To authorize appropriations for fiscal year 2004 for military activities of
the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Department of Defense
Authorization Act for Fiscal Year 2004”.

SEC. 2. TABLE OF CONTENTS.

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.

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 106. Chemical agents and munitions destruction, Defense.
Sec. 107. Defense health programs.

Subtitle B—Army Programs

(reserved)

Subtitle C—Navy Programs

Sec. 121. Multiyear procurement authority for Navy programs.
Sec. 122. Pilot program for flexible funding of naval vessel conversions and overhauls.

Subtitle D—Air Force Programs

Sec. 131. Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft.

Subtitle E—Other Matters

(reserved)

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 204. Defense health programs.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Prohibition on transfer of certain programs outside the Office of the Secretary of Defense.
Sec. 212. Objective force indirect fires program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Fielding of ballistic missile defense capabilities.
Sec. 222. Repeal of requirement for certain program elements for Missile De-
formance Agency activities.
Sec. 223. Oversight of procurement of ballistic missile defense system elements.
Sec. 224. Renewal of authority to assist local communities impacted by ballistic
missile defense system test bed.

Subtitle D—Other Matters

Sec. 231. Global Research Watch program in the Office of the Director of De-
formance Research and Engineering.
Sec. 233. Enhancement of authority of Secretary of Defense to support science,
mathematics, engineering, and technology education.
Sec. 234. Department of Defense high-speed network-centric and bandwidth ex-
pansion program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.

Subtitle B—Program Requirements, Restrictions, and
Limitations

Sec. 311. Armed Forces Emergency Services.
Sec. 312. Commercial imagery industrial base.

Subtitle C—Environmental Provisions

Sec. 321. General definitions applicable to facilities and operations.
Sec. 322. Military readiness and conservation of protected species.
Sec. 323. Arctic and Western Pacific Environmental Technology Cooperation
Program.
Sec. 324. Participation in wetland mitigation banks in connection with military
construction projects.
Sec. 325. Extension of authority to use environmental restoration account
funds for relocation of a contaminated facility.
Sec. 326. Applicability of certain procedural and administrative requirements to
restoration advisory boards.
Sec. 327. Expansion of authorities on use of vessels stricken from the Naval
Vessel Register for experimental purposes.
Sec. 328. Transfer of vessels stricken from the Naval Vessel Register for use
as artificial reefs.
Sec. 329. Salvage facilities.
Sec. 330. Task force on resolution of conflict between military training and en-
dangered species protection at Barry M. Goldwater Range, Ari-
 zona.
Sec. 331. Public health assessment of exposure to perchlorate.

Subtitle D—Reimbursement Authorities

Sec. 341. Reimbursement of reserve component military personnel accounts for
personnel costs of special operations reserve component per-
sonnel engaged in landmines clearance.
Sec. 342. Reimbursement of reserve component accounts for costs of intelligence activities support provided by reserve component personnel.

Sec. 343. Reimbursement rate for airlift services provided to the Department of State.

**Subtitle E—Defense Dependents Education**

Sec. 351. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.

Sec. 352. Impact aid for children with severe disabilities.

**Subtitle F—Other Matters**

Sec. 361. Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract.


Sec. 363. Exemption of certain firefighting service contracts from prohibition on contracts for performance of firefighting functions.

Sec. 364. Technical amendment relating to termination of Sacramento Army Depot, Sacramento, California.

Sec. 365. Exception to competition requirement for workloads previously performed by depot-level activities.

Sec. 366. Support for transfers of decommissioned vessels and shipboard equipment.

Sec. 367. Aircraft for performance of aerial refueling mission.

Sec. 368. Stability of certain existing military troop dining facilities contracts.

Sec. 369. Repeal of calendar year limitations on use of commissary stores by certain Reserves and others.

**TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS**

**Subtitle A—Active Forces**

Sec. 401. End strengths for active forces.

Sec. 402. Increased maximum percentage of general and flag officers on active duty authorized to be serving in grades above brigadier general and rear admiral (lower half).

Sec. 403. Extension of certain authorities relating to management of numbers of general and flag officers in certain grades.

**Subtitle B—Reserve Forces**

Sec. 411. End strengths for Selected Reserve.

Sec. 412. End strengths for Reserves on active duty in support of the reserves.

Sec. 413. End strengths for military technicians (dual status).

Sec. 414. Fiscal year 2004 limitations on non-dual status technicians.

**Subtitle C—Other Matters Relating to Personnel Strengths**

Sec. 421. Revision of personnel strength authorization and accounting process.

Sec. 422. Exclusion of recalled retired members from certain strength limitations during period of war or national emergency.

**Subtitle D—Authorization of Appropriations**
Sec. 431. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy
Sec. 501. Retention of health professions officers to fulfill active duty service obligations following failure of selection for promotion.
Sec. 502. Eligibility for appointment as Chief of Army Veterinary Corps.

Subtitle B—Reserve Component Personnel Policy
Sec. 511. Expanded authority for use of Ready Reserve in response to terrorism.
Sec. 512. Streamlined process for continuing officers on the reserve active-status list.
Sec. 513. National Guard officers on active duty in command of National Guard units.

Subtitle C—Revision of Retirement Authorities
Sec. 521. Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.

Subtitle D—Education and Training
Sec. 531. Increased flexibility for management of senior level education and post-education assignments.
Sec. 532. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
Sec. 533. Eligibility and cost reimbursement requirements for personnel to receive instruction at the Naval Postgraduate School.
Sec. 534. Actions to address sexual misconduct at the service academies.

Subtitle E—Decorations, Awards, and Commendations
(reserved)

Subtitle F—Military Justice
Sec. 551. Extended limitation period for prosecution of child abuse cases in courts-martial.
Sec. 552. Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel.

Subtitle G—Other Matters
Sec. 561. High-tempo personnel management and allowance.
Sec. 562. Alternate initial military service obligation for persons accessed under direct entry program.
Sec. 563. Policy on concurrent deployment to combat zones of both military spouses of military families with minor children.
Sec. 564. Enhancement of voting rights of members of the uniformed services.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

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Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2004.
Sec. 602. Revised annual pay adjustment process.
Sec. 603. Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service.
Sec. 604. Pilot program of monthly subsistence allowance for non-scholarship Senior ROTC members committing to continue ROTC participation as sophomores.
Sec. 605. Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty.
Sec. 606. Increased rate of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Special pay for reserve officers holding positions of unusual responsibility and of critical nature.
Sec. 616. Assignment incentive pay for service in Korea.
Sec. 617. Increased maximum amount of reenlistment bonus for active members.
Sec. 618. Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized.
Sec. 619. Increased rate of hostile fire and imminent danger special pay.
Sec. 620. Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty.
Sec. 621. Expansion of overseas tour extension incentive program to officers.
Sec. 622. Eligibility of warrant officers for accession bonus for new officers in critical skills.
Sec. 623. Incentive bonus for conversion to military occupational specialty to ease personnel shortage.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Shipment of privately owned motor vehicle within continental United States.
Sec. 632. Payment or reimbursement of student baggage storage costs for dependent children of members stationed overseas.
Sec. 633. Contracts for full replacement value for loss or damage to personal property transported at Government expense.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Special rule for computation of retired pay base for commanders of combatant commands.
Sec. 642. Survivor Benefit Plan annuities for surviving spouses of Reserves not eligible for retirement who die from a cause incurred or aggravated while on inactive-duty training.
Sec. 643. Increase in death gratuity payable with respect to deceased members of the Armed Forces.
Subtitle E—Other Matters

Sec. 651. Retention of accumulated leave.

TITLE VII—HEALTH CARE

Sec. 701. Medical and dental screening for members of Selected Reserve units alerted for mobilization.
Sec. 702. TRICARE beneficiary counseling and assistance coordinators for reserve component beneficiaries.
Sec. 703. Extension of authority to enter into personal services contracts for health care services to be performed at locations outside medical treatment facilities.
Sec. 704. Department of Defense Medicare-Eligible Retiree Health Care Fund valuations and contributions.
Sec. 705. Surveys on continued viability of TRICARE standard.
Sec. 706. Elimination of limitation on covered beneficiaries’ eligibility to receive health care services from former Public Health Service treatment facilities.
Sec. 707. Modification of structure and duties of Department of Veterans Affairs-Department of Defense Health Executive Committee.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

Sec. 801. Temporary emergency procurement authority to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.
Sec. 802. Special temporary contract closeout authority.
Sec. 803. Defense acquisition program management for use of radio frequency spectrum.
Sec. 804. National Security Agency Modernization Program.
Sec. 805. Quality control in procurement of aviation critical safety items and related services.

Subtitle B—Procurement of Services

Sec. 811. Expansion and extension of incentive for use of performance-based contracts in procurements of services.
Sec. 812. Public-private competitions for the performance of Department of Defense functions.
Sec. 813. Authority to enter into personal services contracts.

Subtitle C—Major Defense Acquisition Programs

Sec. 821. Certain weapons-related prototype projects.
Sec. 822. Applicability of Clinger-Cohen Act policies and requirements to equipment integral to a weapon or weapon system.
Sec. 823. Applicability of requirement for reports on maturity of technology at initiation of major defense acquisition programs.

Subtitle D—Domestic Source Requirements

Sec. 831. Exceptions to Berry amendment for contingency operations and other urgent situations.
Sec. 832. Inapplicability of Berry amendment to procurements of waste and by-products of cotton and wool fiber for use in the production of propellants and explosives.

Sec. 833. Waiver authority for domestic source or content requirements.

Sec. 834. Buy American exception for ball bearings and roller bearings used in foreign products.

Subtitle E—Defense Acquisition and Support Workforce

Sec. 841. Flexibility for management of the defense acquisition and support workforce.

Sec. 842. Limitation and reinvestment authority relating to reduction of the defense acquisition and support workforce.

Sec. 843. Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures.

Subtitle F—Federal Support for Procurement of Anti-Terrorism Technologies and Services by State and Local Governments

Sec. 851. Application of indemnification authority to State and local government contractors.

Sec. 852. Procurements of anti-terrorism technologies and anti-terrorism services by State and local governments through Federal contracts.

Sec. 853. Definitions.

Subtitle G—General Contracting Authorities, Procedures, and Limitations, and Other Matters

Sec. 861. Limited acquisition authority for Commander of United States Joint Forces Command.

