40,000	2,770	1,580	411
42,000	2,837	1,644	411
Marine Corps Reserve:			
1,100	106	56	20
1,200	110	60	21
1,300	114	63	22
1,400	118	66	23
1,500	121	69	24
1,600	124	72	25
1,700	127	75	26
1,800	130	78	27
1,900	133	81	28
2,000	136	84	29
2,100	139	87	30
2,200	141	90	31
2,300	143	92	32
2,400	145	94	33
2,500	147	96	34
2,600	149	98	35
Air Force Reserve:			
500	83	85	50
1,000	155	165	95
1,500	220	240	135
2,000	285	310	170
2,500	350	369	203
3,000	413	420	220
3,500	473	464	230
4,000	530	500	240
4,500	585	529	247
5,000	638	550	254
5,500	688	565	261
6,000	735	575	268
7,000	770	595	280
8,000	805	615	290
10,000	835	635	300
Air National Guard:			
5,000	333	335	251
6,000	403	394	260
7,000	472	453	269
8,000	539	512	278
9,000	606	571	287
10,000	673	630	296
11,000	740	688	305
12,000	807	742	314
13,000	873	795	323
14,000	939	848	332
15,000	1,005	898	341
16,000	1,067	948	350
17,000	1,126	998	359
18,000	1,185	1,048	368
19,000	1,235	1,098	377
20,000	1,283	1,148	380.

- 1 “(2) Of the total number of members of the Naval
- 2 Reserve who are serving on full-time reserve component

1 duty at the end of any fiscal year, the number of those
 2 members who may be serving in each of the grades of lieu-
 3 tenant commander, commander, and captain may not, as
 4 of the end of that fiscal year, exceed the number deter-
 5 mined in accordance with the following table:

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

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

1 (a), the Secretary concerned shall fix the corresponding
 2 strengths for the grades shown in that table at the same
 3 proportion as is reflected in the nearest limit shown in
 4 the table.

5 “(c) REALLOCATIONS TO LOWER GRADES.—When-
 6 ever the number of officers serving in any grade for duty
 7 described in subsection (a) is less than the number author-
 8 ized for that grade under this section, the difference be-
 9 tween the two numbers may be applied to increase the
 10 number authorized under this section for any lower grade.

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

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

22 “(1) Active duty described in sections 10211,
 23 10302, 10303, 10304, 10305, 12310, or 12402 of
 24 this title.

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

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

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

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

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve compo- nent who may be serving in the grade of:	
	E–8	E–9
Army Reserve:		
10,000	1,052	154
11,000	1,126	168
12,000	1,195	180
13,000	1,261	191
14,000	1,327	202
15,000	1,391	213
16,000	1,455	224
17,000	1,519	235
18,000	1,583	246
19,000	1,647	257
20,000	1,711	268
21,000	1,775	278

Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E-8	E-9
Army National Guard:		
20,000	1,650	550
22,000	1,775	615
24,000	1,900	645
26,000	1,945	675
28,000	1,945	705
30,000	1,945	725
32,000	1,945	730
34,000	1,945	735
36,000	1,945	738
38,000	1,945	741
40,000	1,945	743
42,000	1,945	743
Naval Reserve:		
10,000	340	143
11,000	364	156
12,000	386	169
13,000	407	182
14,000	423	195
15,000	435	208
16,000	447	221
17,000	459	234
18,000	471	247
19,000	483	260
20,000	495	273
21,000	507	286
22,000	519	299
23,000	531	312
24,000	540	325
Marine Corps Reserve:		
1,100	50	11
1,200	55	12
1,300	60	13
1,400	65	14
1,500	70	15
1,600	75	16
1,700	80	17
1,800	85	18
1,900	89	19
2,000	93	20
2,100	96	21
2,200	99	22
2,300	101	23
2,400	103	24
2,500	105	25
2,600	107	26
Air Force Reserve:		
500	75	40
1,000	145	75
1,500	208	105
2,000	270	130
2,500	325	150
3,000	375	170
3,500	420	190
4,000	460	210
4,500	495	230
5,000	530	250
5,500	565	270
6,000	600	290
7,000	670	330
8,000	740	370
10,000	800	400
Air National Guard		
5,000	1,020	405
6,000	1,070	435

“Total number of members of a reserve component serving on full-time reserve component duty:	Number of members of that reserve component who may be serving in the grade of:	
	E-8	E-9
7,000	1,120	465
8,000	1,170	490
9,000	1,220	510
10,000	1,270	530
11,000	1,320	550
12,000	1,370	570
13,000	1,420	589
14,000	1,470	608
15,000	1,520	626
16,000	1,570	644
17,000	1,620	661
18,000	1,670	678
19,000	1,720	695
20,000	1,770	712.

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

17 “(c) REALLOCATIONS TO LOWER GRADE.—Whenever
 18 the number of officers serving in pay grade E-9 for duty
 19 described in subsection (a) is less than the number author-

1 ized for that grade under this section, the difference be-
2 tween the two numbers may be applied to increase the
3 number authorized under this section for pay grade E-
4 8.

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

15 “(e) FULL-TIME RESERVE COMPONENT DUTY DE-
16 FINED.—In this section, the term ‘full-time reserve com-
17 ponent duty’ has the meaning given the term in section
18 12011(e) of this title.”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (3) Section 8069(b) of such title is amended by strik-
 2 ing “brigadier general” in the second sentence and insert-
 3 ing “major general”.

4 (c) APPOINTMENT AND GRADE OF CHIEF OF ARMY
 5 VETERINARY CORPS.—(1) Chapter 307 of title 10, United
 6 States Code, is amended by inserting after section 3070
 7 the following new section 3071:

8 **“§ 3071. Veterinary Corps: composition; Chief and as-**
 9 **sistant chief; appointment; grade**

10 “(a) COMPOSITION.—The Veterinary Corps consists
 11 of the Chief and assistant chief of that corps and other
 12 officers in grades prescribed by the Secretary of the Army.

13 “(b) CHIEF.—The Secretary of the Army shall ap-
 14 point the Chief from the officers of the Regular Army in
 15 that corps whose regular grade is above lieutenant colonel
 16 and who are recommended by the Surgeon General. An
 17 appointee who holds a lower regular grade shall be ap-
 18 pointed in the regular grade of brigadier general. The
 19 Chief serves during the pleasure of the Secretary, but not
 20 for more than four years, and may not be reappointed to
 21 the same position.

22 “(c) ASSISTANT CHIEF.—The Surgeon General shall
 23 appoint the assistant chief from the officers of the Regular
 24 Army in that corps whose regular grade is above lieuten-
 25 ant colonel. The assistant chief serves during the pleasure

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

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

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

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

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

12 (2) in paragraph (3)—

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

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

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

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

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

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

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

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

11 **SEC. 502. REDUCTION OF TIME-IN-GRADE REQUIREMENT**
 12 **FOR ELIGIBILITY FOR PROMOTION OF FIRST**
 13 **LIEUTENANTS AND LIEUTENANTS (JUNIOR**
 14 **GRADE).**

15 Paragraph (1) of section 619(a) of title 10, United
 16 States Code, is amended by striking “the following period
 17 of service” and all that follows through the end of the
 18 paragraph and inserting “eighteen months of service in
 19 the grade in which he holds a permanent appointment.”.

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

6 (a) ACTIVE-DUTY LIST PROMOTIONS.—(1) Section
7 611(a) of title 10, United States Code, is amended by
8 striking “Under” and inserting “Except in the case of pro-
9 motions recommended under section 624(a)(3) of this
10 title, under”.

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

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

1 motions under this paragraph shall be effectuated under
2 regulations prescribed by the Secretary of the military de-
3 partment concerned.”.

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

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

7 “(1) a recommendation made by the Secretary
8 of the military department concerned under section
9 624(a)(3) of this title that is approved by the Presi-
10 dent shall be treated in the same manner as a report
11 of a promotion selection board convened under sec-
12 tion 611(a) of this title that is approved by the
13 President; and

14 “(2) an officer of the Regular Army, Regular
15 Air Force, or Regular Marine Corps who holds the
16 regular grade of first lieutenant, and an officer of
17 the Regular Navy who holds the regular grade of
18 lieutenant (junior grade), shall be treated as having
19 failed of selection for promotion if the Secretary of
20 the military department concerned determines that
21 the officer would be eligible for consideration for
22 promotion to the next higher grade by a selection
23 board convened under section 611(a) of this title but
24 is not fully qualified for promotion when recom-
25 mending for promotion under section 624(a)(3) of

1 this title all fully qualified officers of the officer's
 2 armed force in such grade who would be eligible for
 3 such consideration.”.

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

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

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

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

1 regulations prescribed by the Secretary of the military de-
2 partment concerned.”.

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

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

6 “(1) a recommendation made by the Secretary
7 of the military department concerned under section
8 14308(b)(4) of this title that is approved by the
9 President shall be treated the same as a report of
10 a promotion selection board convened under section
11 14101(a) of this title that is approved by the Presi-
12 dent; and

13 “(2) an officer on a reserve active-status list
14 who holds the grade of first lieutenant (in the case
15 of an officer in a reserve component of the Army,
16 Air Force, or Marine Corps) or the grade of lieuten-
17 ant (junior grade) (in the case of an officer of the
18 Naval Reserve) shall be treated as having failed of
19 selection for promotion if the Secretary of the mili-
20 tary department concerned determines that the offi-
21 cer would be eligible for consideration for promotion
22 to the next higher grade by a selection board con-
23 vened under section 14101(a) of this title but is not
24 fully qualified for promotion when recommending for
25 promotion under section 14308(b)(4) of this title all

1 fully qualified officers of that officer's reserve com-
2 ponent in such grade who would be eligible for such
3 consideration.”.

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

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

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

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

16 “(ii) the promotion list established on the basis
17 of that report.

18 “(B) The adjusted date of rank applicable to the
19 grade of an officer under subparagraph (A) shall be con-
20 sistent with the officer's position on the promotion list for
21 that grade and competitive category when additional offi-
22 cers in that grade and competitive category were needed
23 and shall also be consistent with compliance with the ap-
24 plicable authorized strengths for officers in that grade and
25 competitive category.

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

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

15 (b) RESERVE OFFICERS.—Section 14308(c) of such
 16 title is amended—

17 (1) by redesignating paragraph (2) as para-
 18 graph (3);

19 (2) by inserting after paragraph (1) the fol-
 20 lowing new paragraph (2):

21 “(2)(A) The Secretary concerned may adjust the date
 22 of rank of an officer appointed to a higher grade under
 23 this section if the appointment is to a grade below O–7
 24 and is delayed by reason of unusual circumstances that

1 cause an unintended delay in the processing or approval
2 of—

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

5 “(ii) the promotion list established on the basis
6 of that report.

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

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

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

1 of the advice and consent of the Senate on the appoint-
 2 ment. The notification shall include the name of the officer
 3 and a discussion of the reasons for the adjustment.”; and
 4 (3) in paragraph (3), as redesignated by para-
 5 graph (1), by inserting “provided in paragraph (2)
 6 or as otherwise” after “Except as”.

7 **SEC. 505. EXTENSION OF DEFERMENTS OF RETIREMENT OR**
 8 **SEPARATION FOR MEDICAL REASONS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 22 (1) by inserting “(a) ESTABLISHMENT.—”; and
23 (2) by adding at the end the following new sub-
24 section:

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

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

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

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

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

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

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

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

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

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

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

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

15 SEC. 513. EQUAL TREATMENT OF RESERVES AND FULL-
16 TIME ACTIVE DUTY MEMBERS FOR PUR-
17 POSES OF MANAGING DEPLOYMENTS OF PER-
18 SONNEL.

22 “(2) In the case of a member of a reserve component
23 who is performing active service pursuant to orders that
24 do not establish a permanent change of station, the hous-
25 ing referred to in paragraph (1) is any housing (which

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

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

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

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

14 (1) in subsection (a)—

15 (A) in the first sentence—

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

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

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

22 “(c) Each Reserve”;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subtitle C—Education and Training

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

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

(1) in subsection (b)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

“(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—Under the pilot program, the Secretary may—

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

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

(C) in subparagraph (A), as so redesignated, by inserting “and” after the semicolon; and

(D) in subparagraph (B), as so redesignated, by striking “two years after the date of

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

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

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

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

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

13 Such section is further amended—

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

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

21 (B) in subsection (d)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(2) Under the agreement—

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

pend, in the amount determined under subsection (f), for the period or the remainder of the period that the student is satisfactorily progressing toward an initial degree in medicine or dentistry in a program of an accredited medical or dental school;

“(B) the participant shall not be eligible to receive such stipend before appointment, designation, or assignment as an officer for service in the Ready Reserve;

“(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

“(D) the participant shall agree—

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

“(ii) to accept an appointment or designation in the participant’s reserve component, if tendered, based upon the participant’s health profession, following satisfactory completion of the educational and internship components of the program of education and training;

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

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

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

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

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

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

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

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

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

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

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

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

3 (A) in the first sentence—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 “(2) either—

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

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

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

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

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

3 “(1) To the individual's spouse.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(B) either—

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

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

6 “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)

7 The use of any entitlement to basic educational assistance
8 transferred under this section shall be charged against the
9 entitlement of the individual making the transfer at the
10 rate of one month for each month of transferred entitle-
11 ment that is used.

12 “(2) Except as provided under subsection (e)(2) and
13 subject to paragraphs (4) and (5), a dependent to whom
14 entitlement is transferred under this section is entitled to
15 basic educational assistance under this subchapter in the
16 same manner and at the same rate as the individual from
17 whom the entitlement was transferred.

18 “(3) The death of an individual transferring an enti-
19 tlement under this section shall not affect the use of the
20 entitlement by the individual to whom the entitlement is
21 transferred.

22 “(4) Notwithstanding section 3031 of this title, a
23 child to whom entitlement is transferred under this section
24 may not use any entitlement so transferred after attaining
25 the age of 26 years.

1 “(5) The administrative provisions of this chapter
2 (including the provisions set forth in section 3034(a)(1)
3 of this title) shall apply to the use of entitlement trans-
4 ferred under this section, except that the dependent to
5 whom the entitlement is transferred shall be treated as
6 the eligible veteran for purposes of such provisions.

7 “(6) The purposes for which a dependent to whom
8 entitlement is transferred under this section may use such
9 entitlement shall include the pursuit and completion of the
10 requirements of a secondary school diploma (or equiva-
11 lency certificate).

12 “(i) OVERPAYMENT.—(1) In the event of an overpay-
13 ment of basic educational assistance with respect to a de-
14 pendent to whom entitlement is transferred under this sec-
15 tion, the dependent and the individual making the transfer
16 shall be jointly and severally liable to the United States
17 for the amount of the overpayment for purposes of section
18 3685 of this title.

19 “(2) Except as provided in paragraph (3), if an indi-
20 vidual transferring entitlement under this section fails to
21 complete the service agreed to by the individual under sub-
22 section (b)(3) in accordance with the terms of the agree-
23 ment of the individual under that subsection, the amount
24 of any transferred entitlement under this section that is
25 used by a dependent of the individual as of the date of

1 such failure shall be treated as an overpayment of basic
2 educational assistance under paragraph (1).

3 “(3) Paragraph (2) shall not apply in the case of an
4 individual who fails to complete service agreed to by the
5 individual—

6 “(A) by reason of the death of the individual;
7 or

8 “(B) for a reason referred to in section
9 3011(a)(1)(A)(ii)(I) of this title.

10 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
11 ABILITY OF APPROPRIATIONS.—The Secretary concerned
12 may approve transfers of entitlement to basic educational
13 assistance under this section in a fiscal year only to the
14 extent that appropriations for military personnel are avail-
15 able in the fiscal year for purposes of making deposits in
16 the Department of Defense Education Benefits Fund
17 under section 2006 of title 10 in the fiscal year to cover
18 the present value of future benefits payable from the Fund
19 for the Department of Defense portion of payments of
20 basic educational assistance attributable to increased
21 usage of benefits as a result of such transfers of entitle-
22 ment in the fiscal year.

23 “(k) REGULATIONS.—The Secretary of Defense shall
24 prescribe regulations for purposes of this section. Such
25 regulations shall specify the manner and effect of an elec-

tion to modify or revoke a transfer of entitlement under subsection (f)(2), and shall specify the manner of the applicability of the administrative provisions referred to in subsection (h)(5) to a dependent to whom entitlement is transferred under this section.

“(l) ANNUAL REPORTS.—(1) Not later than January 31, 2003, and each year thereafter, each Secretary concerned shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the transfers of entitlement to basic educational assistance under this section that were approved by such Secretary during the preceding year.

“(2) Each report shall set forth—

“(A) the number of transfers of entitlement under this section that were approved by such Secretary during the preceding year; or

“(B) if no transfers of entitlement under this section were approved by such Secretary during that year, a justification for such Secretary’s decision not to approve any such transfers of entitlement during that year.

“(m) SECRETARY CONCERNED DEFINED.—Notwithstanding section 101(25) of this title, in this section, the term ‘Secretary concerned’ means—

1 “(1) the Secretary of the Army with respect to
2 matters concerning the Army;

3 “(2) the Secretary of the Navy with respect to
4 matters concerning the Navy or the Marine Corps;

5 “(3) the Secretary of the Air Force with respect
6 to matters concerning the Air Force; and

7 “(4) the Secretary of the Defense with respect
8 to matters concerning the Coast Guard, or the Sec-
9 retary of Transportation when it is not operating as
10 a service in the Navy.”.

11 (2) The table of sections at the beginning of such
12 chapter is amended by inserting after the item relating
13 to section 3019 the following new item:

“3020. Transfer of entitlement to basic educational assistance: members of the
Armed Forces with critical military skills.”.

14 (b) TREATMENT UNDER DEPARTMENT OF DEFENSE
15 EDUCATION BENEFITS FUND.—Section 2006(b)(2) of
16 title 10, United States Code, is amended by adding at the
17 end the following:

18 “(D) The present value of future benefits
19 payable from the Fund for the Department of
20 Defense portion of payments of educational as-
21 sistance under subchapter II of chapter 30 of
22 title 38 attributable to increased usage of bene-
23 fits as a result of transfers of entitlement to

1 basic educational assistance under section 3020
2 of that title during such period.”.

3 (c) PLAN FOR IMPLEMENTATION.—Not later than
4 June 30, 2002, the Secretary of Defense shall submit to
5 Congress a report describing the manner in which the Sec-
6 retaries of the military departments and the Secretary of
7 Transportation propose to exercise the authority granted
8 by section 3020 of title 38, United States Code, as added
9 by subsection (a). The report shall include the regulations
10 prescribed under subsection (k) of that section for pur-
11 poses of the exercise of the authority.

12 (d) FUNDING FOR FISCAL YEAR 2002.—Of the
13 amount authorized to be appropriated to the Department
14 of Defense for military personnel for fiscal year 2002 by
15 section 421, \$30,000,000 may be available in fiscal year
16 2002 for deposit into the Department of Defense Edu-
17 cation Benefits Fund under section 2006 of title 10,
18 United States Code, for purposes of covering payments of
19 amounts under subparagraph (D) of section 2006(b)(2)
20 of title 10, United States Code (as added by subsection
21 (b)), as a result of transfers of entitlement to basic edu-
22 cational assistance under section 3020 of title 38, United
23 States Code (as added by subsection (a)).

1 **Subtitle D—Decorations, Awards,**
2 **and Commendations**

3 **SEC. 551. AUTHORITY FOR AWARD OF THE MEDAL OF**
4 **HONOR TO HUMBERT R. VERSACE FOR**
5 **VALOR DURING THE VIETNAM WAR.**

6 (a) WAIVER OF TIME LIMITATIONS.—Notwith-
7 standing the time limitations specified in section 3744 of
8 title 10, United States Code, or any other time limitation
9 with respect to the awarding of certain medals to persons
10 who served in the military service, the President may
11 award the Medal of Honor under section 3741 of that title
12 to Humbert R. Versace for the acts of valor referred to
13 in subsection (b).

14 (b) ACTION DESCRIBED.—The acts of valor referred
15 to in subsection (a) are the actions of Humbert R. Versace
16 between October 29, 1963, and September 26, 1965, while
17 interned as a prisoner of war by the Vietnamese Com-
18 munist National Liberation Front (Viet Cong) in the Re-
19 public of Vietnam.

20 **SEC. 552. REVIEW REGARDING AWARD OF MEDAL OF**
21 **HONOR TO CERTAIN JEWISH AMERICAN WAR**
22 **VETERANS.**

23 (a) REVIEW REQUIRED.—The Secretary of each mili-
24 tary department shall review the service records of each
25 Jewish American war veteran described in subsection (b)

1 to determine whether or not that veteran should be award-
2 ed the Medal of Honor.

3 (b) COVERED JEWISH AMERICAN WAR VETERANS.—

4 The Jewish American war veterans whose service records
5 are to be reviewed under subsection (a) are the following:

6 (1) Any Jewish American war veteran who was
7 previously awarded the Distinguished Service Cross,
8 the Navy Cross, or the Air Force Cross.

9 (2) Any other Jewish American war veteran
10 whose name is submitted to the Secretary concerned
11 for such purpose by the Jewish War Veterans of the
12 United States of America before the end of the one-
13 year period beginning on the date of the enactment
14 of this Act.

15 (c) CONSULTATIONS.—In carrying out the review
16 under subsection (a), the Secretary of each military de-
17 partment shall consult with the Jewish War Veterans of
18 the United States of America and with such other veterans
19 service organizations as the Secretary considers appro-
20 priate.

21 (d) RECOMMENDATION BASED ON REVIEW.—If the
22 Secretary concerned determines, based upon the review
23 under subsection (a) of the service records of any Jewish
24 American war veteran, that the award of the Medal of
25 Honor to that veteran is warranted, the Secretary shall

1 submit to the President a recommendation that the Presi-
2 dent award the Medal of Honor to that veteran.

3 (e) AUTHORITY TO AWARD MEDAL OF HONOR.—A
4 Medal of Honor may be awarded to a Jewish American
5 war veteran in accordance with a recommendation of the
6 Secretary concerned under subsection (d).

7 (f) WAIVER OF TIME LIMITATIONS.—An award of
8 the Medal of Honor may be made under subsection (e)
9 without regard to—

10 (1) section 3744, 6248, or 8744 of title 10,
11 United States Code, as applicable; and

12 (2) any regulation or other administrative re-
13 striction on—

14 (A) the time for awarding the Medal of
15 Honor; or

16 (B) the awarding of the Medal of Honor
17 for service for which a Distinguished Service
18 Cross, Navy Cross, Air Force Cross, or any
19 other decoration has been awarded.

20 (g) JEWISH AMERICAN WAR VETERAN DEFINED.—
21 In this section, the term “Jewish American war veteran”
22 means any person who served in the Armed Forces during
23 World War II or a later period of war and who identified
24 himself or herself as Jewish on his or her military per-
25 sonnel records.

1 **SEC. 553. ISSUANCE OF DUPLICATE AND REPLACEMENT**

2 **MEDALS OF HONOR.**

3 (a) ARMY.—(1)(A) Chapter 357 of title 10, United
4 States Code, is amended by inserting after section 3747
5 the following new section:

6 **“§ 3747a. Medal of honor: issuance of duplicate**

7 “(a) ISSUANCE.—Upon written application by a per-
8 son to whom a medal of honor has been awarded under
9 this chapter, the Secretary of the Army may issue to the
10 person one duplicate medal of honor, with ribbons and ap-
11 purtenances. No charge may be imposed for the issuance
12 of the duplicate medal.

13 “(b) SPECIAL MARKING.—A duplicate medal of
14 honor issued under this section shall be marked as a dupli-
15 cate or for display purposes only. The Secretary shall pre-
16 scribe the manner in which the duplicate medal is marked.

17 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
18 TIONAL AWARD.—The issuance of a duplicate medal of
19 honor under of this section may not be considered an
20 award of more than one medal of honor prohibited by sec-
21 tion 3744(a) of this title.”.

22 (B) The table of sections at the beginning of such
23 chapter is amended by inserting after the item relating
24 to section 3747 the following:

“3747a. Medal of honor: issuance of duplicate.”.

1 (2) Section 3747 of title 10, United States Code, is
2 amended by striking “lost” and inserting “stolen, lost,”.

3 (b) NAVY AND MARINE CORPS.—(1)(A) Chapter 567
4 of such title is amended by inserting after section 6253
5 the following new section:

6 **“§ 6253a. Medal of honor: issuance of duplicate**

7 “(a) ISSUANCE.—Upon written application by a per-
8 son to whom a medal of honor has been awarded under
9 this chapter, the Secretary of the Navy may issue to the
10 person one duplicate medal of honor, with ribbons and ap-
11 purtenances. No charge may be imposed for the issuance
12 of the duplicate medal.

13 “(b) SPECIAL MARKING.—A duplicate medal of
14 honor issued under this section shall be marked as a dupli-
15 cate or for display purposes only. The Secretary shall pre-
16 scribe the manner in which the duplicate medal is marked.

17 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
18 TIONAL AWARD.—The issuance of a duplicate medal of
19 honor under this section may not be considered an award
20 of more than one medal of honor prohibited by section
21 6247 of this title.”.

22 (B) The table of sections at the beginning of such
23 chapter is amended by inserting after the item relating
24 to section 6253 the following:

“6253a. Medal of honor: issuance of duplicate.”.

1 (2) Section 6253 of title 10, United States Code, is
2 amended by striking “lost” and inserting “stolen, lost,”.

3 (c) AIR FORCE.—(1)(A) Chapter 857 of such title is
4 amended by inserting after section 8747 the following new
5 section:

6 **“§ 8747a. Medal of honor: issuance of duplicate**

7 “(a) ISSUANCE.—Upon written application by a per-
8 son to whom a medal of honor has been awarded under
9 this chapter, the Secretary of the Air Force may issue to
10 the person one duplicate medal of honor, with ribbons and
11 appurtenances. No charge may be imposed for the
12 issuance of the duplicate medal.

13 “(b) SPECIAL MARKING.—A duplicate medal of
14 honor issued under this section shall be marked as a dupli-
15 cate or for display purposes only. The Secretary shall pre-
16 scribe the manner in which the duplicate medal is marked.

17 “(c) ISSUANCE NOT TO BE CONSIDERED ADDI-
18 TIONAL AWARD.—The issuance of a duplicate medal of
19 honor under this section may not be considered an award
20 of more than one medal of honor prohibited by section
21 8744(a) of this title.”.

22 (B) The table of sections at the beginning of such
23 chapter is amended by inserting after the item relating
24 to section 8747 the following:

“8747a. Medal of honor: issuance of duplicate.”.

1 (2) Section 8747 of title 10, United States Code, is
2 amended by striking “lost” and inserting “stolen, lost,”.

3 **SEC. 554. WAIVER OF TIME LIMITATIONS FOR AWARD OF**
4 **CERTAIN DECORATIONS TO CERTAIN PER-**
5 **SONS.**

6 (a) WAIVER.—Any limitation established by law or
7 policy for the time within which a recommendation for the
8 award of a military decoration or award must be sub-
9 mitted shall not apply to awards of decorations described
10 in this section, the award of each such decoration having
11 been determined by the Secretary concerned to be war-
12 ranted in accordance with section 1130 of title 10, United
13 States Code.

14 (b) SILVER STAR.—Subsection (a) applies to the
15 award of the Silver Star to Wayne T. Alderson, of
16 Glassport, Pennsylvania, for gallantry in action from
17 March 15 to March 18, 1945, while serving as a member
18 of the Army.

19 (c) DISTINGUISHED FLYING CROSS.—Subsection (a)
20 applies to the award of the Distinguished Flying Cross
21 for service during World War II (including multiple
22 awards to the same individual) in the case of each indi-
23 vidual concerning whom the Secretary of the Navy (or an
24 officer of the Navy acting on behalf of the Secretary) sub-
25 mitted to the Committee on Armed Services of the House

1 of Representatives and the Committee on Armed Services
2 of the Senate, during the period beginning on October 30,
3 2000, and ending on the day before the date of the enact-
4 ment of this Act, a notice as provided in section 1130(b)
5 of title 10, United States Code, that the award of the Dis-
6 tinguished Flying Cross to that individual is warranted
7 and that a waiver of time restrictions prescribed by law
8 for recommendation for such award is recommended.

9 **SEC. 555. SENSE OF SENATE ON ISSUANCE OF KOREA DE-**
10 **FENSE SERVICE MEDAL.**

11 It is the sense of the Senate that the Secretary of
12 Defense should consider authorizing the issuance of a
13 campaign medal, to be known as the Korea Defense Serv-
14 ice Medal, to each person who while a member of the
15 Armed Forces served in the Republic of Korea, or the wa-
16 ters adjacent thereto, during the period beginning on July
17 28, 1954, and ending on such date after that date as the
18 Secretary considers appropriate.

1 **Subtitle E—Funeral Honors Duty**

2 **SEC. 561. ACTIVE DUTY END STRENGTH EXCLUSION FOR** 3 **RESERVES ON ACTIVE DUTY OR FULL-TIME** 4 **NATIONAL GUARD DUTY FOR FUNERAL HON-** 5 **ORS DUTY.**

6 Section 115(d) of title 10, United States Code, is
 7 amended by adding at the end the following new para-
 8 graph:

9 “(10) Members of reserve components on active
 10 duty or full-time National Guard duty to prepare for
 11 and to perform funeral honors functions under sec-
 12 tion 1491 of this title.”.

13 **SEC. 562. PARTICIPATION OF RETIREES IN FUNERAL HON-** 14 **ORS DETAILS.**

15 (a) **AUTHORITY.**—(1) Subsection (b)(2) of section
 16 1491 of title 10, United States Code, is amended by in-
 17 serting “, members or former members of the armed
 18 forces in a retired status,” in the second sentence after
 19 “members of the armed forces”.

20 (2) Subsection (h) of such section is amended to read
 21 as follows:

22 “(h) **DEFINITIONS.**—In this section:

23 “(1) The term ‘retired status’, with respect to
 24 a member or former member of the armed forces,
 25 means that the member or former member—

1 “(A) is on a retired list of an armed force;

2 “(B) is entitled to receive retired or re-
3 tainer pay; or

4 “(C) except for not having attained 60
5 years of age, would be entitled to receive retired
6 pay upon application under chapter 1223 of
7 this title.

8 “(2) The term ‘veteran’ means a decedent
9 who—

10 “(A) served in the active military, naval, or
11 air service (as defined in section 101(24) of
12 title 38) and who was discharged or released
13 therefrom under conditions other than dishon-
14 orable; or

15 “(B) was a member or former member of
16 the Selected Reserve described in section
17 2301(f) of title 38.”.

18 (b) FUNERAL HONORS DUTY ALLOWANCE.—Section
19 435(a) of title 37, United States Code, is amended—

20 (1) by inserting “(1)” after “(a) ALLOWANCE
21 AUTHORIZED.—”; and

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

24 “(2)(A) The Secretary concerned may authorize pay-
25 ment of an allowance to a member or former member of

1 the armed forces in a retired status (as defined in section
 2 1491(h) of title 10) for participating as a member of a
 3 funeral honors detail under section 1491 of title 10 for
 4 a period of at least two hours, including time for prepara-
 5 tion.

6 “(B) An allowance paid to a member or former mem-
 7 ber under subparagraph (A) shall be in addition to any
 8 retired or retainer pay or other compensation to which the
 9 member or former member is entitled under this title or
 10 title 10 or 38.”.

11 **SEC. 563. BENEFITS AND PROTECTIONS FOR MEMBERS IN A**
 12 **FUNERAL HONORS DUTY STATUS.**

13 (a) **FUNERAL HONORS DUTY DEFINED.**—Section
 14 101(d) of title 10, United States Code, is amended by add-
 15 ing at the end the following new paragraph:

16 “(8) The term ‘funeral honors duty’ means
 17 duty under section 12503 of this title or section 115
 18 of title 32.”.

19 (b) **APPLICABILITY OF UNIFORM CODE OF MILITARY**
 20 **JUSTICE.**—Section 802 of title 10, United States Code,
 21 is amended—

22 (1) in subsection (a)(3), by inserting “or en-
 23 gaged in funeral honors duty” after “on inactive-
 24 duty training”; and

1 (2) in subsection (d)(2)(B), by inserting “or en-
 2 gaged in funeral honors duty” after “on inactive-
 3 duty training”.

4 (c) COMMISSARY STORES PRIVILEGES FOR DEPEND-
 5 ENTS OF A DECEASED RESERVE COMPONENT MEM-
 6 BER.—Section 1061(b) of such title is amended—

7 (1) in paragraph (1)—

8 (A) by striking “or” the first place it ap-
 9 pears; and

10 (B) by inserting “, or funeral honors duty”
 11 before the semicolon; and

12 (2) in paragraph (2)—

13 (A) by striking “or” the third place it ap-
 14 pears; and

15 (B) by inserting “, or funeral honors duty”
 16 before the period.

17 (d) PAYMENT OF A DEATH GRATUITY.—(1) Section
 18 1475(a) of such title is amended—

19 (A) in paragraph (2), by inserting “or while en-
 20 gaged in funeral honors duty” after “Public Health
 21 Service)”; and

22 (B) in paragraph (3)—

23 (i) by striking “or inactive duty training”
 24 the first place it appears and inserting “inac-
 25 tive-duty training”;

1 (ii) by inserting “or funeral honors duty,”
2 after “Public Health Service),”; and

3 (iii) by striking “or inactive duty training”
4 the second place it appears and inserting “, in-
5 active-duty training, or funeral honors duty”.

6 (2) Section 1476(a) of such title is amended—

7 (A) in paragraph (1)—

8 (i) in subparagraph (A), by striking “or”;

9 (ii) in subparagraph (B), by striking the
10 period at the end and inserting “; or”; and

11 (iii) by adding at the end the following new
12 subparagraph:

13 “(C) funeral honors duty.”; and

14 (B) in paragraph (2)(A), by striking “or inac-
15 tive-duty training” and inserting “, inactive-duty
16 training, or funeral honors duty”.

17 (e) MILITARY AUTHORITY FOR MEMBERS OF THE
18 COAST GUARD RESERVE.—(1) Section 704 of title 14,
19 United States Code, is amended by striking “or inactive-
20 duty training” in the second sentence and inserting “, in-
21 active-duty training, or funeral honors duty”.

22 (2) Section 705(a) of such title is amended by insert-
23 ing “on funeral honors duty,” after “on inactive-duty
24 training,”.

1 (f) VETERANS BENEFITS.—Section 101(24) of title
2 38, United States Code, is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (B);

5 (2) by striking the period at the end of sub-
6 paragraph (C)(ii) and inserting “; and”; and

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

9 “(D) any period of funeral honors duty (as de-
10 fined in section 101(d) of title 10) during which the
11 individual concerned was disabled or died from an
12 injury incurred or aggravated in line of duty.”.

13 (g) EFFECTIVE DATE.—This section and the amend-
14 ments made by this section shall take effect on October
15 1, 2001.

16 **SEC. 564. MILITARY LEAVE FOR CIVILIAN EMPLOYEES**
17 **SERVING AS MILITARY MEMBERS OF FU-**
18 **NERAL HONORS DETAIL.**

19 Section 6323(a) of title 5, United States Code, is
20 amended—

21 (1) in the first sentence of paragraph (1), by
22 striking “active duty, inactive duty training” and all
23 that follows through “National Guard” and inserting
24 “military duty or training described in paragraph
25 (4)”; and

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

3 “(4) The entitlement under paragraph (1) applies to
4 the performance of duty or training as a Reserve of the
5 armed forces or member of the National Guard, as follows:

6 “(A) Active duty.

7 “(B) Inactive duty training (as defined in sec-
8 tion 101 of title 37).

9 “(C) Field or coast defense training under sec-
10 tions 502 through 505 of title 32.

11 “(D) Funeral honors duty under section 12503
12 of title 10 or section 115 of title 32.”.

13 **Subtitle F—Uniformed Services** 14 **Overseas Voting**

15 **SEC. 571. SENSE OF THE SENATE REGARDING THE IMPOR-** 16 **TANCE OF VOTING BY MEMBERS OF THE UNI-** 17 **FORMED SERVICES.**

18 (a) SENSE OF THE SENATE.—It is the sense of the
19 Senate that each administrator of a Federal, State, or
20 local election should—

21 (1) be aware of the importance of the ability of
22 each uniformed services voter to exercise their right
23 to vote; and

24 (2) perform their duties with the intent to en-
25 sure that—

1 (A) each uniformed services voter receives
 2 the utmost consideration and cooperation when
 3 voting; and

4 (B) each valid ballot cast by such a voter
 5 is duly counted.

6 (b) UNIFORMED SERVICES VOTER DEFINED.—In
 7 this section, the term “uniformed services voter” means—

8 (1) a member of a uniformed service (as defined
 9 in section 101(a)(5) of title 10, United States Code)
 10 in active service;

11 (2) a member of the merchant marine (as de-
 12 fined in section 107 of the Uniformed and Overseas
 13 Citizens Absentee Voting Act (42 U.S.C. 1973ff–6));
 14 and

15 (3) a spouse or dependent of a member referred
 16 to in subparagraph (A) or (B) who is qualified to
 17 vote.

18 **SEC. 572. UNIFORM NONDISCRIMINATORY VOTING STAND-**
 19 **ARDS FOR ADMINISTRATION OF ELECTIONS**
 20 **UNDER STATE AND LOCAL ELECTION SYS-**
 21 **TEMS.**

22 Section 102 of the Uniformed and Overseas Citizens
 23 Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

24 (1) by inserting “(a) ELECTIONS FOR FEDERAL
 25 OFFICES.—” before “Each State shall—”; and

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

3 “(c) GENERAL PRINCIPLES FOR VOTING BY OVER-
4 SEAS AND ABSENT UNIFORMED SERVICE VOTERS.—(1)
5 A State shall ensure that each voting system used within
6 the State for elections for Federal, State, and local offices
7 provides overseas voters and absent uniformed service vot-
8 ers with a meaningful opportunity to exercise their voting
9 rights as citizens of the United States.

10 “(2) A State shall count an absentee ballot for an
11 election for Federal, State, or local office that is timely
12 submitted by an overseas voter or absent uniformed serv-
13 ice voter to the proper official of the State and is otherwise
14 valid.”.

15 **SEC. 573. GUARANTEE OF RESIDENCY FOR MILITARY PER-**
16 **SONNEL.**

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

20 “SEC. 704. (a) For purposes of voting for any Fed-
21 eral office (as defined in section 301 of the Federal Elec-
22 tion Campaign Act of 1971 (2 U.S.C. 431)) or a State
23 or local office, a person who is absent from a State in
24 compliance with military or naval orders shall not, solely
25 by reason of that absence—

1 “(1) be deemed to have lost a residence or
2 domicile in that State, without regard to whether or
3 not the person intends to return to that State;

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

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

8 “(b) In this section, the term ‘State’ includes a terri-
9 tory or possession of the United States, a political subdivi-
10 sion of a State, territory, or possession, and the District
11 of Columbia.”.

12 **SEC. 574. EXTENSION OF REGISTRATION AND BALLOTING**
13 **RIGHTS FOR ABSENT UNIFORMED SERVICES**
14 **VOTERS TO STATE AND LOCAL ELECTIONS.**

15 (a) IN GENERAL.—Section 102 of the Uniformed and
16 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–
17 1), as amended by section 572, is further amended by in-
18 serting after subsection (a) the following new subsection
19 (b):

20 “(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—
21 Each State shall—

22 “(1) permit absent uniformed services voters to
23 use absentee registration procedures and vote by ab-
24 sentee ballot in general, special, primary, and runoff
25 elections for State and local offices; and

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

7 (b) CONFORMING AMENDMENT.—The heading for
 8 title I of such Act is amended by striking **“FOR FED-
 9 ERAL OFFICE”**.

10 **SEC. 575. USE OF SINGLE APPLICATION AS A SIMULTA-
 11 NEOUS ABSENTEE VOTER REGISTRATION AP-
 12 PLICATION AND ABSENTEE BALLOT APPLICA-
 13 TION.**

14 Subsection (a) of section 102 of the Uniformed and
 15 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff-
 16 1), as redesignated by section 572(1), is further
 17 amended—

18 (1) by striking “and” at the end of paragraph

19 (2);

20 (2) by striking the period at the end of para-
 21 graph (3) and inserting a semicolon; and

22 (3) by inserting after paragraph (3) the fol-
 23 lowing new paragraph (4):

24 “(4) accept and process the official post card
 25 form (prescribed under section 101) as a simulta-

1 neous absentee voter registration application and ab-
 2 sentee ballot application; and”.