Sec. 862. Operational test and evaluation.

Sec. 863. Multiyear task and delivery order contracts.

Sec. 864. Repeal of requirement for contractor assurances regarding the completeness, accuracy, and contractual sufficiency of technical data provided by the contractor.

Sec. 865. Reestablishment of authority for short-term leases of real or personal property across fiscal years.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department Officers and Agencies

Sec. 901. Clarification of responsibility of military departments to support combatant commands.

Sec. 902. Redesignation of National Imagery and Mapping Agency as National Geospatial-Intelligence Agency.


Subtitle B—Space Activities

Sec. 911. Coordination of space science and technology activities of the Department of Defense.

Sec. 912. Space personnel cadre.
Sec. 913. Policy regarding assured access to space for United States national security payloads.
Sec. 914. Pilot program to provide space surveillance network services to entities outside the United States Government.
Sec. 915. Content of biennial global positioning system report.

Subtitle C—Other Matters
Sec. 921. Combatant Commander Initiative Fund.
Sec. 922. Authority for the Marine Corps University to award the degree of master of operational studies.
Sec. 923. Report on changing roles of United States Special Operations Command.
Sec. 924. Integration of Defense intelligence, surveillance, and reconnaissance capabilities.
Sec. 925. Establishment of the National Guard of the Northern Mariana Islands.

TITLE X—GENERAL PROVISIONS
Subtitle A—Financial Matters
Sec. 1001. Transfer authority.
Sec. 1002. United States contribution to NATO common-funded budgets in fiscal year 2004.

Subtitle B—Improvement of Travel Card Management
Sec. 1011. Mandatory disbursement of travel allowances directly to travel card creditors.
Sec. 1012. Determinations of creditworthiness for issuance of Defense travel card.
Sec. 1013. Disciplinary actions and assessing penalties for misuse of Defense travel cards.

Subtitle C—Reports
Sec. 1021. Elimination and revision of various reporting requirements applicable to the Department of Defense.
Sec. 1022. Global strike plan.
Sec. 1024. Report on mobilization of the reserves.

Subtitle D—Other Matters
Sec. 1031. Blue forces tracking initiative.
Sec. 1032. Loan, donation, or exchange of obsolete or surplus property.
Sec. 1033. Acceptance of gifts and donations for Asia-Pacific Center for Security Studies.
Sec. 1034. Provision of living quarters for certain students working at National Security Agency laboratory.
Sec. 1035. Protection of operational files of the National Security Agency.
Sec. 1036. Transfer of administration of National Security Education Program to Director of Central Intelligence.
Sec. 1037. Report on use of unmanned aerial vehicles for support of homeland security missions.
Sec. 1038. Conveyance of surplus T–37 aircraft to Air Force Aviation Heritage Foundation, Incorporated.

**TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY**

Sec. 1101. Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation.
Sec. 1102. Pay authority for critical positions.
Sec. 1103. Extension, expansion, and revision of authority for experimental personnel program for scientific and technical personnel.
Sec. 1104. Transfer of personnel investigative functions and related personnel of the Department of Defense.

**TITLE XII—MATTERS RELATING TO OTHER NATIONS**

Sec. 1201. Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.
Sec. 1202. Availability of funds to recognize superior nonecombat achievements or performance of members of friendly foreign forces and other foreign nationals.
Sec. 1203. Check cashing and exchange transactions for foreign personnel in alliance or coalition forces.
Sec. 1204. Clarification and extension of authority to provide assistance for international nonproliferation activities.
Sec. 1205. Reimbursable costs relating to national security controls on satellite export licensing.
Sec. 1206. Annual report on the NATO Prague capabilities commitment and the NATO response force.
Sec. 1207. Expansion and extension of authority to provide additional support for counter-drug activities.
Sec. 1208. Use of funds for unified counterdrug and counterterrorism campaign in Colombia.

**TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION**

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Annual certifications on use of facilities being constructed for Cooperative Threat Reduction projects or activities.
Sec. 1304. Authority to use Cooperative Threat Reduction funds outside the former Soviet Union.
Sec. 1305. One-year extension of inapplicability of certain conditions on use of funds for chemical weapons destruction.

1 **SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

2 For purposes of this Act, the term “congressional defense committees” means—

3 (1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and
(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Army as follows:

(1) For aircraft, $2,158,485,000.

(2) For missiles, $1,553,462,000.

(3) For weapons and tracked combat vehicles, $1,658,504,000.

(4) For ammunition, $1,363,305,000.

(5) For other procurement, $4,266,027,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Navy as follows:

(1) For aircraft, $8,996,948,000.

(2) For weapons, including missiles and torpedoes, $2,046,821,000.

(3) For shipbuilding and conversion, $11,707,984,000.

(4) For other procurement, $4,744,443,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Marine Corps in the amount of $1,089,599,000.
(c) Navy and Marine Corps Ammunition.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement of ammunition for the Navy and the Marine Corps in the amount of $924,355,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Air Force as follows:

(1) For aircraft, $12,082,760,000.
(2) For ammunition, $1,284,725,000.
(3) For missiles, $4,394,439,000.
(4) For other procurement, $11,630,659,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2004 for Defense-wide procurement in the amount of $3,884,106,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Inspector General of the Department of Defense in the amount of $2,100,000.
SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2004 the amount of $1,530,261,000 for—

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

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

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $327,826,000.

Subtitle B—Army Programs

(reserved)

Subtitle C—Navy Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR NAVY PROGRAMS.

(a) AUTHORITY.—Beginning with the fiscal year 2004 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States
Code, enter into a multiyear contract for procurement for
the following programs:

(1) The F/A–18 aircraft program.
(2) The E–2C aircraft program.
(3) The Tactical Tomahawk Cruise Missile pro-
gram, subject to subsection (b).
(4) The Virginia class submarine, subject to
subsection (c).

(b) TACTICAL TOMAHAWK CRUISE MISSILES.—The
Secretary may not enter into a multiyear contract for the
procurement of Tactical Tomahawk Cruise Missiles under
subsection (a)(3) until the Secretary determines on the
basis of operational testing that the Tactical Tomahawk
Cruise Missile is effective for fleet use.

(c) VIRGINIA CLASS SUBMARINES.— Paragraphs
(2)(A), (3), and (4) of section 121(b) of the National De-
fense Authorization Act for Fiscal Year 1998 (Public Law
105–85; 111 Stat. 1648) shall apply in the exercise of au-
thority to enter into a multiyear contract for the procure-
ment of Virginia class submarines under subsection (a)(4).

SEC. 122. PILOT PROGRAM FOR FLEXIBLE FUNDING OF
NAVAL VESSEL CONVERSIONS AND OVER-
HAULS.

(a) ESTABLISHMENT.—The Secretary of the Navy
may carry out a pilot program of flexible funding of con-
versions and overhauls of cruisers of the Navy in accordance with this section.

(b) Authority.—Under the pilot program the Secretary of the Navy may, subject to subsection (d), transfer appropriated funds described in subsection (c) to the appropriation for the Navy for procurement for shipbuilding and conversion for any fiscal year to continue to fund any conversion or overhaul of a cruiser of the Navy that was initially funded with the appropriation to which transferred.

(c) Funds Available for Transfer.—The appropriations available for transfer under this section are the appropriations to the Navy for any fiscal year after fiscal year 2003 and before fiscal year 2013 for the following purposes:

(1) For procurement, as follows:

(A) For shipbuilding and conversion.

(B) For weapons procurement.

(C) For other procurement.

(2) For operation and maintenance.

(d) Limitations.—(1) A transfer may be made with respect to a cruiser under this section only to meet the following requirements:
(A) Any increase in the size of the workload for conversion or overhaul to meet existing requirements for the cruiser.

(B) Any new conversion or overhaul requirement resulting from a revision of the original baseline conversion or overhaul program for the cruiser.

(2) A transfer may not be made under this section before the date that is 30 days after the date on which the Secretary of the Navy transmits to the congressional defense committees a written notification of the intended transfer. The notification shall include the following matters:

(A) The purpose of the transfer.

(B) The amounts to be transferred.

(C) Each account from which the funds are to be transferred.

(D) Each program, project, or activity from which the funds are to be transferred.

(E) Each account to which the funds are to be transferred.

(F) A discussion of the implications of the transfer for the total cost of the cruiser conversion or overhaul program for which the transfer is to be made.
(c) MERGER OF FUNDS.—Amounts transferred to an appropriation with respect to the conversion or overhaul of a cruiser under this section shall be credited to and merged with other funds in the appropriation to which transferred and shall be available for the conversion or overhaul of such cruiser for the same period as the appropriation with which merged.

(f) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The authority to transfer funds under this section is in addition to any other authority provided by law to transfer appropriated funds and is not subject to any restriction, limitation, or procedure that is applicable to the exercise of any such other authority.

(g) FINAL REPORT.—Not later than October 1, 2011, the Secretary of the Navy shall submit to the congressional defense committees a report containing the Secretary’s evaluation of the efficacy of the authority provided under this section.

(h) TERMINATION OF PROGRAM.—No transfer may be made under this section after September 30, 2012.
Subtitle D—Air Force Programs

SEC. 131. ELIMINATION OF QUANTITY LIMITATIONS ON MULTIYEAR PROCUREMENT AUTHORITY FOR C-130J AIRCRAFT.


Subtitle E—Other Matters

(reserved)

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $9,012,500,000.

(2) For the Navy, $14,590,284,000.

(3) For the Air Force, $20,382,407,000.
For Defense-wide activities, $19,135,679,000, of which $286,661,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) Amount for Projects.—Of the total amount authorized to be appropriated by section 201, $10,705,561,000 shall be available for science and technology projects.

(b) Science and Technology Defined.—In this section, the term “science and technology project” means work funded in program elements for defense research, development, test, and evaluation under Department of Defense budget activities 1, 2, or 3.

SEC. 203. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2004 for research, development, test, and evaluation for the Inspector General of the Department of Defense in the amount of $300,000.

SEC. 204. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the Department of Defense for research, development, test, and evaluation for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $65,796,000.
Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. PROHIBITION ON TRANSFER OF CERTAIN PROGRAMS OUTSIDE THE OFFICE OF THE SECRETARY OF DEFENSE.