3 **SEC. 576. USE OF SINGLE APPLICATION FOR ABSENTEE**
 4 **BALLOTS FOR ALL FEDERAL ELECTIONS.**

5 Subsection (a) of section 102 of the Uniformed and
 6 Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff-
 7 1), as amended by section 575, is further amended by in-
 8 serting after paragraph (4) the following new paragraph
 9 (5):

10 “(5) accept and process, with respect to all gen-
 11 eral, special, primary, and runoff elections for Fed-
 12 eral office occurring during a year, any otherwise
 13 valid absentee ballot application from an absent uni-
 14 formed services voter or overseas voter, if a single
 15 application for any such election is received by the
 16 appropriate State election official not less than 30
 17 days before the first election for Federal office oc-
 18 curring during the year.”.

19 **SEC. 577. ELECTRONIC VOTING DEMONSTRATION**
 20 **PROJECT.**

21 (a) IN GENERAL.—The Secretary of Defense shall
 22 carry out a demonstration project under which absent uni-
 23 formed services voters (as defined in section 107(1) of the
 24 Uniformed and Overseas Citizens Absentee Voting Act (42
 25 U.S.C. 1973ff-6(1))) are permitted to cast ballots in the

1 regularly scheduled general election for Federal office for
2 November 2002, through an electronic voting system.

3 (b) COORDINATION WITH STATE ELECTION OFFI-
4 CIALS.—To the greatest extent practicable, the Secretary
5 of Defense shall carry out the demonstration project under
6 this section through cooperative agreements with State
7 election officials.

8 (c) REPORT TO CONGRESS.—Not later than June 1,
9 2003, the Secretary of Defense shall submit a report to
10 Congress analyzing the demonstration project conducted
11 under this section, and shall include in the report any rec-
12 ommendations the Secretary of Defense considers appro-
13 priate for continuing the project on an expanded basis
14 during the next regularly scheduled general election for
15 Federal office.

16 **SEC. 578. FEDERAL VOTING ASSISTANCE PROGRAM.**

17 (a) IN GENERAL.—The Secretary of Defense shall
18 promulgate regulations to require each of the Armed
19 Forces to ensure their compliance with any directives
20 issued by the Secretary of Defense in implementing the
21 Federal Voting Assistance Program (referred to in this
22 section as the “Program”) or any similar program.

23 (b) REVIEW AND REPORT.—(1) The Inspector Gen-
24 eral of each of the Armed Forces shall—

1 (A) conduct an annual review of the effective-
2 ness of the Program or any similar program;

3 (B) conduct an annual review of the compliance
4 with the Program or any similar program of the
5 branch; and

6 (C) submit an annual report to the Inspector
7 General of the Department of Defense on the results
8 of the reviews under subparagraphs (A) and (B).

9 (2) Not later than March 31, 2003, and annually
10 thereafter, the Inspector General of the Department of
11 Defense shall submit a report to Congress on—

12 (A) the effectiveness of the Program or any
13 similar program; and

14 (B) the level of compliance with the Program or
15 any similar program of the branches of the Armed
16 Forces.

17 **Subtitle G—Other Matters**

18 **SEC. 581. PERSONS AUTHORIZED TO BE INCLUDED IN SUR-** 19 **VEYS OF MILITARY FAMILIES REGARDING** 20 **FEDERAL PROGRAMS.**

21 (a) ADDITION OF CERTAIN FAMILY MEMBERS AND
22 SURVIVORS.—Subsection (a) of section 1782 of title 10,
23 United States Code, is amended to read as follows:

24 “(a) AUTHORITY.—The Secretary of Defense may
25 conduct surveys of persons to determine the effectiveness

1 of Federal programs relating to military families and the
2 need for new programs, as follows:

3 “(1) Members of the armed forces on active
4 duty or in an active status.

5 “(2) Retired members of the armed forces.

6 “(3) Members of the families of such members
7 and retired members of the armed forces (including
8 surviving members of the families of deceased mem-
9 bers and deceased retired members).”.

10 (b) FEDERAL RECORDKEEPING REQUIREMENTS.—
11 Subsection (c) of such section is amended to read as fol-
12 lows:

13 “(c) FEDERAL RECORDKEEPING REQUIREMENTS.—
14 With respect to a survey authorized under subsection (a)
15 that includes a person referred to in that subsection who
16 is not an employee of the United States or is not consid-
17 ered an employee of the United States for the purposes
18 of section 3502(3)(A)(i) of title 44, the person shall be
19 considered as being an employee of the United States for
20 the purposes of that section.”.

21 **SEC. 582. CORRECTION AND EXTENSION OF CERTAIN ARMY**
22 **RECRUITING PILOT PROGRAM AUTHORITIES.**

23 (a) CONTRACT RECRUITING INITIATIVES.—Sub-
24 section (d)(2) of section 561 of the Floyd D. Spence Na-
25 tional Defense Authorization Act for Fiscal Year 2001 (as

1 enacted into law by Public Law 106–398; 114 Stat.
2 1654A–130) is amended—

3 (1) in subparagraphs (A) and (D), by inserting
4 “and Army Reserve” after “Regular Army”; and

5 (2) in subparagraph (B), by striking “and chain
6 of command”.

7 (b) EXTENSION OF AUTHORITY.—Subsection (e) of
8 such section is amended by striking “December 31, 2005”
9 and inserting “September 30, 2007”.

10 (c) EXTENSION OF TIME FOR REPORTS.—Subsection
11 (g) of such section is amended by striking “February 1,
12 2006” and inserting “February 1, 2008”.

13 **SEC. 583. OFFENSE OF DRUNKEN OPERATION OF A VEHI-**
14 **CLE, AIRCRAFT, OR VESSEL UNDER THE UNI-**
15 **FORM CODE OF MILITARY JUSTICE.**

16 (a) LOWER STANDARD OF ALCOHOL CONCENTRA-
17 TION.—Section 911 of title 10, United States Code (arti-
18 cle 111 of the Uniform Code of Military Justice), is
19 amended by striking “0.10 grams” both places it appears
20 in paragraph (2) and inserting “0.08 grams”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall take effect on the date of the enact-
23 ment of this Act and shall apply to acts described in para-
24 graph (2) of section 911 of title 10, United States Code,
25 that are committed on or after that date.

1 **SEC. 584. AUTHORITY OF CIVILIAN EMPLOYEES TO ACT AS**
2 **NOTARIES.**

3 (a) CLARIFICATION OF STATUS OF CIVILIAN ATTOR-
4 NEYS ELIGIBLE TO ACT AS NOTARIES.—Subsection (b)
5 of section 1044a of title 10, United States Code, is amend-
6 ed by striking “legal assistance officers” in paragraph (2)
7 and inserting “legal assistance attorneys”.

8 (b) OTHER CIVILIAN EMPLOYEES DESIGNATED TO
9 ACT AS NOTARIES ABROAD.—Such subsection is further
10 amended by adding at the end the following new para-
11 graph:

12 “(5) For the performance of notarial acts at lo-
13 cations outside the United States, all employees of
14 a military department or the Coast Guard who are
15 designated by regulations of the Secretary concerned
16 or by statute to have those powers for exercise out-
17 side the United States.”.

18 **SEC. 585. REVIEW OF ACTIONS OF SELECTION BOARDS.**

19 (a) IN GENERAL.—(1) Chapter 79 of title 10, United
20 States Code, is amended by adding at the end the fol-
21 lowing:

22 **“§ 1558. Exclusive remedies in cases involving selec-**
23 **tion boards**

24 “(a) CORRECTION OF MILITARY RECORDS.—The
25 Secretary concerned may correct a person’s military
26 records in accordance with a recommendation made by a

1 special board. Any such correction shall be effective, retro-
2 actively, as of the effective date of the action taken on
3 a report of a previous selection board that resulted in the
4 action corrected in the person's military records.

5 “(b) RELIEF ASSOCIATED WITH CORRECTIONS OF
6 CERTAIN ACTIONS.—(1) The Secretary concerned shall
7 ensure that a person receives relief under paragraph (2)
8 or (3), as the person may elect, if the person—

9 “(A) was separated or retired from an armed
10 force, or transferred to the retired reserve or to inac-
11 tive status in a reserve component, as a result of a
12 recommendation of a selection board; and

13 “(B) becomes entitled to retention on or res-
14 toration to active duty or active status in a reserve
15 component as a result of a correction of the person's
16 military records under subsection (a).

17 “(2)(A) With the consent of a person referred to in
18 paragraph (1), the person shall be retroactively and pro-
19 spectively restored to the same status, rights, and entitle-
20 ments (less appropriate offsets against back pay and al-
21 lowances) in the person's armed force as the person would
22 have had if the person had not been selected to be sepa-
23 rated, retired, or transferred to the retired reserve or to
24 inactive status in a reserve component, as the case may
25 be, as a result of an action corrected under subsection (a).

1 An action under this subparagraph is subject to subpara-
2 graph (B).

3 “(B) Nothing in subparagraph (A) shall be construed
4 to permit a person to be on active duty or in an active
5 status in a reserve component after the date on which the
6 person would have been separated, retired, or transferred
7 to the retired reserve or to inactive status in a reserve
8 component if the person had not been selected to be sepa-
9 rated, retired, or transferred to the retired reserve or to
10 inactive status in a reserve component, as the case may
11 be, in an action of a selection board that is corrected under
12 subsection (a).

13 “(3) If the person does not consent to a restoration
14 of status, rights, and entitlements under paragraph (2),
15 the person shall receive back pay and allowances (less ap-
16 propriate offsets) and service credit for the period begin-
17 ning on the date of the person’s separation, retirement,
18 or transfer to the retired reserve or to inactive status in
19 a reserve component, as the case may be, and ending on
20 the earlier of—

21 “(A) the date on which the person would have
22 been so restored under paragraph (2), as determined
23 by the Secretary concerned; or

24 “(B) the date on which the person would other-
25 wise have been separated, retired, or transferred to

1 the retired reserve or to inactive status in a reserve
2 component, as the case may be.

3 “(c) FINALITY OF UNFAVORABLE ACTION.—If a spe-
4 cial board makes a recommendation not to correct the
5 military records of a person regarding action taken in the
6 case of that person on the basis of a previous report of
7 a selection board, the action previously taken on that re-
8 port shall be considered as final as of the date of the ac-
9 tion taken on that report.

10 “(d) REGULATIONS.—(1) The Secretary concerned
11 may prescribe regulations to carry out this section (other
12 than subsection (e)) with respect to the armed force or
13 armed forces under the jurisdiction of the Secretary.

14 “(2) The Secretary may prescribe in the regulations
15 the circumstances under which consideration by a special
16 board may be provided for under this section, including
17 the following:

18 “(A) The circumstances under which consider-
19 ation of a person’s case by a special board is contin-
20 gent upon application by or for that person.

21 “(B) Any time limits applicable to the filing of
22 an application for consideration.

23 “(3) Regulations prescribed by the Secretary of a
24 military department under this subsection shall be subject
25 to the approval of the Secretary of Defense.

1 “(e) JUDICIAL REVIEW.—(1) A person challenging
2 for any reason the action or recommendation of a selection
3 board, or the action taken by the Secretary concerned on
4 the report of a selection board, is not entitled to relief in
5 any judicial proceeding unless the person has first been
6 considered by a special board under this section or the
7 Secretary concerned has denied such consideration.

8 “(2) A court of the United States may review a deter-
9 mination by the Secretary concerned not to convene a spe-
10 cial board in the case of any person. In any such case,
11 a court may set aside the Secretary’s determination only
12 if the court finds the determination to be arbitrary or ca-
13 pricious, not based on substantial evidence, or otherwise
14 contrary to law. If a court sets aside a determination not
15 to convene a special board, it shall remand the case to
16 the Secretary concerned, who shall provide for consider-
17 ation of the person by a special board.

18 “(3) A court of the United States may review a rec-
19 ommendation of a special board or an action of the Sec-
20 retary concerned on the report of a special board convened
21 for consideration of a person. In any such case, a court
22 may set aside the recommendation or action, as the case
23 may be, only if the court finds that the recommendation
24 or action was contrary to law or involved a material error
25 of fact or a material administrative error. If a court sets

1 aside the recommendation of a special board, it shall re-
2 mand the case to the Secretary concerned, who shall pro-
3 vide for reconsideration of the person by another special
4 board. If a court sets aside the action of the Secretary
5 concerned on the report of a special board, it shall remand
6 the case to the Secretary concerned for a new action on
7 the report of the special board.

8 “(4)(A) If, not later than six months after receiving
9 a complete application for consideration by a special board
10 in any case, the Secretary concerned has not convened a
11 special board and has not denied consideration by a special
12 board in that case, the Secretary shall be deemed to have
13 denied the consideration of the case for the purposes of
14 this subsection.

15 “(B) If, not later than one year after the convening
16 of a special board in any case, the Secretary concerned
17 has not taken final action on the report of the special
18 board, the Secretary shall be deemed to have denied relief
19 in such case for the purposes of this subsection.

20 “(C) Under regulations prescribed under subsection
21 (d), the Secretary concerned may waive the applicability
22 of subparagraph (A) or (B) in a case if the Secretary de-
23 termines that a longer period for consideration of the case
24 is warranted. The Secretary of a military department may

1 not delegate authority to make a determination under this
2 subparagraph.

3 “(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding
4 any other provision of law, but subject to subsection (g),
5 the remedies provided under this section are the only rem-
6 edies available to a person for correcting an action or rec-
7 ommendation of a selection board regarding that person
8 or an action taken on the report of a selection board re-
9 garding that person.

10 “(g) EXISTING JURISDICTION.—(1) Nothing in this
11 section limits the jurisdiction of any court of the United
12 States under any provision of law to determine the validity
13 of any statute, regulation, or policy relating to selection
14 boards, except that, in the event that any such statute,
15 regulation, or policy is held invalid, the remedies pre-
16 scribed in this section shall be the sole and exclusive rem-
17 edies available to any person challenging the recommenda-
18 tion of a special board on the basis of the invalidity.

19 “(2) Nothing in this section limits authority to cor-
20 rect a military record under section 1552 of this title.

21 “(h) INAPPLICABILITY TO COAST GUARD.—This sec-
22 tion does not apply to the Coast Guard when it is not
23 operating as a service in the Navy.

24 “(i) DEFINITIONS.—In this section:

25 “(1) The term ‘special board’—

1 “(A) means a board that the Secretary
2 concerned convenes under any authority to con-
3 sider whether to recommend a person for ap-
4 pointment, enlistment, reenlistment, assign-
5 ment, promotion, retention, separation, retire-
6 ment, or transfer to inactive status in a reserve
7 component instead of referring the records of
8 that person for consideration by a previously
9 convened selection board which considered or
10 should have considered that person;

11 “(B) includes a board for the correction of
12 military or naval records convened under sec-
13 tion 1552 of this title, if designated as a special
14 board by the Secretary concerned; and

15 “(C) does not include a promotion special
16 selection board convened under section 628 or
17 14502 of this title.

18 “(2) The term ‘selection board’—

19 “(A) means a selection board convened
20 under section 573(c), 580, 580a, 581, 611(b),
21 637, 638, 638a, 14101(b), 14701, 14704, or
22 14705 of this title, and any other board con-
23 vened by the Secretary concerned under any au-
24 thority to recommend persons for appointment,
25 enlistment, reenlistment, assignment, pro-

1 motion, or retention in the armed forces or for
 2 separation, retirement, or transfer to inactive
 3 status in a reserve component for the purpose
 4 of reducing the number of persons serving in
 5 the armed forces; and

6 “(B) does not include—

7 “(i) a promotion board convened
 8 under section 573(a), 611(a), or 14101(a)
 9 of this title;

10 “(ii) a special board;

11 “(iii) a special selection board con-
 12 vened under section 628 of this title; or

13 “(iv) a board for the correction of
 14 military records convened under section
 15 1552 of this title.”.

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

“1558. Exclusive remedies in cases involving selection boards .”.

18 (b) SPECIAL SELECTION BOARDS.—Section 628 of
 19 such title is amended—

20 (1) by redesignating subsection (g) as sub-
 21 section (j); and

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

24 “(g) JUDICIAL REVIEW.—(1) A court of the United
 25 States may review a determination by the Secretary con-

1 cerned under subsection (a)(1) or (b)(1) not to convene
2 a special selection board in the case of an officer or former
3 officer of the armed forces. If the court finds the deter-
4 mination to be arbitrary or capricious, not based on sub-
5 stantial evidence, or otherwise contrary to law, it shall re-
6 mand the case to the Secretary concerned, who shall pro-
7 vide for consideration of the officer or former officer by
8 a special selection board under this section.

9 “(2) A court of the United States may review the ac-
10 tion of a special selection board convened under this sec-
11 tion upon the request of an officer or former officer of
12 the armed forces and any action taken by the President
13 on the report of the board. If the court finds that the ac-
14 tion was contrary to law or involved a material error of
15 fact or a material administrative error, it shall remand
16 the case to the Secretary concerned, who shall provide for
17 reconsideration of the officer or former officer by another
18 special selection board.

19 “(3)(A) For the purposes of this subsection, the Sec-
20 retary concerned shall be deemed to have determined not
21 to convene a special selection board under subsection
22 (a)(1) or (b)(1) in the case of an officer or former officer
23 of the armed forces upon a failure of the Secretary to
24 make a determination on the convening of a special selec-
25 tion board in that case within six months after receiving

1 a properly completed request to convene a special selection
2 board under that authority in that case.

3 “(B) Under regulations prescribed by the Secretary
4 concerned, the Secretary may waive the applicability of
5 subparagraph (A) in the case of a request for the con-
6 vening of a special selection board if the Secretary deter-
7 mines that a longer period for consideration of the request
8 is warranted. The Secretary concerned may not delegate
9 authority to make a determination under this subpara-
10 graph.

11 “(h) LIMITATIONS OF OTHER JURISDICTION.—(1)
12 No official or court of the United States may, with respect
13 to a claim based to any extent on the failure of an officer
14 or former officer of the armed forces to be selected for
15 promotion by a promotion board—

16 “(A) consider the claim unless the officer or
17 former officer has first been referred by the Sec-
18 retary concerned to a special selection board con-
19 vened under this section and acted upon by that
20 board and the report of the board has been approved
21 by the President; or

22 “(B) except as provided in subsection (g), grant
23 any relief on the claim unless the officer or former
24 officer has been selected for promotion by a special
25 selection board convened under this section to con-

1 sider the officer for recommendation for promotion
2 and the report of the board has been approved by
3 the President.

4 “(i) EXISTING JURISDICTION.—(1) Nothing in this
5 section limits the jurisdiction of any court of the United
6 States under any provision of law to determine the validity
7 of any statute, regulation, or policy relating to selection
8 boards, except that, in the event that any such statute,
9 regulation, or policy is held invalid, the remedies pre-
10 scribed in this section shall be the sole and exclusive rem-
11 edies available to any person challenging the recommenda-
12 tion of a selection board on the basis of the invalidity.

13 “(2) Nothing in this section limits authority to cor-
14 rect a military record under section 1552 of this title.”.

15 (c) EFFECTIVE DATE AND APPLICABILITY.—(1) The
16 amendments made by this section shall take effect on the
17 date of the enactment of this Act and, except as provided
18 in paragraph (2), shall apply with respect to any pro-
19 ceeding pending on or after that date without regard to
20 whether a challenge to an action of a selection board of
21 any of the Armed Forces being considered in such pro-
22 ceeding was initiated before, on, or after that date.

23 (2) The amendments made by this section shall not
24 apply with respect to any action commenced in a court

1 of the United States before the date of the enactment of
2 this Act.

3 **SEC. 586. ACCEPTANCE OF VOLUNTARY LEGAL ASSISTANCE**
4 **FOR THE CIVIL AFFAIRS OF MEMBERS AND**
5 **FORMER MEMBERS OF THE UNIFORMED**
6 **SERVICES AND THEIR DEPENDENTS.**

7 (a) **AUTHORITY.**—Subsection (a) of section 1588 of
8 title 10, United States Code, is amended by adding at the
9 end the following new paragraph:

10 “(5) Legal services voluntarily provided as legal
11 assistance under section 1044 of this title.”.

12 (b) **DEFENSE OF LEGAL MALPRACTICE.**—Subsection
13 (d)(1) of that section is amended by adding at the end
14 the following new subparagraph:

15 “(E) Section 1054 of this title (relating to legal
16 malpractice), for a person voluntarily providing legal
17 services accepted under subsection (a)(5), as if the
18 person were providing the services as an attorney of
19 a legal staff within the Department of Defense.”.

20 **SEC. 587. EXTENSION OF DEFENSE TASK FORCE ON DOMES-**
21 **TIC VIOLENCE.**

22 Section 591(j) of the National Defense Authorization
23 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
24 641, 10 U.S.C. 1562 note) is amended by striking “three

1 years after the date of the enactment of this Act” and
 2 inserting “April 24, 2003”.

3 **SEC. 588. TRANSPORTATION TO ANNUAL MEETING OF**
 4 **NEXT-OF-KIN OF PERSONS UNACCOUNTED**
 5 **FOR FROM CONFLICTS AFTER WORLD WAR II.**

6 (a) IN GENERAL.—(1) Chapter 157 of title 10,
 7 United States Code, is amended by adding at the end the
 8 following new section:

9 **“§ 2647. Transportation to annual meeting of next-of-**
 10 **kin of persons unaccounted for from con-**
 11 **licts after World War II**

12 “The Secretary of Defense may provide transpor-
 13 tation for the next-of-kin of persons who are unaccounted
 14 for from the Korean conflict, the Cold War, Vietnam War
 15 era, or the Persian Gulf War to and from those annual
 16 meetings sanctioned by the Department of Defense in the
 17 United States. Such transportation shall be provided
 18 under such regulations as the Secretary of Defense may
 19 prescribe.”.

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

“2647. Transportation to annual meeting of next-of-kin of persons unaccounted
 for from conflicts after World War II.”.

23 (b) EFFECTIVE DATE.—Section 2647 of title 10,
 24 United States Code, as added by subsection (a), shall take

1 effect on October 1, 2001, or the date of the enactment
 2 of this Act, whichever is later.

3 **TITLE VI—COMPENSATION AND**
 4 **OTHER PERSONNEL BENEFITS**
 5 **Subtitle A—Pay and Allowances**

6 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2002.**

7 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
 8 adjustment to become effective during fiscal year 2002 re-
 9 quired by section 1009 of title 37, United States Code,
 10 in the rates of monthly basic pay authorized members of
 11 the uniformed services shall not be made.

12 (b) INCREASE IN BASIC PAY.—Effective on January
 13 1, 2002, the rates of monthly basic pay for members of
 14 the uniformed services within each pay grade are as fol-
 15 lows:

COMMISSIONED OFFICERS 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
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	7,180.20	7,415.40	7,571.10	7,614.90	7,809.30
O-7 ...	5,966.40	6,371.70	6,371.70	6,418.20	6,657.90
O-6 ...	4,422.00	4,857.90	5,176.80	5,176.80	5,196.60
O-5 ...	3,537.00	4,152.60	4,440.30	4,494.30	4,673.10
O-4 ...	3,023.70	3,681.90	3,927.60	3,982.50	4,210.50
O-3 ³	2,796.60	3,170.40	3,421.80	3,698.70	3,875.70
O-2 ³	2,416.20	2,751.90	3,169.50	3,276.30	3,344.10
O-1 ³	2,097.60	2,183.10	2,638.50	2,638.50	2,638.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	8,135.10	8,210.70	8,519.70	8,608.50	8,874.30
O-7 ...	6,840.30	7,051.20	7,261.80	7,472.70	8,135.10
O-6 ...	5,418.90	5,448.60	5,448.60	5,628.60	6,305.70
O-5 ...	4,673.10	4,813.50	5,073.30	5,413.50	5,755.80
O-4 ...	4,395.90	4,696.20	4,930.20	5,092.50	5,255.70

COMMISSIONED OFFICERS ¹—Continued

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-3 ³	4,070.10	4,232.40	4,441.20	4,549.50	4,549.50
O-2 ³	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O-1 ³	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	11,601.90	11,659.20	11,901.30	12,324.00
O-9 ...	0.00	10,147.50	10,293.60	10,504.80	10,873.80
O-8 ...	9,259.50	9,614.70	9,852.00	9,852.00	9,852.00
O-7 ...	8,694.90	8,694.90	8,694.90	8,694.90	8,738.70
O-6 ...	6,627.00	6,948.30	7,131.00	7,316.10	7,675.20
O-5 ...	5,919.00	6,079.80	6,262.80	6,262.80	6,262.80
O-4 ...	5,310.60	5,310.60	5,310.60	5,310.60	5,310.60
O-3 ³	4,549.50	4,549.50	4,549.50	4,549.50	4,549.50
O-2 ³	3,344.10	3,344.10	3,344.10	3,344.10	3,344.10
O-1 ³	2,638.50	2,638.50	2,638.50	2,638.50	2,638.50

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is \$13,598.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE
AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	3,698.70	3,875.70
O-2E	0.00	0.00	0.00	3,276.30	3,344.10
O-1E	0.00	0.00	0.00	2,638.50	2,818.20
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	4,070.10	4,232.40	4,441.20	4,617.00	4,717.50
O-2E	3,450.30	3,630.00	3,768.90	3,872.40	3,872.40
O-1E	2,922.30	3,028.50	3,133.20	3,276.30	3,276.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	4,855.20	4,855.20	4,855.20	4,855.20	4,855.20
O-2E	3,872.40	3,872.40	3,872.40	3,872.40	3,872.40
O-1E	3,276.30	3,276.30	3,276.30	3,276.30	3,276.30

WARRANT OFFICERS 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
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	2,889.60	3,108.60	3,198.00	3,285.90	3,437.10
W-3 ..	2,638.80	2,862.00	2,862.00	2,898.90	3,017.40
W-2 ..	2,321.40	2,454.00	2,569.80	2,654.10	2,726.40

WARRANT OFFICERS¹—Continued

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-1 ..	2,049.90	2,217.60	2,330.10	2,402.70	2,511.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,586.50	3,737.70	3,885.30	4,038.00	4,184.40
W-3 ..	3,152.40	3,330.90	3,439.50	3,558.30	3,693.90
W-2 ..	2,875.20	2,984.40	3,093.90	3,200.40	3,318.00
W-1 ..	2,624.70	2,737.80	2,850.00	2,963.70	3,077.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	4,965.60	5,136.00	5,307.00	5,478.60
W-4 ..	4,334.40	4,480.80	4,632.60	4,782.00	4,935.30
W-3 ..	3,828.60	3,963.60	4,098.30	4,233.30	4,368.90
W-2 ..	3,438.90	3,559.80	3,680.10	3,801.30	3,901.30
W-1 ..	3,189.90	3,275.10	3,275.10	3,275.10	3,275.10

¹ Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8 ...	0.00	0.00	0.00	0.00	0.00
E-7 ...	1,986.90	2,169.00	2,251.50	2,332.50	2,417.40
E-6 ...	1,701.00	1,870.80	1,953.60	2,033.70	2,117.40
E-5 ...	1,561.50	1,665.30	1,745.70	1,828.50	1,912.80
E-4 ...	1,443.60	1,517.70	1,599.60	1,680.30	1,752.30
E-3 ...	1,303.50	1,385.40	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E-1 ...	³ 1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,423.90	3,501.30	3,599.40	3,714.60
E-8 ...	2,858.10	2,940.60	3,017.70	3,110.10	3,210.30
E-7 ...	2,562.90	2,645.10	2,726.40	2,808.00	2,892.60
E-6 ...	2,254.50	2,337.30	2,417.40	2,499.30	2,558.10
E-5 ...	2,030.10	2,110.20	2,193.30	2,193.30	2,193.30
E-4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E-3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30
E-1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$3,830.40	3,944.10	4,098.30	4,251.30	4,467.00
E-8 ...	3,314.70	3,420.30	3,573.00	3,724.80	3,937.80
E-7 ...	2,975.10	3,057.30	3,200.40	3,292.80	3,526.80
E-6 ...	2,602.80	2,602.80	2,602.80	2,602.80	2,602.80
E-5 ...	2,193.30	2,193.30	2,193.30	2,193.30	2,193.30
E-4 ...	1,752.30	1,752.30	1,752.30	1,752.30	1,752.30
E-3 ...	1,468.50	1,468.50	1,468.50	1,468.50	1,468.50
E-2 ...	1,239.30	1,239.30	1,239.30	1,239.30	1,239.30

ENLISTED MEMBERS¹—Continued

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-1 ...	1,105.50	1,105.50	1,105.50	1,105.50	1,105.50

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is \$5,382.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,022.70.

1 SEC. 602. BASIC PAY RATE FOR CERTAIN RESERVE COM-
2 MISSIONED OFFICERS WITH PRIOR SERVICE
3 AS AN ENLISTED MEMBER OR WARRANT OF-
4 FICER.

5 (a) SERVICE CREDIT.—Section 203(d) of title 37,
6 United States Code, is amended—

7 (1) by inserting “(1)” after “(d)”;

8 (2) by striking “active service as a warrant offi-
9 cer or as a warrant officer and an enlisted member”
10 and inserting “service described in paragraph (2)”;
11 and

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

14 “(2) Service to be taken into account for purposes
15 of computing basic pay under paragraph (1) is as follows:

16 “(A) Active service as a warrant officer or as
17 a warrant officer and an enlisted member, in the
18 case of—

1 “(i) a commissioned officer on active duty
2 who is paid from funds appropriated for active-
3 duty personnel; or

4 “(ii) a commissioned officer on active
5 Guard and Reserve duty.

6 “(B) In the case of a commissioned officer (not
7 referred to in subparagraph (A)(ii)) who is paid
8 from funds appropriated for reserve personnel, serv-
9 ice as a warrant officer, or as a warrant officer and
10 enlisted member, for which at least 1,460 points
11 have been credited to the officer for the purposes of
12 section 12732(a)(2) of title 10.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall take effect on October 1, 2001, and
15 shall apply with respect to months beginning on or after
16 that date.

17 **SEC. 603. RESERVE COMPONENT COMPENSATION FOR DIS-**
18 **TRIBUTED LEARNING ACTIVITIES PER-**
19 **FORMED AS INACTIVE-DUTY TRAINING.**

20 (a) COMPENSATION AUTHORIZED.—Section 206(d)
21 of title 37, United States Code, is amended to read as
22 follows:

23 “(d)(1) Compensation is payable under this section
24 to a member in a grade below E–7 for a period of instruc-
25 tion or duty in pursuit of the satisfaction of educational

1 requirements imposed on members of the uniformed serv-
 2 ices by law or regulations if—

3 “(A) the particular activity in pursuit of the
 4 satisfaction of such requirements is an activity ap-
 5 proved for that period of instruction or duty by the
 6 commander who prescribes the instruction or duty
 7 for the member for that period; and

8 “(B) the member attains the learning objectives
 9 required for the period of instruction or duty, as de-
 10 termined under regulations prescribed by the Sec-
 11 retary concerned.

12 “(2) Acceptable means of pursuit of the satisfaction
 13 of educational requirements for the purposes of compensa-
 14 tion under this section include any means (which may in-
 15 clude electronic, documentary, or distributed learning)
 16 that is authorized for the attainment of educational credit
 17 toward the satisfaction of those requirements in regula-
 18 tions prescribed by the Secretary concerned.”.

19 (b) DEFINITION OF INACTIVE-DUTY TRAINING.—
 20 Section 101(22) of title 37, United States Code, is amend-
 21 ed by striking “but does not include work or study in con-
 22 nection with a correspondence course of a uniformed serv-
 23 ice”.

1 **SEC. 604. CLARIFICATIONS FOR TRANSITION TO RE-**
2 **FORMED BASIC ALLOWANCE FOR SUBSIST-**
3 **ENCE.**

4 (a) BASELINE AMOUNT FOR CALCULATING ALLOW-
5 ANCE FOR ENLISTED MEMBERS.—For the purposes of
6 section 402(b)(2) of title 37, United States Code, the
7 monthly rate of basic allowance for subsistence that is in
8 effect for an enlisted member for the year ending Decem-
9 ber 31, 2001, is \$233.

10 (b) RATE FOR ENLISTED MEMBERS WHEN MESSING
11 FACILITIES NOT AVAILABLE.—(1) Notwithstanding sec-
12 tion 402 of title 37, United States Code, the Secretary
13 of Defense, or the Secretary of Transportation with re-
14 spect to the Coast Guard when it is not operating as a
15 service in the Navy, may prescribe a rate of basic allow-
16 ance for subsistence to apply to enlisted members of the
17 uniformed services when messing facilities of the United
18 States are not available. The rate may be higher than the
19 rate of basic allowance for subsistence that would other-
20 wise be applicable to the members under that section, but
21 may not be higher than the highest rate that was in effect
22 for enlisted members of the uniformed services under
23 those circumstances before the date of the enactment of
24 this Act.

25 (2) Paragraph (1) shall cease to be effective on the
26 first day of the first month for which the basic allowance

1 for subsistence calculated for enlisted members of the uni-
 2 formed services under section 402 of title 37, United
 3 States Code, exceeds the rate of the basic allowance for
 4 subsistence prescribed under that paragraph.

5 (c) DATE FOR EARLY TERMINATION OF BAS TRAN-
 6 SITIONAL AUTHORITY.—Section 603(c) of the Floyd D.
 7 Spence National Defense Authorization Act for Fiscal
 8 Year 2001 (as enacted into law by Public Law 106–398;
 9 114 Stat. 1654A–145) is amended by striking “October
 10 1, 2001,” and inserting “January 1, 2002,”.

11 **SEC. 605. INCREASE IN BASIC ALLOWANCE FOR HOUSING**
 12 **IN THE UNITED STATES.**

13 (a) ACCELERATION OF INCREASE.—Subsection
 14 403(b)(1) of title 37, United States Code, is amended by
 15 adding at the end the following: “After September 30,
 16 2002, the rate prescribed for a grade and dependency sta-
 17 tus for a military housing area in the United States may
 18 not be less than the median cost of adequate housing for
 19 members in that grade and dependency status in that
 20 area, as determined on the basis of the costs of adequate
 21 housing determined for the area under paragraph (2).”.

22 (b) FISCAL YEAR 2002 RATES.—(1) Subject to sub-
 23 section (b)(3) of section 403 of title 37, United States
 24 Code, in the administration of such section 403 for fiscal
 25 year 2002, the monthly amount of a basic allowance for

1 housing for an area of the United States for a member
 2 of a uniformed service shall be equal to 92.5 percent of
 3 the monthly cost of adequate housing in that area, as de-
 4 termined by the Secretary of Defense, for members of the
 5 uniformed services serving in the same pay grade and with
 6 the same dependency status as the member.

7 (2) In addition to the amount determined by the Sec-
 8 retary of Defense under section 403(b)(3) of title 37,
 9 United States Code, to be the total amount to be paid
 10 during fiscal year 2002 for the basic allowance for housing
 11 for military housing areas inside the United States,
 12 \$232,000,000 of the amount authorized to be appro-
 13 priated by section 421 for military personnel may be used
 14 by the Secretary to further increase the total amount
 15 available for the basic allowance for housing for military
 16 housing areas inside the United States.

17 **SEC. 606. CLARIFICATION OF ELIGIBILITY FOR SUPPLE-**
 18 **MENTAL SUBSISTENCE ALLOWANCE.**

19 Section 402a(b)(1) of title 37, United States Code,
 20 is amended by inserting “with dependents” after “a mem-
 21 ber of the armed forces”.

22 **SEC. 607. CORRECTION OF LIMITATION ON ADDITIONAL**
 23 **UNIFORM ALLOWANCE FOR OFFICERS.**

24 Section 416(b)(1) of title 37, United States Code, is
 25 amended by striking “\$200” and inserting “\$400”.

1 **SEC. 608. PAYMENT FOR UNUSED LEAVE IN EXCESS OF 60**
 2 **DAYS ACCRUED BY MEMBERS OF RESERVE**
 3 **COMPONENTS ON ACTIVE DUTY FOR ONE**
 4 **YEAR OR LESS.**

5 (a) ELIGIBILITY.—Section 501(b)(5) of title 37,
 6 United States Code, is amended by—

7 (1) striking “or” at the end of subparagraph
 8 (B);

9 (2) striking the period at the end of subpara-
 10 graph (C) and inserting “; or”; and

11 (3) adding at the end the following new sub-
 12 paragraph:

13 “(D) by a member of a reserve component while
 14 serving on active duty, full-time National Guard
 15 duty, or active duty for training for a period of more
 16 than 30 days but not in excess of 365 days.”.

17 (b) EFFECTIVE DATE.—This section and the amend-
 18 ments made by this section shall take effect on October
 19 1, 2001, and shall apply with respect to periods of active
 20 duty that begin on or after that date.

21 **Subtitle B—Bonuses and Special**
 22 **and Incentive Pays**

23 **SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
 24 **PAY AUTHORITIES FOR RESERVE FORCES.**

25 (a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN
 26 CRITICALLY SHORT WARTIME SPECIALTIES.—Section

1 302g(f) of title 37, United States Code, is amended by
2 striking “December 31, 2001” and inserting “December
3 31, 2002”.

4 (b) SELECTED RESERVE REENLISTMENT BONUS.—
5 Section 308b(f) of such title is amended by striking “De-
6 cember 31, 2001” and inserting “December 31, 2002”.

7 (c) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
8 tion 308c(e) of such title is amended by striking “Decem-
9 ber 31, 2001” and inserting “December 31, 2002”.

10 (d) SPECIAL PAY FOR ENLISTED MEMBERS AS-
11 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
12 308d(c) of such title is amended by striking “December
13 31, 2001” and inserting “December 31, 2002”.

14 (e) SELECTED RESERVE AFFILIATION BONUS.—Sec-
15 tion 308e(e) of such title is amended by striking “Decem-
16 ber 31, 2001” and inserting “December 31, 2002”.

17 (f) READY RESERVE ENLISTMENT AND REENLIST-
18 MENT BONUS.—Section 308h(g) of such title is amended
19 by striking “December 31, 2001” and inserting “Decem-
20 ber 31, 2002”.

21 (g) PRIOR SERVICE ENLISTMENT BONUS.—Section
22 308i(f) of such title is amended by striking “December
23 31, 2001” and inserting “December 31, 2002”.

24 (h) REPAYMENT OF EDUCATION LOANS FOR CER-
25 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-

LECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking “January 1, 2002” and inserting “January 1, 2003”.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking “December 31, 2001” and inserting “December 31, 2002”.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking “December 31, 2001” and inserting “December 31, 2002”.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking “December 31, 2001” and inserting “December 31, 2002”.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking “December 31, 2001” and inserting “December 31, 2002”.

1 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
 2 312b(c) of such title is amended by striking “December
 3 31, 2001” and inserting “December 31, 2002”.

4 (c) NUCLEAR CAREER ANNUAL INCENTIVE
 5 BONUS.—Section 312c(d) of such title is amended by
 6 striking “December 31, 2001” and inserting “December
 7 31, 2002”.

8 **SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAY-**
 9 **MENT OF OTHER BONUSES AND SPECIAL**
 10 **PAYS.**

11 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
 12 tion 301b(a) of title 37, United States Code, is amended
 13 by striking “December 31, 2001,” and inserting “Decem-
 14 ber 31, 2002,”.

15 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
 16 BERS.—Section 308(g) of such title is amended by strik-
 17 ing “December 31, 2001” and inserting “December 31,
 18 2002”.

19 (c) BONUS FOR ENLISTMENT FOR TWO OR MORE
 20 YEARS.—Section 309(e) of such title is amended by strik-
 21 ing “December 31, 2001” and inserting “December 31,
 22 2002”.

23 (d) RETENTION BONUS FOR MEMBERS WITH CRIT-
 24 ICAL SKILLS.—Section 323(i) of such title is amended by

1 striking “December 31, 2001” and inserting “December
2 31, 2002”.

3 **SEC. 615. HAZARDOUS DUTY PAY FOR MEMBERS OF MARI-**
4 **TIME VISIT, BOARD, SEARCH, AND SEIZURE**
5 **TEAMS.**

6 (a) ELIGIBILITY.—Section 301(a) of title 37, United
7 States Code, is amended—

8 (1) by striking “or” at the end of paragraph
9 (10);

10 (2) by striking the period at the end of para-
11 graph (11) and inserting “; or”; and

12 (3) by inserting at the end the following new
13 paragraph:

14 “(12) involving regular participation as a mem-
15 ber of a team conducting visit, board, search, and
16 seizure operations aboard vessels in support of mari-
17 time interdiction operations.”.

18 (b) EFFECTIVE DATE.—This section and the amend-
19 ments made by this section shall take effect on October
20 1, 2001.