The Secretary of Defense may not designate any official outside the Office of the Secretary of Defense to exercise authority for programming or budgeting for any of the following programs:

(1) Explosive demilitarization technology (program element 0603104D8Z).

(2) High energy laser research initiative (program element 0601108D8Z).

(3) High energy laser research (program element 0602890D8Z).

(4) High energy laser advanced development (program element 0603924D8Z).

(5) University research initiative (program element 0601103D8Z).

SEC. 212. OBJECTIVE FORCE INDIRECT FIRES PROGRAM.

(a) DISTINCT PROGRAM ELEMENT.—The Secretary of Defense shall ensure that, not later than October 1, 2003, the Objective Force Indirect Fires Program is being planned, programmed, and budgeted for as a distinct pro-
gram element and that funds available for such program
are being administered consistent with the budgetary sta-
tus of the program as a distinct program element.

(b) PROHIBITION.—Effective on October 1, 2003, the
Objective Force Indirect Fires Program may not be
planned, programmed, and budgeted for, and funds avail-
able for such program may not be administered, in one
program element in combination with the Armored Sys-
tems Modernization program.

(c) CERTIFICATION REQUIREMENT.—At the same
time that the President submits the budget for fiscal year
2005 to Congress under section 1105(a) of title 31,
United States Code, the Secretary of Defense shall submit
to the Committees on Armed Services of the Senate and
the House of Representatives a written certification that
the Objective Force Indirect Fires Program is being
planned, programmed, and budgeted for, and funds avail-
able for such program are being administered, in accord-
ance with the requirement in subsection (a) and the prohi-
bition in subsection (b).
Subtitle C—Ballistic Missile Defense

SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Funds authorized to be appropriated under section 201(4) for the Missile Defense Agency may be used for the development and fielding of an initial set of ballistic missile defense capabilities.

SEC. 222. REPEAL OF REQUIREMENT FOR CERTAIN PROGRAM ELEMENTS FOR MISSILE DEFENSE AGENCY ACTIVITIES.

Section 223 of title 10, United States Code is amended—

(1) by striking subsection (a);

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

(3) in subsection (b), as so redesignated, by striking “specified in subsection (a)”.

SEC. 223. OVERSIGHT OF PROCUREMENT OF BALLISTIC MISSILE DEFENSE SYSTEM ELEMENTS.

(a) OVERSIGHT REQUIREMENTS.—Chapter 9 of title 10, United States Code, is amended by inserting after section 223 the following new section:
§ 223a. Ballistic missile defense programs: procurement

(a) Budget Justification Materials.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary of Defense shall specify, for each ballistic missile defense system element for which the Missile Defense Agency is engaged in planning for production and initial fielding, the following information:

(1) The production rate capabilities of the production facilities planned to be used.

(2) The potential date of availability of the element for initial fielding.

(3) The expected costs of the initial production and fielding planned for the element.

(4) The estimated date on which the administration of the acquisition of the element is to be transferred to the Secretary of a military department.

(b) Future-Years Defense Program.—The future-years defense program submitted to Congress each year under section 221 of this title shall include an estimate of the amount necessary for procurement for each ballistic missile defense system element, together with a
discussion of the underlying factors and reasoning justifying the estimate.”.

(b) **Clerical Amendment.**—The table of contents at the beginning of such chapter 9 is amended by inserting after the item relating to section 223 the following new item:

“223a. Ballistic missile defense programs: procurement.”.

**SEC. 224. RENEWAL OF AUTHORITY TO ASSIST LOCAL COMMUNITIES IMPACTED BY BALLISTIC MISSILE DEFENSE SYSTEM TEST BED.**

Section 235(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1041) is amended—

(1) in paragraph (1), by inserting “, 2004, 2005, or 2006” after “for fiscal year 2002”; and

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

“(3) In the budget justification materials for the Department of Defense that the Secretary of Defense submits to Congress in connection with the submission of the budget for fiscal year 2004, the budget for fiscal year 2005, and the budget for fiscal year 2006 under section 1105(a) of title 31, United States Code, the Secretary shall include a description of the community assistance projects that are to be supported in such fiscal year under
this subsection and an estimate of the total cost of each such project.”.

Subtitle D—Other Matters

SEC. 231. GLOBAL RESEARCH WATCH PROGRAM IN THE OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING.

Section 139a of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c)(1) The Director shall carry out a Global Research Watch program.

“(2) The goals of the program are as follows:

“(A) To monitor and analyze the basic and applied research activities and capabilities of foreign nations in areas of military interest, including allies and competitors.

“(B) To provide standards for comparison and comparative analysis of research capabilities of foreign nations in relation to the research capabilities of the United States.

“(C) To assist Congress and Department of Defense officials in making investment decisions for research in technical areas where the United States may not be the global leader.
“(D) To identify areas where significant opportunities for cooperative research may exist.

“(E) To coordinate and promote the international cooperative research and analysis activities of each of the armed forces and Defense Agencies.

“(F) To establish and maintain an electronic database on international research capabilities, comparative assessments of capabilities, cooperative research opportunities, and ongoing cooperative programs.

“(3) The program shall be focused on research and technologies at a technical maturity level equivalent to Department of Defense basic and applied research programs.

“(4) The Director shall coordinate the program with the international cooperation and analysis activities of the military departments and Defense Agencies.

“(5) Information in electronic databases of the Global Research Watch program shall be maintained in unclassified form and, as determined necessary by the Director, in classified form in such databases.”.

SEC. 232. DEFENSE ADVANCED RESEARCH PROJECTS AGENCY BIENNIAL STRATEGIC PLAN.

(a) REQUIREMENT FOR PLAN.—(1) Subchapter II of chapter 8 of title 10, United States Code, is amended by inserting after section 201 the following new section:

“(a) Requirement for Strategic Plan.—(1) Every other year, and in time for submission to Congress under subsection (b), the Director of the Defense Advanced Research Projects Agency shall prepare a strategic plan for the activities of the agency.

“(2) The strategic plan shall include the following matters:

“(A) The long-term strategic goals of the agency.

“(B) Identification of the research programs that support—

“(i) achievement of the strategic goals; and

“(ii) exploitation of opportunities that hold the potential for yielding significant military benefits.

“(C) The connection of agency activities and programs to activities and missions of the armed forces.

“(D) A technology transition strategy for agency programs.

“(E) An assessment of agency policies on the management, organization, and personnel of the agency.
“(b) Submission of Plan to Congress.—The Secretary of Defense shall submit the latest biennial strategic plan of the Defense Advanced Research Projects Agency to Congress at the same time that the President submits the budget for an even-numbered year to Congress under section 1105(a) of title 31.

“(c) Review Panel.—(1) The Secretary of Defense shall establish a panel to advise the Director of the Defense Research Projects Agency on the preparation, content, and execution of the biennial strategic plan.

“(2) The panel shall be composed of members appointed by the Secretary of Defense from among persons who are experienced and knowledgeable in research activities of potential military value, as follows:

“(A) The principal staff assistant to the Director of the Defense Advanced Research Projects Agency, who shall serve as chairman of the panel.

“(B) Three senior officers of the armed forces.

“(C) Three persons who are representative of—

“(i) private industry;

“(ii) academia; and

“(iii) federally funded research and development centers or similar nongovernmental organizations.
“(3) The members appointed under subparagraphs (B) and (C) of paragraph (2) shall be appointed for a term of two years. The members may be reappointed, except that every two years the Secretary of Defense shall appoint a replacement for at least one of the members appointed under such subparagraph (B) and a replacement for at least one of the members appointed under such subparagraph (C). Any vacancy in the membership of the panel shall be filled in the same manner as the original appointment.

“(4) The panel shall meet at the call of the Chairman.

“(5) The panel shall provide the Director of the Defense Advanced Research Projects Agency with the following support:

“(A) Objective advice on—

“(i) the strategic plan; and

“(ii) the appropriate mix of agency supported research activities in technologies, including system-level technologies, to address new and evolving national security requirements and interests, and to fulfill the technology development mission of the agency.

“(B) An assessment of the extent to which the agency is successful in—
“(i) supporting missions of the armed forces; and

“(ii) achieving the transition of technologies into acquisition programs of the military departments.

“(C) An assessment of agency policies on the management, organization, and personnel of the agency, together with recommended modifications of such policies that could improve the mission performance of the agency.

“(D) Final approval of the biennial strategic plan.

“(6) Members of the panel who are not officers or employees of the United States shall serve without pay by reason of their work on the panel, and their services as members may be accepted without regard to section 1342 of title 31. However, such members shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5 while away from their homes or regular places of business in the performance of services for the panel.

“(7) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel.”
(2) The table of sections at the beginning of such sub-
chapter is amended by inserting after the item relating
to section 201 the following new item:


(b) INITIAL APPOINTMENTS TO REVIEW PANEL.—
The Secretary of Defense shall appoint the panel under
subsection (c) of section 202 of title 10, United States
Code (as added by subsection (a)), not later than 60 days
after the date of the enactment of this Act.

SEC. 233. ENHANCEMENT OF AUTHORITY OF SECRETARY
OF DEFENSE TO SUPPORT SCIENCE, MATHE-
MATICS, ENGINEERING, AND TECHNOLOGY
EDUCATION.

Section 2192 of title 10, United States Code, is
amended—

(1) by redesignating subsection (b) as sub-
section (c); and

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

"(b)(1) In furtherance of the authority of the Sec-
retary of Defense under this chapter or any other provi-
sion of law to support educational programs in science,
mathematics, engineering, and technology, the Secretary
of Defense may—

"(A) enter into contracts and cooperative agree-
ments with eligible persons;"
“(B) make grants of financial assistance to eligible persons;

“(C) provide cash awards and other items to eligible persons; and

“(D) accept voluntary services from eligible persons.

“(2) In this subsection:

“(A) The term ‘eligible person’ includes a department or agency of the Federal Government, a State, a political subdivision of a State, an individual, and a not-for-profit or other organization in the private sector.

“(B) The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.”.