21 **SEC. 616. SUBMARINE DUTY INCENTIVE PAY RATES.**

22 (a) AUTHORITY.—Section 301c of title 37, United
23 States Code, is amended by striking subsection (b) and
24 inserting the following:

1 “(b) The Secretary of the Navy shall prescribe the
 2 monthly rates of submarine duty incentive pay. The max-
 3 imum monthly rate may not exceed \$1,000.”.

4 (b) CONFORMING AMENDMENTS.—(1) Subsection (a)
 5 of such section is amended—

6 (A) by striking “in the amount set forth in sub-
 7 section (b)” in paragraphs (1) and (2); and

8 (B) in paragraph (4), by striking “that pay in
 9 the amount set forth in subsection (b)” and insert-
 10 ing “submarine duty incentive pay”.

11 (2) Subsection (d) of such section is amended by
 12 striking “monthly incentive pay authorized by subsection
 13 (b)” and inserting “monthly submarine duty incentive pay
 14 authorized”.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall take effect on October 1, 2002.

17 **SEC. 617. CAREER SEA PAY.**

18 (a) IN GENERAL.—Section 305a(d) of title 37,
 19 United States Code, is amended by adding at the end the
 20 following: “Under no circumstances shall a member of the
 21 uniformed services be excluded from this entitlement by
 22 virtue of his or her rank, no matter how junior, or sub-
 23 jected to a minimum time in service or underway in order
 24 to rate this entitlement.”.

1 (b) EFFECTIVE DATE AND APPLICABILITY.—The
 2 amendment made by subsection (a) shall take effect on
 3 October 1, 2001, and shall apply with respect to pay peri-
 4 ods beginning on or after that date.

5 **SEC. 618. MODIFICATION OF ELIGIBILITY REQUIREMENTS**
 6 **FOR INDIVIDUAL READY RESERVE BONUS**
 7 **FOR REENLISTMENT, ENLISTMENT, OR EX-**
 8 **TENSION OF ENLISTMENT.**

9 (a) ELIGIBILITY BASED ON QUALIFICATIONS IN
 10 CRITICALLY SHORT WARTIME SKILLS OR SPECIALTIES.—
 11 Section 308h(a) of title 37, United States Code, is amend-
 12 ed to read as follows:

13 “(a)(1) The Secretary concerned may pay a bonus as
 14 provided in subsection (b) to an eligible person who reen-
 15 lists, enlists, or voluntarily extends an enlistment in a re-
 16 serve component of an armed force for assignment to an
 17 element (other than the Selected Reserve) of the Ready
 18 Reserve of that armed force if the reenlistment, enlist-
 19 ment, or extension is for a period of three years, or for
 20 a period of six years, beyond any other period the person
 21 is obligated to serve.

22 “(2) A person is eligible for a bonus under this sec-
 23 tion if the person—

24 “(A) is or has been a member of an armed
 25 force;

1 “(B) is qualified in a skill or specialty des-
 2 ignated by the Secretary concerned as a critically
 3 short wartime skill or critically short wartime spe-
 4 cialty, respectively; and

5 “(C) has not failed to complete satisfactorily
 6 any original term of enlistment in the armed forces.

7 “(3) For the purposes of this section, the Secretary
 8 concerned may designate a skill or specialty as a critically
 9 short wartime skill or critically short wartime specialty,
 10 respectively, for an armed force under the jurisdiction of
 11 the Secretary if the Secretary determines that—

12 “(A) the skill or specialty is critical to meet
 13 wartime requirements of the armed force; and

14 “(B) there is a critical shortage of personnel in
 15 that armed force who are qualified in that skill or
 16 specialty.”.

17 (b) REGULATIONS.—The Secretaries of the military
 18 departments shall prescribe the regulations necessary for
 19 administering section 308h of title 37, United States
 20 Code, as amended by this section, not later than the effec-
 21 tive date determined under subsection (c)(1).

22 (c) EFFECTIVE DATE.—This section and the amend-
 23 ments made by this section—

1 (1) shall take effect on the first day of the first
2 month that begins more than 180 days after the
3 date of the enactment of this Act; and

4 (2) shall apply with respect to reserve compo-
5 nent reenlistments, enlistments, and extensions of
6 enlistments that are executed on or after the first
7 day of that month.

8 **SEC. 619. ACCESSION BONUS FOR OFFICERS IN CRITICAL**
9 **SKILLS.**

10 (a) IN GENERAL.—(1) Chapter 5 of title 37, United
11 States Code, is amended by inserting after section 323 the
12 following new section:

13 **“§ 324. Special pay: critical officer skills accession**
14 **bonus**

15 “(a) ACCESSION BONUS AUTHORIZED.—A person
16 who executes a written agreement to accept a commission
17 as an officer of an armed force and serve on active duty
18 in a designated critical officer skill for the period specified
19 in the agreement may be paid an accession bonus upon
20 acceptance of the written agreement by the Secretary con-
21 cerned.

22 “(b) DESIGNATION OF CRITICAL OFFICER SKILLS.—
23 (1) The Secretary of Defense, or the Secretary of Trans-
24 portation with respect to the Coast Guard when it is not
25 operating as a service in the Navy, shall designate the crit-

1 ical officer skills for the purposes of this section. The Sec-
2 retary of Defense may so designate a skill for any one
3 or more of the armed forces.

4 “(2) A skill may be designated as a critical officer
5 skill for an armed force for the purposes of this section
6 if—

7 “(A) in order to meet requirements of the
8 armed force, it is critical for the armed force to have
9 a sufficient number of officers who are qualified in
10 that skill; and

11 “(B) in order to mitigate a current or projected
12 significant shortage of personnel in the armed force
13 who are qualified in that skill, it is critical to access
14 into that armed force in sufficient numbers persons
15 who are qualified in that skill or are to be trained
16 in that skill.

17 “(c) AMOUNT OF BONUS.—The amount of a bonus
18 paid with respect to a critical officer skill shall be deter-
19 mined under regulations jointly prescribed by the Sec-
20 retary of Defense and the Secretary of Transportation,
21 but may not exceed \$20,000.

22 “(d) LIMITATION ON ELIGIBILITY FOR BONUS.—An
23 individual may not be paid a bonus under subsection (a)
24 if the individual has received, or is receiving, an accession

1 bonus for the same period of service under section 302d,
2 302h, or 312b of this title.

3 “(e) PAYMENT METHOD.—Upon acceptance of a
4 written agreement referred to in subsection (a) by the Sec-
5 retary concerned, the total amount payable pursuant to
6 the agreement under this section becomes fixed and may
7 be paid by the Secretary in either a lump sum or install-
8 ments.

9 “(f) REPAYMENT FOR FAILURE TO COMPLETE OBLI-
10 GATED SERVICE.—(1) A person who, after having received
11 all or part of the bonus under this section pursuant to
12 an agreement referred to in subsection (a), fails to accept
13 an appointment as a commissioned officer or to commence
14 or complete the total period of active duty service in a
15 designated critical officer skill as provided in the agree-
16 ment shall refund to the United States the amount that
17 bears the same ratio to the total amount of the bonus au-
18 thorized for such person as the unserved part of the period
19 of agreed active duty service in a designated critical officer
20 skill bears to the total period of the agreed active duty
21 service, but not more than the amount that was paid to
22 the person.

23 “(2) Subject to paragraph (3), an obligation to reim-
24 burse the United States imposed under paragraph (1) is
25 for all purposes a debt owed to the United States.

1 “(3) The Secretary concerned may waive, in whole
2 or in part, a refund required under paragraph (1) if the
3 Secretary concerned determines that recovery would be
4 against equity and good conscience or would be contrary
5 to the best interests of the United States.

6 “(4) A discharge in bankruptcy under title 11 that
7 is entered less than five years after the termination of a
8 written agreement entered into under subsection (a) does
9 not discharge the person signing the agreement from a
10 debt arising under such agreement or under paragraph
11 (1).

12 “(g) TERMINATION OF AUTHORITY.—No bonus may
13 be paid under this section with respect to an agreement
14 entered into after December 31, 2002.”.

15 (2) The table of sections at the beginning of such
16 chapter is amended by inserting after the item relating
17 to section 323 the following new item:

“324. Special pay: critical officer skills accession bonus.”.

18 (b) EFFECTIVE DATE.—Section 324 of title 37,
19 United States Code (as added by subsection (a)), shall
20 take effect on October 1, 2001.

1 **SEC. 620. MODIFICATION OF THE NURSE OFFICER CAN-**
2 **DIDATE ACCESSION PROGRAM RESTRICTION**
3 **ON STUDENTS ATTENDING CIVILIAN EDU-**
4 **CATIONAL INSTITUTIONS WITH SENIOR RE-**
5 **SERVE OFFICERS' TRAINING PROGRAMS.**

6 Section 2130a of title 10, United States Code, is
7 amended—

8 (1) in subsection (a)(2), by striking “that does
9 not have a Senior Reserve Officers’ Training Pro-
10 gram established under section 2102 of this title”;
11 and

12 (2) in subsection (b)(1), by striking “that does
13 not have a Senior Reserve Officers’ Training Pro-
14 gram established under section 2102 of this title”
15 and inserting “and, in the case of a student so en-
16 rolled at a civilian institution that has a Senior Re-
17 serve Officers’ Training Program established under
18 section 2102 of this title, is not eligible to partici-
19 pate in the Senior Reserve Officers’ Training Pro-
20 gram”.

Subtitle C—Travel and Transportation Allowances

SEC. 631. ELIGIBILITY FOR TEMPORARY HOUSING ALLOW- ANCE WHILE IN TRAVEL OR LEAVE STATUS BETWEEN PERMANENT DUTY STATIONS.

(a) PERSONNEL IN GRADES BELOW E-4.—Section 403(i) of title 37, United States Code, is amended by striking “who is in a pay grade E-4 (4 or more years of service) or above”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 632. ELIGIBILITY FOR PAYMENT OF SUBSISTENCE EX- PENSES ASSOCIATED WITH OCCUPANCY OF TEMPORARY LODGING INCIDENT TO RE- PORTING TO FIRST PERMANENT DUTY STA- TION.

(a) OFFICER PERSONNEL.—Section 404a(a)(2)(C) of title 37, United States Code, is amended by striking “an enlisted member” and inserting “a member”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 633. ELIGIBILITY FOR DISLOCATION ALLOWANCE.

(a) MEMBERS WITH DEPENDENTS WHEN ORDERED TO FIRST DUTY STATION.—Section 407 of title 37, United States Code, is amended—

1 (1) in subsection (a)(2), by adding at the end
 2 the following new subparagraph:

3 “(F) A member whose dependents actually
 4 move from the member’s place of residence in con-
 5 nection with the performance of orders for the mem-
 6 ber to report to the member’s first permanent duty
 7 station if the move—

8 “(i) is to the permanent duty station or a
 9 designated location; and

10 “(ii) is an authorized move.”; and

11 (2) in subsection (e), by inserting “(except as
 12 provided in subsection (a)(2)(F))” after “first duty
 13 station”.

14 (b) MARRIED MEMBERS WITHOUT DEPENDENTS AS-
 15 SIGNED TO GOVERNMENT FAMILY QUARTERS.—Sub-
 16 section (a) of such section, as amended by subsection (a),
 17 is further amended—

18 (1) by adding at the end of paragraph (2) the
 19 following new subparagraph:

20 “(G) Each of two members married to each
 21 other who—

22 “(i) is without dependents;

23 “(ii) actually moves with the member’s
 24 spouse to a new permanent duty station; and

1 “(iii) is assigned to family quarters of the
2 United States at or in the vicinity of the new
3 duty station.”; and

4 (2) by adding at the end of the subsection the
5 following new paragraph:

6 “(4) If a primary dislocation allowance is payable to
7 two members described in subparagraph (G) of paragraph
8 (2) who are married to each other, the amount of the al-
9 lowance payable to such members shall be the amount oth-
10 erwise payable under this subsection to the member in the
11 higher pay grade, or to either member if both members
12 are in the same pay grade. The allowance shall be paid
13 jointly to both members.”.

14 (c) EFFECTIVE DATE.—This section and the amend-
15 ments made by this section shall take effect on October
16 1, 2001.

17 **SEC. 634. ALLOWANCE FOR DISLOCATION FOR THE CON-**
18 **VENIENCE OF THE GOVERNMENT AT HOME**
19 **STATION.**

20 (a) AUTHORITY.—(1) Chapter 7 of title 37, United
21 States Code is amended by inserting after section 407 the
22 following new section:

1 **“§ 407a. Travel and transportation: allowance for dis-**
2 **location for the convenience of the Gov-**
3 **ernment at home station**

4 “(a) **AUTHORITY.**—Under regulations prescribed by
5 the Secretary concerned, a member of the uniformed serv-
6 ices may be paid a dislocation allowance under this section
7 when ordered, for the convenience of the Government and
8 not pursuant to a permanent change of station, to occupy
9 or to vacate family housing provided by the Department
10 of Defense, or by the Department of Transportation in
11 the case of the Coast Guard.

12 “(b) **AMOUNT.**—(1) Subject to paragraph (2), the
13 amount of a dislocation allowance paid under this section
14 is \$500.

15 “(2) Effective on the same date that the monthly
16 rates of basic pay for members of the uniformed services
17 are increased under section 1009 of this title or by a law
18 increasing those rates by a percentage specified in the law,
19 the amount of the dislocation allowance provided under
20 this section shall be increased by the percentage by which
21 the monthly rates of basic pay are so increased.

22 “(c) **ADVANCE PAYMENT.**—A dislocation allowance
23 payable under this section may be paid in advance.”.

24 (2) The table of sections at the beginning of such
25 chapter is amended by inserting after the item relating
26 to section 407 the following new item:

“407a. Travel and transportation: allowance for dislocation for the convenience of the Government at home station.”.

1 (b) EFFECTIVE DATE.—Section 407a of title 37,
2 United States Code, shall take effect on October 1, 2001.

3 **SEC. 635. TRAVEL AND TRANSPORTATION ALLOWANCES**
4 **FOR FAMILY MEMBERS TO ATTEND THE BUR-**
5 **IAL OF A DECEASED MEMBER OF THE UNI-**
6 **FORMED SERVICES.**

7 (a) CONSOLIDATION OF AUTHORITIES.—Section 411f
8 of title 37, United States Code, is amended—

9 (1) in subsection (a)—

10 (A) by inserting “ALLOWANCES AUTHOR-
11 IZED.—(1)” after “(a)”;

12 (B) by striking “the dependents of a mem-
13 ber” and inserting “eligible members of the
14 family of a member of the uniformed services”;

15 (C) by striking “such dependents” and in-
16 serting “such persons”; and

17 (D) by inserting at the end the following
18 new paragraph:

19 “(2) An attendant accompanying a person provided
20 travel and transportation allowances under this section for
21 travel to the burial ceremony for a deceased member may
22 also be provided under the uniform regulations round trip
23 travel and transportation allowances for travel to the bur-
24 ial ceremony if—

1 “(A) the accompanied person is unable to travel
2 unattended because of age, physical condition, or
3 other justifiable reason, as determined under the
4 uniform regulations; and

5 “(B) there is no other eligible member of the
6 family of the deceased member traveling to the bur-
7 ial ceremony who is eligible for travel and transpor-
8 tation allowances under this section and is qualified
9 to serve as the attendant.”;

10 (2) in subsection (b)—

11 (A) in paragraph (1)—

12 (i) by striking “(1) Except as pro-
13 vided in paragraph (2)” and inserting
14 “LIMITATIONS.—(1) Except as provided in
15 paragraphs (2) and (3)”; and

16 (ii) by inserting before the period at
17 the end the following: “and the time nec-
18 essary for such travel”;

19 (B) in paragraph (2), by striking “be ex-
20 tended to accommodate” and inserting “not ex-
21 ceed the rates for 2 days and”; and

22 (C) by adding at the end the following new
23 paragraph:

24 “(3) If a deceased member is interred in a cemetery
25 maintained by the American Battle Monuments Commis-

1 sion, the travel and transportation allowances authorized
 2 under this section may be provided to and from such ceme-
 3 tery and may not exceed the rates for 2 days and the time
 4 necessary for such travel.”; and

5 (3) by striking subsection (c) and inserting the
 6 following:

7 “(c) ELIGIBLE MEMBERS OF FAMILY.—The fol-
 8 lowing members of the family of a deceased member of
 9 the uniformed services are eligible for the travel and trans-
 10 portation allowances under this section:

11 “(1) The surviving spouse (including a remar-
 12 ried surviving spouse) of the deceased member.

13 “(2) The unmarried child or children of the de-
 14 ceased member referred to in section 401(a)(2) of
 15 this title.

16 “(3) If no person described in paragraphs (1)
 17 and (2) is provided travel and transportation allow-
 18 ances under this section, the parent or parents of
 19 the deceased member (as defined in section
 20 401(b)(2) of this title).

21 “(4) If no person described in paragraphs (1),
 22 (2), and (3) is provided travel and transportation al-
 23 lowances under this section, then—

24 “(A) the person who directs the disposition
 25 of the remains of the deceased member under

section 1482(c) of title 10, or, in the case of a deceased member whose remains are commingled and buried in a common grave in a national cemetery, the person who would have been designated under such section to direct the disposition of the remains if individual identification had been made; and

“(B) up to two additional persons closely related to the deceased member who are selected by the person referred to in subparagraph (A).

“(d) DEFINITIONS.—In this section:

“(1) The term ‘burial ceremony’ includes the following:

“(A) An interment of casketed or cremated remains.

“(B) A placement of cremated remains in a columbarium.

“(C) A memorial service for which reimbursement is authorized under section 1482(d)(2) of title 10.

“(D) A burial of commingled remains that cannot be individually identified in a common grave in a national cemetery.

1 “(2) The term ‘member of the family’ includes
2 a person described in section 1482(c)(4) of title 10
3 who, except for this paragraph, would not otherwise
4 be considered a family member.”.

5 (b) REPEAL OF SUPERSEDED LAWS.—(1) Section
6 1482 of title 10, United States Code, is amended by strik-
7 ing subsection (d) and redesignating subsections (e), (f),
8 and (g) as subsections (d), (e), and (f), respectively.

9 (2) The Funeral Transportation and Living Expense
10 Benefits Act of 1974 (Public Law 93–257; 88 Stat. 53;
11 37 U.S.C. 406 note) is repealed.

12 (c) APPLICABILITY.—The amendments made by this
13 Act shall apply with respect to deaths that occur on or
14 after the later of—

15 (1) October 1, 2001; or

16 (2) the date of the enactment of this Act.

17 **SEC. 636. FAMILY SEPARATION ALLOWANCE FOR MEMBERS**
18 **ELECTING UNACCOMPANIED TOUR BY REA-**
19 **SON OF HEALTH LIMITATIONS OF DEPEND-**
20 **ENTS.**

21 (a) ELIGIBILITY.—Section 427(c) of title 37, United
22 States Code, is amended—

23 (1) in the first sentence, by striking “A member
24 who elects” and inserting “(1) Except as provided in
25 paragraph (2), a member who elects”;

1 (2) in the second sentence, by striking “The
2 Secretary concerned may waive the preceding sen-
3 tence” and inserting the following:

4 “(3) The Secretary concerned may waive paragraph
5 (1)”;

6 (3) by inserting after paragraph (1) (as des-
7 ignated by the amendment made by paragraph (1)
8 of this section) the following new paragraph:

9 “(2) The prohibition in the first sentence of para-
10 graph (1) does not apply in the case of a member who
11 elects to serve a tour of duty unaccompanied by his de-
12 pendents at the member’s permanent station because a de-
13 pendent cannot accompany the member to or at that per-
14 manent station for medical reasons certified by a health
15 care professional in accordance with regulations prescribed
16 for the administration of this section.”.

17 (b) EFFECTIVE DATE.—This section and the amend-
18 ments made by this section shall take effect on October
19 1, 2001.

20 **SEC. 637. FUNDED STUDENT TRAVEL FOR FOREIGN STUDY**
21 **UNDER AN EDUCATION PROGRAM APPROVED**
22 **BY A UNITED STATES SCHOOL.**

23 (a) AUTHORITY.—Section 430 of title 37, United
24 States Code, is amended—

25 (1) in subsection (a)(3)—

1 (A) by striking “attending” and inserting
2 “enrolled in”; and

3 (B) by inserting before the comma at the
4 end the following: “and is attending that school
5 or is participating in a foreign study program
6 approved by that school and, pursuant to that
7 program, is attending a school outside the
8 United States for a period of not more than one
9 year”; and
10 (2) in subsection (b)—

11 (A) in the first sentence of paragraph (1),
12 by striking “each unmarried dependent child,”
13 and all that follows through “the school being
14 attended” and inserting “each unmarried de-
15 pendent child (described in subsection (a)(3)) of
16 one annual trip between the school being at-
17 tended by that child”; and

18 (B) by adding at the end the following new
19 paragraph:

20 “(3) The transportation allowance paid under para-
21 graph (1) for an annual trip of a dependent child de-
22 scribed in subsection (a)(3) who is attending a school out-
23 side the United States may not exceed the transportation
24 allowance that would be paid under this section for the
25 annual trip of that child between the child’s school in the

1 continental United States and the member's duty station
 2 outside the continental United States and return.”.

3 (b) EFFECTIVE DATE.—This section and the amend-
 4 ments made by this section shall take effect on October
 5 1, 2001, and shall apply with respect to travel that origi-
 6 nates outside the continental United States (as defined in
 7 section 430(f) of title 37, United States Code), on or after
 8 that date.

9 **SEC. 638. TRANSPORTATION OR STORAGE OF PRIVATELY**
 10 **OWNED VEHICLES ON CHANGE OF PERMA-**
 11 **NENT STATION.**

12 (a) ADVANCE PAYMENT OF STORAGE COSTS.—Sec-
 13 tion 2634(b) of title 10, United States Code, is amended
 14 by adding at the end the following new paragraph:

15 “(4) Storage costs payable under this subsection may
 16 be paid in advance.”.

17 (b) SHIPMENT IN PERMANENT CHANGE OF STATION
 18 WITHIN CONUS.—Subsection (h)(1) of such section is
 19 amended—

20 (1) by striking “includes” in the second sen-
 21 tence and all that follows and inserting “includes the
 22 following:”; and

23 (2) by adding at the end the following subpara-
 24 graphs:

1 “(A) An authorized change in home port of
2 a vessel.

3 “(B) A transfer or assignment between
4 two permanent stations in the continental
5 United States when—

6 “(i) the member cannot, because of
7 injury or the conditions of the order, drive
8 the motor vehicle between the permanent
9 duty stations; or

10 “(ii) the Secretary concerned deter-
11 mines that it is advantageous and cost-ef-
12 fective to the Government for one motor
13 vehicle of the member to be transported
14 between the permanent duty stations.”.

15 (c) EFFECTIVE DATE.—This section and the amend-
16 ments made by this section shall take effect on October
17 1, 2001.

18 **Subtitle D—Matters Relating to** 19 **Retirement and Survivor Benefits**

20 **SEC. 651. PAYMENT OF RETIRED PAY AND COMPENSATION** 21 **TO DISABLED MILITARY RETIREES.**

22 (a) RESTORATION OF RETIRED PAY BENEFITS.—
23 Chapter 71 of title 10, United States Code, is amended
24 by adding at the end the following new section:

1 **“§ 1414. Members eligible for retired pay who have**
2 **service-connected disabilities: payment of**
3 **retired pay and veterans’ disability com-**
4 **pensation**

5 “(a) PAYMENT OF BOTH RETIRED PAY AND COM-
6 PENSATION.—Except as provided in subsection (b), a
7 member or former member of the uniformed services who
8 is entitled to retired pay (other than as specified in sub-
9 section (c)) and who is also entitled to veterans’ disability
10 compensation is entitled to be paid both without regard
11 to sections 5304 and 5305 of title 38.

12 “(b) SPECIAL RULE FOR CHAPTER 61 CAREER RE-
13 TIREES.—The retired pay of a member retired under
14 chapter 61 of this title with 20 years or more of service
15 otherwise creditable under section 1405 of this title at the
16 time of the member’s retirement is subject to reduction
17 under sections 5304 and 5305 of title 38, but only to the
18 extent that the amount of the member’s retired pay under
19 chapter 61 of this title exceeds the amount of retired pay
20 to which the member would have been entitled under any
21 other provision of law based upon the member’s service
22 in the uniformed services if the member had not been re-
23 tired under chapter 61 of this title.

24 “(c) EXCEPTION.—Subsection (a) does not apply to
25 a member retired under chapter 61 of this title with less

1 than 20 years of service otherwise creditable under section
 2 1405 of this title at the time of the member's retirement.

3 “(d) DEFINITIONS.—In this section:

4 “(1) The term ‘retired pay’ includes retainer
 5 pay, emergency officers’ retirement pay, and naval
 6 pension.

7 “(2) The term ‘veterans’ disability compensa-
 8 tion’ has the meaning given the term ‘compensation’
 9 in section 101(13) of title 38.”.

10 (b) REPEAL OF SPECIAL COMPENSATION PRO-
 11 GRAM.—Section 1413 of such title is repealed.

12 (c) CLERICAL AMENDMENTS.—The table of sections
 13 at the beginning of such chapter is amended—

14 (1) by striking the item relating to section
 15 1413; and

16 (2) by adding at the end the following new
 17 item:

“1414. Members eligible for retired pay who have service-connected disabilities:
 payment of retired pay and veterans’ disability compensation.”.

18 (d) EFFECTIVE DATE.—(1) The amendments made
 19 by this section shall take effect on the later of—

20 (A) the first day of the first month that begins
 21 after the date of the enactment of qualifying offset-
 22 ting legislation as described in subsection (e); or

23 (B) October 1, 2002.

1 (2) No benefits may be paid to any person by reason
2 of section 1414 of title 10, United States Code, as added
3 by the amendment made by subsection (a), for any period
4 before the effective date under paragraph (1).

5 (e) EFFECTIVENESS CONTINGENT ON OFFSETTING
6 LEGISLATION.—(1) The amendments made by this section
7 shall be effective only if—

8 (A) the President, in the budget for fiscal year
9 2003 that is submitted to Congress under section
10 1105(a) of title 31, United States Code, proposes
11 legislation which, if enacted, would be qualifying off-
12 setting legislation; and

13 (B) there is enacted during the second session
14 of the One Hundred Seventh Congress qualifying
15 offsetting legislation.

16 (2) In this section:

17 (A) The term “qualifying offsetting legislation”
18 means legislation (other than an appropriations Act)
19 that includes provisions that—

20 (i) offset fully the increased outlays for
21 each of fiscal years 2003 through 2012 to be
22 made by reason of the amendments made by
23 this section;

1 (ii) expressly state that they are enacted
 2 for the purpose of the offset described in clause
 3 (i); and
 4 (iii) are included in full on the PayGo
 5 scorecard.

6 (B) The term “PayGo scorecard” means the es-
 7 timates that are made with respect to fiscal years
 8 through fiscal year 2012 by the Director of the Con-
 9 gressional Budget Office and the Director of the Of-
 10 fice of Management and Budget under section
 11 252(d) of the Balanced Budget and Emergency Def-
 12 icit Control Act of 1985.

13 **Subtitle E—Other Matters**

14 **SEC. 661. EDUCATION SAVINGS PLAN FOR REENLISTMENTS** 15 **AND EXTENSIONS OF SERVICE IN CRITICAL** 16 **SPECIALTIES.**

17 (a) ESTABLISHMENT OF SAVINGS PLAN.—(1) Chap-
 18 ter 5 of title 37, United States Code, is amended by add-
 19 ing at the end the following new section:

20 **“§ 324. Incentive bonus: savings plan for education** 21 **expenses and other contingencies**

22 “(a) BENEFIT AND ELIGIBILITY.—The Secretary
 23 concerned may purchase United States savings bonds
 24 under this section for a member of the armed forces who
 25 is eligible as follows:

1 “(1) A member who, before completing three
2 years of service on active duty, enters into a commit-
3 ment to perform qualifying service.

4 “(2) A member who, after completing three
5 years of service on active duty but not more than
6 nine years of service on active duty, enters into a
7 commitment to perform qualifying service.

8 “(3) A member who, after completing nine
9 years of service on active duty, enters into a commit-
10 ment to perform qualifying service.

11 “(b) QUALIFYING SERVICE.—For the purposes of
12 this section, qualifying service is service on active duty in
13 a specialty designated by the Secretary concerned as crit-
14 ical to meet requirements (whether or not such specialty
15 is designated as critical to meet wartime or peacetime re-
16 quirements) for a period that—

17 “(1) is not less than six years; and

18 “(2) does not include any part of a period for
19 which the member is obligated to serve on active
20 duty under an enlistment or other agreement for
21 which a benefit has previously been paid under this
22 section.

23 “(c) FORMS OF COMMITMENT TO ADDITIONAL SERV-
24 ICE.—For the purposes of this section, a commitment
25 means—

1 “(1) in the case of an enlisted member, a reen-
2 listment; and

3 “(2) in the case of a commissioned officer, an
4 agreement entered into with the Secretary con-
5 cerned.

6 “(d) AMOUNTS OF BONDS.—The total of the face
7 amounts of the United States savings bonds authorized
8 to be purchased for a member under this section for a
9 commitment shall be as follows:

10 “(1) In the case of a purchase for a member
11 under paragraph (1) of subsection (a), \$5,000.

12 “(2) In the case of a purchase for a member
13 under paragraph (2) of subsection (a), the amount
14 equal to the excess of \$15,000 over the total of the
15 face amounts of any United States savings bonds
16 previously purchased for the member under this sec-
17 tion.

18 “(3) In the case of a purchase for a member
19 under paragraph (3) of subsection (a), the amount
20 equal to the excess of \$30,000 over the total of the
21 face amounts of any United States savings bonds
22 previously purchased for the member under this sec-
23 tion.

24 “(e) TOTAL AMOUNT OF BENEFIT.—The total
25 amount of the benefit authorized for a member when

1 United States savings bonds are purchased for the mem-
2 ber under this section by reason of a commitment by that
3 member shall be the sum of—

4 “(1) the purchase price of the United States
5 savings bonds; and

6 “(2) the amounts that would be deducted and
7 withheld for the payment of individual income taxes
8 if the total amount computed under this subsection
9 for that commitment were paid to the member as a
10 bonus.

11 “(f) AMOUNT WITHHELD FOR TAXES.—The total
12 amount payable for a member under subsection (e)(2) for
13 a commitment by that member shall be withheld, credited,
14 and otherwise treated in the same manner as amounts de-
15 ducted and withheld from the basic pay of the member.

16 “(g) REPAYMENT FOR FAILURE TO COMPLETE OB-
17 LIGATED SERVICE.—(1) If a person fails to complete the
18 qualifying service for which the person is obligated under
19 a commitment for which a benefit has been paid under
20 this section, the person shall refund to the United States
21 the amount that bears the same ratio to the total amount
22 paid for the person (as computed under subsection (e))
23 for that particular commitment as the uncompleted part
24 of the period of qualifying service bears to the total period
25 of the qualifying service for which obligated.

1 “(2) Subject to paragraph (3), an obligation to reim-
2 burse the United States imposed under paragraph (1) is
3 for all purposes a debt owed to the United States.

4 “(3) The Secretary concerned may waive, in whole
5 or in part, a refund required under paragraph (1) if the
6 Secretary concerned determines that recovery would be
7 against equity and good conscience or would be contrary
8 to the best interests of the United States.

9 “(4) A discharge in bankruptcy under title 11 that
10 is entered less than five years after the termination of an
11 enlistment or other agreement under this section does not
12 discharge the person signing such reenlistment or other
13 agreement from a debt arising under the reenlistment or
14 agreement, respectively, or this subsection.

15 “(h) RELATIONSHIP TO OTHER SPECIAL PAYS.—The
16 benefit authorized under this section is in addition to any
17 other bonus or incentive or special pay that is paid or pay-
18 able to a member under any other provision of this chapter
19 for any portion of the same qualifying service.

20 “(i) REGULATIONS.—This section shall be adminis-
21 tered under regulations prescribed by the Secretary of De-
22 fense for the armed forces under his jurisdiction and by
23 the Secretary of Transportation for the Coast Guard when
24 the Coast Guard is not operating as a service in the
25 Navy.”.

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

“324. Incentive bonus: savings plan for education and other contingencies.”.

4 (b) **EFFECTIVE DATE.**—Section 324 of title 37,
 5 United States Code (as added by subsection (a)), shall
 6 take effect on October 1, 2001, and shall apply with re-
 7 spect to reenlistments and other agreements for qualifying
 8 service (described in that section) that are entered into
 9 on or after that date.

10 (c) **FUNDING FOR FISCAL YEAR 2002.**—Of the
 11 amount authorized to be appropriated to the Department
 12 of Defense for military personnel for fiscal year 2002 by
 13 section 421, \$20,000,000 may be available in that fiscal
 14 year for the purchase of United States savings bonds
 15 under section 324 of title 37, United States Code (as
 16 added by subsection (a)).

17 **SEC. 662. COMMISSARY BENEFITS FOR NEW MEMBERS OF**
 18 **THE READY RESERVE.**

19 (a) **ELIGIBILITY.**—Section 1063 of title 10, United
 20 States Code, is amended—

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

23 (2) by inserting after subsection (a) the fol-
 24 lowing new subsection (b):

1 “(b) ELIGIBILITY OF NEW MEMBERS.—(1) The Sec-
 2 retary concerned shall authorize a new member of the
 3 Ready Reserve to use commissary stores of the Depart-
 4 ment of Defense for a number of days accruing at the
 5 rate of two days for each month in which the member par-
 6 ticipates satisfactorily in training required under section
 7 10147(a)(1) of this title or section 502(a) of title 32, as
 8 the case may be.

9 “(2) For the purposes of paragraph (1), a person
 10 shall be considered a new member of the Ready Reserve
 11 upon becoming a member and continuing without a break
 12 in the membership until the earlier of—

13 “(A) the date on which the member becomes el-
 14 igible to use commissary stores under subsection (a);
 15 or

16 “(B) December 31 of the first calendar year in
 17 which the membership has been continuous for the
 18 entire year.

19 “(3) A new member may not be authorized under this
 20 subsection to use commissary stores for more than 24 days
 21 for any calendar year.”.

22 (b) REQUIRED DOCUMENTATION.—Subsection (d) of
 23 such section, as redesignated by subsection (a)(1), is
 24 amended by adding at the end the following: “The regula-
 25 tions shall specify the required documentation of satisfac-

1 tory participation in training for the purposes of sub-
 2 section (b).”.

3 (c) CONFORMING AMENDMENT.—Subsection (c) of
 4 such section, as redesignated by subsection (a)(1), is
 5 amended by striking “Subsection (a)” and inserting “Sub-
 6 sections (a) and (b)”.

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

9 **“§ 1063. Use of commissary stores: members of Ready**
 10 **Reserve”.**

11 (2) Subsection (a) of such section is amended by
 12 striking “OF READY RESERVE” and inserting “WITH 50
 13 OR MORE CREDITABLE POINTS”.

14 (3) The item relating to such section in the table of
 15 sections at the beginning of chapter 54 of title 10, United
 16 States Code, is amended to read as follows:

“1063. Use of commissary stores: members of Ready Reserve.”.

17 **SEC. 663. AUTHORIZATION OF TRANSITIONAL COMPENSA-**
 18 **TION AND COMMISSARY AND EXCHANGE BEN-**
 19 **EFITS FOR DEPENDENTS OF COMMISSIONED**
 20 **OFFICERS OF THE PUBLIC HEALTH SERVICE**
 21 **AND THE NATIONAL OCEANIC AND ATMOS-**
 22 **PHERIC ADMINISTRATION WHO ARE SEPA-**
 23 **RATED FOR DEPENDENT ABUSE.**

24 (a) COMMISSIONED OFFICERS OF THE PUBLIC
 25 HEALTH SERVICE.—Section 221(a) of the Public Health

1 Service Act (42 U.S.C. 213a(a)) is amended by adding
 2 at the end the following new paragraph:

3 “(17) Section 1059, Transitional compensation
 4 and commissary and exchange benefits for depend-
 5 ents of members separated for dependent abuse.”.

6 (b) COMMISSIONED OFFICERS OF THE NATIONAL
 7 OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section
 8 3(a) of the Act entitled “An Act to revise, codify, and
 9 enact into law, title 10 of the United States Code, entitled
 10 ‘Armed Forces’, and title 32 of the United States Code,
 11 entitled ‘National Guard’”, approved August 10, 1956 (33
 12 U.S.C. 857a(a)), is amended by adding at the end the fol-
 13 lowing new paragraph:

14 “(17) Section 1059, Transitional compensation
 15 and commissary and exchange benefits for depend-
 16 ents of members separated for dependent abuse.”.

17 **TITLE VII—HEALTH CARE**
 18 **Subtitle A—TRICARE Benefits**
 19 **Modernization**

20 **SEC. 701. REQUIREMENT FOR INTEGRATION OF BENEFITS.**

21 (a) IN GENERAL.—The Secretary of Defense shall—

22 (1) terminate the Individual Case Management
 23 Program carried out under section 1079(a)(17) of
 24 title 10, United States Code (as in effect on Sep-
 25 tember 30, 2001); and

1 (2) integrate the beneficiaries under that pro-
2 gram, and the furnishing of care to those bene-
3 ficiaries, into the TRICARE program as modified
4 pursuant to the amendments made by this subtitle.

5 (b) REPEAL OF SEPARATE AUTHORITY.—Section
6 1079 of title 10, United States Code, is amended by strik-
7 ing paragraph (17).

8 (c) SAVINGS PROVISION.—Nothing in this subtitle or
9 the amendments made by this subtitle shall be
10 construed—

11 (1) to modify any eligibility requirement for any
12 person receiving benefits under the Individual Case
13 Management Program before October 1, 2001; or

14 (2) to terminate any benefits available under
15 that program before that date.

16 (d) CONSULTATION REQUIREMENT.—The Secretary
17 of Defense shall consult with the other administering Sec-
18 retaries referred to in section 1072(3) of title 10, United
19 States Code, in carrying out this section.

20 **SEC. 702. DOMICILIARY AND CUSTODIAL CARE.**

21 Section 1072 of title 10, United States Code, is
22 amended by adding at the end the following new para-
23 graphs:

24 “(8) The term ‘domiciliary care’ means treat-
25 ment or services involving assistance with the per-

1 performance of activities of daily living that is provided
2 to a patient in a home-like setting because—

3 “(A) the treatment or services are not
4 available, or are not suitable to be provided, to
5 the patient in the patient’s home; or

6 “(B) no member of the patient’s family is
7 willing to provide the treatment or services.

8 “(9) The term ‘custodial care’—

9 “(A) means treatment or services that—

10 “(i) could be provided safely and rea-
11 sonably by a person not trained as a physi-
12 cian, nurse, paramedic, or other health
13 care provider; or

14 “(ii) are provided principally to assist
15 the recipient of the treatment or services
16 with the performance of activities of daily
17 living; and

18 “(B) includes any treatment or service de-
19 scribed in subparagraph (A) without regard
20 to—

21 “(i) the source of any recommenda-
22 tion to provide the treatment or service;
23 and

24 “(ii) the setting in which the treat-
25 ment or service is provided.”.

1 **SEC. 703. LONG TERM CARE.**

2 (a) LIMITATION.—Chapter 55 of title 10, United
3 States Code, is amended by inserting after section 1074i
4 the following new section:

5 **“§ 1074j. Long term care benefits program**

6 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
7 of Defense shall provide long term health care benefits
8 under the TRICARE program in an effective and efficient
9 manner that integrates those benefits with the benefits
10 provided on a less than a long term basis under the
11 TRICARE program.

12 “(b) AUTHORIZED CARE.—The types of health care
13 authorized to be provided under this section shall include
14 the following:

15 “(1) The types of health care authorized to be
16 acquired by contract under section 1079 of this title.

17 “(2) Extended care services.

18 “(3) Post-hospital extended care services.

19 “(4) Comprehensive intermittent home health
20 services.

21 “(c) DURATION OF POST-HOSPITAL EXTENDED
22 CARE SERVICES.—The post-hospital extended care serv-
23 ices provided in a skilled nursing facility to a patient dur-
24 ing a spell of illness under subsection (b)(3) shall continue
25 for as long as is medically necessary and appropriate. The
26 limitation on the number of days of coverage under sub-

1 sections (a)(2) and (b)(2)(A) of section 1812 of the Social
 2 Security Act (42 U.S.C. 1395d) shall not apply with re-
 3 spect to the care provided that patient.