SEC. 234. DEPARTMENT OF DEFENSE HIGH-SPEED NETWORK-CENTRIC AND BANDWIDTH EXPANSION PROGRAM.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program of research and development to promote greater bandwidth capability with high-speed network-centric communications.
(b) PURPOSES OF ACTIVITIES.—The purposes of activities required by subsection (a) are as follows:

(1) To facilitate the acceleration of the network-centric operational capabilities of the Armed Forces, including more extensive utilization of unmanned vehicles, satellite communications, and sensors, through the promotion of research and development, and the focused coordination of programs, to fully achieve high-bandwidth connectivity to military assets.

(2) To provide for the development of equipment and technologies for military high-bandwidth network-centric communications facilities.

(c) RESEARCH AND DEVELOPMENT PROGRAM.—(1) In carrying out the program of research and development required by subsection (a)(1), the Secretary shall—

(A) identify areas of advanced wireless communications in which research and development, or the leveraging of emerging technologies, has significant potential to improve the performance, efficiency, cost, and flexibility of advanced network-centric communications systems;

(B) develop a coordinated plan for research and development on—
(i) improved spectrum access through spectrum-efficient network-centric communications systems;

(ii) networks, including complex ad hoc adaptive network structures;

(iii) end user devices, including efficient receivers and transmitter devices;

(iv) applications, including robust security and encryption; and

(v) any other matters that the Secretary considers appropriate for purposes of this section;

(C) ensure joint research and development, and promote joint systems acquisition and deployment, among the various services and Defense Agencies, including the development of common cross-service technology requirements and doctrines, so as to enhance interoperability among the various services and Defense Agencies;

(D) conduct joint experimentation among the various Armed Forces, and coordinate with the Joint Forces Command, on experimentation to support network-centric warfare capabilities to small units of the Armed Forces; and
(E) develop, to the extent practicable and in consultation with other Federal entities and private industry, cooperative research and development efforts.

(2) The Secretary shall carry out the program of research and development through the Director of Defense Research and Engineering, in full coordination with the Secretaries of the military departments, the heads of appropriate Defense Agencies, and the heads of other appropriate elements of the Department of Defense.

(d) REPORT.—(1) The Secretary shall, acting through the Director of Defense Research and Engineering, submit to the congressional defense committees a report on the activities undertaken under this section as of the date of such report. The report shall be submitted together with the budget justification materials submitted to Congress in support of the Department of Defense budget for fiscal year 2005 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code).

(2) The report under paragraph (1) shall include—

(A) a description of the research and development activities carried out under subsection (a), including particular activities under subsection (c)(1)(B);
(B) an assessment of current and proposed funding for the activities set forth in each of clauses (i) through (v) of subsection (c)(1)(B), including the adequacy of such funding to support such activities;

(C) an assessment of the extent and success of any joint research and development activities under subsection (c)(1)(C);

(D) a description of any joint experimentation activities under subsection (c)(1)(D);

(E) an assessment of the effects of limited communications bandwidth, and of limited access to electromagnetic spectrum, on recent military operations; and

(F) such recommendations for additional activities under this section as the Secretary considers appropriate to meet the purposes of this section.

**TITLE III—OPERATION AND MAINTENANCE**

**Subtitle A—Authorization of Appropriations**

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

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for
expenses, not otherwise provided for, for operation and
maintenance, in amounts as follows:

(1) For the Army, $24,668,004,000.
(2) For the Navy, $28,051,390,000.
(3) For the Marine Corps, $3,416,356,000.
(4) For the Air Force, $26,975,231,000.
(5) For Defense-wide activities, $15,739,047,000.
(6) For the Army Reserve, $1,952,009,000.
(7) For the Naval Reserve, $1,170,421,000.
(8) For the Marine Corps Reserve, $173,452,000.
(9) For the Air Force Reserve, $2,178,688,000.
(10) For the Army National Guard, $4,227,331,000.
(11) For the Air National Guard, $4,405,646,000.
(13) For the United States Court of Appeals for the Armed Forces, $10,333,000.
(14) For Environmental Restoration, Army, $396,018,000.
(15) For Environmental Restoration, Navy, $256,153,000.
(16) For Environmental Restoration, Air Force, $384,307,000.
(17) For Environmental Restoration, Defense-wide, $24,081,000.
(18) For Environmental Restoration, Formerly Used Defense Sites, $252,619,000.
(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $59,000,000.
(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $817,371,000.
(21) For Defense Health Program, $14,862,900,000.
(22) For Cooperative Threat Reduction programs, $450,800,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,661,307,000.
(2) For the National Defense Sealift Fund, $1,062,762,000.
SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2004 from the Armed Forces Retirement Home Trust Fund the sum of $65,279,000 for the operation of the Armed Forces Retirement Home, including the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. ARMED FORCES EMERGENCY SERVICES.

Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be made available to the American Red Cross to fund the Armed Forces Emergency Services.

SEC. 312. COMMERCIAL IMAGERY INDUSTRIAL BASE.

(a) LIMITATION.—Not less than ninety percent of the total amount authorized to be appropriated under this title for the acquisition, processing, and licensing of commercial imagery, including amounts authorized to be appropriated under this title for experimentation related to commercial imagery, shall be used for the following purposes:

(1) To acquire space-based imagery from commercial sources.
(2) To support the development of next-generation commercial imagery satellites.

(b) REPORT.—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions taken and to be taken by the Secretary to implement the President’s commercial remote sensing policy. The Secretary shall consult with the Director of Central Intelligence in preparing the report.

(2) The report under paragraph (1) shall include an assessment of the following matters:

(A) The sufficiency of the policy, the funding for fiscal year 2004 for the procurement of imagery from commercial sources, and the funding planned in the future-years defense program for the procurement of imagery from commercial sources to sustain a viable commercial imagery industrial base in the United States.

(B) The extent to which the United States policy and programs relating to the procurement of imagery from commercial sources are sufficient to ensure that imagery is available to the Department of Defense from United States commercial firms to timely meet the needs of the Department of Defense for the imagery.
Subtitle C—Environmental Provisions

SEC. 321. GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS.

(a) General Definitions Applicable to Facilities and Operations.—Section 101 of title 10, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

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

“(e) Facilities and Operations.—The following definitions relating to facilities and operations shall apply in this title:

“(1)(A) The term ‘military munitions’ means all ammunition products and components produced for or used by the armed forces for national defense and security, including ammunition products or components under the control of the Department of Defense, the Coast Guard, the Department of Energy, and the National Guard. The term includes confined gaseous, liquid, and solid propellants, explosives, pyrotechnics, chemical and riot control agents, smokes, and incendiaries, including bulk explosives and chemical warfare agents, chemical munitions, rock-
ets, guided and ballistic missiles, bombs, warheads, mortar rounds, artillery ammunition, small arms ammunition, grenades, mines, torpedoes, depth charges, cluster munitions and dispensers, demolition charges, and devices and components thereof.

“(B) The term does not include wholly inert items, improvised explosive devices, and nuclear weapons, nuclear devices, and nuclear components, except that the term does include nonnuclear components of nuclear devices that are managed under the nuclear weapons program of the Department of Energy after all required sanitization operations under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) have been completed.

“(2) The term ‘operational range’ means a range under the jurisdiction, custody, or control of the Secretary concerned that—

“(A) is used for range activities; or

“(B) is not currently used for range activities, but is still considered by the Secretary concerned to be a range and has not been put to a new use that is incompatible with range activities.

“(3) The term ‘range’ means a designated land or water area that is set aside, managed, and used
for range activities. The term includes firing lines and positions, maneuver areas, firing lanes, test pads, detonation pads, impact areas, electronic scoring sites, and buffer zones with restricted access and exclusionary areas. The term also includes airspace areas designated for military use according to regulations and procedures established by the Federal Aviation Administration such as special use airspace areas, military training routes, and other associated airspace.

“(4) The term ‘range activities’ means—

“(A) research, development, testing, and evaluation of military munitions, other ordnance, and weapons systems; and

“(B) the training of military personnel in the use and handling of military munitions, other ordnance, and weapons systems.

“(5) The term ‘unexploded ordnance’ means military munitions that—

“(A) have been primed, fused, armed, or otherwise prepared for action;

“(B) have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard to operations, installations, personnel, or material; and
“(C) remain unexploded either by malfunction, design, or any other cause.”.

(b) CONFORMING AMENDMENTS.—Section 2710(e) of such title is amended by striking paragraphs (3), (5), and (9) and redesignating paragraphs (4), (6), (7), (8), and (10) as paragraphs (3), (4), (5), (6), and (7), respectively.

SEC. 322. MILITARY READINESS AND CONSERVATION OF PROTECTED SPECIES.

(a) IN GENERAL.—Part III of subtitle A of title 10, United States Code, is amended by inserting after chapter 101 the following new chapter:

“CHAPTER 101A—READINESS AND RANGE PRESERVATION

“§ 2020. Military readiness and conservation of protected species

“(a) LIMITATION ON DESIGNATION OF CRITICAL HABITAT.—The Secretary of the Interior may not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense, or designated for its use, that are subject to an integrated natural resources management plan prepared under section 101 of the Sikes Act (16 U.S.C. 670a), if the Secretary determines that such plan addresses special man-
agement considerations or protection (as those terms are
used in section 3(5)(A)(i) of the Endangered Species Act
(16 U.S.C. 1532(5)(A)(i))).

“(b) Construction With Consultation Require-
ment.—Nothing in subsection (a) may be construed
to affect the requirement to consult under section 7(a)(2)
of the Endangered Species Act (16 U.S.C. 1536(a)(2))
with respect to an agency action (as that term is defined
in that section).”.

(b) Clerical Amendments.—The table of chapters
at the beginning of subtitle A of title 10, United States
Code, and at the beginning of part III of such subtitle,
are each amended by inserting after the item relating to
chapter 101 the following new item:

“101A. Readiness and Range Preservation ....................... 2020”.

SEC. 323. ARCTIC AND WESTERN PACIFIC ENVIRONMENTAL
TECHNOLOGY COOPERATION PROGRAM.

(a) In General.—Subchapter II of chapter 138 of
title 10, United States Code, is amended by adding at the
end the following new section:

“§ 2350m. Arctic and Western Pacific Environmental
Technology Cooperation Program

“(a) Authority To Conduct Program.—The Sec-
retary of Defense may, with the concurrence of the Sec-
retary of State, conduct on a cooperative basis with coun-
tries located in the Arctic and Western Pacific regions a
program of environmental activities provided for in subsection (b) in such regions. The program shall be known as the 'Arctic and Western Pacific Environmental Technology Cooperation Program'.

“(b) PROGRAM ACTIVITIES.—(1) Except as provided in paragraph (3), activities under the program under subsection (a) may include cooperation and assistance among elements of the Department of Defense and military departments or relevant agencies of other countries on activities that contribute to the demonstration of environmental technology.

“(2) Activities under the program shall be consistent with the requirements of the Cooperative Threat Reduction program.

“(3) Activities under the program may not include activities for purposes prohibited under section 1403 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1960).

“(c) LIMITATION ON FUNDING FOR PROJECTS OTHER THAN RADIOLOGICAL PROJECTS.—Not more than 10 percent of the amount made available for the program under subsection (a) in any fiscal year may be available for projects under the program other than projects on radiological matters.
“(d) Annual Report.—(1) Not later than March 1, 2004, and each year thereafter, the Secretary of Defense shall submit to Congress a report on activities under the program under subsection (a) during the preceding fiscal year.

“(2) The report on the program for a fiscal year under paragraph (1) shall include the following:

“(A) A description of the activities carried out under the program during that fiscal year, including a separate description of each project under the program.

“(B) A statement of the amounts obligated and expended for the program during that fiscal year, set forth in aggregate and by project.

“(C) A statement of the life cycle costs of each project, including the life cycle costs of such project as of the end of that fiscal year and an estimate of the total life cycle costs of such project upon completion of such project.

“(D) A statement of the participants in the activities carried out under the program during that fiscal year, including the elements of the Department of Defense and the military departments or agencies of other countries.
“(E) A description of the contributions of the military departments and agencies of other countries to the activities carried out under the program during that fiscal year, including any financial or other contributions to such activities.”.

(b) Clerical Amendment.—The table of sections at the beginning of that subchapter is amended by adding at the end the following new item:

“2550m. Arctic and Western Pacific Environmental Technology Cooperation Program.”.

SEC. 324. PARTICIPATION IN WETLAND MITIGATION BANKS IN CONNECTION WITH MILITARY CONSTRUCTION PROJECTS.

(a) Authority To Participate.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

§2697. Participation in wetland mitigation banks

“(a) Authority To Participate.—In the case of a military construction project that results, or may result, in the destruction of or impacts to wetlands, the Secretary concerned may make one or more payments to a wetland mitigation banking program or consolidated user site (also referred to as an ‘in-lieu-fee’ program) meeting the requirement of subsection (b) in lieu of creating a wetland on Federal property as mitigation for the project.
“(b) Approval of Program or Site Required.—The Secretary concerned may make a payment to a program or site under subsection (a) only if the program or site is approved in accordance with the Federal Guidance for the Establishment, Use, and Operation of Mitigation Banks or the Federal Guidance on the Use of In-Lieu-Fee Arrangements for Compensatory Mitigation under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) or section 10 of the Rivers and Harbors Appropriations Act of 1899 (33 U.S.C. 403).

“(c) Availability of Funds.—Amounts authorized to be appropriated for a military construction project for which a payment is authorized by subsection (a) may be utilized for purposes of making the payment.”.

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

“2697. Participation in wetland mitigation banks.”.

SEC. 325. EXTENSION OF AUTHORITY TO USE ENVIRONMENTAL RESTORATION ACCOUNT FUNDS FOR RELOCATION OF A CONTAMINATED FACILITY.

Section 2703(c)(2) of title 10, United States Code, is amended by striking “September 30, 2003” and inserting “September 30, 2006”.
SEC. 326. APPLICABILITY OF CERTAIN PROCEDURAL AND ADMINISTRATIVE REQUIREMENTS TO RESTORATION ADVISORY BOARDS.

Section 2705(d)(2) of title 10, United States Code, is amended by adding at the end the following new sub-paragraph:

“(C)(i) Section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App.), relating to publication in the Federal Register of notices of meetings of advisory committees, shall not apply to any meeting of a restoration advisory board under this subsection, but a restoration advisory board shall publish timely notice of each meeting of the restoration advisory board in a local newspaper of general circulation.

“(ii) No limitation under any provision of law or regulations on the total number of advisory committees (as that term is defined in section 3(2) of the Federal Advisory Committee Act) in existence at any one time shall operate to limit the number of restoration advisory boards in existence under this subsection at any one time.”

SEC. 327. EXPANSION OF AUTHORITIES ON USE OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER FOR EXPERIMENTAL PURPOSES.

(a) Expansion of Authorities.—Subsection (b) of section 7306a of title 10, United States Code, is amended to read as follows:
“(b) Stripping and Environmental Remediation of Vessels.—(1) Before using a vessel for experimental purposes pursuant to subsection (a), the Secretary shall carry out such stripping of the vessel as is practicable and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes.

“(2) Material and equipment stripped from a vessel under paragraph (1) may be sold by the contractor or by a sales agent approved by the Secretary.

“(3) Amounts received as proceeds from the stripping of a vessel pursuant to this subsection shall be credited to funds available for stripping and environmental remediation of other vessels for use for experimental purposes.”.

(b) Inclusion of Certain Purposes in Use for Experimental Purposes.—That section is further amended by adding at the end the following new subsection:

“(c) Use for Experimental Purposes.—For purposes of this section, the term ‘use for experimental purposes’, in the case of a vessel, includes use of the vessel by the Navy in sink exercises and as a target.”.
SEC. 328. TRANSFER OF VESSELS STRICKEN FROM THE
NAVAL VESSEL REGISTER FOR USE AS ARTIF-
ICIAL REEFS.

(a) Authority To Make Transfer.—Chapter 633
of title 10, United States Code, is amended by inserting
after section 7306a the following new section:

§ 7306b. Vessels stricken from Naval Vessel Register;
transfer by gift or otherwise for use as
artificial reefs

“(a) Authority To Make Transfer.—Subject to
subsection (b), the Secretary of the Navy may transfer,
by gift or otherwise, any vessel stricken from the Naval
Vessel Register to any State, Commonwealth, or posses-
sion of the United States or any municipal corporation
or political subdivision thereof.

“(b) Inapplicability to Certain Vessels.—The
authority in subsection (a) shall not apply to vessels trans-
ferable to the Maritime Administration for disposal under
section 548 of title 40.

“(c) Vessel To Be Used as Artificial Reef.—
An agreement for the transfer of a vessel under subsection
(a) shall require that—

“(1) the recipient use, site, construct, monitor,
and manage the vessel only as an artificial reef in
accordance with the requirements of the National
Fishing Enhancement Act of 1984 (title II of Public
Law 98–623; 33 U.S.C. 2101 et seq.), except that the recipient may use the artificial reef to enhance diving opportunities if such use does not have an adverse effect on fishery resources (as that term is defined in section 2(14) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(14)); and

“(2) the recipient obtain, and bear all responsibility for complying with, applicable Federal, State, interstate, and local permits for using, siting, constructing, monitoring, and managing the vessel as an artificial reef.

“(d) PREPARATION OF VESSEL FOR USE AS ARTIFICIAL REEF.—The Secretary shall ensure that the preparation of a vessel transferred under subsection (a) for use as an artificial reef is conducted in accordance with—

“(1) the environmental best management practices developed pursuant to section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 16 U.S.C. 1220 note); and

“(2) any applicable environmental laws.

“(e) COST SHARING.—The Secretary may share with the recipient of a vessel transferred under subsection (a) any costs associated with transferring the vessel under
that subsection, including costs of the preparation of the vessel under subsection (d).

“(f) **No Limitation on Number of Vessels Transferable to Particular Recipient.**—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may be the recipient of more than one vessel transferred under subsection (a).

“(g) **Additional Terms and Conditions.**—The Secretary may require such additional terms and conditions in connection with a transfer authorized by subsection (a) as the Secretary considers appropriate.

“(h) **Construction.**—Nothing in this section shall be construed to establish a preference for the use as artificial reefs of vessels stricken from the Naval Vessel Register in lieu of other authorized uses of such vessels, including the domestic scrapping of such vessels, or other disposals of such vessels, under this chapter or other applicable authority.”.

(b) **Clerical Amendment.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7306a the following new item:

“7306b. Vessels stricken from Naval Vessel Register; transfer by gift or otherwise for use as artificial reefs.”.
SEC. 329. SALVAGE FACILITIES.

(a) Facilities To Include Environmental Protection Equipment.—Section 7361(a) of title 10, United States Code, is amended—

(1) by inserting “(1)” before “The Secretary”; and

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

“(2) For purposes of this section, salvage facilities shall include equipment and gear utilized to prevent, abate, or minimize damage to the environment arising from salvage activities.”.

(b) Claims To Include Compensation For Environmental Protection.—Section 7363 of such title is amended—

(1) by inserting “(a) Authority To Settle Claims.—” before “The Secretary”; and

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

“(b) Environmental Protection Services.—A claim for salvage services covered by subsection (a) may include, in addition to a claim for such salvage services, a claim for compensation for services to prevent, abate, or minimize damage to the environment arising from such salvage services.”.
SEC. 330. TASK FORCE ON RESOLUTION OF CONFLICT BETWEEN MILITARY TRAINING AND ENDANGERED SPECIES PROTECTION AT BARRY M. GOLDFWATER RANGE, ARIZONA.

(a) PURPOSE.—The purpose of this section is to facilitate the determination of effective means of resolving the current conflict between the dual objectives at Barry M. Goldwater Range, Arizona, of the full utilization of live ordnance delivery areas for military training and the protection of endangered species.

(b) TASK FORCE.—The Secretary of Defense shall establish a task force to determine and assess various means of enabling full use of the live ordnance delivery areas at Barry M. Goldwater Range while also protecting endangered species that are present at Barry M. Goldwater Range.

(c) COMPOSITION.—(1) The task force established under subsection (b) shall be composed of the following:

(A) The Air Force range officer, who shall serve as chair of the task force.

(B) The range officer at Barry M. Goldwater Range.


(D) The commander of Marine Corps Air Station, Yuma, Arizona.
(E) The Director of the United States Fish and Wildlife Service.

(F) The manager of the Cabeza Prieta National Wildlife Refuge, Arizona.

(G) A representative of the Department of Game and Fish of the State of Arizona, as selected by the Secretary in consultation with the Governor of the State of Arizona.