4 “(d) REGULATIONS.—The Secretary of Defense shall,
 5 after consultation with the other administering Secre-
 6 taries, prescribe regulations to carry out this section.

7 “(e) DEFINITIONS.—In this section:

8 “(1) The term ‘extended care services’ has the
 9 meaning given the term in subsection (h) of section
 10 1861 of the Social Security Act (42 U.S.C. 1395x).

11 “(2) The term ‘post-hospital extended services’
 12 has the meaning given the term in subsection (i) of
 13 section 1861 of the Social Security Act (42 U.S.C.
 14 1395x).

15 “(3) The term ‘home health services’ has the
 16 meaning given the term in subsection (m) of section
 17 1861 of the Social Security Act (42 U.S.C. 1395x).

18 “(4) The term ‘skilled nursing facility’ has the
 19 meaning given the term in section 1819(a) of the
 20 Social Security Act (42 U.S.C. 1395i–3(a)).

21 “(5) The term ‘spell of illness’ has the meaning
 22 given the term in subsection (a) of section 1861 of
 23 the Social Security Act (42 U.S.C. 1395x).”.

24 (b) CLERICAL AMENDMENT.—The table of sections
 25 at the beginning of such chapter is amended by inserting

1 after the item relating to section 1074i the following new
 2 item:

“1074j. Long term care benefits program.”.

3 **SEC. 704. EXTENDED BENEFITS FOR DISABLED BENE-**
 4 **FICIARIES.**

5 Section 1079 of title 10, United States Code, is
 6 amended by striking subsections (d), (e), and (f) and in-
 7 serting the following:

8 “(d)(1) The health care benefits contracted for under
 9 this section shall include extended benefits for dependents
 10 referred to in the first sentence of subsection (a) who have
 11 any of the following qualifying conditions:

12 “(A) Moderate or severe mental retardation.

13 “(B) A serious physical disability.

14 “(C) Any extraordinary physical or psycho-
 15 logical condition.

16 “(2) The extended benefits under paragraph (1) may
 17 include comprehensive health care and case management
 18 services, to the extent not otherwise provided under this
 19 chapter with respect to a qualifying condition, as follows:

20 “(A) Diagnosis.

21 “(B) Inpatient, outpatient, and comprehensive
 22 home health supplies and services.

23 “(C) Training and rehabilitation, including spe-
 24 cial education and assistive technology devices.

1 “(D) Institutional care in private nonprofit,
2 public, and State institutions and facilities and,
3 when appropriate, transportation to and from such
4 institutions and facilities.

5 “(E) Any other services and supplies deter-
6 mined appropriate under regulations prescribed
7 under paragraph (9).

8 “(3) The extended benefits under paragraph (1) may
9 also include respite care for the primary caregiver of a
10 dependent eligible for extended benefits under this sub-
11 section.

12 “(4) Home health supplies and services may be pro-
13 vided to a dependent under paragraph (2)(B) as other
14 than part-time or intermittent services (as determined in
15 accordance with the second sentence of section 1861(m)
16 of the Social Security Act (42 U.S.C. 1395x(m)) only if—

17 “(A) the provision of such supplies and services
18 in the home of the dependent is medically appro-
19 priate; and

20 “(B) the cost of the provision of such supplies
21 and services to the dependent is equal to or less
22 than the cost of the provision of similar supplies and
23 services to the dependent in a skilled nursing facil-
24 ity.

1 “(5) Subsection (a)(13) shall not apply to the provi-
2 sion of care and services determined appropriate to be pro-
3 vided as extended benefits under this subsection.

4 “(6) Subject to paragraph (7), a member of the uni-
5 formed services shall pay a share of the cost of any care
6 and services provided as extended benefits to any of the
7 dependents of the member under this subsection as fol-
8 lows:

9 “(A) In the case of a member in the lowest en-
10 listed pay grade, the first \$25 of the cumulative
11 costs of all care furnished to one or more dependents
12 of the member in a month.

13 “(B) In the case of a member in the highest
14 commissioned pay grade, the first \$250 of the cumu-
15 lative costs of all care furnished to one or more de-
16 pendents of the member in a month.

17 “(C) In the case of a member in any other pay
18 grade, a fixed amount of the cumulative costs of all
19 care furnished to one or more dependents of the
20 member in a month, as prescribed for that pay
21 grade in regulations prescribed under paragraph (9).

22 “(7)(A) In the case of extended benefits provided
23 under subparagraph (C) or (D) of paragraph (2) to a de-
24 pendent of a member of the uniformed services—

1 “(i) the Government’s share of the total cost of
2 providing such benefits in any month shall not ex-
3 ceed \$2,500, except for costs that a member is ex-
4 empt from paying under subparagraph (B); and

5 “(ii) the member shall pay (in addition to any
6 amount payable under paragraph (6)) the amount, if
7 any, by which the amount of such total cost for the
8 month exceeds the Government’s maximum share
9 under clause (i).

10 “(B) A member of the uniformed services who incurs
11 expenses under subparagraph (A) for a month for more
12 than one dependent shall not be required to pay for the
13 month under clause (ii) of that subparagraph an amount
14 greater than the amount the member would otherwise be
15 required to pay under that clause for the month if the
16 member were incurring expenses under that subparagraph
17 for only one dependent.

18 “(8) To qualify for extended benefits under subpara-
19 graph (C) or (D) of paragraph (2), a dependent of a mem-
20 ber of the uniformed services shall be required to use pub-
21 lic facilities to the extent such facilities are available and
22 adequate, as determined under joint regulations of the ad-
23 ministering Secretaries.

1 “(9) The Secretary of Defense, in consultation with
 2 the other administering Secretaries, shall prescribe regula-
 3 tions to carry out this subsection.”.

4 **SEC. 705. CONFORMING REPEALS.**

5 The following provisions of law are repealed:

6 (1) Section 703 of the National Defense Au-
 7 thorization Act for Fiscal Year 2000 (Public Law
 8 106–65; 113 Stat. 682; 10 U.S.C. 1077 note).

9 (2) Section 8118 of the Department of Defense
 10 Appropriations Act, 2000 (Public Law 106–79; 113
 11 Stat. 1260).

12 (3) Section 8100 of the Department of Defense
 13 Appropriations Act, 2001 (Public Law 106–259;
 14 114 Stat. 696).

15 **SEC. 706. EFFECTIVE DATE.**

16 This subtitle and the amendments made by this sub-
 17 title shall take effect on October 1, 2001.

18 **Subtitle B—Other Matters**

19 **SEC. 711. REPEAL OF REQUIREMENT FOR PERIODIC**
 20 **SCREENINGS AND EXAMINATIONS AND RE-**
 21 **LATED CARE FOR MEMBERS OF ARMY RE-**
 22 **SERVE UNITS SCHEDULED FOR EARLY DE-**
 23 **PLOYMENT.**

24 Section 1074a of title 10, United States Code, is
 25 amended—

1 (1) by striking subsection (d); and

2 (2) by redesignating subsection (e) as sub-
3 section (d).

4 **SEC. 712. CLARIFICATION OF ELIGIBILITY FOR REIM-**
5 **BURSEMENT OF TRAVEL EXPENSES OF**
6 **ADULT ACCOMPANYING PATIENT IN TRAVEL**
7 **FOR SPECIALTY CARE.**

8 Section 1074i of title 10, United States Code, is
9 amended by inserting before the period at the end the fol-
10 lowing: “and, when accompaniment by an adult is nec-
11 essary, for a parent or guardian of the covered beneficiary
12 or another member of the covered beneficiary’s family who
13 is at least 21 years of age”.

14 **SEC. 713. TRICARE PROGRAM LIMITATIONS ON PAYMENT**
15 **RATES FOR INSTITUTIONAL HEALTH CARE**
16 **PROVIDERS AND ON BALANCE BILLING BY**
17 **INSTITUTIONAL AND NONINSTITUTIONAL**
18 **HEALTH CARE PROVIDERS.**

19 (a) INSTITUTIONAL PROVIDERS.—Section 1079(j) of
20 title 10, United States Code, is amended—

21 (1) in paragraph (2)(A)—

22 (A) by striking “(A)”; and

23 (B) by striking “may be determined under
24 joint regulations” and inserting “shall be deter-
25 mined under joint regulations”;

1 (2) by redesignating subparagraph (B) of para-
 2 graph (2) as paragraph (4), and, in such paragraph,
 3 as so redesignated, by striking “subparagraph (A),”
 4 and inserting “this subsection,”; and

5 (3) by inserting before paragraph (4), as redes-
 6 ignated by paragraph (2), the following new para-
 7 graph (3):

8 “(3) A contract for a plan covered by this section
 9 shall include a clause that prohibits each provider of serv-
 10 ices under the plan from billing any person covered by the
 11 plan for any balance of charges for services in excess of
 12 the amount paid for those services under the joint regula-
 13 tions referred to in paragraph (2), except for any unpaid
 14 amounts of deductibles or copayments that are payable di-
 15 rectly to the provider by the person.”.

16 (b) NONINSTITUTIONAL PROVIDERS.—Section
 17 1079(h)(4) of such title is amended—

18 (1) by inserting “(A)” after “(4)”; and

19 (B) by adding at the end the following new
 20 subparagraph:

21 “(B) The regulations shall include a restriction that
 22 prohibits an individual health care professional (or other
 23 noninstitutional health care provider) from billing a bene-
 24 ficiary for services for more than the amount that is equal
 25 to—

1 “(i) the excess of the limiting charge (as de-
 2 fined in section 1848(g)(2) of the Social Security
 3 Act (42 U.S.C. 1395w-4(g)(2))) that would be ap-
 4 plicable if the services had been provided by the pro-
 5 fessional (or other provider) as an individual health
 6 care professional (or other noninstitutional health
 7 care provider) on a nonassignment-related basis
 8 under part B of title XVIII of such Act over the
 9 amount that is payable by the United States for
 10 those services under this subsection, plus

11 “(ii) any unpaid amounts of deductibles or co-
 12 payments that are payable directly to the profes-
 13 sional (or other provider) by the beneficiary.”.

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

16 **SEC. 714. TWO-YEAR EXTENSION OF HEALTH CARE MAN-**
 17 **AGEMENT DEMONSTRATION PROGRAM.**

18 (a) EXTENSION.—Subsection (d) of section 733 of
 19 the Floyd D. Spence National Defense Authorization Act
 20 for Fiscal Year 2001 (as enacted by Public Law 106-398;
 21 114 Stat. 1654A-191) is amended by striking “December
 22 31, 2001” and inserting “December 31, 2003”.

23 (b) REPORT.—Subsection (e) of that section is
 24 amended—

1 (1) by striking “REPORTS.—” and inserting
2 “REPORT.—”; and

3 (2) by striking “March 15, 2002” and inserting
4 “March 15, 2004”.

5 **SEC. 715. STUDY OF HEALTH CARE COVERAGE OF MEM-**
6 **BERS OF THE SELECTED RESERVE.**

7 (a) REQUIREMENT FOR STUDY.—The Comptroller
8 General shall carry out a study of the needs of members
9 of the Selected Reserve of the Ready Reserve of the Armed
10 Forces and their families for health care benefits.

11 (b) REPORT.—Not later than March 1, 2002, the
12 Comptroller General shall submit to Congress a report on
13 the study under subsection (a). The report shall include
14 the following matters:

15 (1) An analysis of how members of the Selected
16 Reserve currently obtain coverage for health care
17 benefits when not on active duty, together with sta-
18 tistics on enrollments in health care benefits plans,
19 including—

20 (A) the percentage of members of the Se-
21 lected Reserve who are not covered by an em-
22 ployer health benefits plan;

23 (B) the percentage of members of the Se-
24 lected Reserve who are not covered by an indi-
25 vidual health benefits plan; and

1 (C) the percentage of members of the Se-
2 lected Reserve who are not covered by any
3 health insurance or other health benefits plan.

4 (2) An assessment of the disruptions in health
5 benefits coverage that a mobilization of members of
6 the Selected Reserve has caused for the members
7 and their families.

8 (3) An assessment of the cost and effectiveness
9 of various options for preventing or reducing disrup-
10 tions described in paragraph (2), including—

11 (A) providing health care benefits to all
12 members of the Selected Reserve and their fam-
13 ilies through TRICARE, the Federal Employees
14 Health Benefits Program, or otherwise;

15 (B) revising and extending the program of
16 transitional medical and dental care that is pro-
17 vided under section 1074b of title 10, United
18 States Code, for members of the Armed Forces
19 upon release from active duty served in support
20 of a contingency operation;

21 (C) requiring the health benefits plans of
22 members of the Selected Reserve, including in-
23 dividual health benefits plans and group health
24 benefits plans, to permit members of the Se-
25 lected Reserve to elect to resume coverage

1 under such health benefits plans upon release
2 from active duty in support of a contingency
3 operation;

4 (D) providing financial assistance for pay-
5 ing premiums or other subscription charges for
6 continuation of coverage by private sector
7 health insurance or other health benefits plans;
8 and

9 (E) any other options that the Comptroller
10 General determines advisable to consider.

11 **SEC. 716. STUDY OF ADEQUACY AND QUALITY OF HEALTH**
12 **CARE PROVIDED TO WOMEN UNDER THE DE-**
13 **FENSE HEALTH PROGRAM.**

14 (a) REQUIREMENT FOR STUDY.—The Comptroller
15 General shall carry out a study of the adequacy and qual-
16 ity of the health care provided to women under chapter
17 55 of title 10, United States Code.

18 (b) SPECIFIC CONSIDERATION.—The study shall in-
19 clude an intensive review of the availability and quality
20 of reproductive health care services.

21 (c) REPORT.—The Comptroller General shall submit
22 a report on the results of the study to Congress not later
23 than April 1, 2002.

1 **SEC. 717. PILOT PROGRAM FOR DEPARTMENT OF VET-**
2 **ERANS AFFAIRS SUPPORT FOR DEPARTMENT**
3 **OF DEFENSE IN THE PERFORMANCE OF SEP-**
4 **ARATION PHYSICAL EXAMINATIONS.**

5 (a) **AUTHORITY.**—The Secretary of Defense and the
6 Secretary of Veterans Affairs may jointly carry out a pilot
7 program for the performance of the physical examinations
8 required in connection with the separation of members of
9 the uniformed services. The requirements of this section
10 shall apply to a pilot program, if any, that is carried out
11 under the authority of this subsection.

12 (b) **PERFORMANCE OF PHYSICAL EXAMINATIONS BY**
13 **DEPARTMENT OF VETERANS AFFAIRS.**—Under the pilot
14 program, the Secretary of Veterans Affairs shall perform
15 the physical examinations of members of the uniformed
16 services separating from the uniformed services who are
17 in one or more geographic areas designated for the pilot
18 program by the Secretaries.

19 (c) **REIMBURSEMENT.**—The Secretary of Defense
20 shall provide for reimbursing the Secretary of Veterans
21 Affairs for the cost incurred by the Secretary of Veterans
22 Affairs in performing, under the pilot program, the items
23 of physical examination that are required by the Secretary
24 concerned in connection with the separation of a member
25 of a uniformed service. Reimbursements shall be paid out
26 of funds available for the performance of separation phys-

1 ical examinations of members of that uniformed service
2 in facilities of the uniformed services.

3 (d) AGREEMENT.—(1) The Secretary of Defense and
4 the Secretary of Veterans Affairs shall enter into an agree-
5 ment for carrying out a pilot program established under
6 this section. The agreement shall specify the geographic
7 area in which the pilot program is carried out and the
8 means for making reimbursement payments.

9 (2) The other administering Secretaries shall also
10 enter into the agreement to the extent that the Secretary
11 of Defense determines necessary to apply the pilot pro-
12 gram, including the requirement for reimbursement, to the
13 uniformed services not under the jurisdiction of the Sec-
14 retary of a military department.

15 (e) CONSULTATION REQUIREMENT.—In developing
16 and carrying out the pilot program, the Secretary of De-
17 fense shall consult with the other administering Secre-
18 taries.

19 (f) PERIOD OF PROGRAM.—Any pilot program estab-
20 lished under this section shall begin not later than July
21 1, 2002, and terminate on December 31, 2005.

22 (g) REPORTS.—(1) Not later than January 31, 2004,
23 the Secretary of Defense and the Secretary of Veterans
24 Affairs shall jointly submit to Congress an interim report
25 on the conduct of the pilot program.

1 (2) Not later than March 1, 2005, the Secretary of
 2 Defense and the Secretary of Veterans Affairs shall jointly
 3 submit to Congress a final report on the conduct of the
 4 pilot program.

5 (3) Each report under this subsection shall include
 6 the Secretaries' assessment, as of the date of such report,
 7 of the efficacy of the performance of separation physical
 8 examinations as provided for under the pilot program.

9 (h) DEFINITIONS.—In this section:

10 (1) The term “administering Secretaries” has
 11 the meaning given the term in section 1072(3) of
 12 title 10, United States Code.

13 (2) The term “Secretary concerned” has the
 14 meaning given the term in section 101(5) of title 37,
 15 United States Code.

16 **TITLE VIII—ACQUISITION POL-**
 17 **ICY, ACQUISITION MANAGE-**
 18 **MENT, AND RELATED MAT-**
 19 **TERS**

20 **Subtitle A—Procurement**
 21 **Management and Administration**

22 **SEC. 801. MANAGEMENT OF PROCUREMENTS OF SERVICES.**

23 (a) RESPONSIBILITY OF UNDER SECRETARY OF DE-
 24 FENSE FOR ACQUISITION, TECHNOLOGY, AND LOGIS-

1 TICS.—Section 133(b) of title 10, United States Code, is
2 amended—

3 (1) by striking “and” at the end of paragraph
4 (4);

5 (2) by redesignating paragraph (5) as para-
6 graph (6); and

7 (3) by inserting after paragraph (4) the fol-
8 lowing new paragraph (5):

9 “(5) managing the procurements of services for
10 the Department of Defense; and”.

11 (b) REQUIREMENT FOR MANAGEMENT STRUC-
12 TURE.—(1) Chapter 137 of such title is amended by in-
13 serting after section 2328 the following new section:

14 **“§ 2330. Procurements of services: management struc-**
15 **ture**

16 “(a) REQUIREMENT FOR MANAGEMENT STRUC-
17 TURE.—The Under Secretary of Defense for Acquisition,
18 Technology, and Logistics shall establish a structure for
19 the management of procurements of services for the De-
20 partment of Defense.

21 “(b) DELEGATION OF AUTHORITY.—(1) The man-
22 agement structure shall provide for a designated official
23 in each Defense Agency, military department, and com-
24 mand to exercise the responsibility for the management

1 of the procurements of services for the official's Defense
2 Agency, military department, or command, respectively.

3 “(2) For the exercise of the responsibility under para-
4 graph (1), a designated official shall report, and be ac-
5 countable, to—

6 “(A) the Under Secretary of Defense for Acqui-
7 sition, Technology, and Logistics; and

8 “(B) such other officials as the Under Sec-
9 retary may prescribe for the management structure.

10 “(3) Paragraph (2) shall not affect the responsibility
11 of a designated official for a military department who is
12 not the Secretary of that military department to report,
13 and be accountable, to the Secretary of the military de-
14 partment.

15 “(c) CONTRACTING RESPONSIBILITIES OF DES-
16 IGNATED OFFICIALS.—The responsibilities of an official
17 designated under subsection (b) shall include, with respect
18 to the procurements of services for the Defense Agency,
19 military department, or command of that official, the fol-
20 lowing:

21 “(1) Ensuring that the services are procured by
22 means of contracts or task orders that are in the
23 best interests of the Department of Defense and are
24 entered into or issued and managed in compliance
25 with the applicable statutes, regulations, directives,

1 and other requirements, regardless of whether the
2 services are procured through a contract of the De-
3 partment of Defense or through a contract entered
4 into by an official of the United States outside the
5 Department of Defense.

6 “(2) Establishing within the Department of De-
7 fense appropriate contract vehicles for use in the
8 procurement of services so as to ensure that officials
9 of the Department of Defense are accountable for
10 the procurement of the services in accordance with
11 the requirements of paragraph (1).

12 “(3) Analyzing data collected under section
13 2330a of this title on contracts that are entered into
14 for the procurement of services.

15 “(4) Approving, in advance, any procurement of
16 services that is to be made through the use of—

17 “(A) a contract or task order that is not
18 a performance-based contract or task order; or

19 “(B) a contract entered into, or a task
20 order issued, by an official of the United States
21 outside the Department of Defense.

22 “(d) DEFINITION.—In this section, the term ‘per-
23 formance-based’, with respect to a contract or a task order
24 means that the contract or task order, respectively, in-
25 cludes the use of performance work statements that set

1 forth contract requirements in clear, specific, and objective
2 terms with measurable outcomes.”.

3 (2) Not later than 180 days after the date of the en-
4 actment of this Act, the Under Secretary of Defense for
5 Acquisition, Technology, and Logistics shall issue guid-
6 ance for officials in the management structure established
7 under section 2330 of title 10, United States Code (as
8 added by paragraph (1)), regarding how to carry out their
9 responsibilities under that section. The guidance shall in-
10 clude, at a minimum, the following:

11 (A) Specific dollar thresholds, approval levels,
12 and criteria for advance approvals under subsection
13 (c)(4) of such section 2330.

14 (B) A prohibition on the procurement of serv-
15 ices through the use of a contract entered into, or
16 a task order issued, by an official of the United
17 States outside the Department of Defense that is
18 not a performance-based contract or task order, un-
19 less an appropriate official in the management struc-
20 ture established under such section 2330 determines
21 in writing that the use of that means for the pro-
22 curement is justified on the basis of exceptional cir-
23 cumstances as being in the best interests of the De-
24 partment of Defense.

1 (c) TRACKING OF PROCUREMENTS OF SERVICES.—
 2 Chapter 137 of title 10, United States Code, as amended
 3 by subsection (b), is further amended by inserting after
 4 section 2330 the following new section:

5 **“§ 2330a. Procurements of services: tracking**

6 “(a) DATA COLLECTION REQUIRED.—The Secretary
 7 of Defense shall establish a data collection system to pro-
 8 vide management information with regard to each pur-
 9 chase of services by a military department or Defense
 10 Agency in excess of the simplified acquisition threshold,
 11 regardless of whether such a purchase is made in the form
 12 of a contract, task order, delivery order, military inter-
 13 departmental purchase request, or any other form of inter-
 14 agency agreement.

15 “(b) DATA TO BE COLLECTED.—The data required
 16 to be collected under subsection (a) includes the following:

17 “(1) The services purchased.

18 “(2) The total dollar amount of the purchase.

19 “(3) The form of contracting action used to
 20 make the purchase.

21 “(4) Whether the purchase was made
 22 through—

23 “(A) a performance-based contract, per-
 24 formance-based task order, or other perform-
 25 ance-based arrangement that contains firm

1 fixed prices for the specific tasks to be per-
2 formed;

3 “(B) any other performance-based con-
4 tract, performance-based task order, or per-
5 formance-based arrangement; or

6 “(C) any contract, task order, or other ar-
7 rangement that is not performance based.

8 “(5) In the case of a purchase made through an
9 agency other than the Department of Defense—

10 “(A) the agency through which the pur-
11 chase is made; and

12 “(B) the reasons for making the purchase
13 through that agency.

14 “(6) The extent of competition provided in
15 making the purchase (including the number of
16 offerors).

17 “(7) whether the purchase was made from—

18 “(A) a small business concern;

19 “(B) a small business concern owned and
20 controlled by socially and economically dis-
21 advantaged individuals; or

22 “(C) a small business concern owned and
23 controlled by women.

24 “(c) COMPATIBILITY WITH DATA COLLECTION SYS-
25 TEM FOR INFORMATION TECHNOLOGY PURCHASES.—To

1 the maximum extent practicable, a single data collection
2 system shall be used to collect data under this section and
3 information under section 2225 of this title.

4 “(d) DEFINITIONS.—In this section:

5 “(1) The term ‘performance-based’, with re-
6 spect to a contract, task order, or arrangement,
7 means that the contract, task order, or arrangement,
8 respectively, includes the use of performance work
9 statements that set forth contract requirements in
10 clear, specific, and objective terms with measurable
11 outcomes.

12 “(2) The definitions set forth in section 2225(f)
13 of this title for the terms ‘simplified acquisition
14 threshold’, ‘small business concern’, ‘small business
15 concern owned and controlled by socially and eco-
16 nomically disadvantaged individuals’, and ‘small
17 business concern owned and controlled by women’
18 shall apply.”.

19 (d) REQUIREMENT FOR PROGRAM REVIEW STRUC-
20 TURE.—(1) Not later than 180 days after the date of the
21 enactment of this Act, the Secretary of Defense shall issue
22 and implement a policy that applies to the procurement
23 of services by the Department of Defense a program re-
24 view structure that is similar to the one developed for and

1 applied to the procurement of systems by the Department
2 of Defense.

3 (2) The program review structure for the procure-
4 ment of services shall, at a minimum, include the fol-
5 lowing:

6 (A) Standards for determining which procure-
7 ments should be subject to review by either the sen-
8 ior procurement executive of a military department
9 or the senior procurement executive of the Depart-
10 ment of Defense under such section, including cri-
11 teria based on dollar thresholds, program criticality,
12 or other appropriate measures.

13 (B) Appropriate milestones at which those re-
14 views should take place.

15 (C) A description of the specific matters that
16 should be reviewed.

17 (e) COMPTROLLER GENERAL REVIEW.—Not later
18 than 90 days after the date on which the Secretary issues
19 the policy required by subsection (d) and the Under Sec-
20 retary of Defense for Acquisition, Technology, and Logis-
21 tics issues the guidance required by subsection (b)(2), the
22 Comptroller General shall submit to the Committees on
23 Armed Services of the Senate and the House of Represent-
24 atives an assessment of the compliance with the require-

1 ments of this section and the amendments made by this
2 section.

3 (f) DEFINITIONS.—In this section:

4 (1) The term “senior procurement executive”
5 means the official designated as the senior procure-
6 ment executive under section 16(3) of the Office of
7 Federal Procurement Policy Act (41 U.S.C. 414(3)).

8 (2) The term “performance-based”, with re-
9 spect to a contract or a task order means that the
10 contract or task order, respectively, includes the use
11 of performance work statements that set forth con-
12 tract requirements in clear, specific, and objective
13 terms with measurable outcomes.

14 (g) CLERICAL AMENDMENTS.—(1) The heading for
15 section 2331 of title 10, United States Code, is amended
16 to read as follows:

17 **“§ 2331. Procurements of services: contracts for pro-**
18 **fessional and technical services”.**

19 (2) The table of sections at the beginning of chapter
20 137 of such title is amended by striking the item relating
21 to section 2331 and inserting the following new items:

“2330. Procurements of services: management structure.

“2330a. Procurements of services: tracking.

“2331. Procurements of services: contracts for professional and technical serv-
ices.”.

1 **SEC. 802. SAVINGS GOALS FOR PROCUREMENTS OF SERV-**
2 **ICES.**

3 (a) GOALS.—(1) It shall be an objective of the De-
4 partment of Defense to achieve savings in expenditures for
5 procurements of services through the use of—

6 (A) performance-based services contracting;

7 (B) competition for task orders under services
8 contracts; and

9 (C) program review, spending analyses, and im-
10 proved management of services contracts.

11 (2) In furtherance of that objective, the Department
12 of Defense shall have goals to use improved management
13 practices to achieve, over 10 fiscal years, reductions in the
14 total amount that would otherwise be expended by the De-
15 partment for the procurement of services (other than mili-
16 tary construction) in a fiscal year by the amount equal
17 to 10 percent of the total amount of the expenditures of
18 the Department for fiscal year 2000 for procurement of
19 services (other than military construction), as follows:

20 (A) By fiscal year 2002, a three percent reduc-
21 tion.

22 (B) By fiscal year 2003, a four percent reduc-
23 tion.

24 (C) By fiscal year 2004, a five percent reduc-
25 tion.

1 (D) By fiscal year 2011, a ten percent reduc-
2 tion.

3 (b) ANNUAL REPORT.—Not later than March 1,
4 2002, and annually thereafter through March 1, 2006, the
5 Secretary of Defense shall submit to the congressional de-
6 fense committees a report on the progress made toward
7 meeting the objective and goals established in subsection
8 (a). Each report shall include, at a minimum, the following
9 information:

10 (1) A summary of the steps taken or planned
11 to be taken in the fiscal year of the report to im-
12 prove the management of procurements of services.

13 (2) A summary of the steps planned to be taken
14 in the following fiscal year to improve the manage-
15 ment of procurements of services.

16 (3) An estimate of the amount that will be ex-
17 pended by the Department of Defense for procure-
18 ments of services in the fiscal year of the report.

19 (4) An estimate of the amount that will be ex-
20 pended by the Department of Defense for procure-
21 ments of services in the following fiscal year.

22 (5) An estimate of the amount of savings that,
23 as a result of improvement of the management prac-
24 tices used by the Department of Defense, will be
25 achieved for the procurement of services by the De-

1 partment in the fiscal year of the report and in the
2 following fiscal year.

3 (c) REVIEW AND REPORT BY COMPTROLLER GEN-
4 ERAL.—The Comptroller General shall review each report
5 submitted by the Secretary pursuant to subsection (b),
6 and within 90 days after the date of the report, submit
7 to Congress a report containing the Comptroller General’s
8 assessment of the extent to which the Department of De-
9 fense has taken steps necessary to achieve the objective
10 and goals established by subsection (a). In each report the
11 Comptroller General shall, at a minimum, address—

12 (1) the accuracy and reliability of the estimates
13 included in the Secretary’s report; and

14 (2) the effectiveness of the improvements in
15 management practices that have been taken, and
16 those that are planned to be taken, in the Depart-
17 ment of Defense to achieve savings in procurements
18 of services by the Department.

19 **SEC. 803. COMPETITION REQUIREMENT FOR PURCHASES**
20 **PURSUANT TO MULTIPLE AWARD CON-**
21 **TRACTS.**

22 (a) REGULATIONS REQUIRED.—Not later than 180
23 days after the date of the enactment of this Act, the Sec-
24 retary of Defense shall promulgate in the Department of
25 Defense Supplement to the Federal Acquisition Regula-

1 tion regulations requiring competition in the purchase of
2 products and services by the Department of Defense pur-
3 suant to multiple award contracts.

4 (b) CONTENT OF REGULATIONS.—The regulations
5 required by subsection (a) shall provide, at a minimum,
6 that each individual procurement of products and services
7 in excess of \$50,000 that is made under a multiple award
8 contract shall be made on a competitive basis unless a con-
9 tracting officer of the Department of Defense—

10 (1) waives the requirement on the basis of a de-
11 termination that one of the circumstances described
12 in paragraphs (1) through (4) of section 2304(c) of
13 title 10, United States Code, applies to such indi-
14 vidual procurement; and

15 (2) justifies the determination in writing.

16 (c) REPORTING REQUIREMENT.—The Secretary shall
17 submit to the congressional defense committees each year
18 a report on the use of the waiver authority provided in
19 the regulations prescribed under subsection (b). The re-
20 port for a year shall include, at a minimum, for each mili-
21 tary department and each Defense Agency, the following:

22 (1) The number of the waivers granted.

23 (2) The dollar value of the procurements for
24 which the waivers were granted.

1 (3) The bases on which the waivers were grant-
2 ed.

3 (d) DEFINITIONS.—In this section:

4 (1) The term “individual procurement” means
5 a task order, delivery order, or other purchase.

6 (2) The term “multiple award contract”
7 means—

8 (A) a contract that is entered into by the
9 Administrator of General Services under the
10 multiple award schedule program referred to in
11 section 2302(2)(C) of title 10, United States
12 Code;

13 (B) a multiple award task order contract
14 or delivery order contract that is entered into
15 under the authority of sections 2304a through
16 2304d of title 10, United States Code, or sec-
17 tions 303H through 303K of the Federal Prop-
18 erty and Administrative Services Act of 1949
19 (41 U.S.C. 253h through 253k); and

20 (C) any other indeterminate delivery, inde-
21 terminate quantity contract that is entered into
22 by the head of a Federal agency with two or
23 more sources pursuant to the same solicitation.

24 (3) The term “competitive basis”, with respect
25 to an individual procurement of products or services

1 under a multiple award contract, means procedures
2 that—

3 (A) require fair notice to be provided to all
4 contractors offering such products or services
5 under the multiple award contract of the intent
6 to make that procurement; and

7 (B) afford all such contractors a fair op-
8 portunity to make an offer and have that offer
9 fully and fairly considered by the official mak-
10 ing the procurement.

11 (4) The term “Defense Agency” has the mean-
12 ing given that term in section 101(a)(11) of title 10,
13 United States Code.

14 (e) APPLICABILITY.—The regulations promulgated
15 by the Secretary pursuant to subsection (a) shall take ef-
16 fect not later than 180 days after the date of the enact-
17 ment of this Act and shall apply to all individual procure-
18 ments that are made under multiple award contracts on
19 or after the effective date, without regard to whether the
20 multiple award contracts were entered into before, on, or
21 after such effective date.

22 **SEC. 804. RISK REDUCTION AT INITIATION OF MAJOR DE-**
23 **FENSE ACQUISITION PROGRAM.**

24 (a) STANDARD FOR TECHNOLOGICAL MATURITY.—

25 (1) Chapter 144 of title 10, United States Code, is amend-

1 ed by inserting after section 2431 the following new sec-
2 tion:

3 **“§ 2431a. Risk reduction at program initiation**

4 “(a) REQUIREMENT FOR DEMONSTRATION OF CRIT-
5 ICAL TECHNOLOGIES.—Each critical technology that is to
6 be used in production under a major defense acquisition
7 program shall be successfully demonstrated in a relevant
8 environment, as determined in writing by the Under Sec-
9 retary of Defense for Acquisition, Technology, and Logis-
10 tics.

11 “(b) PROHIBITION.—Neither of the following actions
12 may be taken in a major defense acquisition program be-
13 fore the requirement of subsection (a) has been satisfied
14 for the program:

15 “(1) Milestone B approval.

16 “(2) Initiation of the program without a Mile-
17 stone B approval.

18 “(c) WAIVER.—The Under Secretary of Defense for
19 Acquisition, Technology, and Logistics may waive the pro-
20 hibition in subsection (b) with respect to a major defense
21 acquisition program if the Milestone Decision Authority
22 for the program certifies to the Under Secretary that ex-
23 ceptional circumstances justify proceeding with an action
24 described in that subsection for the program before com-
25 pliance with subsection (a).

1 “(d) ANNUAL REPORT ON WAIVERS.—(1) The Sec-
 2 retary of Defense shall submit to the Committees on
 3 Armed Services and on Appropriations of the Senate and
 4 the House of Representatives each year the justification
 5 for any waiver granted with respect to a major defense
 6 acquisition program under subsection (c) during the fiscal
 7 year covered by the report.

8 “(2) The report for a fiscal year shall be submitted
 9 with the submission of the weapons development and pro-
 10 curement schedules under section 2431 of this title and
 11 shall cover the fiscal year preceding the fiscal year in
 12 which submitted.

13 “(e) DEFINITIONS.—In this section:

14 “(1) The term ‘Milestone B approval’ means
 15 approval to begin integrated system development
 16 and demonstration.

17 “(2) The term ‘Milestone Decision Authority’
 18 means the official of the Department of Defense who
 19 is designated in accordance with criteria prescribed
 20 by the Secretary of Defense to approve entry of a
 21 major defense acquisition program into the next
 22 phase of the acquisition process.”.

23 (2) The table of sections at the beginning of such
 24 chapter is amended by inserting after the item relating
 25 to section 2431 the following:

“2431a. Risk reduction at program initiation.”.

1 (b) EFFECTIVE DATE AND APPLICABILITY.—(1) Sec-
 2 tion 2431a of title 10, United States Code (as added by
 3 subsection (a)), shall take effect on the date of the enact-
 4 ment of this Act and shall apply to—

5 (A) any major defense acquisition program that
 6 is initiated on or after that date without a Milestone
 7 B approval having been issued for the program; and

8 (B) any major defense acquisition program that
 9 is initiated more than 6 months after that date with
 10 a Milestone B approval having been issued for the
 11 program before the initiation of the program.

12 (2) In paragraph (1):

13 (A) The term “major defense acquisition pro-
 14 gram” has the meaning given the term in section
 15 2430 of title 10, United States Code.

16 (B) The term “Milestone B approval” has the
 17 meaning given the term under section 2431a(d) of
 18 title 10, United States Code (as added by subsection
 19 (a)).

20 **SEC. 805. FOLLOW-ON PRODUCTION CONTRACTS FOR**
 21 **PRODUCTS DEVELOPED PURSUANT TO PRO-**
 22 **TOTYPE PROJECTS.**

23 Section 845 of the National Defense Authorization
 24 Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is
 25 amended—

1 (1) by redesignating subsection (f) as sub-
2 section (g); and

3 (2) by inserting after subsection (e) the fol-
4 lowing new subsection (f):

5 “(f) FOLLOW-ON PRODUCTION CONTRACTS.—(1) A
6 transaction entered into under this section for a prototype
7 project that satisfies the conditions set forth in subsection
8 (d)(1)(B)(i) may provide for the award of a follow-on pro-
9 duction contract to the participants in the transaction for
10 a specific number of units at specific target prices. The
11 number of units specified in the transaction shall be deter-
12 mined on the basis of a balancing of the level of the invest-
13 ment made in the project by the participants other than
14 the Federal Government with the interest of the Federal
15 Government in having competition among sources in the
16 acquisition of the product or products prototyped under
17 the project.

18 “(2) A follow-on production contract provided for in
19 a transaction under paragraph (1) may be awarded to the
20 participants in the transaction without the use of competi-
21 tive procedures, notwithstanding the requirements of sec-
22 tion 2304 of title 10, United States Code, if—

23 “(A) competitive procedures were used for the
24 selection of parties for participation in the trans-
25 action;

1 “(B) the participants in the transaction suc-
2 cessfully completed the prototype project provided
3 for in the transaction;

4 “(C) the number of units provided for in the
5 follow-on production contract does not exceed the
6 number of units specified in the transaction for such
7 a follow-on production contract; and

8 “(D) the prices established in the follow-on pro-
9 duction contract do not exceed the target prices
10 specified in the transaction for such a follow-on pro-
11 duction contract.”.

12 **Subtitle B—Defense Acquisition**
13 **and Support Workforce**

14 **SEC. 811. REPORT ON IMPLEMENTATION OF RECOMMENDA-**
15 **TIONS OF THE ACQUISITION 2005 TASK**
16 **FORCE.**

17 (a) REQUIREMENT FOR REPORT.—Not later than
18 March 1, 2002, the Secretary of Defense shall submit to
19 the Committees on Armed Services of the Senate and the
20 House of Representatives a report on the extent of the
21 implementation of the recommendations set forth in the
22 final report of the Department of Defense Acquisition
23 2005 Task Force, entitled “Shaping the Civilian Acquisi-
24 tion Workforce of the Future”.

1 (b) CONTENT OF REPORT.—The report shall include
2 the following:

3 (1) For each recommendation in the final re-
4 port that is being implemented or that the Secretary
5 plans to implement—

6 (A) a summary of all actions that have
7 been taken to implement the recommendation;
8 and

9 (B) a schedule, with specific milestones,
10 for completing the implementation of the rec-
11 ommendation.

12 (2) For each recommendation in the final re-
13 port that the Secretary does not plan to
14 implement—

15 (A) the reasons for the decision not to im-
16 plement the recommendation; and

17 (B) a summary of any alternative actions
18 the Secretary plans to take to address the pur-
19 poses underlying the recommendation.

20 (3) A summary of any additional actions the
21 Secretary plans to take to address concerns raised in
22 the final report about the size and structure of the
23 acquisition workforce of the Department of Defense.

24 (c) COMPTROLLER GENERAL REVIEW.—Not later
25 than 60 days after the date on which the Secretary sub-

mits the report required by subsection (a), the Comptroller
General shall—

(1) review the report; and

(2) submit to the committees referred to in subsection (a) the Comptroller General's assessment of the extent to which the report—

(A) complies with the requirements of this section; and

(B) addresses the concerns raised in the final report about the size and structure of the acquisition workforce of the Department of Defense.

**SEC. 812. MORATORIUM ON REDUCTION OF THE DEFENSE
ACQUISITION AND SUPPORT WORKFORCE.**

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2002, 2003, and 2004, below the level of that workforce as of September 30, 2001, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the

1 level to which reduced, will be able efficiently and effec-
 2 tively to perform the workloads that are required of that
 3 workforce consistent with the cost-effective management
 4 of the defense acquisition system to obtain best value
 5 equipment and with ensuring military readiness.