(H) A representative of a wildlife interest group in the State of Arizona, as selected by the Secretary in consultation with wildlife interest groups in the State of Arizona.

(I) A representative of an environmental interest group (other than a wildlife interest group) in the State of Arizona, as selected by the Secretary in consultation with environmental interest groups in the State of Arizona.

(2) The chair of the task force may secure for the task force the services of such experts with respect to the duties of the task force under subsection (d) as the chair considers advisable to carry out such duties.

(d) DUTIES.—The task force established under subsection (b) shall—

(1) assess the effects of the presence of endangered species on military training activities in the
live ordnance delivery areas at Barry M. Goldwater Range and in any other areas of the range that are adversely effected by the presence of endangered species;

(2) determine various means of addressing any significant adverse effects on military training activities on Barry M. Goldwater Range that are identified pursuant to paragraph (1); and

(3) determine the benefits and costs associated with the implementation of each means identified under paragraph (2).

(e) REPORT.—Not later than February 28, 2005, the task force under subsection (b) shall submit to Congress a report on its activities under this section. The report shall include—

(1) a description of the assessments and determinations made under subsection (d);

(2) such recommendations for legislative and administrative action as the task force considers appropriate; and

(3) an evaluation of the utility of task force proceedings as a means of resolving conflicts between military training objectives and protection of endangered species at other military training and testing ranges.
SEC. 331. PUBLIC HEALTH ASSESSMENT OF EXPOSURE TO PERCHLORATE.

(a) Epidemiological Study of Exposure to Perchlorate.—

(1) In general.—The Secretary of Defense shall provide for an independent epidemiological study of exposure to perchlorate in drinking water.

(2) Performance of study.—The Secretary shall provide for the performance of the study under this subsection through the Centers for Disease Control, the National Institutes of Health, or another Federal entity with experience in environmental toxicology selected by the Secretary for purposes of the study.

(3) Matters to be included in study.—In providing for the study under this subsection, the Secretary shall require the Federal entity conducting the study—

(A) to assess the incidence of thyroid disease and measurable effects of thyroid function in relation to exposure to perchlorate;

(B) to ensure that the study is of sufficient scope and scale to permit the making of meaningful conclusions of the measurable public health threat associated with exposure to perchlorate;
chlorate, especially the threat to sensitive sub-
populations; and

(C) to study thyroid function, including
measurements of urinary iodine and thyroid
hormone levels, in a sufficient number of preg-
nant women, neonates, and infants exposed to
perchlorate in drinking water and match meas-
urements of perchlorate levels in the drinking
water of each study participant in order to per-
mit the development of meaningful conclusions
on the public health threat to individuals ex-
posed to perchlorate.

(4) REPORT ON STUDY.—The Secretary shall
require the Federal entity conducting the study
under this subsection to submit to the Secretary a
report on the study not later than June 1, 2005.

(b) REVIEW OF EFFECTS OF PERCHLORATE ON EN-
DOCRINE SYSTEM.—

(1) IN GENERAL.—The Secretary shall provide
for an independent review of the effects of per-
chlorate on the human endocrine system.

(2) PERFORMANCE OF REVIEW.—The Secretary
shall provide for the performance of the review
under this subsection through the Centers for Dis-
ease Control, the National Institutes of Health, or
another appropriate Federal research entity with experience in human endocrinology selected by the Secretary for purposes of the review. The Secretary shall ensure that the panel conducting the review is composed of individuals with expertise in human endocrinology.

(3) MATTERS TO BE INCLUDED IN REVIEW.—In providing for the review under this subsection, the Secretary shall require the Federal entity conducting the review to assess—

(A) available data on human exposure to perchlorate, including clinical data and data on exposure of sensitive subpopulations, and the levels at which health effects were observed; and

(B) available data on other substances that have endocrine effects similar to perchlorate to which the public is frequently exposed.

(4) REPORT ON REVIEW.—The Secretary shall require the Federal entity conducting the review under this subsection to submit to the Secretary a report on the review not later than June 1, 2005.
Subtitle D—Reimbursement Authorities

SEC. 341. REIMBURSEMENT OF RESERVE COMPONENT MILITARY PERSONNEL ACCOUNTS FOR PERSONNEL COSTS OF SPECIAL OPERATIONS RESERVE COMPONENT PERSONNEL ENGAGED IN LANDMINES CLEARANCE.

(a) REIMBURSEMENT.—Funds authorized to be appropriated under section 301 for Overseas Humanitarian, Disaster, and Civic Aid programs shall be available for transfer to reserve component military personnel accounts in reimbursement of such accounts for the pay and allowances paid to reserve component personnel under the United States Special Operations Command for duty performed by such personnel in connection with training and other activities relating to the clearing of landmines for humanitarian purposes.

(b) MAXIMUM AMOUNT.—Not more than $5,000,000 may be transferred under subsection (a).

(e) MERGER OF TRANSFERRED FUNDS.—Funds transferred to an account under this section shall be merged with other sums in the account and shall be available for the same period and purposes as the sums with which merged.
(d) Relationship to Other Transfer Authority.—The transfer authority under this section is in addition to the transfer authority provided under section 1001.

SEC. 342. REIMBURSEMENT OF RESERVE COMPONENT ACCOUNTS FOR COSTS OF INTELLIGENCE ACTIVITIES SUPPORT PROVIDED BY RESERVE COMPONENT PERSONNEL.

(a) In General.—Chapter 1805 of title 10, United States Code, is amended by inserting after section 18502 the following new section:

§ 18503. Reserve components: reimbursement for costs of intelligence support provided by reserve component personnel

“(a) Reimbursement Requirement.—The Secretary of Defense or the Secretary concerned shall transfer to the appropriate reserve component military personnel account or operation and maintenance account the amount necessary to reimburse such account for the costs charged that account for military pay and allowances or operation and maintenance associated with the performance of duty described in subsection (b) by reserve component personnel.

“(b) Reimbursable Costs.—The transfer requirement under subsection (a) applies with respect to the performance of duty in providing intelligence support, coun-
terintelligence support, or intelligence and counterintelli-
gence support to a combatant command, Defense Agen-
cy, or joint intelligence activity, including any activity or
program within the National Foreign Intelligence Pro-
gram, the Joint Military Intelligence Program, or the Tac-
tical Intelligence and Related Activities Program.

“(c) SOURCES OF REIMBURSEMENTS.—Funds avail-
able for operation and maintenance for the Army, Navy,
Air Force, or Marine Corps, for a combatant command,
or for a Defense Agency shall be available for transfer
under this section to military personnel accounts and oper-
ation and maintenance accounts of the reserve compo-
nents.

“(d) DISTRIBUTION TO UNITS.—Amounts reim-
bursed to an account for duty performed by reserve com-
ponent personnel shall be distributed to the lowest level
unit or other organization of such personnel that admin-
isters and is accountable for the appropriated funds
charged the costs that are being reimbursed.

“(e) MERGER OF TRANSFERRED FUNDS.—Funds
transferred to an account under this section shall be
merged with other sums in the account and shall be avail-
able for the same period and purposes as the sums with
which merged.”.
(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended inserting after the item relating to section 18502 the following new item:

“18503. Reserve components: reimbursement for costs of intelligence support provided by reserve component personnel.”.

SEC. 343. REIMBURSEMENT RATE FOR AIRLIFT SERVICES PROVIDED TO THE DEPARTMENT OF STATE.

(a) AUTHORITY.—Subsection (a) of section 2642 of title 10, United States Code, is amended—

(1) by striking “(a) AUTHORITY” and all that follows through “the Department of Defense” and inserting the following:

“(a) AUTHORITY.—The Secretary of Defense may authorize the use of the Department of Defense reimbursement rate for military airlift services provided by a component of the Department of Defense as follows:

“(1) Military airlift services provided”; and

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

“(2) Military airlift services provided to the Department of State for the transportation of armored motor vehicles to a foreign country to meet unfulfilled requirements of the Department of State for armored motor vehicles in such foreign country.”.
(b) Conforming and Clerical Amendments.—

(1) The heading for such section is amended to read as follows:

“§ 2642. Reimbursement rate for airlift services provided to Central Intelligence Agency or Department of State”.

(2) The item relating to such section in the table of sections at the beginning of chapter 157 of such title is amended to read as follows:

“2642. Reimbursement rate for airlift services provided to Central Intelligence Agency or Department of State”.

Subtitle E—Defense Dependents Education

SEC. 351. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) Continuation of Department of Defense Program for Fiscal Year 2004.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) Notification.—Not later than June 30, 2004, the Secretary of Defense shall notify each local edu-
67

cational agency that is eligible for educational agencies as-
sistance for fiscal year 2004 of—
(1) that agency’s eligibility for the assistance;
and
(2) the amount of the assistance for which that
agency is eligible.
(c) DISBURSEMENT OF FUNDS.—The Secretary of
Defense shall disburse funds made available under sub-
section (a) not later than 30 days after the date on which
notification to the eligible local educational agencies is
provided pursuant to subsection (b).
(d) DEFINITIONS.—In this section:
(1) The term “educational agencies assistance”
means assistance authorized under section 386(b) of
the National Defense Authorization Act for Fiscal
Year 1993 (Public Law 102–484; 20 U.S.C. 7703
note).
(2) The term “local educational agency” has
the meaning given that term in section 8013(9) of
the Elementary and Secondary Education Act of
1965 (20 U.S.C. 7713(9)).

SEC. 352. IMPACT AID FOR CHILDREN WITH SEVERE DIS-
ABILITIES.

Of the amount authorized to be appropriated pursu-
ant to section 301(5) for operation and maintenance for

Subtitle F—Other Matters

SEC. 361. SALE OF DEFENSE INFORMATION SYSTEMS AGENCY SERVICES TO CONTRACTORS PERFORMING THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) Authority.—The Secretary of Defense may sell working-capital funded services of the Defense Information Systems Agency to a person outside the Department of Defense for use by that person in the performance of the Navy-Marine Corps Intranet contract.

(b) Reimbursement.—The Secretary shall require reimbursement of each working-capital fund for the costs of services sold under subsection (a) that were paid for out of such fund. The sources of the reimbursement shall be the appropriation or appropriations funding the Navy-Marine Corps Intranet contract or any cash payments received by the Secretary for the services.