6 (c) DEFENSE ACQUISITION AND SUPPORT WORK-
 7 FORCE DEFINED.—In this section, the term “defense ac-
 8 quisition and support workforce” means Armed Forces
 9 and civilian personnel who are assigned to, or are em-
 10 ployed in, an organization of the Department of Defense
 11 that is—

12 (1) an acquisition organization specified in De-
 13 partment of Defense Instruction 5000.58, dated
 14 January 14, 1992; or

15 (2) an organization not so specified that has ac-
 16 quisition as its predominant mission, as determined
 17 by the Secretary of Defense.

18 **SEC. 813. REVISION OF ACQUISITION WORKFORCE QUALI-**
 19 **FICATION REQUIREMENTS.**

20 (a) SPECIAL REQUIREMENTS FOR MEMBERS OF A
 21 CONTINGENCY CONTRACTING FORCE.—(1) Subchapter II
 22 of chapter 87 of title 10, United States Code, is amended
 23 by inserting after section 1724 the following new section:

1 **“§ 1724a. Contingency contracting force: qualification**
2 **requirements**

3 “(a) CONTINGENCY CONTRACTING FORCE.—The
4 Secretary of Defense may identify as a contingency con-
5 tracting force the acquisition positions described in sub-
6 sections (a) and (b) of section 1724 of this title that in-
7 volve duties requiring the personnel in those positions to
8 deploy to perform contracting functions in support of a
9 contingency operation or other Department of Defense op-
10 eration.

11 “(b) QUALIFICATION REQUIREMENTS.—The Sec-
12 retary of Defense shall prescribe the qualification require-
13 ments for a person appointed to a position in any contin-
14 gency contracting force identified under subsection (a).
15 The requirements shall include requirements that the
16 person—

17 “(1) either—

18 “(A) have completed the credits of study
19 as described in section 1724(a)(3)(B) of this
20 title;

21 “(B) have passed an examination consid-
22 ered by the Secretary of Defense to dem-
23 onstrate that the person has skills, knowledge,
24 or abilities comparable to that of a person who
25 has completed the credits of study described in
26 such section; or

1 “(C) through a combination of having com-
 2 pleted some of the credits of study described in
 3 such section and having passed an examination,
 4 have demonstrated that the person has skills,
 5 knowledge, or abilities comparable to that of a
 6 person who has completed all of the credits of
 7 study described in such section; and

8 “(2) have satisfied such additional requirements
 9 for education and experience as the Secretary may
 10 prescribe.”.

11 (2) The table of sections at the beginning of such sub-
 12 chapter is amended by inserting after the item relating
 13 to section 1724 the following new item:

“1724a. Contingency contracting force: qualification requirements.”.

14 (b) EXCEPTIONS TO GENERALLY APPLICABLE QUAL-
 15 IFICATION REQUIREMENTS.—Subsection (c) of such sec-
 16 tion is amended to read as follows:

17 “(c) EXCEPTIONS.—(1) The requirements imposed
 18 under subsection (a) or (b) of this section shall not apply
 19 to a person for either of the following purposes:

20 “(A) In the case of an employee, to qualify to
 21 serve in the position in which the employee was serv-
 22 ing on October 1, 1993, or in any other position in
 23 the same or lower grade and involving the same or
 24 lower level of responsibilities as the position in which
 25 the employee was serving on such date.

1 “(B) To qualify to serve in an acquisition posi-
2 tion in any contingency contracting force identified
3 under section 1724a of this title.

4 “(2) Subject to paragraph (3), the requirements im-
5 posed under subsection (a) or (b) shall not apply to a per-
6 son who, before October 1, 2000, served—

7 “(A) as a contracting officer in an executive
8 agency with authority to award or administer con-
9 tracts in excess of the simplified acquisition thresh-
10 old (referred to in section 2304(g) of this title); or

11 “(B) in a position in an executive agency either
12 as an employee in the GS–1102 occupational series
13 or as a member of the armed forces in a similar oc-
14 cupational specialty.

15 “(3) For the exception in subparagraph (A) or (B)
16 of paragraph (2) to apply to an employee with respect to
17 the requirements imposed under subsection (a) or (b), the
18 employee must—

19 “(A) before October 1, 2000—

20 “(i) have received a baccalaureate degree
21 as described in subparagraph (A) of subsection
22 (a)(3);

23 “(ii) have completed credits of study as de-
24 scribed in subparagraph (B) of subsection
25 (a)(3);

1 “(iii) have passed an examination consid-
 2 ered by the Secretary of Defense to dem-
 3 onstrate skills, knowledge, or abilities com-
 4 parable to that of a person who has completed
 5 credits of study as described in subparagraph
 6 (B) of subsection (a)(3); or

7 “(iv) have been granted a waiver of the ap-
 8 plicability of the requirements imposed under
 9 subsection (a) or (b), as the case may be; or

10 “(B) on October 1, 1991, had at least 10 years
 11 of experience in one or more acquisition positions in
 12 the Department of Defense, comparable positions in
 13 other government agencies or the private sector, or
 14 similar positions in which an individual obtains expe-
 15 rience directly relevant to the field of contracting.”.

16 (c) CLARIFICATION OF APPLICABILITY OF WAIVER
 17 AUTHORITY TO MEMBERS OF THE ARMED FORCES.—
 18 Subsection (d) of such section is amended by striking “em-
 19 ployee or member of” in the first sentence and inserting
 20 “employee of, or a member of an armed force in,”.

21 (d) OFFICE OF PERSONNEL MANAGEMENT AP-
 22 PROVAL OF GENERALLY APPLICABLE DISCRETIONARY
 23 REQUIREMENTS.—Section 1725 of title 10, United States
 24 Code, is amended—

1 (1) in subsection (a), by striking “section 1723
 2 or under section 1724(a)(4) of this title” in the first
 3 sentence and inserting “section 1723, 1724(a)(4), or
 4 1724a(b)(2)”; and

5 (2) in subsection (b), by striking “subsection
 6 (a)(3) or (b) of section 1724 of this title” in the
 7 first sentence and inserting “subsection (a)(3), (b),
 8 or (c)(3)(A)(iii) of section 1724 of this title or under
 9 subparagraph (B) or (C) of section 1724a(b)(1) of
 10 this title”.

11 (e) TECHNICAL CORRECTIONS.—Sections
 12 1724(a)(3)(B) and 1732(c)(2) of such title are amended
 13 by striking “business finance” and inserting “business, fi-
 14 nance”.

15 **Subtitle C—Use of Preferred** 16 **Sources**

17 **SEC. 821. APPLICABILITY OF COMPETITION REQUIRE-** 18 **MENTS TO PURCHASES FROM A REQUIRED** 19 **SOURCE.**

20 (a) CONDITIONS FOR COMPETITION.—(1) Chapter
 21 141 of title 10, United States Code, is amended by adding
 22 at the end the following:

1 **“§ 2410n. Products of Federal Prison Industries: pro-**
2 **cedural requirements**

3 “(a) MARKET RESEARCH BEFORE PURCHASE.—Be-
4 fore purchasing a product listed in the latest edition of
5 the Federal Prison Industries catalog under section
6 4124(d) of title 18, the Secretary of Defense shall conduct
7 market research to determine whether the Federal Prison
8 Industries product is comparable in price, quality, and
9 time of delivery to products available from the private sec-
10 tor.

11 “(b) LIMITED COMPETITION REQUIREMENT.—If the
12 Secretary determines that a Federal Prison Industries
13 product is not comparable in price, quality, and time of
14 delivery to products available from the private sector, the
15 Secretary shall use competitive procedures for the procure-
16 ment of the product. In conducting such a competition,
17 the Secretary shall consider a timely offer from Federal
18 Prison Industries for award in accordance with the speci-
19 fications and evaluation factors specified in the solicita-
20 tion.

21 “(c) EXEMPTIONS.—Notwithstanding any other pro-
22 vision of law, the Secretary shall not be required—

23 (1) to purchase from Federal Prison Industries
24 any product that is—

1 (A) integral to, or embedded in, a product
 2 that is not available from Federal Prison Indus-
 3 tries; or

4 (B) a national security system; or

5 (2) to make a purchase from Federal Prison In-
 6 dustries in a total amount that is less than the
 7 micropurchase threshold, as defined in section 32(f)
 8 of the Office of Federal Procurement Policy Act (41
 9 U.S.C. 428(f)).

10 “(d) DEFINITIONS.—In this section:

11 “(1) The term ‘competitive procedures’ has the
 12 meaning given that term in section 2302(2) of this
 13 title.

14 “(2) The term ‘national security system’ means
 15 any telecommunications or information system oper-
 16 ated by the United States Government, the function,
 17 operation, or use of which—

18 “(A) involves intelligence activities;

19 “(B) involves cryptologic activities related
 20 to national security;

21 “(C) involves command and control of mili-
 22 tary forces;

23 “(D) involves equipment that is an integral
 24 part of a weapon or a weapon system; or

1 “(E) is critical to the direct fulfillment of
 2 military or intelligence missions, except for a
 3 system that is to be used for routine adminis-
 4 trative and business applications (including pay-
 5 roll, finance, logistics, and personnel manage-
 6 ment applications).”.

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

“2410n. Products of Federal Prison Industries: procedural requirements.”.

9 (b) APPLICABILITY.—Section 2410n of title 10,
 10 United States Code (as added by subsection (a)), shall
 11 apply to purchases initiated on or after October 1, 2001.

12 **SEC. 822. CONSOLIDATION OF CONTRACT REQUIREMENTS.**

13 (a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of
 14 title 10, United States Code, is amended by inserting after
 15 section 2381 the following new section:

16 **“§ 2382. Consolidation of contract requirements: pol-
 17 icy and restrictions**

18 “(a) POLICY.—The Secretary of Defense shall re-
 19 quire the Secretary of each military department, the head
 20 of each Defense Agency, and the head of each Department
 21 of Defense Field Activity to ensure that the decisions
 22 made by that official regarding consolidation of contract
 23 requirements of the department, agency, or activity as the
 24 case may be, are made with a view to providing small busi-
 25 ness concerns with appropriate opportunities to partici-

1 pate in Department of Defense procurements as prime
2 contractors and appropriate opportunities to participate in
3 such procurements as subcontractors.

4 “(b) LIMITATION ON USE OF ACQUISITION STRATE-
5 GIES INVOLVING CONSOLIDATION.—(1) An official of a
6 military department, Defense Agency, or Department of
7 Defense Field Activity may not execute an acquisition
8 strategy that includes a consolidation of contract require-
9 ments of the military department, agency, or activity with
10 a total value in excess of \$5,000,000, unless the senior
11 procurement executive concerned first—

12 “(A) conducts market research;

13 “(B) identifies any alternative contracting ap-
14 proaches that would involve a lesser degree of con-
15 solidation of contract requirements; and

16 “(C) determines that the consolidation is nec-
17 essary and justified.

18 “(2) A senior procurement executive may determine
19 that an acquisition strategy involving a consolidation of
20 contract requirements is necessary and justified for the
21 purposes of paragraph (1) if the benefits of the acquisition
22 strategy substantially exceed the benefits of each of the
23 possible alternative contracting approaches identified
24 under subparagraph (B) of that paragraph. However, sav-
25 ings in administrative or personnel costs alone do not con-

1 stitute, for such purposes, a sufficient justification for a
 2 consolidation of contract requirements in a procurement
 3 unless the total amount of the cost savings is expected
 4 to be substantial in relation to the total cost of the pro-
 5 curement.

6 “(3) Benefits considered for the purposes of para-
 7 graphs (1) and (2) may include cost and, regardless of
 8 whether quantifiable in dollar amounts—

9 “(A) quality;

10 “(B) acquisition cycle;

11 “(C) terms and conditions; and

12 “(D) any other benefit.

13 “(c) DEFINITIONS.—In this section:

14 “(1) The terms ‘consolidation of contract re-
 15 quirements’ and ‘consolidation’, with respect to con-
 16 tract requirements of a military department, De-
 17 fense Agency, or Department of Defense Field Activ-
 18 ity, mean a use of a solicitation to obtain offers for
 19 a single contract or a multiple award contract to sat-
 20 isfy two or more requirements of that department,
 21 agency, or activity for goods or services that have
 22 previously been provided to, or performed for, that
 23 department, agency, or activity under two or more
 24 separate contracts smaller in cost than the total cost
 25 of the contract for which the offers are solicited.

1 “(2) The term ‘multiple award contract’
2 means—

3 “(A) a contract that is entered into by the
4 Administrator of General Services under the
5 multiple award schedule program referred to in
6 section 2302(2)(C) of this title;

7 “(B) a multiple award task order contract
8 or delivery order contract that is entered into
9 under the authority of sections 2304a through
10 2304d of this title or sections 303H through
11 303K of the Federal Property and Administra-
12 tive Services Act of 1949 (41 U.S.C. 253h
13 through 253k); and

14 “(C) any other indeterminate delivery, in-
15 determinate quantity contract that is entered
16 into by the head of a Federal agency with two
17 or more sources pursuant to the same sollicita-
18 tion.

19 “(3) The term ‘senior procurement executive
20 concerned’ means—

21 “(A) with respect to a military department,
22 the official designated under section 16(3) of
23 the Office of Federal Procurement Policy Act
24 (41 U.S.C. 414(3)) as the senior procurement
25 executive for the military department; or

1 “(B) with respect to a Defense Agency or
 2 a Department of Defense Field Activity, the of-
 3 ficial so designated for the Department of De-
 4 fense.

5 “(4) The term ‘small business concern’ means
 6 a business concern that is determined by the Admin-
 7 istrator of the Small Business Administration to be
 8 a small-business concern by application of the stand-
 9 ards prescribed under section 3(a) of the Small
 10 Business Act (15 U.S.C. 632(a)).”.

11 (2) The table of sections at the beginning of such
 12 chapter is amended by inserting after the item relating
 13 to section 2381 the following new item:

“2382. Consolidation of contract requirements: policy and restrictions.”.

14 (b) DATA REVIEW.—(1) The Secretary of Defense
 15 shall revise the data collection systems of the Department
 16 of Defense to ensure that such systems are capable of
 17 identifying each procurement that involves a consolidation
 18 of contract requirements within the department with a
 19 total value in excess of \$5,000,000.

20 (2) The Secretary shall ensure that appropriate offi-
 21 cials of the Department of Defense periodically review the
 22 information collected pursuant to paragraph (1) in co-
 23 operation with the Small Business Administration—

1 (A) to determine the extent of the consolidation
2 of contract requirements in the Department of De-
3 fense; and

4 (B) to assess the impact of the consolidation of
5 contract requirements on the availability of opportu-
6 nities for small business concerns to participate in
7 Department of Defense procurements, both as prime
8 contractors and as subcontractors.

9 (3)(A) No official of the Department of Defense may
10 modify any existing agency data collection system, create
11 a new agency data collection system, or collect data not
12 available in existing agency data collection systems for the
13 purpose of complying with any requirement of law or regu-
14 lation to collect data on the consolidation or bundling of
15 contract requirements except to the extent necessary to
16 comply with paragraph (1).

17 (B) The prohibition relating to the collection of data
18 under subparagraph (A) does not apply to any sampling
19 or study of Department of Defense contracts that—

20 (i) is carried out for the purposes of reviewing
21 and assessing such contracts; and

22 (ii) does not require a modification of data col-
23 lection systems, or the creation of new data collec-
24 tion systems, in the Department of Defense.

25 (4) In this subsection:

1 (A) The term “bundling of contract require-
 2 ments” has the meaning given that term in section
 3 3(o)(2) of the Small Business Act (15 U.S.C.
 4 632(o)(2)).

5 (B) The term “consolidation of contract re-
 6 quirements” has the meaning given that term in sec-
 7 tion 2382(c)(1) of title 10, United States Code, as
 8 added by subsection (a).

9 **SEC. 823. CODIFICATION AND CONTINUATION OF MENTOR-**
 10 **PROTEGE PROGRAM AS PERMANENT PRO-**
 11 **GRAM.**

12 (a) IN GENERAL.—(1) Chapter 141 of title 10,
 13 United States Code, is amended by inserting after section
 14 2402 the following new section:

15 **“§ 2403. Mentor-Protege Program**

16 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary
 17 of Defense shall carry out a program known as the ‘Men-
 18 tor-Protege Program’.

19 “(b) PURPOSE.—The purpose of the program is to
 20 provide incentives for major Department of Defense con-
 21 tractors to furnish eligible small business concerns (as de-
 22 fined in subsection (l)(2)) with assistance designed to en-
 23 hance the capabilities of eligible small business concerns
 24 to perform as subcontractors and suppliers under Depart-
 25 ment of Defense contracts and other contracts and sub-

1 contracts in order to increase the participation of such
2 business concerns as subcontractors and suppliers under
3 Department of Defense contracts, other Federal Govern-
4 ment contracts, and commercial contracts.

5 “(c) PROGRAM PARTICIPANTS.—(1) A business con-
6 cern meeting the eligibility requirements set out in sub-
7 section (d) may enter into agreements under subsection
8 (e) and furnish assistance to eligible small business con-
9 cerns upon making application to the Secretary of Defense
10 and being approved for participation in the program by
11 the Secretary. A business concern participating in the pro-
12 gram pursuant to such an approval shall be known, for
13 the purposes of the program, as a ‘mentor firm’.

14 “(2) An eligible small business concern may obtain
15 assistance from a mentor firm upon entering into an
16 agreement with the mentor firm as provided in subsection
17 (e). An eligible small business concern may not be a party
18 to more than one agreement to receive such assistance at
19 any time. An eligible small business concern receiving such
20 assistance shall be known, for the purposes of the pro-
21 gram, as a ‘protege firm’.

22 “(3) In entering into an agreement pursuant to sub-
23 section (e), a mentor firm may rely in good faith on a
24 written representation of a business concern that such
25 business concern is a small business concern described in

1 subsection (l)(2)(A). The Administrator of the Small Busi-
2 ness Administration shall determine the status of such
3 business concern as such a small business concern in the
4 event of a protest regarding the status of the business con-
5 cern. If at any time the business concern is determined
6 by the Administrator not to be such a small business con-
7 cern, assistance furnished to the business concern by the
8 mentor firm after the date of the determination may not
9 be considered assistance furnished under the program.

10 “(d) MENTOR FIRM ELIGIBILITY.—Subject to sub-
11 section (c)(1), a mentor firm eligible for award of Federal
12 contracts may enter into an agreement with one or more
13 protege firms under subsection (e) and provide assistance
14 under the program pursuant to that agreement if—

15 “(1) during the fiscal year preceding the fiscal
16 year in which the mentor firm enters into the agree-
17 ment, the total amount of the Department of De-
18 fense contracts awarded such mentor firm and the
19 subcontracts awarded such mentor firm under De-
20 partment of Defense contracts was equal to or great-
21 er than \$100,000,000; or

22 “(2) the mentor firm demonstrates the capa-
23 bility to assist in the development of protege firms,
24 and is approved by the Secretary of Defense pursu-

1 ant to criteria specified in the regulations prescribed
2 pursuant to subsection (k).

3 “(e) MENTOR-PROTEGE AGREEMENT.—Before pro-
4 viding assistance to a protege firm under the program, a
5 mentor firm shall enter into a mentor-protege agreement
6 with the protege firm regarding the assistance to be pro-
7 vided by the mentor firm. The agreement shall include the
8 following:

9 “(1) A developmental program for the protege
10 firm, in such detail as may be reasonable,
11 including—

12 “(A) factors to assess the protege firm’s
13 developmental progress under the program; and

14 “(B) the anticipated number and type of
15 subcontracts to be awarded the protege firm.

16 “(2) A program participation term for any pe-
17 riod of not more than three years, except that the
18 term may be a period of up to five years if the Sec-
19 retary of Defense determines in writing that unusual
20 circumstances justify a program participation term
21 in excess of three years.

22 “(3) Procedures for the protege firm to termi-
23 nate the agreement voluntarily and for the mentor
24 firm to terminate the agreement for cause.

1 “(f) FORMS OF ASSISTANCE.—A mentor firm may
2 provide a protege firm the following:

3 “(1) Assistance, by using mentor firm per-
4 sonnel, in—

5 “(A) general business management, includ-
6 ing organizational management, financial man-
7 agement, and personnel management, mar-
8 keting, business development, and overall busi-
9 ness planning;

10 “(B) engineering and technical matters
11 such as production, inventory control, and qual-
12 ity assurance; and

13 “(C) any other assistance designed to de-
14 velop the capabilities of the protege firm under
15 the developmental program referred to in sub-
16 section (e).

17 “(2) Award of subcontracts on a noncompetitive
18 basis to the protege firm under the Department of
19 Defense or other contracts.

20 “(3) Payment of progress payments for per-
21 formance of the protege firm under such a sub-
22 contract in amounts as provided for in the sub-
23 contract, but in no event may any such progress
24 payment exceed 100 percent of the costs incurred by
25 the protege firm for the performance.

1 “(4) Advance payments under such sub-
2 contracts.

3 “(5) Loans.

4 “(6) Cash in exchange for an ownership interest
5 in the protege firm, not to exceed 10 percent of the
6 total ownership interest.

7 “(7) Assistance obtained by the mentor firm for
8 the protege firm from one or more of the following:

9 “(A) Small business development centers
10 established pursuant to section 21 of the Small
11 Business Act (15 U.S.C. 648).

12 “(B) Entities providing procurement tech-
13 nical assistance pursuant to chapter 142 of this
14 title.

15 “(C) A historically Black college or univer-
16 sity or a minority institution of higher edu-
17 cation.

18 “(g) INCENTIVES FOR MENTOR FIRMS.—(1) The
19 Secretary of Defense may provide to a mentor firm reim-
20 bursement for the total amount of any progress payment
21 or advance payment made under the program by the men-
22 tor firm to a protege firm in connection with a Depart-
23 ment of Defense contract awarded the mentor firm.

24 “(2)(A) The Secretary of Defense may provide to a
25 mentor firm reimbursement for the costs of the assistance

1 furnished to a protege firm pursuant to paragraphs (1)
2 and (7) of subsection (f) as provided for in a line item
3 in a Department of Defense contract under which the
4 mentor firm is furnishing products or services to the De-
5 partment, subject to a maximum amount of reimburse-
6 ment specified in such contract. The preceding sentence
7 does not apply in a case in which the Secretary of Defense
8 determines in writing that unusual circumstances justify
9 reimbursement using a separate contract.

10 “(B) The determinations made in annual perform-
11 ance reviews of a mentor firm’s mentor-protege agreement
12 under subsection (j)(2) shall be a major factor in the de-
13 terminations of amounts of reimbursement, if any, that
14 the mentor firm is eligible to receive in the remaining
15 years of the program participation term under the agree-
16 ment.

17 “(C) The total amount reimbursed under this para-
18 graph to a mentor firm for costs of assistance furnished
19 in a fiscal year to a protege firm may not exceed
20 \$1,000,000, except in a case in which the Secretary of De-
21 fense determines in writing that unusual circumstances
22 justify a reimbursement of a higher amount.

23 “(3)(A) Costs incurred by a mentor firm in providing
24 assistance to a protege firm that are not reimbursed pur-
25 suant to paragraph (2) shall be recognized as credit in

1 lieu of subcontract awards for purposes of determining
2 whether the mentor firm attains a subcontracting partici-
3 pation goal applicable to such mentor firm under a De-
4 partment of Defense contract, under a contract with an-
5 other executive agency, or under a divisional or company-
6 wide subcontracting plan negotiated with the Department
7 of Defense or another executive agency.

8 “(B) The amount of the credit given a mentor firm
9 for any such unreimbursed costs shall be equal to—

10 “(i) four times the total amount of such costs
11 attributable to assistance provided by entities de-
12 scribed in subsection (f)(7);

13 “(ii) three times the total amount of such costs
14 attributable to assistance furnished by the mentor
15 firm’s employees; and

16 “(iii) two times the total amount of any other
17 such costs.

18 “(C) Under regulations prescribed pursuant to sub-
19 section (k), the Secretary of Defense shall adjust the
20 amount of credit given a mentor firm pursuant to sub-
21 paragraphs (A) and (B) if the Secretary determines that
22 the firm’s performance regarding the award of sub-
23 contracts to eligible small business concerns has declined
24 without justifiable cause.

1 “(4) A mentor firm shall receive credit toward the
2 attainment of a subcontracting participation goal applica-
3 ble to such mentor firm for each subcontract for a product
4 or service awarded under such contract by a mentor firm
5 to a business concern that, except for its size, would be
6 a small business concern owned and controlled by socially
7 and economically disadvantaged individuals, but only if—

8 “(A) the size of such business concern is not
9 more than two times the maximum size specified by
10 the Administrator of the Small Business Administra-
11 tion for purposes of determining whether a business
12 concern furnishing such product or service is a small
13 business concern; and

14 “(B) the business concern formerly had a men-
15 tor-protege agreement with such mentor firm that
16 was not terminated for cause.

17 “(h) RELATIONSHIP TO SMALL BUSINESS ACT.—(1)
18 For purposes of the Small Business Act, no determination
19 of affiliation or control (either direct or indirect) may be
20 found between a protege firm and its mentor firm on the
21 basis that the mentor firm has agreed to furnish (or has
22 furnished) to its protege firm pursuant to a mentor-pro-
23 tege agreement any form of developmental assistance de-
24 scribed in subsection (f).

1 “(2) Notwithstanding section 8 of the Small Business
2 Act (15 U.S.C. 637), the Small Business Administration
3 may not determine an eligible small business concern to
4 be ineligible to receive any assistance authorized under the
5 Small Business Act on the basis that such business con-
6 cern has participated in the Mentor-Protege Program or
7 has received assistance pursuant to any developmental as-
8 sistance agreement authorized under such program.

9 “(3) The Small Business Administration may not re-
10 quire a firm that is entering into, or has entered into, an
11 agreement under subsection (e) as a protege firm to sub-
12 mit the agreement, or any other document required by the
13 Secretary of Defense in the administration of the Mentor-
14 Protege Program, to the Small Business Administration
15 for review, approval, or any other purpose.

16 “(i) PARTICIPATION IN MENTOR-PROTEGE PROGRAM
17 NOT TO BE A CONDITION FOR AWARD OF A CONTRACT
18 OR SUBCONTRACT.—A mentor firm may not require a
19 business concern to enter into an agreement with the men-
20 tor firm pursuant to subsection (e) as a condition for
21 being awarded a contract by the mentor firm, including
22 a subcontract under a contract awarded to the mentor
23 firm.

24 “(j) REPORTS AND REVIEWS.—(1) The mentor firm
25 and protege firm under a mentor-protege agreement shall

1 submit to the Secretary of Defense an annual report on
2 the progress made by the protege firm in employment, rev-
3 enues, and participation in Department of Defense con-
4 tracts during the fiscal year covered by the report. The
5 requirement for submission of an annual report applies
6 with respect to each fiscal year covered by the program
7 participation term under the agreement and each of the
8 two fiscal years following the expiration of the program
9 participation term. The Secretary shall prescribe the tim-
10 ing and form of the annual report.

11 “(2)(A) The Secretary shall conduct an annual per-
12 formance review of each mentor-protege agreement that
13 provides for reimbursement of costs. The Secretary shall
14 determine on the basis of the review whether—

15 “(i) all costs reimbursed to the mentor firm
16 under the agreement were reasonably incurred to
17 furnish assistance to the protege firm in accordance
18 with the requirements of this section and applicable
19 regulations; and

20 “(ii) the mentor firm and protege firm accu-
21 rately reported progress made by the protege firm in
22 employment, revenues, and participation in Depart-
23 ment of Defense contracts during the program par-
24 ticipation term covered by the mentor-protege agree-

1 ment and the two fiscal years following the expira-
2 tion of the program participation term.

3 “(B) The Secretary shall act through the Commander
4 of the Defense Contract Management Command in car-
5 rying out the reviews and making the determinations
6 under subparagraph (A).

7 “(k) REGULATIONS AND POLICIES.—(1) The Sec-
8 retary of Defense shall prescribe regulations to carry out
9 the Mentor-Protege Program. The regulations shall in-
10 clude the following:

11 “(A) The requirements set forth in section 8(d)
12 of the Small Business Act (15 U.S.C. 673(d)).

13 “(B) Procedures by which mentor firms may
14 terminate participation in the program.

15 “(2) The Department of Defense policy regarding the
16 Mentor-Protege Program shall be published and main-
17 tained as an appendix to the Department of Defense Sup-
18 plement to the Federal Acquisition Regulation.

19 “(l) DEFINITIONS.—In this section:

20 “(1) The term ‘small business concern’ means
21 a business concern that meets the requirements of
22 section 3(a) of the Small Business Act (15 U.S.C.
23 632(a)) and the regulations promulgated pursuant
24 thereto.

1 “(2) The term ‘eligible small business concern’
2 is a small business concern that—

3 “(A) is either—

4 “(i) a disadvantaged small business
5 concern; or

6 “(ii) a small business concern owned
7 and controlled by women; and

8 “(B) is eligible for the award of Federal
9 contracts.

10 “(3) The term ‘disadvantaged small business
11 concern’ means—

12 “(A) a small business concern owned and
13 controlled by socially and economically dis-
14 advantaged individuals, as defined in section
15 8(d)(3)(C) of the Small Business Act (15
16 U.S.C. 637(d)(3)(C));

17 “(B) a business entity owned and con-
18 trolled by an Indian tribe as defined by section
19 8(a)(13) of the Small Business Act (15 U.S.C.
20 637(a)(13));

21 “(C) a business entity owned and con-
22 trolled by a Native Hawaiian Organization as
23 defined by section 8(a)(15) of the Small Busi-
24 ness Act (15 U.S.C. 637(a)(15)); or

1 “(D) a qualified organization employing
2 the severely disabled.

3 “(4) The term ‘small business concern owned
4 and controlled by women’ has the meaning given
5 such term in section 8(d)(3)(D) of the Small Busi-
6 ness Act (15 U.S.C. 637(d)(3)(D)).

7 “(5) The term ‘historically Black college and
8 university’ means any of the historically Black col-
9 leges and universities referred to in section 2323 of
10 this title.

11 “(6) The term ‘minority institution of higher
12 education’ means an institution of higher education
13 with a student body that reflects the composition
14 specified in paragraphs (3), (4), and (5) of section
15 312(b) of the Higher Education Act of 1965 (20
16 U.S.C. 1058(b)), as in effect on September 30,
17 1992.

18 “(7) The term ‘subcontracting participation
19 goal’, with respect to a Department of Defense con-
20 tract, means a goal for the extent of the participa-
21 tion by eligible small business concerns in the sub-
22 contracts awarded under such contract, as estab-
23 lished pursuant to section 2323 of this title and sec-
24 tion 8(d) of the Small Business Act (15 U.S.C.
25 637(d)).

1 “(8) The term ‘qualified organization employing
2 the severely disabled’ means a business entity oper-
3 ated on a for-profit or nonprofit basis that—

4 “(A) uses rehabilitative engineering to pro-
5 vide employment opportunities for severely dis-
6 abled individuals and integrates severely dis-
7 abled individuals into its workforce;

8 “(B) employs severely disabled individuals
9 at a rate that averages not less than 20 percent
10 of its total workforce;

11 “(C) employs each severely disabled indi-
12 vidual in its workforce generally on the basis of
13 40 hours per week; and

14 “(D) pays not less than the minimum wage
15 prescribed pursuant to section 6 of the Fair
16 Labor Standards Act of 1938 (29 U.S.C. 206)
17 to those employees who are severely disabled in-
18 dividuals.

19 “(9) The term ‘severely disabled individual’
20 means an individual who has a physical or mental
21 disability which constitutes a substantial handicap to
22 employment and which, in accordance with criteria
23 prescribed by the Committee for Purchase From
24 People Who Are Blind or Severely Disabled estab-
25 lished by the first section of the Javits-Wagner-

1 O'Day Act (41 U.S.C. 46), is of such a nature that
2 the individual is otherwise prevented from engaging
3 in normal competitive employment.”.

4 (2) The table of sections at the beginning of such
5 chapter is amended by inserting after the item relating
6 to section 2402 the following new item:

“2403. Mentor-Protege Program.”.

7 (b) REPEAL OF SUPERSEDED LAW.—Section 831 of
8 the National Defense Authorization Act for Fiscal Year
9 1991 (10 U.S.C. 2302 note) is repealed.

10 (c) CONTINUATION OF TEMPORARY REPORTING RE-
11 QUIREMENT.—(1) Not later than six months after the end
12 of each of fiscal years 2001 through 2004, the Secretary
13 of Defense shall submit to Congress an annual report on
14 the Mentor-Protege Program for that fiscal year.

15 (2) The annual report for a fiscal year shall include,
16 at a minimum, the following:

17 (A) The number of mentor-protege agreements
18 that were entered into during the fiscal year.

19 (B) The number of mentor-protege agreements
20 that were in effect during the fiscal year.

21 (C) The total amount reimbursed during the
22 fiscal year to mentor firms pursuant to section
23 2403(g) of title 10, United States Code (as added by
24 subsection (a)), or section 831(g) of the National
25 Defense Authorization Act for fiscal year 1991 (as

1 in effect on the day before the date of the enactment
2 of this Act).

3 (D) Each mentor-protege agreement, if any,
4 that was approved during the fiscal year in accord-
5 ance with section 2403(e)(2) of title 10, United
6 States Code (as added by subsection (a)), or section
7 831(e)(2) of the National Defense Authorization Act
8 for Fiscal Year 1991 (as in effect on the day before
9 the date of the enactment of this Act) to provide a
10 program participation term in excess of three years,
11 together with the justification for the approval.

12 (E) Each reimbursement of a mentor firm in
13 excess of the limitation in subsection (g)(2)(C) of
14 section 2403 of title 10, United States Code (as
15 added by subsection (a)), or subsection (g)(2)(C) of
16 section 831 of the National Defense Authorization
17 Act for Fiscal Year 1991 (as in effect on the day be-
18 fore the date of the enactment of this Act) that was
19 made during the fiscal year pursuant to an approval
20 granted in accordance with that subsection, together
21 with the justification for the approval.

22 (F) Trends in the progress made in employ-
23 ment, revenues, and participation in Department of
24 Defense contracts by the protege firms participating
25 in the program during the fiscal year and the pro-

1 tege firms that completed or otherwise terminated
2 participation in the program during the preceding
3 two fiscal years.

4 (d) CONTINUATION OF REQUIREMENT FOR GAO
5 STUDY AND REPORT.—Nothing in this section shall be
6 construed as modifying the requirements of section
7 811(d)(3) of the National Defense Authorization Act for
8 Fiscal Year 2000 (Public Law 106–65; 113 Stat. 709).

9 (e) SAVINGS PROVISIONS.—(1) All orders, determina-
10 tions, rules, regulations, contracts, privileges, and other
11 administrative actions that—

12 (A) have been issued, made, granted, or allowed
13 to become effective under the pilot Mentor-Protégé
14 Program under section 831 of the National Defense
15 Authorization Act for Fiscal Year 1991, as in effect
16 on the day before the date of the enactment of this
17 Act, including any such action taken by a court of
18 competent jurisdiction, and

19 (B) are in effect at the end of such day, or were
20 final before the date of the enactment of this Act
21 and are to become effective on or after that date,
22 shall continue in effect according to their terms until
23 modified, terminated, superseded, set aside, or revoked in
24 accordance with law by the Secretary of Defense or a court
25 of competent jurisdiction or by operation of law.

1 (2) This section and the amendments made by this
2 section shall not affect any proceedings, including notices
3 of proposed rulemaking, that are pending before the De-
4 partment of Defense as of the date of the enactment of
5 this Act, with respect to the administration of the pilot
6 Mentor-Protege Program under section 831 of the Na-
7 tional Defense Authorization Act for Fiscal Year 1991,
8 as in effect on the day before that date, but such pro-
9 ceedings and applications shall be continued. Orders shall
10 be issued in such proceedings, appeals shall be taken
11 therefrom, and payments shall be made pursuant to such
12 orders, as if this section had not been enacted, and orders
13 issued in any such proceedings shall continue in effect
14 until modified, terminated, superseded, or revoked by a
15 duly authorized official, by a court of competent jurisdic-
16 tion, or by operation of law. Nothing in this section shall
17 be deemed to prohibit the discontinuance or modification
18 of any such proceeding under the same terms and condi-
19 tions and to the same extent that such proceeding could
20 have been discontinued or modified if this section had not
21 been enacted.

22 (3) The amendment made by subsection (a)(1), and
23 the repeal of section 831 of the National Defense Author-
24 ization Act for Fiscal Year 1991 by subsection (b), shall
25 not be construed as modifying or otherwise affecting the

1 requirement in section 811(f)(2) of the National Defense
 2 Authorization Act for Fiscal Year 2000 (Public Law 106–
 3 65; 113 Stat. 709).

4 **Subtitle D—Amendments to Gen-**
 5 **eral Contracting Authorities,**
 6 **Procedures, and Related Mat-**
 7 **ters**

8 **SEC. 831. AMENDMENTS TO CONFORM WITH ADMINISTRA-**
 9 **TIVE CHANGES IN ACQUISITION PHASE AND**
 10 **MILESTONE TERMINOLOGY AND TO MAKE**
 11 **RELATED ADJUSTMENTS IN CERTAIN RE-**
 12 **QUIREMENTS APPLICABLE AT MILESTONE**
 13 **TRANSITION POINTS.**

14 (a) **ACQUISITION PHASE TERMINOLOGY.**—The fol-
 15 lowing provisions of title 10, United States Code, are
 16 amended by striking “engineering and manufacturing de-
 17 velopment” each place it appears and inserting “system
 18 development and demonstration”: sections 2366(c) and
 19 2434(a), and subsections (b)(3)(A)(i), (c)(3)(A), and
 20 (h)(1) of section 2432.

21 (b) **MILESTONE TRANSITION POINTS.**—(1) Section
 22 811(c) of the Floyd D. Spence National Defense Author-
 23 ization Act for Fiscal Year 2001 (as enacted into law by
 24 Public Law 106–398; 114 Stat. 1654A–211), is amended
 25 by striking “Milestone I approval, Milestone II approval,

1 or Milestone III approval (or the equivalent) of a major
 2 automated information system” and inserting “approval
 3 of a major automated information system at Milestone B
 4 or C or for full rate production, or an equivalent ap-
 5 proval,”.

6 (2) Department of Defense Directive 5000.1, as re-
 7 vised in accordance with subsection (b) of section 811 of
 8 such Act, shall be further revised as necessary to comply
 9 with subsection (c) of such section, as amended by para-
 10 graph (1), within 60 days after the date of the enactment
 11 of this Act.

12 (c) ADJUSTMENTS TO REQUIREMENT FOR DETER-
 13 MINATION OF QUANTITY FOR LOW-RATE INITIAL PRO-
 14 Duction.—Section 2400(a) of title 10, United States
 15 Code, is amended—

16 (1) by striking “milestone II” each place it ap-
 17 pears in paragraphs (1)(A), (2), (4) and (5) and in-
 18 serting “milestone B”; and

19 (2) in paragraph (2), by striking “engineering
 20 and manufacturing development” and inserting “sys-
 21 tem development and demonstration”.

22 (d) ADJUSTMENTS TO REQUIREMENTS FOR BASE-
 23 LINE DESCRIPTION AND THE RELATED LIMITATION.—
 24 Section 2435 of title 10, United States Code, is
 25 amended—

1 (1) in subsection (b), by striking “engineering
2 and manufacturing development” and inserting “sys-
3 tem development and demonstration”; and

4 (2) in subsection (c)—

5 (A) in paragraph (1), by striking “dem-
6 onstration and validation” and inserting “sys-
7 tem development and demonstration”;

8 (B) in paragraph (2), by striking “engi-
9 neering and manufacturing development” and
10 inserting “production and deployment”; and

11 (C) in paragraph (3), by striking “produc-
12 tion and deployment” and inserting “full rate
13 production”.

14 **SEC. 832. INAPPLICABILITY OF LIMITATION TO SMALL PUR-**
15 **CHASES OF MINIATURE OR INSTRUMENT**
16 **BALL OR ROLLER BEARINGS UNDER CER-**
17 **TAIN CIRCUMSTANCES.**

18 Section 2534(g)(2) of title 10, United States Code,
19 is amended—

20 (1) by striking “contracts” and inserting “a
21 contract”;

22 (2) by striking the period at the end and insert-
23 ing “unless the head of the contracting activity de-
24 termines that—”; and

25 (3) by adding at the end the following:

1 “(A) the amount of the purchase does not ex-
2 ceed \$25,000;

3 “(B) the precision level of the ball or roller
4 bearings to be procured under the contract is rated
5 lower than the rating known as Annual Bearing En-
6 gineering Committee (ABEC) 5 or Roller Bearing
7 Engineering Committee (RBEC) 5, or an equivalent
8 of such rating;

9 “(C) at least two manufacturers in the national
10 technology and industrial base that are capable of
11 producing the ball or roller bearings have not re-
12 sponded to a request for quotation issued by the
13 contracting activity for that contract; and

14 “(D) no bearing to be procured under the con-
15 tract has a basic outside diameter (exclusive of
16 flange diameters) in excess of 30 millimeters.”.