(e) Navy-Marine Corps Intranet Contract Defined.—In this section, the term “Navy-Marine Corps Intranet contract” has the meaning given such term in
section 814 of the Floyd D. Spence National Defense Au-
thorization Act for Fiscal Year 2001 (as enacted into law
by Public Law 106–398 (114 Stat. 1654A–217)).

SEC. 362. USE OF THE DEFENSE MODERNIZATION ACCOUNT
FOR LIFE CYCLE COST REDUCTION INITIATIVES.

(a) FUNDS AVAILABLE FOR DEFENSE MODERNIZATION ACCOUNT.—Section 2216 of title 10, United States
Code is amended—

(1) by striking subsection (c);

(2) by redesignating subsection (b) as sub-
section (c); and

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

“(b) FUNDS AVAILABLE FOR ACCOUNT.—The De-
fense Modernization Account shall consist of the following:

“(1) Amounts appropriated to the Defense
Modernization Account for the costs of commencing
projects described in subsection (d)(1), and amounts
reimbursed to the Defense Modernization Account
under subsections (c)(1)(B)(iii) out of savings de-
ived from such projects.

“(2) Amounts transferred to the Defense Mod-
ernization Account under subsection (c).”
(b) START-UP FUNDING.—Subsection (d) of such section is amended—

(1) by striking “available from the Defense Modernization Account pursuant to subsection (f) or (g)” and inserting “in the Defense Modernization Account”;

(2) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(3) by inserting after “purposes:” the following new paragraph (1):

“(1) For paying the costs of commencing any project that, in accordance with criteria prescribed by the Secretary of Defense, is undertaken by the Secretary of a military department or the head of a Defense Agency or other element of the Department of Defense to reduce the life cycle cost of a new or existing system.”.

(c) REIMBURSEMENT OF ACCOUNT OUT OF SAVINGS.—(1) Paragraph (1)(B) of subsection (c) of such section, as redesignated by subsection (a)(2), is amended by adding at the end the following new clause:

“(iii) Unexpired funds in appropriations accounts that are available for procurement or operation and maintenance of a system, if and to the extent that savings are achieved for such accounts
through reductions in life cycle costs of such system
that result from one or more projects undertaken
with respect to such systems with funds made avail-
able from the Defense Modernization Account under
subsection (b)(1).”.

(2) Paragraph (2) of such subsection is amended by
inserting “, other than funds referred to in paragraph sub-
paragraph (B)(iii) of such paragraph,” after “Funds re-
ferred to in paragraph (1)”.

(d) REGULATIONS.—Subsection (h) of such section is
amended—

(1) by inserting “(1)” after
“COMPTROLLER.—”; and

(2) by adding at the end the following new
paragraph (2):
“(2) The regulations prescribed under paragraph (1)
shall, at a minimum, provide for—

“(A) the submission of proposals by the Secre-
taries concerned or heads of Defense Agencies or
other elements of the Department of Defense to the
Comptroller for the use of Defense Modernization
Account funds for purposes set forth in subsection
(d);

“(B) the use of a competitive process for the
evaluation of such proposals and the selection of
programs, projects, and activities to be funded out of the Defense Modernization Account from among those proposed for such funding; and

“(C) the calculation of—

“(i) the savings to be derived from projects described in subsection (d)(1) that are to be funded out of the Defense Modernization Account; and

“(ii) the amounts to be reimbursed to the Defense Modernization Account out of such savings pursuant to subsection (c)(1)(B)(iii).”.

(e) ANNUAL REPORT.—Subsection (i) of such section is amended—

(1) by striking “(i) QUARTERLY REPORTS.—(1) Not later than 15 days after the end of each calendar quarter,” and inserting “(i) ANNUAL REPORT.—(1) Not later than 15 days after the end of each fiscal year”; and

(2) in paragraph (1), by striking “quarter” in subparagraphs (A), (B), and (C), and inserting “fiscal year”.

(f) EXTENSION OF AUTHORITY.—Section 912(c)(1) of the National Defense Authorization Act for Fiscal Year 1996 is amended—
(1) by striking “section 2216(b)” and inserting “section 2216(e)”; and
(2) by striking “September 30, 2003” and inserting “September 30, 2006”.

SEC. 363. EXEMPTION OF CERTAIN FIREFIGHTING SERVICE CONTRACTS FROM PROHIBITION ON CONTRACTS FOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

Section 2465(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking “or” at the end;
(2) in paragraph (3), by striking the period and inserting “; or”; and
(3) by adding at the end the following new paragraph:

“(4) to a contract for the performance for firefighting functions if the contract is—

“(A) for a period of one year or less; and
“(B) for the performance of firefighting functions that would otherwise be performed by military firefighters who are otherwise deployed.”.
SEC. 364. TECHNICAL AMENDMENT RELATING TO TERMINATION OF SACRAMENTO ARMY DEPOT, SACRAMENTO, CALIFORNIA.

Section 2466 of title 10, United States Code, is amended by striking subsection (d).

SEC. 365. EXCEPTION TO COMPETITION REQUIREMENT FOR WORKLOADS PREVIOUSLY PERFORMED BY DEPOT-LEVEL ACTIVITIES.

Section 2469 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting “, except as provided in subsection (c)” before the period at the end;

(2) by redesignating subsection (c) as subsection (d); and

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

“(c) EXCEPTION.—Subsection (a) does not apply to any depot-level maintenance and repair workload that is performed by a public-private partnership under section 2474(b) of this title consisting of a depot-level activity and a private entity.”.
SEC. 366. SUPPORT FOR TRANSFERS OF DECOMMISSIONED VESSELS AND SHIPBOARD EQUIPMENT.

(a) In General.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

§ 7316. Support for transfers of decommissioned vessels and shipboard equipment

“(a) Authority To Provide Assistance.—The Secretary of the Navy may provide an entity described in subsection (b) with assistance in support of a transfer of a vessel or shipboard equipment described in such subsection that is being executed under section 2572, 7306, 7307, or 7545 of this title, or under any other authority.

“(b) Covered Vessels and Equipment.—The authority under this section applies—

“(1) in the case of a decommissioned vessel that—

“(A) is owned and maintained by the Navy, is located at a Navy facility, and is not in active use; and

“(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the vessel; and

“(2) in the case of any shipboard equipment that—
“(A) is on a vessel described in paragraph (1)(A); and

“(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the equipment.

“(c) REIMBURSEMENT.—The Secretary may require a recipient of assistance under subsection (a) to reimburse the Navy for amounts expended by the Navy in providing the assistance.

“(d) DEPOSIT OF FUNDS RECEIVED.—Funds received in a fiscal year under subsection (c) shall be credited to the appropriation available for such fiscal year for operation and maintenance for the office of the Navy managing inactive ships, shall be merged with other sums in the appropriation that are available for such office, and shall be available for the same purposes and period as the sums with which merged.”.

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

“7316. Support for transfers of decommissioned vessels and shipboard equipment.”.

SEC. 367. AIRCRAFT FOR PERFORMANCE OF AERIAL REFUELING MISSION.

(a) RESTRICTION ON RETIREMENT OF KC–135E AIRCRAFT.—The Secretary of the Air Force shall ensure
that the number of KC–135E aircraft of the Air Force that are retired in fiscal year 2004, if any, does not exceed 12 such aircraft.

(b) **REQUIRED ANALYSIS.**—Not later than March 1, 2004, the Secretary of the Air Force shall submit to the congressional defense committees an analysis of alternatives for meeting the aerial refueling requirements that the Air Force has the mission to meet. The Secretary shall provide for the analysis to be performed by a federally funded research and development center or another entity independent of the Department of Defense.

**SEC. 368. STABILITY OF CERTAIN EXISTING MILITARY TROOP DINING FACILITIES CONTRACTS.**

(a) **INAPPLICABILITY OF RANDOLPH-SHEPPARD ACT.**—The Randolph-Sheppard Act does not apply to any contract described in subsection (b) for so long as the contract is in effect, including for any period for which the contract is extended pursuant to an option provided in the contract.

(b) **JAVITS-WAGNER-O’DAY CONTRACTS.**—Subsection (a) applies to any contract for the operation of a Department of Defense facility described in subsection (c) that was entered into before the date of the enactment of this Act with a nonprofit agency for the blind or an agency for other severely handicapped in compliance with
section 3 of the Javits-Wagner-O’Day Act (41 U.S.C. 48)
and is in effect on such date.

(c) COVERED FACILITIES.—The Department of De-
fense facilities referred to in subsection (b) are as follows:

(1) A military troop dining facility.

(2) A military mess hall.

(3) Any similar dining facility operated for the
purpose of providing meals to members of the
Armed Forces.

(d) ENACTMENT OF POPULAR NAME AS SHORT
TITLE.—The Act entitled “An Act to authorize the oper-
ation of stands in Federal buildings by blind persons, to
enlarge the economic opportunities of the blind, and for
other purposes”, approved June 20, 1936 (commonly
known as the “Randolph-Sheppard Act”) (20 U.S.C. 107
et seq.), is amended by adding at the end the following
new section:

“Sec. 11. This Act may be cited as the ‘Randolph-
Sheppard Act’.”.

SEC. 369. REPEAL OF CALENDAR YEAR LIMITATIONS ON
USE OF COMMISSARY STORES BY CERTAIN
RESERVES AND OTHERS.

(a) MEMBERS OF THE READY RESERVE.—Section
1063(a) of title 10, United States Code, is amended by
striking the period at the end of the first sentence and
all that follows and inserting “in that calendar year.”.

(b) Certain Other Persons.—Section 1064 of
such title is amended by striking “for 24 days each cal-
endar year”.

TITLE IV—MILITARY
PERSONNEL AUTHORIZATIONS
Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active
duty personnel as of September 30, 2004, as follows:

(1) The Army, 480,000.
(2) The Navy, 373,800.
(3) The Marine Corps, 175,000.

SEC. 402. INCREASED MAXIMUM PERCENTAGE OF GEN-
ERAL AND FLAG OFFICERS ON ACTIVE DUTY
AUTHORIZED TO BE SERVING IN GRADES
ABOVE BRIGADIER GENERAL AND REAR AD-
MIRAL (LOWER HALF).

Section 525(a) of title 10, United States Code, is
amended by striking “50 percent” both places it appears
and inserting “55 percent”.