17 **TITLE IX—DEPARTMENT OF DE-**
18 **FENSE ORGANIZATION AND**
19 **MANAGEMENT**

20 **SEC. 901. DEPUTY UNDER SECRETARY OF DEFENSE FOR**
21 **PERSONNEL AND READINESS.**

22 (a) ESTABLISHMENT OF POSITION.—(1) Chapter 4
23 of title 10, United States Code, is amended by inserting
24 after section 136 the following new section:

1 **“§ 136a. Deputy Under Secretary of Defense for Per-**
 2 **sonnel and Readiness**

3 “(a) There is a Deputy Under Secretary of Defense
 4 for Personnel and Readiness, appointed from civilian life
 5 by the President, by and with the advice and consent of
 6 the Senate.

7 “(b) The Deputy Under Secretary of Defense for Per-
 8 sonnel and Readiness shall assist the Under Secretary of
 9 Defense for Personnel and Readiness in the performance
 10 of the duties of that position. The Deputy Under Sec-
 11 retary of Defense for Personnel and Readiness shall act
 12 for, and exercise the powers of, the Under Secretary when
 13 the Under Secretary is absent or disabled.”.

14 (2) The table of sections at the beginning of such
 15 chapter is amended by inserting after the item relating
 16 to section 136 the following new item:

“136a. Deputy Under Secretary of Defense for Personnel and Readiness.”.

17 (b) EXECUTIVE LEVEL IV.—Section 5315 of title 5,
 18 United States Code, is amended by inserting after “Dep-
 19 uty Under Secretary of Defense for Policy.” the following:

20 “Deputy Under Secretary of Defense for Per-
 21 sonnel and Readiness.”.

22 (c) REDUCTION IN NUMBER OF ASSISTANT SECRE-
 23 TARIES OF DEFENSE.—(1) Section 138(a) of title 10,
 24 United States Code, is amended by striking “nine” and
 25 inserting “eight”.

1 (2) Section 5315 of title 5, United States Code, is
 2 amended by striking “Assistant Secretaries of Defense
 3 (9).” and inserting the following:

4 “Assistant Secretaries of Defense (8).”.

5 **SEC. 902. RESPONSIBILITY OF UNDER SECRETARY OF THE**
 6 **AIR FORCE FOR ACQUISITION OF SPACE**
 7 **LAUNCH VEHICLES AND SERVICES.**

8 Section 8015(b) of title 10, United States Code, is
 9 amended—

10 (1) by inserting “(1)” after “(b)”; and

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

13 “(2) The Under Secretary shall be responsible for
 14 planning and contracting for, and for managing, the ac-
 15 quisition of space launch vehicles and space launch serv-
 16 ices for the Department of Defense and the National Re-
 17 connaissance Office.”.

18 **SEC. 903. SENSE OF CONGRESS REGARDING THE SELEC-**
 19 **TION OF OFFICERS FOR ASSIGNMENT AS THE**
 20 **COMMANDER IN CHIEF, UNITED STATES**
 21 **TRANSPORTATION COMMAND.**

22 (a) FINDINGS.—Congress makes the following find-
 23 ings:

24 (1) The Goldwater-Nichols Department of De-
 25 fense Reorganization Act of 1986 envisioned that an

1 officer would be assigned to serve as the commander
2 of a combatant command on the basis of being the
3 best qualified officer for the assignment rather than
4 the best qualified officer of the armed force that has
5 historically supplied an officer to serve in that as-
6 signment.

7 (2) In order to provide for greater competition
8 among the Armed Forces for selection of officers for
9 assignment as the commanders of the combatant
10 commands and assignment to certain other joint po-
11 sitions in the grade of general or admiral, Congress
12 provided temporary relief from the limitation on the
13 number of officers serving on active duty in the
14 grade of general or admiral in section 405 of the
15 National Defense Authorization Act for Fiscal Year
16 1995 and thereafter extended that relief until Sep-
17 tember 30, 2003, but has also required that the Sec-
18 retary of Defense be furnished the name of at least
19 one officer from each of the Armed Forces for con-
20 sideration for appointment to each such position.

21 (3) Most of the positions of commanders of the
22 combatant commands have been filled successively
23 by officers of more than one of the Armed Forces
24 since the enactment of the Goldwater-Nichols De-
25 partment of Defense Reorganization Act of 1986.

1 (4) However, general officers of the Air Force
2 with only limited experience in the transportation
3 services have usually filled the position of Com-
4 mander in Chief of the United States Transpor-
5 tation Command.

6 (5) The United States Transportation Com-
7 mand and its component commands could benefit
8 from the appointment of an officer selected from the
9 two armed forces that are the primary users of their
10 transportation resources, namely the Army and the
11 Marine Corps.

12 (b) SENSE OF CONGRESS.— In light of the findings
13 set forth in subsection (a), it is the sense of Congress that
14 the Secretary of Defense should, when considering officers
15 for recommendation to the President for appointment as
16 the Commander in Chief, United States Transportation
17 Command, give careful consideration to recommending an
18 officer of the Army or the Marine Corps.

19 **SEC. 904. ORGANIZATIONAL REALIGNMENT FOR NAVY DI-**
20 **RECTOR FOR EXPEDITIONARY WARFARE.**

21 Section 5038(a) of title 10, United States Code, is
22 amended by striking “Office of the Deputy Chief of Naval
23 Operations for Resources, Warfare Requirements, and As-
24 sessments” and inserting “Office of the Deputy Chief of

1 Naval Operations for Warfare Requirements and Pro-
2 grams”.

3 **SEC. 905. REVISED REQUIREMENTS FOR CONTENT OF AN-**
4 **NUAL REPORT ON JOINT WARFIGHTING EX-**
5 **PERIMENTATION.**

6 Section 485(b) of title 10, United States Code, is
7 amended—

8 (1) by inserting before the period at the end of
9 paragraph (1) the following: “, together with a spe-
10 cific assessment of whether there is a need for a
11 major force program for funding joint warfighting
12 experimentation and for funding the development
13 and acquisition of any technology the value of which
14 has been empirically demonstrated through such ex-
15 perimentation”; and

16 (2) in paragraph (4)(E)—

17 (A) by inserting “(by lease or by pur-
18 chase)” after “acquire”; and

19 (B) by inserting “(including any proto-
20 type)” after “or equipment”.

21 **SEC. 906. SUSPENSION OF REORGANIZATION OF ENGINEER-**
22 **ING AND TECHNICAL AUTHORITY POLICY**
23 **WITHIN THE NAVAL SEA SYSTEMS COMMAND.**

24 (a) **SUSPENSION.**—During the period specified in
25 subsection (b), the Secretary of the Navy may not com-

1 mence or continue any change in engineering or technical
2 authority policy for the Naval Sea Systems Command or
3 its subsidiary activities.

4 (b) DURATION.—Subsection (a) applies during the
5 period beginning on the date of enactment of this Act and
6 ending 60 days after the date on which the Secretary sub-
7 mits to the congressional defense committees a report that
8 sets forth in detail the Navy’s plans and justification for
9 the reorganization of engineering and technical authority
10 policy within the Naval Sea Systems Command.

11 **SEC. 907. CONFORMING AMENDMENTS RELATING TO**
12 **CHANGE OF NAME OF AIR MOBILITY COM-**
13 **MAND.**

14 (a) TITLE 10, UNITED STATES CODE.—Title 10,
15 United States Code, is amended—

16 (1) by striking “Military Airlift Command” in
17 sections 2554(d) and 2555(a) and inserting “Air
18 Mobility Command”; and

19 (2) in section 8074, by striking subsection (c).

20 (b) TITLE 37, UNITED STATES CODE.—Sections
21 430(c) and 432(b) of title 37, United States Code, are
22 amended by striking “Military Airlift Command” and in-
23 serting “Air Mobility Command”.

1 **TITLE X—GENERAL PROVISIONS**

2 **Subtitle A—Financial Matters**

3 **SEC. 1001. TRANSFER AUTHORITY.**

4 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

5 (1) Upon determination by the Secretary of Defense that
6 such action is necessary in the national interest, the Sec-
7 retary may transfer amounts of authorizations made avail-
8 able to the Department of Defense in this division for fis-
9 cal year 2002 between any such authorizations for that
10 fiscal year (or any subdivisions thereof). Amounts of au-
11 thorizations so transferred shall be merged with and be
12 available for the same purposes as the authorization to
13 which transferred.

14 (2) The total amount of authorizations that the Sec-
15 retary may transfer under the authority of this section
16 may not exceed \$2,000,000,000.

17 (b) **LIMITATIONS.—**The authority provided by this
18 section to transfer authorizations—

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

22 (2) may not be used to provide authority for an
23 item that has been denied authorization by Con-
24 gress.

1 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
2 transfer made from one account to another under the au-
3 thority of this section shall be deemed to increase the
4 amount authorized for the account to which the amount
5 is transferred by an amount equal to the amount trans-
6 ferred.

7 (d) NOTICE TO CONGRESS.—The Secretary shall
8 promptly notify Congress of each transfer made under
9 subsection (a).

10 **SEC. 1002. REDUCTION IN AUTHORIZATIONS OF APPRO-**
11 **PRIATIONS FOR DEPARTMENT OF DEFENSE**
12 **FOR MANAGEMENT EFFICIENCIES.**

13 Notwithstanding any other provision of this Act, the
14 total amount authorized to be appropriated for the De-
15 partment of Defense by divisions A and B of this Act is
16 hereby reduced by \$1,630,000,000, to reflect savings to
17 be achieved through implementation of the provisions of
18 title VIII and other management efficiencies and business
19 process reforms.

20 **SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
21 **PRIATIONS FOR FISCAL YEAR 2001.**

22 Amounts authorized to be appropriated to the De-
23 partment of Defense for fiscal year 2001 in the Floyd D.
24 Spence National Defense Authorization Act for Fiscal
25 Year 2001 (as enacted into law by Public Law 106–398)

1 are hereby adjusted, with respect to any such authorized
 2 amount, by the amount by which appropriations pursuant
 3 to such authorization were increased (by a supplemental
 4 appropriation) or decreased (by a rescission), or both, in
 5 title I of the Supplemental Appropriations Act, 2001
 6 (Public Law 107–20).

7 **SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COM-**
 8 **MON-FUNDED BUDGETS IN FISCAL YEAR 2002.**

9 (a) FISCAL YEAR 2002 LIMITATION.—The total
 10 amount contributed by the Secretary of Defense in fiscal
 11 year 2002 for the common-funded budgets of NATO may
 12 be any amount up to, but not in excess of, the amount
 13 specified in subsection (b) (rather than the maximum
 14 amount that would otherwise be applicable to those con-
 15 tributions under the fiscal year 1998 baseline limitation).

16 (b) TOTAL AMOUNT.—The amount of the limitation
 17 applicable under subsection (a) is the sum of the following:

18 (1) The amounts of unexpended balances, as of
 19 the end of fiscal year 2001, of funds appropriated
 20 for fiscal years before fiscal year 2002 for payments
 21 for those budgets.

22 (2) The amount specified in subsection (c)(1).

23 (3) The amount specified in subsection (c)(2).

24 (4) The total amount of the contributions au-
 25 thorized to be made under section 2501.

1 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
2 be appropriated by titles II and III of this Act are avail-
3 able for contributions for the common-funded budgets of
4 NATO as follows:

5 (1) Of the amount provided in section 201(1),
6 \$708,000 for the Civil Budget.

7 (2) Of the amount provided in section 301(1),
8 \$175,849,000 for the Military Budget.

9 (d) DEFINITIONS.—For purposes of this section:

10 (1) COMMON-FUNDED BUDGETS OF NATO.—
11 The term “common-funded budgets of NATO”
12 means the Military Budget, the Security Investment
13 Program, and the Civil Budget of the North Atlantic
14 Treaty Organization (and any successor or addi-
15 tional account or program of NATO).

16 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—
17 The term “fiscal year 1998 baseline limitation”
18 means the maximum annual amount of Department
19 of Defense contributions for common-funded budgets
20 of NATO that is set forth as the annual limitation
21 in section 3(2)(C)(ii) of the resolution of the Senate
22 giving the advice and consent of the Senate to the
23 ratification of the Protocols to the North Atlantic
24 Treaty of 1949 on the Accession of Poland, Hun-
25 gary, and the Czech Republic (as defined in section

1 4(7) of that resolution), approved by the Senate on
2 April 30, 1998.

3 **SEC. 1005. CLARIFICATION OF APPLICABILITY OF INTER-**
4 **EST PENALTIES FOR LATE PAYMENT OF IN-**
5 **TERIM PAYMENTS DUE UNDER CONTRACTS**
6 **FOR SERVICES.**

7 Section 1010(d) of the Floyd D. Spence National De-
8 fense Authorization Act for Fiscal Year 2001 (as enacted
9 into law by Public Law 106–398; 114 Stat. 1654A–251)
10 is amended by inserting before the period at the end of
11 the first sentence the following: “, and shall apply with
12 respect to interim payments that are due on or after such
13 date under contracts entered into before, on, or after that
14 date”.

15 **SEC. 1006. RELIABILITY OF DEPARTMENT OF DEFENSE FI-**
16 **NANCIAL STATEMENTS.**

17 (a) ANNUAL REPORT ON RELIABILITY.—(1) Not
18 later than July 1 of each year, the Secretary of Defense
19 shall submit to the recipients referred to in paragraph (3)
20 a report on the reliability of the Department of Defense
21 financial statements, including the financial statements of
22 each component of the department that is required to pre-
23 pare a financial statement under section 3515(c) of title
24 31, United States Code.

25 (2) The annual report shall contain the following:

1 (A) A conclusion regarding whether the policies
2 and procedures of the Department of Defense, and
3 the systems used within the Department of Defense,
4 for the preparation of financial statements allow the
5 achievement of reliability in the financial statements.

6 (B) For each of the financial statements pre-
7 pared for the Department of Defense for the fiscal
8 year in which the report is submitted, a conclusion
9 regarding the expected reliability of the financial
10 statement (evaluated on the basis of Office of Man-
11 agement and Budget guidance on financial state-
12 ments), together with a discussion of the major defi-
13 ciencies to be expected in the statement.

14 (C) A summary of the specific sections of the
15 annual Financial Management Improvement Plan of
16 the Department of Defense, current as of the date
17 of the report, that—

18 (i) detail the priorities, milestones, and
19 measures of success that apply to the prepara-
20 tion of the financial statements;

21 (ii) detail the planned improvements in the
22 process for the preparation of financial state-
23 ments that are to be implemented within 12
24 months after the date on which the plan is
25 issued; and

1 (iii) provide an estimate of when each fi-
2 nancial statement will convey reliable informa-
3 tion.

4 (3) The annual report shall be submitted to the fol-
5 lowing:

6 (A) The Committee on Armed Services and the
7 Committee on Governmental Affairs of the Senate.

8 (B) The Committee on Armed Services and the
9 Committee on Government Reform of the House of
10 Representatives.

11 (C) The Director of the Office of Management
12 and Budget.

13 (D) The Secretary of the Treasury.

14 (E) The Comptroller General of the United
15 States.

16 (4) The Secretary of Defense shall make a copy of
17 the annual report available to the Inspector General of the
18 Department of Defense.

19 (b) MINIMIZATION OF USE OF RESOURCES FOR UN-
20 RELIABLE FINANCIAL STATEMENTS.—(1) With respect to
21 each financial statement for a fiscal year that the Sec-
22 retary of Defense assesses as being expected to be unreli-
23 able in the annual report under subsection (a), the Under
24 Secretary of Defense (Comptroller) or the Assistant Sec-
25 retary (Financial Management and Comptroller) of the

1 military department concerned shall take appropriate ac-
2 tions to minimize the resources, including contractor sup-
3 port, that are used to develop, compile, and report the fi-
4 nancial statement.

5 (2)(A) With the annual budget justifications for the
6 Department of Defense submitted to Congress each year,
7 the Under Secretary of Defense (Comptroller) shall sub-
8 mit, with respect to the fiscal year in which submitted,
9 the preceding fiscal year, and the following fiscal year, the
10 following information:

11 (i) An estimate of the resources that the De-
12 partment of Defense is saving or expects to save as
13 a result of actions taken and to be taken under
14 paragraph (1) with respect to the preparation of fi-
15 nancial statements.

16 (ii) A discussion of how the resources saved as
17 estimated under clause (i) have been redirected or
18 are to be redirected from the preparation of financial
19 statements to the improvement of systems under-
20 lying financial management within the Department
21 of Defense and to the improvement of financial man-
22 agement policies, procedures, and internal controls
23 within the Department of Defense.

24 (B) The Assistant Secretaries (Financial Manage-
25 ment and Comptroller) of the Army, Navy, and Air Force

1 shall provide the Under Secretary of Defense (Comptroller) with the information necessary for making the estimate required by subparagraph (A)(i).

4 (c) INFORMATION TO AUDITORS.—Not later than October 31 of each year, the Under Secretary of Defense (Comptroller) and the Assistant Secretaries (Financial Management and Comptroller) of the Army, Navy, and Air Force shall each provide to the auditors of the financial statement of that official's department for the fiscal year ending during the preceding month the official's preliminary management representation, in writing, regarding the expected reliability of the financial statement. The representation shall be consistent with guidance issued by the Director of the Office of Management and Budget and shall include the basis for the reliability assessment stated in the representation.

17 (d) LIMITATION ON INSPECTOR GENERAL AUDITS.—
18 (1) On each financial statement that an official asserts
19 is unreliable under subsection (b) or (c), the Inspector
20 General of the Department of Defense shall only perform
21 the audit procedures required by generally accepted government auditing standards consistent with any representation made by management.

24 (2)(A) With the annual budget justifications for the
25 Department of Defense submitted to Congress each year,

1 the Under Secretary of Defense (Comptroller) shall sub-
2 mit, with respect to the fiscal year in which submitted,
3 the preceding fiscal year, and the following fiscal year, in-
4 formation which the Inspector General shall report to the
5 Under Secretary, as follows:

6 (i) An estimate of the resources that the In-
7 spector General is saving or expects to save as a re-
8 sult of actions taken and to be taken under para-
9 graph (1) with respect to the auditing of financial
10 statements.

11 (ii) A discussion of how the resources saved as
12 estimated under clause (i) have been redirected or
13 are to be redirected from the auditing of financial
14 statements to the oversight and improvement of sys-
15 tems underlying financial management within the
16 Department of Defense and to the oversight and im-
17 provement of financial management policies, proce-
18 dures, and internal controls within the Department
19 of Defense.

20 (e) PERIOD OF APPLICABILITY.—(1) Except as pro-
21 vided in paragraph (2), the requirements of this section
22 shall apply with respect to financial statements for fiscal
23 years after fiscal year 2000 and before fiscal year 2006
24 and to the auditing of those financial statements.

1 (2) If the Secretary of Defense certifies to the Inspec-
2 tor General of the Department of Defense that the finan-
3 cial statement for the Department of Defense, or a finan-
4 cial statement for a component of the Department of De-
5 fense, for a fiscal year is reliable, this section shall not
6 apply with respect to that financial statement or to any
7 successive financial statement for the department or that
8 component, as the case may be, for any later fiscal year.

9 **SEC. 1007. SENIOR FINANCIAL MANAGEMENT OVERSIGHT**

10 **COUNCIL AND FINANCIAL FEEDER SYSTEMS**

11 **COMPLIANCE PROCESS.**

12 (a) ESTABLISHMENT OF SENIOR FINANCIAL MAN-
13 AGEMENT OVERSIGHT COUNCIL.—(1) The Secretary of
14 Defense shall establish a Senior Financial Management
15 Oversight Council.

16 (2) The Council shall be composed of the Under Sec-
17 retary of Defense (Comptroller), the Under Secretary of
18 Defense (Acquisition, Technology, and Logistics), the
19 Under Secretary of Defense (Personnel and Readiness),
20 and other key managers of the Department of Defense (in-
21 cluding key managers in Defense Agencies and military
22 departments) who are designated by the Secretary.

23 (3) The Under Secretary of Defense (Comptroller)
24 shall be the Chairman of the Council.

1 (b) DUTIES.—The Senior Financial Management
2 Oversight Council shall have the following duties:

3 (1) To establish a financial and feeder systems
4 compliance process that ensures that each critical
5 accounting, financial management, and feeder sys-
6 tem of the Department of Defense is compliant with
7 applicable Federal financial management and report-
8 ing requirements.

9 (2) To develop a management plan for the im-
10 plementation of the financial and feeder systems
11 compliance process.

12 (3) To supervise and monitor the actions that
13 are necessary to implement the management plan, as
14 approved by the Secretary of Defense.

15 (c) MANAGEMENT PLAN FOR IMPLEMENTATION OF
16 FINANCIAL FEEDER SYSTEMS COMPLIANCE PROCESS.—
17 The management plan developed under subsection (b)(2)
18 shall include among its principal elements at least the fol-
19 lowing elements:

20 (1) A requirement to establish and maintain a
21 complete inventory of all critical systems necessary
22 to produce and compile data for financial state-
23 ments.

24 (2) A phased process for improving systems
25 that provides for mapping financial data flow from

1 sources to financial statements before other actions
2 are initiated.

3 (3) Periodic submittal of status reports to the
4 Senior Financial Management Oversight Council.

5 (4) Documentation of the completion of each
6 phase of the improvement of a system.

7 (5) Independent audit at the validation phase
8 for each critical system.

9 (d) REPORT.—(1) Not later than March 1, 2002, the
10 Secretary of Defense shall submit to the Committees on
11 Armed Services of the Senate and the House of Represent-
12 atives a report on the implementation of the Senior Finan-
13 cial Management Oversight Council and financial feeder
14 systems compliance process.

15 (2) The report shall include a discussion of the fol-
16 lowing matters:

17 (A) The Senior Financial Management Over-
18 sight Council (or any successor organization),
19 including—

20 (i) composition;

21 (ii) the roles and responsibilities regarding
22 supervision and monitoring of the actions nec-
23 essary to ensure that the critical accounting, fi-
24 nancial management, and feeder systems of the
25 Department of Defense comply with Federal fi-

1 nancial management and reporting require-
2 ments; and

3 (iii) a summary of the actions taken by the
4 Council to ensure that the systems comply with
5 such requirements.

6 (B) The principal elements of the management
7 plan developed under subsection (b)(2) that are
8 being implemented or that the Secretary plans to
9 implement, including—

10 (i) a summary of all actions that have been
11 taken to implement each of the elements; and

12 (ii) a schedule, with specific milestones, for
13 completing the implementation of each of the
14 elements.

15 (C) The principal elements of the management
16 plan that the Secretary does not plan to implement,
17 together with the reasons for not implementing those
18 elements.

19 **SEC. 1008. COMBATING TERRORISM READINESS INITIA-**
20 **TIVES FUND FOR COMBATANT COMMANDS.**

21 (a) FUNDING FOR INITIATIVES.—Chapter 6 of title
22 10, United States Code, is amended by inserting after sec-
23 tion 166a the following new section:

1 **“§ 166b. Combatant commands: funding for com-**
 2 **bating terrorism readiness initiatives**

3 “(a) COMBATING TERRORISM READINESS INITIA-
 4 TIVES FUND.—From funds made available in any fiscal
 5 year for the budget account in the Department of Defense
 6 known as the ‘Combating Terrorism Readiness Initiatives
 7 Fund’, the Chairman of the Joint Chiefs of Staff may pro-
 8 vide funds to the commander of a combatant command,
 9 upon the request of the commander, or, with respect to
 10 a geographic area or areas not within the area of responsi-
 11 bility of a commander of a combatant command, to an
 12 officer designated by the Chairman of the Joint Chiefs of
 13 Staff for such purpose. The Chairman may provide such
 14 funds for initiating any activity named in subsection (b)
 15 and for maintaining and sustaining the activity for the
 16 fiscal year in which initiated and one additional fiscal year.

17 “(b) AUTHORIZED ACTIVITIES.—Activities for which
 18 funds may be provided under subsection (a) are the fol-
 19 lowing:

20 “(1) Procurement and maintenance of physical
 21 security equipment.

22 “(2) Improvement of physical security sites.

23 “(3) Under extraordinary circumstances—

24 “(A) physical security management plan-
 25 ning;

1 “(B) procurement and support of security
2 forces and security technicians;

3 “(C) security reviews and investigations
4 and vulnerability assessments; and

5 “(D) any other activity relating to physical
6 security.

7 “(c) PRIORITY.—The Chairman of the Joint Chiefs
8 of Staff, in considering requests for funds in the Com-
9 bating Terrorism Readiness Initiatives Fund, should give
10 priority consideration to emergency or emergent unfore-
11 seen high-priority requirements for combating terrorism.

12 “(d) RELATIONSHIP TO OTHER FUNDING.—Any
13 amount provided by the Chairman of the Joint Chiefs of
14 Staff for a fiscal year out of the Combating Terrorism
15 Readiness Initiatives Fund for an activity referred to in
16 subsection (b) shall be in addition to amounts otherwise
17 available for that activity for that fiscal year.

18 “(e) LIMITATION.—Funds may not be provided under
19 this section for any activity that has been denied author-
20 ization by Congress.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of such chapter is amended by inserting
23 after the item relating to section 166a the following new
24 item:

“166b. Combatant commands: funding for combating terrorism readiness initia-
tives.”.

Subtitle B—Strategic Forces

SEC. 1011. REPEAL OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948) is repealed.

SEC. 1012. BOMBER FORCE STRUCTURE.

(a) LIMITATION.—None of the funds available to the Department of Defense for fiscal year 2002 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit or facility to which assigned as of that date, until 30 days after the latest of the following:

(1) The date on which the President transmits to Congress the national security strategy report required in 2001 pursuant to section 108(a)(1) of the National Security Act of 1947 (50 U.S.C. 404a(a)(1)).

(2) The date on which the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the Quadrennial Defense Review (QDR) under section 118 of title 10, United

1 States Code, that is required to be submitted under
2 that section not later than September 30, 2001.

3 (3) The date on which the Secretary of Defense
4 submits to the committees referred to in paragraph
5 (2) a report that sets forth—

6 (A) the changes in national security con-
7 siderations from those applicable to the air
8 force bomber studies conducted during 1992,
9 1995, and 1999 that warrant changes in the
10 current configuration of the bomber fleet;

11 (B) the role of manned bomber aircraft ap-
12 propriate to meet the requirements of the na-
13 tional security strategy referred to in paragraph
14 (1);

15 (C) the amount and type of bomber force
16 structure in the United States Air Force appro-
17 priate to meet the requirements of the national
18 security strategy referred to in paragraph (1);

19 (D) the results of a comparative analysis
20 of the cost of basing, maintaining, operating,
21 and upgrading the B-1B Lancer bomber fleet
22 in the active force of the Air Force with the
23 cost of basing, maintaining, operating, and up-
24 grading the B-1B Lancer bomber fleet in a mix

1 of active and reserve component forces of the
2 Air Force; and

3 (E) the plans of the Department of De-
4 fense for assigning new missions to the Na-
5 tional Guard units that currently fly B-1 air-
6 craft and for the transition of those units and
7 their facilities from the current B-1 mission to
8 such new missions.

9 (4) The date on which the Secretary of Defense
10 submits to Congress the report on the results of the
11 Revised Nuclear Posture Review conducted under
12 section 1042 of the Floyd D. Spence National De-
13 fense Authorization Act for Fiscal Year 2001 (as en-
14 acted into law by Public Law 106-398; 114 Stat.
15 1654A-262), as amended by section 1013 of this
16 Act.

17 (b) GAO STUDY AND REPORT.—The Comptroller
18 General of the United States shall conduct a study on the
19 matters specified in subsection (a)(3). The Comptroller
20 General shall submit to Congress a report containing the
21 results of the study not later than January 31, 2002.

22 (c) AMOUNT AND TYPE OF BOMBER FORCE STRUC-
23 TURE DEFINED.—In this section, the term “amount and
24 type of bomber force structure” means the required num-
25 bers of B-2 aircraft, B-52 aircraft, and B-1 aircraft con-

1 sistent with the requirements of the national security
 2 strategy referred to in subsection (a)(1).

3 **SEC. 1013. ADDITIONAL ELEMENT FOR REVISED NUCLEAR**
 4 **POSTURE REVIEW.**

5 Section 1041(b) of the Floyd D. Spence National De-
 6 fense Authorization Act for Fiscal Year 2001 (as enacted
 7 by Public Law 106–398; 114 Stat. 1654A–262) is amend-
 8 ed by adding at the end the following new paragraph:

9 “(7) The possibility of deactivating or
 10 dealerting nuclear warheads or delivery systems im-
 11 mediately, or immediately after a decision to retire
 12 any specific warhead, class of warheads, or delivery
 13 system or systems.”.

14 **Subtitle C—Reporting**
 15 **Requirements**

16 **SEC. 1021. INFORMATION AND RECOMMENDATIONS ON**
 17 **CONGRESSIONAL REPORTING REQUIRE-**
 18 **MENTS APPLICABLE TO THE DEPARTMENT**
 19 **OF DEFENSE.**

20 (a) COMPILATION OF REPORTING REQUIREMENTS.—
 21 The Secretary of Defense shall compile a list of all provi-
 22 sions of law in effect on the date of the enactment of this
 23 Act that require or request the President, with respect to
 24 the national defense functions of the Federal Government,
 25 or any officer or employee of the Department of Defense,

1 to submit a report, notification, or study to Congress or
2 any committee of Congress. The preceding sentence does
3 not apply to a provision of law that requires or requests
4 only one report, notification, or study.

5 (b) SUBMITTAL OF COMPILATION.—(1) The Sec-
6 retary shall submit the list compiled under subsection (a)
7 to Congress not later than 60 days after the date of the
8 enactment of this Act.

9 (2) In submitting the list, the Secretary shall specify
10 for each provision of law compiled in the list—

11 (A) the date of the enactment of such provision
12 of law and a current citation in law for such provi-
13 sion of law; and

14 (B) the Secretary's assessment of the con-
15 tinuing utility of any report, notification, or study
16 arising under such provision of law, both for the ex-
17 ecutive branch and for Congress.

18 (3) The Secretary may also include with the list any
19 recommendations that the Secretary considers appropriate
20 for the consolidation of reports, notifications, and studies
21 under the provisions of law described in subsection (a),
22 together with a proposal for legislation to implement such
23 recommendations.

1 **SEC. 1022. REPORT ON COMBATING TERRORISM.**

2 (a) REQUIREMENT FOR REPORT.—The Secretary of
3 Defense shall submit to Congress a report on the Depart-
4 ment of Defense policies, plans, and procedures for com-
5 bating terrorism.

6 (b) CONTENT.—(1) The Secretary shall identify and
7 explain in the report the Department of Defense structure,
8 strategy, roles, relationships, and responsibilities for com-
9 bating terrorism.

10 (2) The report shall also include a discussion of the
11 following matters:

12 (A) The policies, plans, and procedures relating
13 to how the Assistant Secretary of Defense for Spe-
14 cial Operations and Low Intensity Conflict and the
15 Joint Task Force—Civil Support of the Joint Forces
16 Command are to perform, and coordinate the per-
17 formance of, their functions for combating terrorism
18 with—

19 (i) the various teams in the Department of
20 Defense that have responsibilities to respond to
21 acts or threats of terrorism, including—

22 (I) the weapons of mass destruction
23 civil support teams when operating as the
24 National Guard under the command of the
25 Governor of a State, the Governor of Puer-
26 to Rico, or the Commanding General of the

1 District of Columbia National Guard, as
2 the case may be; and

3 (II) the weapons of mass destruction
4 civil support teams when operating as the
5 Army National Guard of the United States
6 or the Air National Guard of the United
7 States under the command of the Presi-
8 dent;

9 (ii) the Army's Director of Military Sup-
10 port;

11 (iii) the various teams in other depart-
12 ments and agencies of the Federal Government
13 that have responsibilities to respond to acts or
14 threats of terrorism;

15 (iv) the organizations outside the Federal
16 Government, including any private sector enti-
17 ties, that are to function as first responders to
18 acts or threats of terrorism; and

19 (v) the units and organizations of the re-
20 serve components of the Armed Forces that
21 have missions relating to combating terrorism.

22 (B) Any preparedness plans to combat ter-
23 rorism that are developed for installations of the De-
24 partment of Defense by the commanders of the in-
25 stallations and the integration of those plans with

1 the plans of the teams and other organizations de-
 2 scribed in subparagraph (A).

3 (C) The policies, plans, and procedures for
 4 using and coordinating the Joint Staff's integrated
 5 vulnerability assessment teams inside the United
 6 States and outside the United States.

7 (D) The missions of Fort Leonard Wood and
 8 other installations for training units, weapons of
 9 mass destruction civil support teams and other
 10 teams, and individuals in combating terrorism.

11 (3) The report shall also include the Secretary's views
 12 on the appropriate number and missions of the Depart-
 13 ment of Defense teams referred to in paragraph (2)(A)(i).

14 (c) TIME FOR SUBMITTAL.—The Secretary shall sub-
 15 mit the report under this section not later than 180 days
 16 after the date of the enactment of this Act.

17 **SEC. 1023. REVISED REQUIREMENT FOR CHAIRMAN OF THE**
 18 **JOINT CHIEFS OF STAFF TO ADVISE SEC-**
 19 **RETARY OF DEFENSE ON THE ASSIGNMENT**
 20 **OF ROLES AND MISSIONS TO THE ARMED**
 21 **FORCES.**

22 (a) ASSESSMENT DURING DEFENSE QUADRENNIAL
 23 REVIEW.—Subsection 118(e) of title 10, United States
 24 Code, is amended—

1 (1) by inserting “(1)” after “(e) CJCS RE-
2 VIEW.—”; and

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

5 “(2) The Chairman shall include in the assessment
6 submitted under paragraph (1), the Chairman’s assess-
7 ment of the assignment of functions (or roles and mis-
8 sions) to the armed forces together with any recommenda-
9 tions for changes in assignment that the Chairman con-
10 siders necessary to achieve the maximum efficiency of the
11 armed forces. In making the assessment, the Chairman
12 should consider (among other matters) the following:

13 “(A) Unnecessary duplication of effort among
14 the armed forces.

15 “(B) Changes in technology that can be applied
16 effectively to warfare.”.

17 (b) REPEAL OF REQUIREMENT FOR TRIENNIAL RE-
18 PORT ON ASSIGNMENT OF ROLES AND MISSIONS.—Sec-
19 tion 153 of such title is amended by striking subsection
20 (b).

21 (c) CONFORMING AMENDMENT.—Subsection (a) of
22 such section 153 is amended by striking “(a) PLANNING;
23 ADVICE; POLICY FORMULATION.—”.

1 **SEC. 1024. REVISION OF DEADLINE FOR ANNUAL REPORT**
2 **ON COMMERCIAL AND INDUSTRIAL ACTIVI-**
3 **TIES.**

4 Section 2461(g) of title 10, United States Code, is
5 amended by striking “February 1” and inserting “June
6 30”.

7 **SEC. 1025. PRODUCTION AND ACQUISITION OF VACCINES**
8 **FOR DEFENSE AGAINST BIOLOGICAL WAR-**
9 **FARE AGENTS.**

10 (a) GOVERNMENT FACILITY.—(1) Subject to the
11 availability of funds appropriated and authorized to be ap-
12 propriated for such purposes, the Secretary of Defense
13 may—

14 (A) design, construct, and operate on an instal-
15 lation of the Department of Defense a facility for
16 the production of vaccines described in subsection
17 (b)(1);

18 (B) qualify and validate the facility for the pro-
19 duction of vaccines in accordance with the require-
20 ments of the Food and Drug Administration; and

21 (C) contract with a private sector source for the
22 production of vaccines in that facility.

23 (2) The Secretary shall use competitive procedures
24 under chapter 137 of title 10, United States Code, to enter
25 into contracts to carry out subparagraphs (A) and (C) of
26 paragraph (1).

1 (b) PLAN.—(1) The Secretary of Defense shall de-
2 velop a long-range plan to provide for the production and
3 acquisition of vaccines to meet the requirements of the De-
4 partment of Defense to prevent or mitigate the physio-
5 logical effects of exposure to biological warfare agents.

6 (2) The plan shall include the following:

7 (A) An evaluation of the need for one or more
8 vaccine production facilities that are specifically
9 dedicated to meeting the requirements of the De-
10 partment of Defense and other national interests.

11 (B) An evaluation of the alternative options for
12 the means of production of the vaccines, including—

13 (i) use of public facilities, private facilities,
14 or a combination of public and private facilities;
15 and

16 (ii) management and operation of the fa-
17 cilities by the Federal Government, one or more
18 private persons, or a combination of the Fed-
19 eral Government and one or more private per-
20 sons.

21 (C) The means for producing the vaccines that
22 the Secretary determines most appropriate.

23 (3) The Secretary shall ensure that the plan is con-
24 sistent with the requirement for safe and effective vaccines
25 approved by the Food and Drug Administration.

1 (4) In preparing the plan, the Secretary shall—

2 (A) consider and, as the Secretary determines
3 appropriate, include the information compiled and
4 the analyses developed in meeting the reporting re-
5 quirements set forth in sections 217 and 218 of the
6 Floyd D. Spence National Defense Authorization
7 Act for Fiscal Year 2001 (as enacted into law by
8 Public Law 106–398; 114 Stat. 1654A–36 and
9 1654A–37); and

10 (B) consult with the heads of other appropriate
11 departments and agencies of the Federal Govern-
12 ment.

13 (c) REPORT.—Not later than February 1, 2002, the
14 Secretary of Defense shall submit to the congressional de-
15 fense committees a report on the plan for the production
16 of vaccines required by subsection (b). The report shall
17 include, at a minimum, the plan and the following matters:

18 (1) A description of the policies and require-
19 ments of the Department of Defense regarding ac-
20 quisition and use of the vaccines.

21 (2) The estimated schedule for the acquisition
22 of the vaccines in accordance with the plan.

23 (3) A discussion of the options considered for
24 production of the vaccines under subsection
25 (b)(2)(B).

1 (4) The Secretary’s recommendations for the
 2 most appropriate course of action to meet the re-
 3 quirements described in subsection (b)(1), together
 4 with the justification for the recommendations and
 5 the long-term cost of implementing the recommenda-
 6 tions.

7 **SEC. 1026. EXTENSION OF TIMES FOR COMMISSION ON THE**
 8 **FUTURE OF THE UNITED STATES AEROSPACE**
 9 **INDUSTRY TO REPORT AND TO TERMINATE.**

10 (a) SUBMITTAL OF REPORT.—Subsection (d) of sec-
 11 tion 1092 of the Floyd D. Spence National Defense Au-
 12 thorization Act for Fiscal Year 2001 (as enacted into law
 13 by Public Law 106–398; 114 Stat. 1654A–302) is amend-
 14 ed by striking “Not later than March 1, 2002,” and in-
 15 serting “Not later than one year after the date of its first
 16 meeting,”.

17 (b) TERMINATION.—Subsection (g) of such section is
 18 amended by striking “30 days” and inserting “60 days”.

19 **Subtitle D—Armed Forces**
 20 **Retirement Home**

21 **SEC. 1041. AMENDMENT OF ARMED FORCES RETIREMENT**
 22 **HOME ACT OF 1991.**

23 Except as otherwise expressly provided, whenever in
 24 this subtitle an amendment or repeal is expressed in terms
 25 of an amendment to, or a repeal of, a section or other

1 provision, the reference shall be considered to be made to
2 a section or other provision of the Armed Forces Retirement
3 Home Act of 1991 (title XV of Public Law 101–
4 510; 24 U.S.C. 401 et seq.).

5 **SEC. 1042. DEFINITIONS.**

6 Section 1502 (24 U.S.C. 401) is amended—

7 (1) by striking paragraphs (1), (2), (3), (4),
8 and (5), and inserting the following:

9 “(1) The term ‘Retirement Home’ includes the
10 institutions established under section 1511, as fol-
11 lows:

12 “(A) The Armed Forces Retirement
13 Home—Washington.

14 “(B) The Armed Forces Retirement
15 Home—Gulfport.

16 “(2) The term ‘Local Board’ means a Local
17 Board of Trustees established under section 1516.

18 “(3) The terms ‘Armed Forces Retirement
19 Home Trust Fund’ and ‘Fund’ mean the Armed
20 Forces Retirement Home Trust Fund established
21 under section 1519(a).”;

22 (2) by redesignating paragraphs (6), (7), and
23 (8) as paragraphs (4), (5), and (6); and

24 (3) in paragraph (5), as so redesignated—

1 (A) in subparagraph (C), by striking “,
2 Manpower and Personnel” and inserting “for
3 Personnel”; and

4 (B) in subparagraph (D), by striking “with
5 responsibility for personnel matters” and insert-
6 ing “for Manpower and Reserve Affairs”.

7 **SEC. 1043. REVISION OF AUTHORITY ESTABLISHING THE**
8 **ARMED FORCES RETIREMENT HOME.**

9 Section 1511 (24 U.S.C. 411) is amended to read as
10 follows:

11 **“SEC. 1511. ESTABLISHMENT OF THE ARMED FORCES RE-**
12 **TIREMENT HOME.**

13 “(a) INDEPENDENT ESTABLISHMENT.—The Armed
14 Forces Retirement Home is an independent establishment
15 in the executive branch.

16 “(b) PURPOSE.—The purpose of the Retirement
17 Home is to provide, through the Armed Forces Retirement
18 Home—Washington and the Armed Forces Retirement
19 Home—Gulfport, residences and related services for cer-
20 tain retired and former members of the Armed Forces.

21 “(c) FACILITIES.—(1) Each facility of the Retire-
22 ment Home referred to in paragraph (2) is a separate es-
23 tablishment of the Retirement Home.

24 “(2) The United States Soldiers’ and Airmen’s Home
25 is hereby redesignated as the Armed Forces Retirement

1 Home—Washington. The Naval Home is hereby redesignated as the Armed Forces Retirement Home—Gulfport.

3 “(d) OPERATION.—(1) The Chief Operating Officer
4 of the Armed Forces Retirement Home is the head of the
5 Retirement Home. The Chief Operating Officer is subject
6 to the authority, direction, and control of the Secretary
7 of Defense.

8 “(2) Each facility of the Retirement Home shall be
9 maintained as a separate establishment of the Retirement
10 Home for administrative purposes and shall be under the
11 authority, direction, and control of the Director of that
12 facility. The Director of each facility of the Retirement
13 Home is subject to the authority, direction, and control
14 of the Chief Operating Officer.

15 “(e) PROPERTY AND FACILITIES.—(1) The Retirement
16 Home shall include such property and facilities as
17 may be acquired under paragraph (2) or accepted under
18 section 1515(f) for inclusion in the Retirement Home.

19 “(2) The Secretary of Defense may acquire, for the
20 benefit of the Retirement Home, property and facilities
21 for inclusion in the Retirement Home.

22 “(3) The Secretary of Defense may dispose of any
23 property of the Retirement Home, by sale, lease, or otherwise,
24 that the Secretary determines is excess to the needs
25 of the Retirement Home. The proceeds from such a dis-

1 posal of property shall be deposited in the Armed Forces
2 Retirement Home Trust Fund. No such disposal of real
3 property shall be effective earlier than 120 days after the
4 date on which the Secretary transmits a notification of
5 the proposed disposal to the Committees on Armed Serv-
6 ices of the Senate and the House of Representatives.

7 “(f) DEPARTMENT OF DEFENSE SUPPORT.—The
8 Secretary of Defense may make available from the Depart-
9 ment of Defense to the Retirement Home, on a non-
10 reimbursable basis, administrative support and office serv-
11 ices, legal and policy planning assistance, access to inves-
12 tigative facilities of the Inspector General of the Depart-
13 ment of Defense and of the military departments, and any
14 other support necessary to enable the Retirement Home
15 to carry out its functions under this title.

16 “(g) ACCREDITATION.—The Chief Operating Officer
17 shall endeavor to secure for each facility of the Retirement
18 Home accreditation by a nationally recognized civilian ac-
19 crediting organization, such as the Continuing Care Ac-
20 creditation Commission and the Joint Commission for Ac-
21 creditation of Health Organizations.

22 “(h) ANNUAL REPORT.—The Secretary of Defense
23 shall transmit to Congress an annual report on the finan-
24 cial and other affairs of the Retirement Home for each
25 fiscal year.”.

1 **SEC. 1044. CHIEF OPERATING OFFICER.**

2 (a) ESTABLISHMENT AND AUTHORITY OF POSI-
3 TION.—Section 1515 (24 U.S.C. 415) is amended to read
4 as follows:

5 **“SEC. 1515. CHIEF OPERATING OFFICER.**

6 “(a) APPOINTMENT.—(1) The Secretary of Defense
7 shall appoint the Chief Operating Officer of the Retire-
8 ment Home. The Secretary of Defense may make the ap-
9 pointment without regard to the provisions of title 5,
10 United States Code, governing appointments in the civil
11 service.

12 “(2) The Chief Operating Officer shall serve at the
13 pleasure of the Secretary of Defense.

14 “(3) The Secretary of Defense shall evaluate the per-
15 formance of the Chief Operating Officer at least once each
16 year.

17 “(b) QUALIFICATIONS.—To qualify for appointment
18 as the Chief Operating Officer, a person shall—

19 “(1) be a continuing care retirement community
20 professional;

21 “(2) have appropriate leadership and manage-
22 ment skills; and

23 “(3) have experience and expertise in the oper-
24 ation and management of retirement homes and in
25 the provision of long-term medical care for older per-
26 sons.

1 “(c) RESPONSIBILITIES.—(1) The Chief Operating
2 Officer shall be responsible to the Secretary of Defense
3 for the overall direction, operation, and management of
4 the Retirement Home and shall report to the Secretary
5 on those matters.

6 “(2) The Chief Operating Officer shall supervise the
7 operation and administration of the Armed Forces Retire-
8 ment Home—Washington and the Armed Forces Retire-
9 ment Home—Gulfport, including the Local Boards of
10 those facilities.

11 “(3) The Chief Operating Officer shall perform the
12 following duties:

13 “(A) Issue, and ensure compliance with, appro-
14 priate rules for the operation of the Retirement
15 Home.

16 “(B) Periodically visit, and inspect the oper-
17 ation of, the facilities of the Retirement Home.

18 “(C) Periodically examine and audit the ac-
19 counts of the Retirement Home.

20 “(D) Establish any advisory body or bodies that
21 the Chief Operating Officer considers to be nec-
22 essary.

23 “(d) COMPENSATION.—(1) The Secretary of Defense
24 may prescribe the pay of the Chief Operating Officer with-
25 out regard to the provisions of title 5, United States Code,

1 governing classification and pay, except that the basic pay,
2 including locality pay, of the Chief Operating Officer may
3 not exceed the limitations established in section 5307 of
4 such title.

5 “(2) In addition to basic pay and any locality pay
6 prescribed for the Chief Operating Officer, the Secretary
7 may award the Chief Operating Officer, not more than
8 once each year, a bonus based on the performance of the
9 Chief Operating Officer for the year. The Secretary shall
10 prescribe the amount of any such bonus.

11 “(e) ADMINISTRATIVE STAFF.—(1) The Chief Oper-
12 ating Officer may, subject to the approval of the Secretary
13 of Defense, appoint a staff to assist in the performance
14 of the Chief Operating Officer’s duties in the overall ad-
15 ministration of the Retirement Home.

16 “(2) The Chief Operating Officer shall prescribe the
17 rates of pay applicable to the members of the staff ap-
18 pointed under paragraph (1), without regard to the provi-
19 sions of title 5, United States Code, regarding classifica-
20 tion and pay, except that—

21 “(A) a staff member who is a member of the
22 Armed Forces on active duty or who is a full-time
23 officer or employee of the United States may not re-
24 ceive additional pay by reason of service on the ad-
25 ministrative staff; and

1 “(B) the limitations in section 5373 of title 5,
2 United States Code, relating to pay set by adminis-
3 trative action, shall apply to the rates of pay pre-
4 scribed under this paragraph.

5 “(f) ACCEPTANCE OF GIFTS.—(1) The Chief Oper-
6 ating Officer may accept gifts of money, property, and fa-
7 cilities on behalf of the Retirement Home.

8 “(2) Monies received as gifts, or realized from the
9 disposition of property and facilities received as gifts, shall
10 be deposited in the Armed Forces Retirement Home Trust
11 Fund.”.

12 (b) TRANSFER OF AUTHORITIES.—(1) The following
13 provisions are amended by striking “Retirement Home
14 Board” each place it appears and inserting “Chief Oper-
15 ating Officer”:

16 (A) Section 1512 (24 U.S.C. 412), relating to
17 eligibility and acceptance for residence in the Armed
18 Forces Retirement Home.

19 (B) Section 1513(a) (24 U.S.C. 412(a)), relat-
20 ing to services provided to residents of the Armed
21 Forces Retirement Home.

22 (C) Section 1518(c) (24 U.S.C. 418(c)), relat-
23 ing to inspection of the Armed Forces Retirement
24 Home.

1 (2) Section 1519(c) (24 U.S.C. 419(c)), relating to
 2 authority to invest funds in the Armed Forces Retirement
 3 Home Trust Fund, is amended by striking “Director” and
 4 inserting “Chief Operating Officer”.

5 (3) Section 1521(a) (24 U.S.C. 421(a)), relating to
 6 payment of residents for services, is amended by striking
 7 “Chairman of the Armed Forces Retirement Board” and
 8 inserting “Chief Operating Officer”.

9 (4) Section 1522 (24 U.S.C. 422), relating to author-
 10 ity to accept certain uncompensated services, is
 11 amended—

12 (A) in subsection (a)—

13 (i) by striking “Chairman of the Retire-
 14 ment Home Board or the Director of each es-
 15 tablishment” and inserting “Chief Operating
 16 Officer or the Director of a facility”; and

17 (ii) by striking “unless” and all that fol-
 18 lows through “Retirement Home Board”;

19 (B) in subsection (b)(1)—

20 (i) by striking “Chairman of the Retire-
 21 ment Home Board or the Director of the estab-
 22 lishment” and inserting “Chief Operating Offi-
 23 cer or the Director of a facility”; and

24 (ii) by inserting “offering the services”
 25 after “notify the person”;

1 (C) in subsection (b)(2), by striking “Chair-
2 man” and inserting “Chief Operating Officer”;

3 (D) in subsection (c), by striking “Chairman of
4 the Retirement Home Board or the Director of an
5 establishment” and inserting “Chief Operating Offi-
6 cer or the Director of a facility”; and

7 (E) in subsection (e)—

8 (i) by striking “Chairman of the Retire-
9 ment Board or the Director of the establish-
10 ment” in the first sentence and inserting “Chief
11 Operating Officer or the Director of a facility”;
12 and

13 (ii) by striking “Chairman” in the second
14 sentence and inserting “Chief Operating Offi-
15 cer”.

16 (5) Section 1523(b) (24 U.S.C. 423(b)), relating to
17 preservation of historic buildings and grounds at the
18 Armed Forces Retirement Home—Washington, is amend-
19 ed by striking “Chairman of the Retirement Home Board”
20 and inserting “Chief Operating Officer”.

21 **SEC. 1045. RESIDENTS OF RETIREMENT HOME.**

22 (a) REPEAL OF REQUIREMENT OF RESIDENT TO RE-
23 APPLY AFTER SUBSTANTIAL ABSENCE.—Subsection (e)
24 of section 1512 (24 U.S.C. 412) is repealed.

1 (b) FEES PAID BY RESIDENTS.—Section 1514 (24
2 U.S.C. 414) is amended to read as follows:

3 **“SEC. 1514. FEES PAID BY RESIDENTS.**

4 “(a) MONTHLY FEES.—The Director of each facility
5 of the Retirement Home shall collect a monthly fee from
6 each resident of that facility.

7 “(b) DEPOSIT OF FEES.—The Directors shall deposit
8 fees collected under subsection (a) in the Armed Forces
9 Retirement Home Trust Fund.

10 “(c) FIXING FEES.—(1) The Chief Operating Offi-
11 cer, with the approval of the Secretary of Defense, shall
12 from time to time prescribe the fees required by subsection
13 (a). Changes to such fees shall be based on the financial
14 needs of the Retirement Home and the ability of the resi-
15 dents to pay. A change of a fee may not take effect until
16 120 days after the Secretary of Defense transmits a notifi-
17 cation of the change to the Committees on Armed Services
18 of the Senate and the House of Representatives.

19 “(2) The fee shall be fixed as a percentage of the
20 monthly income and monthly payments (including Federal
21 payments) received by a resident. The fee shall be subject
22 to a limitation on maximum monthly amount. The per-
23 centage shall be the same for each facility of the Retire-
24 ment Home. The Secretary of Defense may make any ad-

1 justment in a percentage or limitation on maximum
2 amount that the Secretary determines appropriate.

3 “(d) TRANSITIONAL FEE STRUCTURES.—(1) Until
4 different fees are prescribed and take effect under sub-
5 section (c), the percentages and limitations on maximum
6 monthly amount that are applicable to fees charged resi-
7 dents of the Retirement Home are (subject to any adjust-
8 ment that the Secretary of Defense determines appro-
9 priate) as follows:

10 “(A) For months beginning before January 1,
11 2002—

12 “(i) for a permanent health care resident,
13 65 percent (without limitation on maximum
14 monthly amount); and

15 “(ii) for a resident who is not a permanent
16 health care resident, 40 percent (without limita-
17 tion on maximum monthly amount).

18 “(B) For months beginning after December 31,
19 2001—

20 “(i) for an independent living resident, 35
21 percent, but not to exceed \$1,000 each month;

22 “(ii) for an assisted living resident, 40 per-
23 cent, but not to exceed \$1,500 each month; and

24 “(iii) for a long-term care resident, 65 per-
25 cent, but not to exceed \$2,500 each month.

1 “(2) Notwithstanding the limitations on maximum
 2 monthly amount prescribed under subsection (c) or set
 3 forth in paragraph (1)(B), until an independent living
 4 resident or assisted living resident of the Armed Forces
 5 Retirement Home—Gulfport occupies a renovated room at
 6 that facility, as determined by the Secretary of Defense,
 7 the limitation on maximum monthly amount applicable to
 8 the resident for months beginning after December 31,
 9 2001, shall be—

10 “(A) in the case of an independent living resi-
 11 dent, \$800; and

12 “(B) in the case of an assisted living resident,
 13 \$1,300.

14 **SEC. 1046. LOCAL BOARDS OF TRUSTEES.**

15 Section 1516 (24 U.S.C. 416) is amended to read as
 16 follows:

17 **“SEC. 1516. LOCAL BOARDS OF TRUSTEES.**

18 “(a) ESTABLISHMENT.—Each facility of the Retire-
 19 ment Home shall have a Local Board of Trustees.

20 “(b) DUTIES.—The Local Board for a facility shall
 21 serve in an advisory capacity to the Director of the facility
 22 and to the Chief Operating Officer.

23 “(c) COMPOSITION.—(1) The Local Board for a facil-
 24 ity shall consist of at least 11 members who (except as
 25 otherwise specifically provided) shall be appointed by the

1 Secretary of Defense in consultation with each of the Sec-
2 retaries of the military departments concerned. At least
3 one member of the Local Board shall have a perspective
4 that is oriented toward the Retirement Home overall. The
5 Local Board for a facility shall consist of the following
6 members:

7 “(A) One member who is a civilian expert in
8 nursing home or retirement home administration
9 and financing from the geographical area of the fa-
10 cility.

11 “(B) One member who is a civilian expert in
12 gerontology from the geographical area of the facil-
13 ity.

14 “(C) One member who is a service expert in fi-
15 nancial management.

16 “(D) One representative of the Department of
17 Veterans Affairs regional office nearest in proximity
18 to the facility, who shall be designated by the Sec-
19 retary of Veterans Affairs.

20 “(E) One representative of the resident advi-
21 sory committee or council of the facility, who shall
22 be a nonvoting member.

23 “(F) One enlisted representative of the Serv-
24 ices’ Retiree Advisory Council.

1 “(G) The senior noncommissioned officer of one
2 of the Armed Forces.

3 “(H) One senior representative of the military
4 hospital nearest in proximity to the facility.

5 “(I) One senior judge advocate from one of the
6 Armed Forces.

7 “(J) The Director of the facility, who shall be
8 a nonvoting member.

9 “(K) One senior representative of one of the
10 chief personnel officers of the Armed Forces.

11 “(L) Other members designated by the Sec-
12 retary of Defense (if the Local Board is to have
13 more than 11 members).

14 “(2) The Secretary of Defense shall designate one
15 member of a Local Board to serve as the chairman of the
16 Local Board at the pleasure of the Secretary of Defense.

17 “(d) TERMS.—(1) Except as provided in subsections
18 (e), (f), and (g), the term of office of a member of a Local
19 Board shall be five years.

20 “(2) Unless earlier terminated by the Secretary of
21 Defense, a person may continue to serve as a member of
22 the Local Board after the expiration of the member’s term
23 until a successor is appointed or designated, as the case
24 may be.

1 “(e) EARLY EXPIRATION OF TERM.—A member of
2 a Local Board who is a member of the Armed Forces or
3 an employee of the United States serves as a member of
4 the Local Board only for as long as the member is as-
5 signed to or serving in a position for which the duties in-
6 clude the duty to serve as a member of the Local Board.

7 “(f) VACANCIES.—(1) A vacancy in the membership
8 of a Local Board shall be filled in the manner in which
9 the original appointment or designation was made, as the
10 case may be.

11 “(2) A member appointed or designated to fill a va-
12 cancy occurring before the end of the term of the prede-
13 cessor of the member shall be appointed or designated,
14 as the case may be, for the remainder of the term for
15 which the predecessor was appointed.

16 “(3) A vacancy in a Local Board shall not affect its
17 authority to perform its duties.

18 “(g) EARLY TERMINATION.—The Secretary of De-
19 fense may terminate the appointment of a member of a
20 Local Board before the expiration of the member’s term
21 for any reason that the Secretary determines appropriate.

22 “(h) COMPENSATION.—(1) Except as provided in
23 paragraph (2), a member of a Local Board shall—

24 “(A) be provided a stipend consistent with the
25 daily government consultant fee for each day on

1 which the member is engaged in the performance of
 2 services for the Local Board; and

3 “(B) while away from home or regular place of
 4 business in the performance of services for the Local
 5 Board, be allowed travel expenses (including per
 6 diem in lieu of subsistence) in the same manner as
 7 a person employed intermittently in Government
 8 under sections 5701 through 5707 of title 5, United
 9 States Code.

10 “(2) A member of a Local Board who is a member
 11 of the Armed Forces on active duty or a full-time officer
 12 or employee of the United States shall receive no addi-
 13 tional pay by reason of serving a member of a Local
 14 Board.”.

15 **SEC. 1047. DIRECTORS, DEPUTY DIRECTORS, AND STAFF OF**
 16 **FACILITIES.**

17 Section 1517 (24 U.S.C. 417) is amended to read as
 18 follows:

19 **“SEC. 1517. DIRECTORS, DEPUTY DIRECTORS, AND STAFF**
 20 **OF FACILITIES.**

21 “(a) APPOINTMENT.—The Secretary of Defense shall
 22 appoint a Director and a Deputy Director for each facility
 23 of the Retirement Home.

24 “(b) DIRECTOR.—The Director of a facility shall—

1 “(1) be a member of the Armed Forces serving
2 on active duty in a grade above lieutenant colonel or
3 commander;

4 “(2) have appropriate leadership and manage-
5 ment skills; and

6 “(3) be required to pursue a course of study to
7 receive certification as a retirement facilities director
8 by an appropriate civilian certifying organization, if
9 the Director is not so certified at the time of ap-
10 pointment.

11 “(c) DUTIES OF DIRECTOR.—(1) The Director of a
12 facility shall be responsible for the day-to-day operation
13 of the facility, including the acceptance of applicants to
14 be residents of that facility.

15 “(2) The Director of a facility shall keep accurate
16 and complete records of the facility.

17 “(d) DEPUTY DIRECTOR.—(1) The Deputy Director
18 of a facility shall—

19 “(A) be a civilian with experience as a con-
20 tinuing care retirement community professional; and

21 “(B) have appropriate leadership and manage-
22 ment skills.

23 “(2) The Deputy Director of a facility shall—

1 “(A) be appointed without regard to the provi-
2 sions of title 5, United States Code, governing ap-
3 pointments in the competitive service; and

4 “(B) serve at the pleasure of the Secretary of
5 Defense, without regard to the provisions of title 5,
6 United States Code.

7 “(e) DUTIES OF DEPUTY DIRECTOR.—The Deputy
8 Director of a facility shall, under the authority, direction,
9 and control of the Director of the facility, perform such
10 duties as the Director may assign.

11 “(f) STAFF.—(1) The Director of a facility may, sub-
12 ject to the approval of the Chief Operating Officer, ap-
13 point and prescribe the pay of such principal staff as the
14 Director considers appropriate to assist the Director in op-
15 erating the facility.

16 “(2) The principal staff of a facility shall include per-
17 sons with experience and expertise in the operation and
18 management of retirement homes and in the provision of
19 long-term medical care for older persons.

20 “(3) The Director of a facility may exercise the au-
21 thority under paragraph (1) without regard to the provi-
22 sions of title 5, United States Code, governing appoint-
23 ments in the competitive service, classification, and pay,
24 except that the limitations in section 5373 of such title

1 (relating to pay set by administrative action) shall apply
 2 to the rates of pay prescribed under this paragraph.

3 “(g) ANNUAL EVALUATION OF DIRECTORS.—(1) The
 4 Chief Operating Officer shall evaluate the performance of
 5 each of the Directors of the facilities of the Retirement
 6 Home each year.

7 “(2) The Chief Operating Officer shall submit to the
 8 Secretary of Defense any recommendations regarding a
 9 Director that the Chief Operating Officer determines ap-
 10 propriate taking into consideration the annual evalua-
 11 tion.”.

12 **SEC. 1048. DISPOSITION OF EFFECTS OF DECEASED PER-**
 13 **SONS AND UNCLAIMED PROPERTY.**

14 (a) LEGAL REPRESENTATION FOR RETIREMENT
 15 HOME.—Subsection (b)(2)(A) of section 1520 (24 U.S.C.
 16 420) is amended by inserting “who is a full-time officer
 17 or employee of the United States or a member of the
 18 Armed Forces on active duty” after “may designate an
 19 attorney”.

20 (b) CORRECTION OF REFERENCE.—Subsection
 21 (b)(1)(B) of such section is amended by inserting “Armed
 22 Forces” before “Retirement Home Trust Fund”.

23 **SEC. 1049. TRANSITIONAL PROVISIONS.**

24 Part B is amended by striking sections 1531, 1532,
 25 and 1533 and inserting the following:

1 **“SEC. 1531. TEMPORARY CONTINUATION OF ARMED**
2 **FORCES RETIREMENT HOME BOARD.**

3 “Until the Secretary of Defense appoints the first
4 Chief Operating Officer after the enactment of the Na-
5 tional Defense Authorization Act for Fiscal Year 2002,
6 the Armed Forces Retirement Home Board, as constituted
7 on the day before the date of the enactment of that Act,
8 shall continue to serve and shall perform the duties of the
9 Chief Operating Officer.

10 **“SEC. 1532. TEMPORARY CONTINUATION OF DIRECTOR OF**
11 **THE ARMED FORCES RETIREMENT HOME—**
12 **WASHINGTON.**

13 “The person serving as the Director of the Armed
14 Forces Retirement Home—Washington on the day before
15 the enactment of the National Defense Authorization Act
16 for Fiscal Year 2002 may continue to serve as the Direc-
17 tor of that facility until April 2, 2002.

18 **“SEC. 1533. TEMPORARY CONTINUATION OF INCUMBENT**
19 **DEPUTY DIRECTORS.**

20 “A person serving as the Deputy Director of a facility
21 of the Retirement Home on the day before the enactment
22 of the National Defense Authorization Act for Fiscal Year
23 2002 may continue to serve, at the pleasure of the Sec-
24 retary of Defense, as the Deputy Director until the date
25 on which a Deputy Director is appointed for that facility
26 under section 1517, except that the service in that position

1 may not continue under this section after December 31,
2 2004.”.

3 **SEC. 1050. CONFORMING AND CLERICAL AMENDMENTS**
4 **AND REPEALS OF OBSOLETE PROVISIONS.**

5 (a) CONFORMING AMENDMENTS.—(1) Section
6 1513(b) (24 U.S.C. 413(b)), relating to services provided
7 to residents of the Armed Forces Retirement Home, is
8 amended by striking “maintained as a separate establish-
9 ment” in the second sentence.

10 (2) The heading for section 1519 (24 U.S.C. 419)
11 is amended to read as follows:

12 **“SEC. 1519. ARMED FORCES RETIREMENT HOME TRUST**
13 **FUND.”.**

14 (3) Section 1520 (24 U.S.C. 420), relating to disposi-
15 tion of effects of deceased persons and unclaimed prop-
16 erty, is amended—

17 (A) in subsection (a), by striking “each facility
18 that is maintained as a separate establishment” and
19 inserting “a facility”;

20 (B) in subsection (b)(2)(A), by striking “main-
21 tained as a separate establishment”; and

22 (C) in subsection (e), by striking “Directors”
23 and inserting “Director of the facility”.

24 (4)(A) Section 1523 (24 U.S.C. 423), relating to
25 preservation of historic buildings and grounds at the

7 **“SEC. 1523. PRESERVATION OF HISTORIC BUILDINGS AND**
8 **GROUNDS AT THE ARMED FORCES RETIRE-**
9 **MENT HOME—WASHINGTON.”.**

13 (b) REPEAL OF OBSOLETE PROVISIONS.—The fol-
14 lowing provisions are repealed:

18 (2) Section 1519(d) (24 U.S.C. 419(d)), relat-
19 ing to transitional accounts in the Armed Forces Re-
20 tirement Home Trust Fund.

(c) ADDITION OF TABLE OF CONTENTS.—Title XV
of the National Defense Authorization Act for Fiscal Year

- 1 1991 (Public Law 101–510; 104 Stat. 1722) is amended
 2 by inserting after the heading for such title the following:

“Sec. 1501. Short title.

“Sec. 1502. Definitions.

“PART A—ESTABLISHMENT AND OPERATION OF RETIREMENT HOME

“Sec. 1511. Establishment of the Armed Forces Retirement Home.

“Sec. 1512. Residents of Retirement Home.

“Sec. 1513. Services provided residents.

“Sec. 1514. Fees paid by residents.

“Sec. 1515. Chief Operating Officer.

“Sec. 1516. Local Boards of Trustees.

“Sec. 1517. Directors, Deputy Directors, and staff of facilities.

“Sec. 1518. Inspection of Retirement Home.

“Sec. 1519. Armed Forces Retirement Home Trust Fund.

“Sec. 1520. Disposition of effects of deceased persons; unclaimed property.

“Sec. 1521. Payment of residents for services.

“Sec. 1522. Authority to accept certain uncompensated services.

“Sec. 1523. Preservation of historic buildings and grounds at the Armed
 Forces Retirement Home—Washington.

“PART B—TRANSITIONAL PROVISIONS

“Sec. 1531. Temporary Continuation of Armed Forces Retirement Home
 Board.

“Sec. 1532. Temporary Continuation of Director of the Armed Forces Retirement
 Home—Washington.

“Sec. 1533. Temporary Continuation of Incumbent Deputy Directors.”.

3 **SEC. 1051. AMENDMENTS OF OTHER LAWS.**

4 (a) EMPLOYEE PERFORMANCE APPRAISALS.—Sec-
 5 tion 4301(2) of title 5, United States Code, is amended—

6 (1) by striking “or” at the end of subparagraph
 7 (G);

8 (2) by striking “and” at the end of subpara-
 9 graph (H) and inserting “or”; and

10 (3) by inserting at the end the following new
 11 subparagraph:

1 “(I) the Chief Operating Officer and the
2 Deputy Directors of the Armed Forces Retirement
3 Home; and”.

4 (b) EXCLUSION OF CERTAIN OFFICERS FROM CERTAIN
5 LIMITATIONS APPLICABLE TO GENERAL AND FLAG
6 OFFICERS ON ACTIVE DUTY.—(1) Section 525 of title 10,
7 United States Code, is amended by adding at the end the
8 following new subsection:

9 “(e) An officer while serving as a Director of the
10 Armed Forces Retirement Home, if serving in the grade
11 of major general or rear admiral, is in addition to the
12 number that would otherwise be permitted for that officer’s
13 armed force for that grade under subsection (a).”.

14 (2)(A) Section 526 of such title is amended by adding
15 at the end the following new subsection:

16 “(e) EXCLUSION OF DIRECTORS OF ARMED FORCES
17 RETIREMENT HOME.—The limitations of this section do
18 not apply to a general or flag officer while the officer is
19 assigned as the Director of a facility of the Armed Forces
20 Retirement Home.”.

21 (B) Subsection (d) of such section is amended by inserting
22 “RESERVE COMPONENT” after “EXCLUSION OF
23 CERTAIN”.

24 (3) Section 688(e)(2) of such title is amended by adding
25 at the end the following new subparagraph:

1 “(D) A general officer or flag officer assigned
2 as the Director of a facility of the Armed Forces Re-
3 tirement Home for the period of active duty to which
4 ordered.”.

5 (4) Section 690 of title 10, United States Code, is
6 amended—

7 (A) in subsection (a)—

8 (i) by striking the second sentence and in-
9 serting the following: “The following officers
10 are not counted for the purposes of this sub-
11 section.”; and

12 (ii) by adding at the end the following:

13 “(1) A retired officer ordered to active duty for
14 a period of 60 days or less.

15 “(2) A general or flag officer who is assigned
16 as the Director of a facility of the Armed Forces Re-
17 tirement Home for the period of active duty to which
18 ordered.”; and

19 (B) in subsection (b), by adding at the end of
20 paragraph (2) the following new subparagraph:

21 “(E) A general officer or flag officer assigned
22 as the Director of a facility of the Armed Forces Re-
23 tirement Home for the period of active duty to which
24 ordered.”.

1 **Subtitle E—Other Matters**

2 **SEC. 1061. REQUIREMENT TO CONDUCT CERTAIN PRE-**
3 **VIOUSLY AUTHORIZED EDUCATIONAL PRO-**
4 **GRAMS FOR CHILDREN AND YOUTH.**

5 (a) NATIONAL GUARD CHALLENGE PROGRAM.—Sec-
6 tion 509(a) of title 32, United States Code, is amended
7 by striking “The Secretary of Defense may” and inserting
8 “The Secretary of Defense shall”.

9 (b) STARBASE PROGRAM.—Section 2193b(a) of
10 title 10, United States Code, is amended by striking “The
11 Secretary of Defense may” and inserting “The Secretary
12 of Defense shall”.

13 **SEC. 1062. AUTHORITY TO ENSURE DEMILITARIZATION OF**
14 **SIGNIFICANT MILITARY EQUIPMENT FOR-**
15 **MERLY OWNED BY THE DEPARTMENT OF DE-**
16 **FENSE.**

17 (a) PROHIBITION.—It is unlawful for any person to
18 possess significant military equipment formerly owned by
19 the Department of Defense unless—

20 (1) the military equipment has been demili-
21 tarized in accordance with standards prescribed by
22 the Secretary of Defense;

23 (2) the person is in possession of the military
24 equipment for the purpose of demilitarizing the

1 equipment pursuant to a Federal Government con-
2 tract; or

3 (3) the person is specifically authorized by law
4 or regulation to possess the military equipment.

5 (b) REFERRAL TO ATTORNEY GENERAL.—The Sec-
6 retary of Defense shall notify the Attorney General of any
7 potential violation of subsection (a) of which the Secretary
8 becomes aware.

9 (c) AUTHORITY TO REQUIRE DEMILITARIZATION.—
10 (1) The Attorney General may require any person who,
11 in violation of subsection (a), is in possession of significant
12 military equipment formerly owned by the Department of
13 Defense—

14 (A) to demilitarize the equipment;

15 (B) to have the equipment demilitarized by a
16 third party; or

17 (C) to return the equipment to the Federal
18 Government for demilitarization.

19 (2) When the demilitarization of significant military
20 equipment is carried out pursuant to subparagraph (A)
21 or (B) of paragraph (1), an officer or employee of the
22 United States designated by the Attorney General shall
23 have the right to confirm, by inspection or other means
24 authorized by the Attorney General, that the equipment
25 has been demilitarized.

1 (3) If significant military equipment is not demili-
2 tarized or returned to the Federal Government for demili-
3 tarization as required under paragraph (1) within a rea-
4 sonable period after the Attorney General notifies the per-
5 son in possession of the equipment of the requirement to
6 do so, the Attorney General may request that a court of
7 the United States issue a warrant authorizing the seizure
8 of the military equipment in the same manner as is pro-
9 vided for a search warrant. If the court determines that
10 there is probable cause to believe that the person is in
11 possession of significant military equipment in violation of
12 subsection (a), the court shall issue a warrant authorizing
13 the seizure of such equipment.

14 (d) DEMILITARIZATION OF EQUIPMENT.—(1) The
15 Attorney General shall transfer any military equipment re-
16 turned to the Federal Government or seized pursuant to
17 subsection (c) to the Department of Defense for demili-
18 tarization.

19 (2) If the person in possession of significant military
20 equipment obtained the equipment in accordance with any
21 other provision of law, the Secretary of Defense shall bear
22 all costs of transportation and demilitarization of the
23 equipment and shall either—

24 (A) return the equipment to the person upon
25 completion of the demilitarization; or

1 (B) reimburse the person for the cost incurred
2 by that person to acquire the equipment if the Sec-
3 retary determines that the cost to demilitarize and
4 return the property to the person would be prohibi-
5 tive.

6 (e) ESTABLISHMENT OF DEMILITARIZATION STAND-
7 ARDS.—(1) The Secretary of Defense shall prescribe regu-
8 lations regarding the demilitarization of military equip-
9 ment.

10 (2) The regulations shall be designed to ensure
11 that—

12 (A) the equipment, after demilitarization, does
13 not constitute a significant risk to public safety and
14 does not have—

15 (i) a significant capability for use as a
16 weapon; or

17 (ii) a uniquely military capability; and

18 (B) any person from whom private property is
19 taken for public use under this section receives just
20 compensation for the taking of the property.

21 (3) The regulations shall, at a minimum, define—

22 (A) the classes of significant military equipment
23 requiring demilitarization before disposal; and

24 (B) what constitutes demilitarization for each
25 class of significant military equipment.

1 (f) DEFINITION OF SIGNIFICANT MILITARY EQUIP-
 2 MENT.—In this section, the term “significant military
 3 equipment” means equipment that has a capability de-
 4 scribed in clause (i) or (ii) of subsection (e)(2) and—

5 (1) is a defense article listed on the United
 6 States Munitions List maintained under section 38
 7 of the Arms Export Control Act (22 U.S.C. 2778)
 8 that is designated on that list as significant military
 9 equipment; or

10 (2) is designated by the Secretary of Defense
 11 under the regulations prescribed under subsection
 12 (e) as being equipment that it is necessary in the in-
 13 terest of public safety to demilitarize before disposal
 14 by the United States.

15 **SEC. 1063. CONVEYANCES OF EQUIPMENT AND RELATED**
 16 **MATERIALS LOANED TO STATE AND LOCAL**
 17 **GOVERNMENTS AS ASSISTANCE FOR EMER-**
 18 **GENCY RESPONSE TO A USE OR THREAT-**
 19 **ENED USE OF A WEAPON OF MASS DESTRUC-**
 20 **TION.**

21 Section 1412(e) of the Defense Against Weapons of
 22 Mass Destruction Act of 1996 (title XIV of Public Law
 23 104–201; 110 Stat. 2718; 50 U.S.C. 2312(e)) is amended
 24 by adding at the end the following new paragraph:

1 “(5) A conveyance of ownership of United
 2 States property to a State or local government, with-
 3 out cost and without regard to subsection (f) and
 4 title II of the Federal Property and Administrative
 5 Services Act of 1949 (or any other provision of law
 6 relating to the disposal of property of the United
 7 States), if the property is equipment, or equipment
 8 and related materials, that is in the possession of
 9 the State or local government on the date of the en-
 10 actment of the National Defense Authorization Act
 11 for Fiscal Year 2002 pursuant to a loan of the prop-
 12 erty as assistance under this section.”.

13 **SEC. 1064. AUTHORITY TO PAY GRATUITY TO MEMBERS OF**
 14 **THE ARMED FORCES AND CIVILIAN EMPLOY-**
 15 **EES OF THE UNITED STATES FOR SLAVE**
 16 **LABOR PERFORMED FOR JAPAN DURING**
 17 **WORLD WAR II.**

18 (a) PAYMENT OF GRATUITY AUTHORIZED.—The
 19 Secretary of Veterans Affairs may pay a gratuity to a cov-
 20 ered veteran or civilian internee, or to the surviving spouse
 21 of a covered veteran or civilian internee, in the amount
 22 of \$20,000.

23 (b) COVERED VETERAN OR CIVILIAN INTERNEE DE-
 24 FINED.—In this section, the term “covered veteran or ci-
 25 vilian internee” means any individual who—

1 (1) was a member of the Armed Forces, a civil-
2 ian employee of the United States, or an employee
3 of a contractor of the United States during World
4 War II;

5 (2) served in or with United States combat
6 forces during World War II;

7 (3) was captured and held as a prisoner of war
8 or prisoner by Japan in the course of such service;
9 and

10 (4) was required by the Imperial Government of
11 Japan, or one or more Japanese corporations, to
12 perform slave labor during World War II.

13 (c) RELATIONSHIP TO OTHER PAYMENTS.—Any
14 amount paid a person under this section for activity de-
15 scribed in subsection (b) is in addition to any other
16 amount paid such person for such activity under any other
17 provision of law.

18 **SEC. 1065. RETENTION OF TRAVEL PROMOTIONAL ITEMS.**

19 (a) IN GENERAL.—To the extent provided in sub-
20 section (b), a Federal employee, member of the foreign
21 service, member of a uniformed service, any family mem-
22 ber or dependent of such an employee or member, or other
23 individual traveling at Government expense who receives
24 a promotional item (including frequent flyer miles, up-
25 grades, or access to carrier clubs or facilities) as a result

1 of using travel or transportation services procured by the
2 United States or accepted under section 1353 of title 31,
3 United States Code, may retain the promotional item for
4 personal use if the promotional item is obtained under the
5 same terms as those offered to the general public and at
6 no additional cost to the Government.

7 (b) APPLICABILITY TO EXECUTIVE BRANCH ONLY.—

8 Subsection (a)—

9 (1) applies only to travel that is at the expense
10 of the executive branch; and

11 (2) does not apply to travel by any officer, em-
12 ployee, or other official of the Government outside
13 the executive branch.

14 (c) CONFORMING AMENDMENT.—Section 6008 of the
15 Federal Acquisition Streamlining Act of 1994 (Public Law
16 103–355; 5 U.S.C. 5702 note) is amended by adding at
17 the end the following new subsection:

18 “(d) INAPPLICABILITY TO EXECUTIVE BRANCH.—

19 The guidelines issued under subsection (a) and the re-
20 quirement under subsection (b) shall not apply to any
21 agency of the executive branch or to any Federal employee
22 or other personnel in the executive branch.”.

23 (d) APPLICABILITY.—This section shall apply with
24 respect to promotional items received before, on, or after
25 the date of enactment of this Act.

1 **TITLE XI—DEPARTMENT OF DE-**
2 **FENSE CIVILIAN PERSONNEL**
3 **POLICY**

4 **Subtitle A—Intelligence Personnel**

5 **SEC. 1101. AUTHORITY TO INCREASE MAXIMUM NUMBER**
6 **OF POSITIONS IN THE DEFENSE INTEL-**
7 **LIGENCE SENIOR EXECUTIVE SERVICE.**

8 Section 1606(a) of title 10, United States Code, is
9 amended by striking “517.” and inserting the following:
10 “517, except that the Secretary may increase such max-
11 imum number by one position for each Senior Intelligence
12 Service position in the Central Intelligence Agency that
13 is permanently eliminated by the Director of Central Intel-
14 ligence after the date of the enactment of the National
15 Defense Authorization Act for Fiscal Year 2002. In no
16 event may the number of positions in the Defense Intel-
17 ligence Senior Executive Service exceed 544.”.

18 **SEC. 1102. CONTINUED APPLICABILITY OF CERTAIN CIVIL**
19 **SERVICE PROTECTIONS FOR EMPLOYEES IN-**
20 **TEGRATED INTO THE NATIONAL IMAGERY**
21 **AND MAPPING AGENCY FROM THE DEFENSE**
22 **MAPPING AGENCY.**

23 Section 1612(b) of title 10, United States Code, is
24 amended by adding at the end the following new para-
25 graph:

1 “(4)(A) If not otherwise applicable to an employee
 2 described in subparagraph (B), subchapters II and IV of
 3 chapter 75 of title 5 shall continue to apply to the em-
 4 ployee for as long as the employee serves on and after Oc-
 5 tober 1, 1996, without a break in service, as an employee
 6 of the Department of Defense in any position, or succes-
 7 sively in two or more positions, in the National Imagery
 8 and Mapping Agency.

9 “(B) This paragraph applies to a person who—

10 “(i) on September 30, 1996, was employed as
 11 an employee of the Department of Defense in a posi-
 12 tion in the Defense Mapping Agency to whom sub-
 13 chapters II and IV of title 5 applied; and

14 “(ii) on October 1, 1996, became an employee
 15 of the National Imagery and Mapping Agency under
 16 paragraph 1601(a) of this title.”.

17 **Subtitle B—Matters Relating to** 18 **Retirement**

19 **SEC. 1111. FEDERAL EMPLOYMENT RETIREMENT CREDIT** 20 **FOR NONAPPROPRIATED FUND INSTRUMEN-** 21 **TALITY SERVICE.**

22 (a) CIVIL SERVICE RETIREMENT SYSTEM.—(1) Sec-
 23 tion 8332(b) of title 5, United States Code, is amended—

24 (A) by striking “and” at the end of paragraph
 25 (15);

1 (B) by striking the period at the end of para-
2 graph (16) and inserting “; and”;

3 (C) by inserting after paragraph (16) the fol-
4 lowing new paragraph:

5 “(17) service performed by any individual as an
6 employee of a nonappropriated fund instrumentality
7 of the Department of Defense or the Coast Guard
8 described in section 2105(c) of this title that is not
9 covered by paragraph (16), if the individual elects
10 (in accordance with regulations prescribed by the Of-
11 fice) at the time of separation from service to have
12 such service credited under this paragraph.”;

13 (D) in the last sentence, by inserting “or (17)”
14 after “service of the type described in paragraph
15 (16)”;

16 (E) by inserting after the last sentence the fol-
17 lowing: “Service credited under paragraph (17) may
18 not also be credited under any other retirement sys-
19 tem provided for employees of a nonappropriated
20 fund instrumentality.”.

21 (2) Section 8334 of such title is amended by adding
22 at the end the following new subsection:

23 “(o) Notwithstanding subsection (c), no deposit may
24 be made with respect to service credited under section
25 8332(b)(17) of this title.”.

1 (3) Section 8339 of such title is amended by adding
2 at the end the following new subsection:

3 “(u) The annuity of an employee retiring under this
4 subchapter with service credited under section
5 8332(b)(17) of this title shall be reduced to the maximum
6 amount necessary to ensure that the present value of the
7 annuity payable to the employee is actuarially equivalent
8 to the present value of the annuity that would be payable
9 to the employee under this subchapter if it were computed
10 on the basis of service that does not include service cred-
11 ited under section 8332(b)(17) of this title. The amount
12 of the reduction shall be computed under regulations pre-
13 scribed by the Office of Personnel Management for the
14 administration of this subsection.”.

15 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

16 (1) Section 8411 of such title is amended—

17 (A) in subsection (b)—

18 (i) by striking “and” at the end of para-
19 graph (4);

20 (ii) by striking the period at the end of
21 paragraph (5) and inserting “; and”; and

22 (iii) by inserting after paragraph (5) the
23 following new paragraph:

24 “(6) service performed by any individual as an
25 employee of a nonappropriated fund instrumentality

1 of the Department of Defense or the Coast Guard
2 described in section 2105(c) of this title, if the indi-
3 vidual elects (in accordance with regulations pre-
4 scribed by the Office) at the time of separation from
5 service to have such service credited under this para-
6 graph.”; and

7 (B) by adding at the end the following new sub-
8 section:

9 “(k)(1) The Office of Personnel Management shall
10 accept, for the purposes if this chapter, the certification
11 of the head of a nonappropriated fund instrumentality of
12 the United States concerning service of the type described
13 in subsection (b)(6) that was performed for such non-
14 appropriated fund instrumentality.

15 “(2) Service credited under subsection (b)(6) may not
16 also be credited under any other retirement system pro-
17 vided for employees of a nonappropriated fund instrumen-
18 tality.”.

19 (2)(A) Section 8422 of such title is amended by add-
20 ing at the end the following new subsection:

21 “(g) No deposit may be made with respect to service
22 credited under section 8411(b)(6) of this title.”.

23 (B) The heading for such section is amended to read
24 as follows:

1 **“§ 8422. Deductions from pay; contributions for other**
 2 **service”.**

3 (C) The item relating to such section in the table of
 4 contents at the beginning of chapter 84 of title 5, United
 5 States Code, is amended to read as follows:

“8422. Deductions from pay; contributions for other service.”.

6 (3) Section 8415 of such title is amended by adding
 7 at the end the following new subsection:

8 “(j) The annuity of an employee retiring under this
 9 chapter with service credited under section 8411(b)(6) of
 10 this title shall be reduced to the maximum amount nec-
 11 essary to ensure that the present value of the annuity pay-
 12 able to the employee under this subchapter is actuarially
 13 equivalent to the present value of the annuity that would
 14 be payable to the employee under this subchapter if it were
 15 computed on the basis of service that does not include
 16 service credited under section 8411(b)(6) of this title. The
 17 amount of the reduction shall be computed under regula-
 18 tions prescribed by the Office of Personnel Management
 19 for the administration of this subsection.”.

20 (c) APPLICABILITY.—The amendments made by this
 21 section shall apply only to separations from service as an
 22 employee of the United States on or after the date of the
 23 enactment of this Act.

1 **SEC. 1112. IMPROVED PORTABILITY OF RETIREMENT COV-**
2 **ERAGE FOR EMPLOYEES MOVING BETWEEN**
3 **CIVIL SERVICE EMPLOYMENT AND EMPLOY-**
4 **MENT BY NONAPPROPRIATED FUND INSTRU-**
5 **MENTALITIES.**

6 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
7 8347(q) of title 5, United States Code, is amended—

8 (1) in paragraph (1)—

9 (A) by inserting “and” at the end of sub-
10 paragraph (A);

11 (B) by striking subparagraph (B); and

12 (C) by redesignating subparagraph (C) as
13 subparagraph (B); and

14 (2) in paragraph (2)(B)—

15 (A) by striking “vested”; and

16 (B) by striking “, as the term” and all
17 that follows through “such system”.

18 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—
19 Section 8461(n) of such title is amended—

20 (1) in paragraph (1)—

21 (A) by inserting “and” at the end of sub-
22 paragraph (A);

23 (B) by striking subparagraph (B); and

24 (C) by redesignating subparagraph (C) as
25 subparagraph (B); and

26 (2) in paragraph (2)(B)—

1 (A) by striking “vested”; and

2 (B) by striking “, as the term” and all
3 that follows through “such system”.

4 **SEC. 1113. REPEAL OF FISCAL YEAR 2003 LIMITATION ON**
5 **EXERCISE OF VOLUNTARY SEPARATION IN-**
6 **CENTIVE PAY AUTHORITY AND VOLUNTARY**
7 **EARLY RETIREMENT AUTHORITY.**

8 Section 1153(b)(2) of the Floyd D. Spence National
9 Defense Authorization Act for Fiscal Year 2001 (as en-
10 acted into law by Public Law 106–398; 114 Stat. 1654A–
11 323) is amended by striking “during fiscal years 2002 and
12 2003” and inserting “during fiscal year 2002”.

13 **Subtitle C—Other Matters**

14 **SEC. 1121. HOUSING ALLOWANCE FOR THE CHAPLAIN FOR**
15 **THE CORPS OF CADETS AT THE UNITED**
16 **STATES MILITARY ACADEMY.**

17 Section 4337 of title 10, United States Code, is
18 amended by striking the second sentence and inserting the
19 following: “The chaplain is entitled to a housing allowance
20 equal to the basic allowance for housing that is applicable
21 for an officer in pay grade O–5 at the Academy under
22 section 403 of title 37, and to fuel and light for quarters
23 in kind.”.

1 **SEC. 1122. STUDY OF ADEQUACY OF COMPENSATION PRO-**
2 **VIDED FOR TEACHERS IN THE DEPARTMENT**
3 **OF DEFENSE OVERSEAS DEPENDENTS'**
4 **SCHOOLS.**

5 (a) REQUIREMENT FOR STUDY.—The Comptroller
6 General shall carry out a study of the adequacy of the
7 pay and other elements of the compensation provided for
8 teachers in the defense dependents' education system es-
9 tablished under the Defense Dependents' Education Act
10 of 1978 (20 U.S.C. 921 et seq.).

11 (b) SPECIFIC CONSIDERATIONS.—In carrying out the
12 study, the Comptroller General shall consider the following
13 issues:

14 (1) Whether the compensation is adequate for
15 recruiting and retaining high quality teachers.

16 (2) Whether any revision of the Defense De-
17 partment Overseas Teachers Pay and Personnel
18 Practices Act (20 U.S.C. 901 et seq) or the regula-
19 tions under that Act is advisable to address any
20 problems identified with respect to the recruitment
21 and retention of high quality teachers or for other
22 purposes.

23 (c) REPORT.—The Comptroller General shall submit
24 a report on the results of the study to Congress not later
25 than March 1, 2002. The report shall include the fol-
26 lowing:

1 (1) The Comptroller General’s conclusions on
2 the issues considered.

3 (2) Any recommendations for actions that the
4 Comptroller General considers appropriate.

5 **SEC. 1123. PILOT PROGRAM FOR PAYMENT OF RETRAINING**
6 **EXPENSES INCURRED BY EMPLOYERS OF**
7 **PERSONS INVOLUNTARILY SEPARATED FROM**
8 **EMPLOYMENT BY THE DEPARTMENT OF DE-**
9 **FENSE.**

10 (a) **AUTHORITY.**—The Secretary of Defense may
11 carry out a pilot program in accordance with this section
12 to facilitate the reemployment of employees of the Depart-
13 ment of Defense who are being separated as described in
14 subsection (b) by providing employers outside the Federal
15 Government with retraining incentive payments to encour-
16 age those employers to hire, train, and retain such employ-
17 ees.

18 (b) **COVERED EMPLOYEES.**—A retraining incentive
19 payment may be made under subsection (c) with respect
20 to a person who—

21 (1) has been involuntarily separated from em-
22 ployment by the United States due to—

23 (A) a reduction in force (within the mean-
24 ing of chapter 35 of title 5, United States
25 Code); or

1 (B) a relocation resulting from a transfer
2 of function (within the meaning of section 3503
3 of title 5, United States Code), realignment, or
4 change of duty station; and
5 (2) when separated—

6 (A) was employed without time limitation
7 in a position in the Department of Defense;

8 (B) had been employed in such position or
9 any combination of positions in the Department
10 of Defense for a continuous period of at least
11 one year;

12 (C) was not a reemployed annuitant under
13 subchapter III of chapter 83 of title 5, United
14 States Code, chapter 84 of such title, or an-
15 other retirement system for employees of the
16 Federal Government;

17 (D) was not eligible for an immediate an-
18 nuity under subchapter III of chapter 83 of
19 title 5, United States Code, or subchapter II of
20 chapter 84 of such title; and

21 (E) was not eligible for disability retire-
22 ment under any of the retirement systems re-
23 ferred to in subparagraph (C).

24 (c) RETRAINING INCENTIVE.—(1) Under the pilot
25 program, the Secretary may pay a retraining incentive to

1 any person outside the Federal Government that, pursu-
2 ant to an agreement entered into under subsection (d),
3 employs a former employee of the United States referred
4 to in subsection (b).

5 (2) For employment of a former employee that is con-
6 tinuous for one year, the amount of any retraining incen-
7 tive paid to the employer under paragraph (1) shall be
8 the lesser of—

9 (A) the amount equal to the total cost incurred
10 by the employer for any necessary training provided
11 to the former employee in connection with the em-
12 ployment by that employer, as determined by the
13 Secretary taking into consideration a certification by
14 the employer under subsection (d); or

15 (B) \$10,000.

16 (3) For employment of a former employee that termi-
17 nates within one year after the employment begins, the
18 amount of any retraining incentive paid to the employer
19 under paragraph (1) shall be equal to the amount that
20 bears the same ratio to the amount computed under para-
21 graph (2) as the period of continuous employment of the
22 employee by that employer bears to one year.

23 (4) The cost of the training of a former employee of
24 the United States for which a retraining incentive is paid
25 to an employer under this subsection may include any cost

1 incurred by the employer for training that commenced for
2 the former employee after the former employee, while still
3 employed by the Department of Defense, received a notice
4 of the separation from employment by the United States.

5 (5) Not more than one retraining incentive may be
6 paid with respect to a former employee under this sub-
7 section.

8 (d) EMPLOYER AGREEMENT.—Under the pilot pro-
9 gram, the Secretary shall enter into an agreement with
10 an employer outside the Federal Government that provides
11 for the employer—

12 (1) to employ a person described in subsection
13 (b) for at least one year for a salary or rate of pay
14 that is mutually agreeable to the employer and such
15 person; and

16 (2) to certify to the Secretary the cost incurred
17 by the employer for any necessary training provided
18 to such person in connection with the employment of
19 the person by that employer.

20 (e) NECESSARY TRAINING.—For the purposes of this
21 section, the necessity of training provided a former em-
22 ployee of the Department of Defense shall be determined
23 under regulations prescribed by the Secretary of Defense
24 for the administration of this section.

1 (f) TERMINATION OF PILOT PROGRAM.—No retrain-
 2 ing incentive may be paid under this section for training
 3 commenced after September 30, 2005.

4 **TITLE XII—MATTERS RELATING**
 5 **TO OTHER NATIONS**
 6 **Subtitle A—Cooperative Threat Re-**
 7 **duction With States of the**
 8 **Former Soviet Union**

9 **SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT RE-**
 10 **DUCTION PROGRAMS AND FUNDS.**

11 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
 12 poses of section 301 and other provisions of this Act, Co-
 13 operative Threat Reduction programs are the programs
 14 specified in section 1501(b) of the National Defense Au-
 15 thorization Act for Fiscal Year 1997 (Public Law 104–
 16 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

17 (b) FISCAL YEAR 2002 COOPERATIVE THREAT RE-
 18 Duction FUNDS DEFINED.—As used in this title, the
 19 term “fiscal year 2002 Cooperative Threat Reduction
 20 funds” means the funds appropriated pursuant to the au-
 21 thorization of appropriations in section 301 for Coopera-
 22 tive Threat Reduction programs.

23 (c) AVAILABILITY OF FUNDS.—Funds appropriated
 24 pursuant to the authorization of appropriations in section

1 301 for Cooperative Threat Reduction programs shall be
2 available for obligation for three fiscal years.

3 **SEC. 1202. FUNDING ALLOCATIONS.**

4 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
5 \$403,000,000 authorized to be appropriated to the De-
6 partment of Defense for fiscal year 2002 in section
7 301(23) for Cooperative Threat Reduction programs, not
8 more than the following amounts may be obligated for the
9 purposes specified:

10 (1) For strategic offensive arms elimination in
11 Russia, \$133,405,000.

12 (2) For strategic nuclear arms elimination in
13 Ukraine, \$51,500,000.

14 (3) For weapons of mass destruction infrastruc-
15 ture elimination in Ukraine, \$6,024,000.

16 (4) For weapons of mass destruction infrastruc-
17 ture elimination in Kazakhstan, \$6,000,000.

18 (5) For weapons transportation security in Rus-
19 sia, \$9,500,000.

20 (6) For weapons storage security in Russia,
21 \$56,000,000.

22 (7) For implementation of a cooperative pro-
23 gram with the Government of Russia to eliminate
24 the production of weapons grade plutonium at Rus-
25 sian reactors, \$41,700,000.

1 (8) For biological weapons proliferation preven-
2 tion activities in the former Soviet Union,
3 \$17,000,000.

4 (9) For chemical weapons destruction in Rus-
5 sia, \$50,000,000.

6 (10) For activities designated as Other Assess-
7 ments/Administrative Support, \$13,221,000.

8 (11) For defense and military contacts,
9 \$18,650,000.

10 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
11 FUNDS FOR OTHER PURPOSES.—No fiscal year 2002 Co-
12 operative Threat Reduction funds may be obligated or ex-
13 pended for a purpose other than a purpose listed in para-
14 graphs (1) through (11) of subsection (a) until 30 days
15 after the date that the Secretary of Defense submits to
16 Congress a report on the purpose for which the funds will
17 be obligated or expended and the amount of funds to be
18 obligated or expended. Nothing in the preceding sentence
19 shall be construed as authorizing the obligation or expend-
20 iture of fiscal year 2002 Cooperative Threat Reduction
21 funds for a purpose for which the obligation or expendi-
22 ture of such funds is specifically prohibited under this title
23 or any other provision of law.

24 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
25 AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any

1 case in which the Secretary of Defense determines that
2 it is necessary to do so in the national interest, the Sec-
3 retary may obligate amounts appropriated for fiscal year
4 2002 for a purpose listed in any of the paragraphs in sub-
5 section (a) in excess of the amount specifically authorized
6 for such purpose.

7 (2) An obligation of funds for a purpose stated in
8 any of the paragraphs in subsection (a) in excess of the
9 specific amount authorized for such purpose may be made
10 using the authority provided in paragraph (1) only after—

11 (A) the Secretary submits to Congress notifica-
12 tion of the intent to do so together with a complete
13 discussion of the justification for doing so; and

14 (B) 15 days have elapsed following the date of
15 the notification.

16 (3) The Secretary may not, under the authority pro-
17 vided in paragraph (1), obligate amounts for the purposes
18 stated in any of the paragraphs of subsection (a) in excess
19 of 115 percent of the amount specifically authorized for
20 such purposes.

21 **SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.**

22 Section 1305 of the National Defense Authorization
23 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
24 794; 22 U.S.C. 5952 note) is amended by inserting before
25 the period at the end the following: “until the Secretary

1 of Defense submits to Congress a certification that there
2 has been—

3 “(1) full and accurate disclosure by Russia of
4 the size of its existing chemical weapons stockpile;

5 “(2) a demonstrated annual commitment by
6 Russia to allocate at least \$25,000,000 to chemical
7 weapons elimination;

8 “(3) development by Russia of a practical plan
9 for destroying its stockpile of nerve agents;

10 “(4) enactment of a law by Russia that pro-
11 vides for the elimination of all nerve agents at a sin-
12 gle site;

13 “(5) an agreement by Russia to destroy its
14 chemical weapons production facilities at Volgograd
15 and Novocheboksark; and

16 “(6) a demonstrated commitment from the
17 international community to fund and build infra-
18 structure needed to support and operate the facil-
19 ity”.

20 **SEC. 1204. MANAGEMENT OF COOPERATIVE THREAT RE-**
21 **DUCTION PROGRAMS AND FUNDS.**

22 (a) **AUTHORITY OVER MANAGEMENT.**—The Sec-
23 retary of Defense shall have authority, direction, and con-
24 trol over the management of Cooperative Threat Reduc-
25 tion programs and the funds for such programs.

1 (b) EXECUTIVE AGENT.—The Defense Threat Re-
 2 duction Agency shall be the executive agent of the Depart-
 3 ment of Defense for the functions of the Department re-
 4 lating to Cooperative Threat Reduction programs.

5 (c) SPECIFICATION OF FUNDS IN DEPARTMENT OF
 6 DEFENSE BUDGET.—The budget justification materials
 7 submitted to Congress in support of the budget of the De-
 8 partment of Defense for each fiscal year (as submitted
 9 with the budget of the President under section 1105(a)
 10 of title 31, United States Code) shall include amounts, if
 11 any, requested for such fiscal year for Cooperative Threat
 12 Reduction programs.

13 **SEC. 1205. ADDITIONAL MATTER IN ANNUAL REPORT ON**
 14 **ACTIVITIES AND ASSISTANCE UNDER COOP-**
 15 **ERATIVE THREAT REDUCTION PROGRAMS.**

16 Section 1308(c) of the Floyd D. Spence National De-
 17 fense Authorization Act for Fiscal Year 2001 (at enacted
 18 by Public Law 106–398; 114 Stat. 1654A–341) is amend-
 19 ed by adding at the end of the following new paragraph:

20 “(6) A description of the amount of the finan-
 21 cial commitment from the international community,
 22 and from Russia, for the chemical weapons destruc-
 23 tion facility located at Shchuch’ye, Russia, for the
 24 fiscal year beginning in the year in which the report
 25 is submitted.”.

1 **Subtitle B—Other Matters**

2 **SEC. 1211. SUPPORT OF UNITED NATIONS-SPONSORED EF-** 3 **FORTS TO INSPECT AND MONITOR IRAQI** 4 **WEAPONS ACTIVITIES.**

5 (a) LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-
 6 CAL YEAR 2002—The total amount of the assistance for
 7 fiscal year 2002 that is provided by the Secretary of De-
 8 fense under section 1505 of the Weapons of Mass Destruc-
 9 tion Control Act of 1992 (22 U.S.C. 5859a) as activities
 10 of the Department of Defense in support of activities
 11 under that Act may not exceed \$15,000,000.

12 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
 13 ANCE.—Subsection (f) of section 1505 of the Weapons of
 14 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
 15 is amended by striking “2001” and inserting “2002”.

16 **SEC. 1212. COOPERATIVE RESEARCH AND DEVELOPMENT** 17 **PROJECTS WITH NATO AND OTHER COUN-** 18 **TRIES.**

19 (a) ELIGIBILITY OF FRIENDLY FOREIGN COUN-
 20 TRIES.—Section 2350a of title 10, United States Code,
 21 is amended—

22 (1) in subsection (a)—

23 (A) by inserting “(1)” after “(a) AUTHOR-
 24 ITY TO ENGAGE IN COOPERATIVE R&D
 25 PROJECTS.—”;

1 (B) by striking “major allies of the United
 2 States or NATO organizations” and inserting
 3 “countries or organizations referred to in para-
 4 graph (2)”; and

5 (C) by adding at the end the following new
 6 paragraph:

7 “(2) The countries and organizations with which the
 8 Secretary may enter into a memorandum of agreement (or
 9 other formal agreement) under paragraph (1) are as fol-
 10 lows:

11 “(A) The North Atlantic Treaty Organization.

12 “(B) A NATO organization.

13 “(C) A member nation of the North Atlantic
 14 Treaty Organization.

15 “(D) A major non-NATO ally.

16 “(E) Any other friendly foreign country.”;

17 (2) in subsection (b), by striking “its major
 18 non-NATO allies” and inserting “a country or orga-
 19 nization referred to in subsection (a)(2)”;

20 (3) in subsection (d)—

21 (A) in paragraph (1), by striking “the
 22 major allies of the United States” and inserting
 23 “countries and organizations referred to in sub-
 24 section (a)(2)”;

25 (B) in paragraph (2)—

1 (i) by striking “major ally of the
 2 United States” and inserting “country or
 3 organization referred to in subsection
 4 (a)(2)”; and

5 (ii) by striking “ally’s” and inserting
 6 “country’s or organization’s”;

7 (4) in subsection (e)(2)—

8 (A) in subparagraph (A), by striking “one
 9 or more of the major allies of the United
 10 States” and inserting “any country or organiza-
 11 tion referred to in subsection (a)(2)”;

12 (B) in subparagraph (B), by striking
 13 “major allies of the United States or NATO or-
 14 ganizations” and inserting “countries and orga-
 15 nizations referred to in subsection (a)(2)”;

16 (C) in subparagraph (C), by striking
 17 “major allies of the United States” and insert-
 18 ing “countries and organizations referred to in
 19 subsection (a)(2)”; and

20 (D) in subparagraph (D), by striking
 21 “major allies of the United States” and insert-
 22 ing “countries and organizations referred to in
 23 subsection (a)(2)”;

24 (5) paragraphs (1)(A) and (4)(A) of subsection
 25 (g), by striking “major allies of the United States

1 and other friendly foreign countries” and inserting
 2 “countries referred to in subsection (a)(2)”; and
 3 (6) in subsection (i)—

4 (A) in paragraph (1), by striking “major
 5 allies of the United States or NATO organiza-
 6 tions” and inserting “countries and organiza-
 7 tions referred to in subsection (a)(2)”;

8 (B) by striking paragraph (2); and

9 (C) by redesignating paragraph (4) as
 10 paragraph (2), and by transferring that para-
 11 graph, as so redesignated, within that sub-
 12 section and inserting the paragraph after para-
 13 graph (1).

14 (b) DELEGATION OF AUTHORITY TO DETERMINE
 15 ELIGIBILITY OF PROJECTS.—Subsection (b)(2) of such
 16 section is amended by striking “or the Under Secretary
 17 of Defense for Acquisition and Technology” and inserting
 18 “and to one other official of the Department of Defense”.

19 (c) REVISION OF REQUIREMENT FOR ANNUAL RE-
 20 PORT ON ELIGIBLE COUNTRIES.—Subsection (f)(2) of
 21 such section is amended to read as follows:

22 “(2) Not later than January 1 of each year, the Sec-
 23 retary of Defense shall submit to the Committees on
 24 Armed Services and on Foreign Relations of the Senate
 25 and to the Committees on Armed Services and on Inter-

1 national Relations of the House of Representatives a re-
 2 port specifying—

3 “(A) the countries that are eligible to partici-
 4 pate in a cooperative project agreement under this
 5 section; and

6 “(B) the criteria used to determine the eligi-
 7 bility of such countries.”.

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

10 **“§ 2350a. Cooperative research and development**
 11 **agreements: NATO and foreign coun-**
 12 **tries”.**

13 (2) The item relating to such section in the table of
 14 sections at the beginning of subchapter II of chapter 138
 15 of title 10, United States Code, is amended to read as
 16 follows:

“2350a. Cooperative research and development agreements: NATO and foreign
 countries.”.

17 **SEC. 1213. INTERNATIONAL COOPERATIVE AGREEMENTS**
 18 **ON USE OF RANGES AND OTHER FACILITIES**
 19 **FOR TESTING OF DEFENSE EQUIPMENT.**

20 (a) AUTHORITY.—Chapter 138 of title 10, United
 21 States Code, is amended by adding at the end the fol-
 22 lowing new section:

1 **“§ 2350l. Cooperative use of ranges and other facili-**
2 **ties for testing of defense equipment:**
3 **agreements with foreign countries and**
4 **international organizations**

5 “(a) **AUTHORITY.**—The Secretary of Defense, with
6 the concurrence of the Secretary of State, may enter into
7 a memorandum of understanding (or other formal agree-
8 ment) with a foreign country or international organization
9 to provide reciprocal access by the United States and such
10 country or organization to each other’s ranges and other
11 facilities for testing of defense equipment.

12 “(b) **PAYMENT OF COSTS.**—A memorandum or other
13 agreement entered into under subsection (a) shall include
14 provisions for charging a user of a range or other facility
15 for test and evaluation services furnished by the officers,
16 employees, or governmental agencies of the supplying
17 country or international organization under the memo-
18 randum or other agreement. The provisions for charging
19 a user shall conform to the following pricing principles:

20 “(1) The user shall be charged the amount
21 equal to the direct costs incurred by the country or
22 international organization to supply the services.

23 “(2) The user may also be charged indirect
24 costs of the use of the range or other facility, but
25 only to the extent specified in the memorandum or
26 other agreement.

1 “(c) RETENTION OF FUNDS COLLECTED BY THE
 2 UNITED STATES.—Amounts collected from the user of a
 3 range or other facility of the United States under a memo-
 4 randum of understanding or other formal agreement en-
 5 tered into under subsection (a) shall be credited to the
 6 appropriation from which the costs incurred by the United
 7 States in providing support for the use of the range or
 8 other facility by that user were paid.

9 “(d) DELEGATION OF AUTHORITY.—The Secretary
 10 of Defense may delegate only to the Deputy Secretary of
 11 Defense and to one other official of the Department of
 12 Defense authority to determine the appropriateness of the
 13 amount of indirect costs charged the United States under
 14 a memorandum or other agreement entered into under
 15 subsection (a).

16 “(e) DEFINITIONS.—In this section:

17 “(1) The term ‘direct cost’, with respect to test-
 18 ing and evaluation under a memorandum or other
 19 agreement entered into under subsection (a)—

20 “(A) means any item of cost that—

21 “(i) is easily and readily identified to
 22 a specific unit of work or output within the
 23 range or other facility where the testing
 24 and evaluation occurred under the memo-
 25 randum or other agreement; and

1 “(ii) would not have been incurred if
2 the testing and evaluation had not taken
3 place; and

4 “(B) may include costs of labor, materials,
5 facilities, utilities, equipment, supplies, and any
6 other resources of the range or other facility
7 that are consumed or damaged in connection
8 with—

9 “(i) the conduct of the test and eval-
10 uation; or

11 “(ii) the maintenance of the range or
12 other facility for the use of the country or
13 international organization under the
14 memorandum or other agreement.

15 “(2) The term ‘indirect cost’, with respect to
16 testing and evaluation under a memorandum or
17 other agreement entered into under subsection (a)—

18 “(A) means any item of cost that cannot
19 readily be identified directly to a specific unit of
20 work or output; and

21 “(B) may include general and administra-
22 tive expenses for such activities as supporting
23 base operations, manufacturing, supervision,
24 procurement of office supplies, and utilities that

1 are accumulated costs allocated among several
2 users.”.

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

“2350l. Cooperative use of ranges and other facilities for testing of defense
equipment: agreements with foreign countries and international
organizations.”.

6 **SEC. 1214. CLARIFICATION OF AUTHORITY TO FURNISH NU-**
7 **CLEAR TEST MONITORING EQUIPMENT TO**
8 **FOREIGN GOVERNMENTS.**

9 (a) REDESIGNATION OF EXISTING AUTHORITY.—(1)
10 Section 2555 of title 10, United States Code, as added
11 by section 1203 of the Floyd D. Spence National Defense
12 Authorization Act for Fiscal Year 2001 (as enacted by
13 Public Law 106–398; 114 Stat. 1654A–324), is redesign-
14 nated as section 2565 of that title.

15 (2) The table of sections at the beginning of chapter
16 152 of that title is amended by striking the item relating
17 to section 2555, as so added, and inserting the following
18 new item:

“2565. Nuclear test monitoring equipment: furnishing to foreign governments.”.

19 (b) CLARIFICATION OF AUTHORITY.—Section 2565
20 of that title, as so redesignated by subsection (a), is fur-
21 ther amended—

22 (1) in subsection (a)—

1 (A) by striking “CONVEY OR” in the sub-
2 section heading and inserting “TRANSFER
3 TITLE TO OR OTHERWISE”;

4 (B) in paragraph (1)—

5 (i) by striking “convey” and inserting
6 “transfer title”; and

7 (ii) by striking “and” at the end;

8 (C) by striking the period at the end of
9 paragraph (2) and inserting “; and”; and

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

12 “(3) inspect, test, maintain, repair, or replace
13 any such equipment.”; and

14 (2) in subsection (b)—

15 (A) by striking “conveyed or otherwise pro-
16 vided” and inserting “provided to a foreign gov-
17 ernment”;

18 (B) by inserting “and” at the end of para-
19 graph (1);

20 (C) by striking “; and” at the end of para-
21 graph (2) and inserting a period; and

22 (D) by striking paragraph (3).

1 **SEC. 1215. PARTICIPATION OF GOVERNMENT CONTRAC-**
2 **TORS IN CHEMICAL WEAPONS INSPECTIONS**
3 **AT UNITED STATES GOVERNMENT FACILI-**
4 **TIES UNDER THE CHEMICAL WEAPONS CON-**
5 **VENTION.**

6 (a) **AUTHORITY.**—Section 303(b)(2) of the Chemical
7 Weapons Convention Implementation Act of 1998 (22
8 U.S.C. 6723(b)(2)) is amended by inserting after “des-
9 ignation of employees of the Federal Government” the fol-
10 lowing: “(and, in the case of an inspection of a United
11 States Government facility, the designation of contractor
12 personnel who shall be led by an employee of the Federal
13 Government)”.

14 (b) **CREDENTIALS.**—Section 304(c) of such Act (22
15 U.S.C. 6724(c)) is amended by striking “Federal govern-
16 ment” and inserting “Federal Government (and, in the
17 case of an inspection of a United States Government facil-
18 ity, any accompanying contractor personnel)”.

19 **SEC. 1216. AUTHORITY TO TRANSFER NAVAL VESSELS TO**
20 **CERTAIN FOREIGN COUNTRIES.**

21 (a) **TRANSFERS BY GRANT.**—The President is au-
22 thorized to transfer vessels to foreign countries on a grant
23 basis under section 516 of the Foreign Assistance Act of
24 1961 (22 U.S.C. 2321j) as follows:

1 (1) POLAND.—To the Government of Poland,
2 the OLIVER HAZARD PERRY class guided missile
3 frigate WADSWORTH (FFG 9).

4 (2) TURKEY.—To the Government of Turkey,
5 the KNOX class frigates CAPODANNO (FF 1093),
6 THOMAS C. HART (FF 1092), DONALD B.
7 BEARY (FF 1085), McCANDLESS (FF 1084),
8 REASONER (FF 1063), and BOWEN (FF 1079).

9 (b) TRANSFERS BY SALE.—The President is author-
10 ized to transfer vessels to foreign governments and foreign
11 governmental entities on a sale basis under section 21 of
12 the Arms Export Control Act (22 U.S.C. 2761) as follows:

13 (1) TAIWAN.—To the Taipei Economic and
14 Cultural Representative Office in the United States
15 (which is the Taiwan instrumentality designated
16 pursuant to section 10(a) of the Taiwan Relations
17 Act), the KIDD class guided missile destroyers
18 KIDD (DDG 993), CALLAGHAN (DDG 994),
19 SCOTT (DDG 995), and CHANDLER (DDG 996).

20 (2) TURKEY.—To the Government of Turkey,
21 the OLIVER HAZARD PERRY class guided missile
22 frigates ESTOCIN (FFG 15) and SAMUEL
23 ELIOT MORISON (FFG 13).

24 (c) ADDITIONAL CONGRESSIONAL NOTIFICATION
25 NOT REQUIRED.—Except as provided in subsection (d),

1 the following provisions do not apply with respect to trans-
2 fers authorized by this section:

3 (1) Section 516(f) of the Foreign Assistance
4 Act of 1961 (22 U.S.C. 2321j(f)).

5 (2) Section 524 of the Foreign Operations, Ex-
6 port Financing, and Related Programs Appropria-
7 tion Act, 2001 (as enacted by Public Law 106–429;
8 114 Stat. 1900A–30) and any similar successor pro-
9 vision.

10 (d) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
11 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
12 of a vessel transferred to another country on a grant basis
13 under section 516 of the Foreign Assistance Act of 1961
14 (22 U.S.C. 2321j) pursuant to authority provided by sub-
15 section (a) shall not be counted for the purposes of sub-
16 section (g) of that section in the aggregate value of excess
17 defense articles transferred to countries under that section
18 in any fiscal year.

19 (e) COSTS OF TRANSFERS ON GRANT BASIS.—Any
20 expense incurred by the United States in connection with
21 a transfer authorized by this section shall be charged to
22 the recipient (notwithstanding section 516(e)(1) of the
23 Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)))
24 in the case of a transfer authorized to be made on a grant
25 basis under subsection (a).

1 (f) REPAIR AND REFURBISHMENT IN UNITED
 2 STATES SHIPYARDS.—To the maximum extent prac-
 3 ticable, the President shall require, as a condition of the
 4 transfer of a vessel under this section, that the country
 5 to which the vessel is transferred have such repair or re-
 6 furbishment of the vessel as is needed, before the vessel
 7 joins the naval forces of that country, performed at a ship-
 8 yard located in the United States, including a United
 9 States Navy shipyard.

10 (g) EXPIRATION OF AUTHORITY.—The authority to
 11 transfer a vessel under this section shall expire at the end
 12 of the 2-year period beginning on the date of the enact-
 13 ment of this Act.

14 **TITLE XIII—CONTINGENT AU-**
 15 **THORIZATION OF APPRO-**
 16 **PRIATIONS**

17 **SEC. 1301. AUTHORIZATION OF APPROPRIATIONS CONTIN-**
 18 **GENT ON INCREASED ALLOCATION OF NEW**
 19 **BUDGET AUTHORITY.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
 21 sion of this Act, the total amounts authorized to be appro-
 22 priated under subtitle A of title I, sections 201, 301, and
 23 302, and division B are authorized to be appropriated in
 24 accordance with those provisions without reduction under
 25 section 1302 only if—

1 (1) the Chairman of the Committee on the
2 Budget of the Senate—

3 (A) determines, for the purposes of section
4 217(b) of the Concurrent Resolution on the
5 Budget for Fiscal Year 2002, that the appro-
6 priation of all of the amounts specified in sec-
7 tion 1302 would not, when taken together with
8 all other previously enacted legislation (except
9 for legislation enacted pursuant to section 211
10 of such concurrent resolution) reduce the on-
11 budget surplus below the level of the Medicare
12 Hospital Insurance Trust Fund surplus in any
13 fiscal year covered by the concurrent resolution;
14 and

15 (B) increases the allocation of new budget
16 authority for defense spending in accordance
17 with section 217(a) of the Concurrent Resolu-
18 tion on the Budget for Fiscal Year 2002; or

19 (2) the Senate—

20 (A) by a vote of at least three-fifths of the
21 Members of the Senate duly chosen and sworn,
22 waives the point of order under section 302(f)
23 of the Congressional Budget and Impoundment
24 Control Act of 1974 with respect to an appro-
25 priation bill or resolution that provides new

1 budget authority for the National Defense
2 major functional category (050) in excess of the
3 amount specified for the defense category in
4 section 203(c)(1)(A) of the Concurrent Resolu-
5 tion on the Budget for Fiscal Year 2002; and
6 (B) approves the appropriation bill or reso-
7 lution.

8 (b) FULL OR PARTIAL AUTHORIZATION.—(1) If the
9 total amount of the new budget authority allocated or
10 available for the National Defense major functional cat-
11 egory (050) for fiscal year 2002 is increased as described
12 in subsection (a) by at least \$18,448,601,000 over the
13 amount of the new budget authority allocated for that cat-
14 egory for fiscal year 2002 by the Concurrent Resolution
15 on the Budget for Fiscal Year 2002, the reductions under
16 section 1302 shall not be made.

17 (2) If the total amount of new budget authority allo-
18 cated or available for the National Defense major func-
19 tional category (050) for fiscal year 2002 is increased as
20 described in subsection (a) by less than \$18,448,601,000
21 over the amount of the new budget authority allocated for
22 that category for fiscal year 2002 by the Concurrent Reso-
23 lution on the Budget for Fiscal Year 2002, each of the
24 total amounts referred to in section 1302 shall be reduced
25 by a proportionate amount of the difference between

1 \$18,448,601,000 and the amount of the increase in the
2 allocated new budget authority.

3 **SEC. 1302. REDUCTIONS.**

4 Until such time as the amount of the new budget au-
5 thority allocated or available for the National Defense
6 major functional category (050) for fiscal year 2002 is in-
7 creased as described in section 1301(a), the total amounts
8 authorized to be appropriated by provisions of this Act are
9 reduced as follows:

10 (1) For the total amount authorized to be ap-
11 propriated for procurement by subtitle A of title I,
12 the reduction is \$2,100,854,000.

13 (2) For the total amount authorized to be ap-
14 propriated for research, development, test and eval-
15 uation by section 201, the reduction is
16 \$3,033,434,000.

17 (3) For the total amount authorized to be ap-
18 propriated for operation and maintenance by section
19 301, the reduction is \$8,737,773,000.

20 (4) For the total amount authorized to be ap-
21 propriated for working capital and revolving funds
22 by section 302, the reduction is \$1,018,394,000.

23 (5) For the total amount authorized to be ap-
24 propriated by division B, the reduction is
25 \$348,065,000.

1 **SEC. 1303. REFERENCE TO CONCURRENT RESOLUTION ON**
2 **THE BUDGET FOR FISCAL YEAR 2002.**

3 For the purposes of this title, a reference to the Con-
4 current Resolution on the Budget for Fiscal Year 2002
5 is a reference to House Concurrent Resolution 83 (107th
6 Congress, 1st session).

Calendar No. 158

107TH CONGRESS
1ST SESSION

S. 1419

A BILL

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

SEPTEMBER 12, 2001

Read twice and placed on the calendar