79
SEC. 403. EXTENSION OF CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF NUMBERS OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) Senior Joint Officer Positions.—Section 604(c) of title 10, United States Code, is amended by striking “December 31, 2004” and inserting “December 31, 2005”.

(b) Distribution of Officers on Active Duty in General and Flag Officer Grades.—Section 525(b)(5)(C) of such title is amended by striking “December 31, 2004” and inserting “December 31, 2005”.

(c) Authorized Strength for General and Flag Officers on Active Duty.—Section 526(b)(3) of such title is amended by striking “December 31, 2004” and inserting “December 31, 2005”.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) In General.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2004, as follows:

   (1) The Army National Guard of the United States, 350,000.
   (2) The Army Reserve, 205,000.
   (3) The Naval Reserve, 85,900.
   (4) The Marine Corps Reserve, 39,600.
(5) The Air National Guard of the United States, 107,000.

(6) The Air Force Reserve, 75,800.

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

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

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

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

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.
SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2004, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 25,599.

(2) The Army Reserve, 14,374.

(3) The Naval Reserve, 14,384.

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

(5) The Air National Guard of the United States, 12,191.

(6) The Air Force Reserve, 1,660.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2004 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,699.
(2) For the Army National Guard of the United States, 24,589.

(3) For the Air Force Reserve, 9,991.

(4) For the Air National Guard of the United States, 22,806.

SEC. 414. FISCAL YEAR 2004 LIMITATIONS ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2004, may not exceed the following:

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

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

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2004, may not exceed 895.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2004, may not exceed 90.

(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.

Subtitle C—Other Matters Relating to Personnel Strengths

SEC. 421. REVISION OF PERSONNEL STRENGTH AUTHORIZATION AND ACCOUNTING PROCESS.

(a) Annual Authorization of Strengths.—Subsection (a) of section 115 of title 10, United States Code, is amended to read as follows:

“(a) Congress shall authorize personnel strength levels for each fiscal year for each of the following:

“(1) The average strength for each of the armed forces (other than the Coast Guard) for active-duty personnel who are to be paid from funds appropriated for active-duty personnel.

“(2) The average strength for each of the armed forces (other than the Coast Guard) for active-duty personnel and full-time National Guard duty personnel who are to be paid from funds appropriated for reserve personnel.

“(3) The average strength for the Selected Reserve of each reserve component of the armed forces.”.
(b) LIMITATION ON USE OF FUNDS.—Subsection (b) of such section is amended by striking “end strength” in paragraphs (1) and (2) and inserting “strength”.

(c) AUTHORITY OF SECRETARY OF DEFENSE TO VARY STRENGTHS.—Subsection (c) of such section is amended—

(1) by striking “end strength” each place it appears and inserting “strength”;

(2) in paragraph (1), by striking “subsection (a)(1)(A)” and inserting “subsection (a)(1)”;

(3) in paragraph (2), by striking “subsection (a)(1)(B)” and inserting “subsection (a)(2)” and (4) in paragraph (3), by striking “subsection (a)(2)” and inserting “subsection (a)(3)”.

(d) COUNTING PERSONNEL.—Subsection (d) of such section is amended—

(1) by striking “end-strengths authorized pursuant to subsection (a)(1)” and inserting “strengths authorized pursuant to paragraphs (1) and (2) of subsection (a)” and

(2) in paragraph (9)(B), by striking “subsection (a)(1)(A)” and inserting “subsection (a)(1)”.

(e) NAVY STRENGTH WHEN AUGMENTED BY COAST GUARD.—Subsection (e) of such section is amended by
striking “subsection (a)(1)” and inserting “paragraphs (1) and (2) of subsection (a)”.

(f) Authority of Secretaries of Military Departments To Vary Strengths.—Subsection (f) of such section is amended—

(1) by striking “end strength” both places it appears and inserting “strength”; and

(2) by striking “subsection (a)(1)(A)” in the first sentence and inserting “subsection (a)(1)”.

(g) Authorization of Strengths for Dual Status Military Technicians.—Subsection (g) of such section is amended by striking “end strength” both places it appears and inserting “strength”.

(h) Conforming Amendments.—(1) Section 168(f)(1)(A) of title 10, United States Code, is amended by striking “end strength for active-duty personnel authorized pursuant to section 115(a)(1)” and inserting “strengths for active-duty personnel authorized pursuant to paragraphs (1) and (2) of section 115(a)”.

(2) Section 691(f) of such title is amended by striking “section 115(a)(1)” and inserting “paragraphs (1) and (2) of section 115(a)”.

(3) Section 3201(b) of such title is amended by striking “section 115(a)(1)” and inserting “paragraphs (1) and (2) of section 115(a)”.

•S 1047 PCS
(4)(A) Section 10216 of such title is amended—

(i) by striking “end strengths” in subsections (b)(1) and (c)(1) and inserting “strengths”; and

(ii) by striking “end strength” each place it appears in subsection (c)(2)(A) and inserting “strength”.

(B) The heading for subsection (c) is amended by striking “END”.

(5) Section 12310(c)(4) of such title is amended by striking “end strength authorizations required by section 115(a)(1)(B) and 115(a)(2)” and inserting “strength authorizations required by paragraphs (2) and (3) of section 115(a)”.

(6) Section 16132(d) of such title is amended by striking “end strength required to be authorized each year by section 115(a)(1)(B)” in the second sentence and inserting “strength required to be authorized each year by section 115(a)(2)”.

(7) Section 112 of title 32, United States Code, is amended—

(A) in subsection (e)—

(i) in the heading, by striking “END-STRENGTH” and inserting “STRENGTH”; and

(ii) by striking “end strength” and inserting “strength”;
(B) in subsection (f)—

(i) in the heading, by striking “END
STRENGTH” and inserting “STRENGTH”; and

(ii) in paragraph (2), by striking “end
strength” and inserting “strength”; and

(C) in subsection (g)(1), by striking “end
strengths” and inserting “strengths”.

8 SEC. 422. EXCLUSION OF RECALLED RETIRED MEMBERS
FROM CERTAIN STRENGTH LIMITATIONS
DURING PERIOD OF WAR OR NATIONAL
EMERGENCY.

(a) ANNUAL AUTHORIZED END STRENGTHS.—Sec-
tion 115(d) of title 10, United States Code, is amended
by adding at the end the following new paragraph:

“(12) Members of the armed forces ordered to
active duty under section 688 of this title during any
period of war declared by Congress or any period of
national emergency declared by Congress or the
President in which members of a reserve component
are serving on active duty pursuant to an order to
active duty under section 12301 or 12302 of this
title, for so long as the members ordered to active
duty under such section 688 continue to serve on ac-
tive duty during the period of the war or national
emergency and the one-year period beginning on the
date of the termination of the war or national emer-
gency, as the case may be.”

(b) Strength Limitations for Officers in Pay

Grades O–4 Through O–6.—Section 523(b) of such
title is amended by adding at the end the following new
paragraph:

“(8) Officers ordered to active duty under sec-
tion 688 of this title during any period of war de-
clared by Congress or any period of national emer-
gency declared by Congress or the President in
which members of a reserve component are serving
on active duty pursuant to an order to active duty
under section 12301 or 12302 of this title, for so
long as the members ordered to active duty under
such section 688 continue to serve on active duty
during the period of the war or national emergency
and the one-year period beginning on the date of the
termination of the war or national emergency, as the
case may be.”.

Subtitle D—Authorization of
Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILI-
TARY PERSONNEL.

There is hereby authorized to be appropriated to the
Department of Defense for military personnel for fiscal
year 2004 a total of $99,194,206,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2004.

TITLE V—MILITARY PERSONNEL POLICY
Subtitle A—Officer Personnel Policy

SEC. 501. RETENTION OF HEALTH PROFESSIONS OFFICERS TO FULFILL ACTIVE DUTY SERVICE OBLIGATIONS FOLLOWING FAILURE OF SELECTION FOR PROMOTION.

(a) In general.—Subsection (a) of section 632 of title 10, United States Code, is amended—

(1) by striking “or” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; or”; and

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

“(4) if the officer is a health professions officer described in subsection (c) who, as of the date of discharge determined for the officer under paragraph (1), has not completed an active duty service obligation incurred by the officer under section
2005, 2114, 2123, or 2603 of this title, be retained on active duty until the officer completes the active duty service for which obligated, unless the Secretary concerned determines that the completion of the service obligation by the officer is not in the best interest of the Army, Navy, Air Force, or Marine Corps, as the case may be.”.

(b) COVERED HEALTH PROFESSIONS OFFICERS.—Section 632 of such title is amended by adding at the end the following new subsection:

“(c) HEALTH PROFESSIONS OFFICERS.—Subsection (a)(4) applies to the following officers:

“(1) A medical officer.

“(2) A dental officer.

“(3) Any other officer appointed in a medical skill (as defined in regulations prescribed by the Secretary of Defense).”.

(c) TECHNICAL AMENDMENT.—Subsection (a)(3) of such section is amended by striking “clause (1)” and inserting “paragraph (1)”.

SEC. 502. ELIGIBILITY FOR APPOINTMENT AS CHIEF OF ARMY VETERINARY CORPS.

(a) APPOINTMENT FROM AMONG MEMBERS OF THE CORPS.—Section 3084 of title 10, United States Code, is amended by inserting after “The Chief of the Veterinary
Corps of the Army” the following: “shall be appointed from among officers of the Veterinary Corps. The Chief of the Veterinary Corps”.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to appointments of the Chief of the Veterinary Corps of the Army that are made on or after the date of the enactment of this Act.

Subtitle B—Reserve Component Personnel Policy

SEC. 511. EXPANDED AUTHORITY FOR USE OF READY RESERVE IN RESPONSE TO TERRORISM.

Section 12304(b)(2) of title 10, United States Code, is amended by striking “catastrophic”.

SEC. 512. STREAMLINED PROCESS FOR CONTINUING OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.

(a) CONTINUATION.—Section 14701 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “by a selection board convened under section 14101(b) of this title” and inserting “under regulations prescribed under subsection (b)”;

(B) in paragraph (6), by striking “as a result of the convening of a selection board under section 14101(b) of this title”;
(2) by striking subsections (b) and (c); and
(3) by redesignating subsection (d) as subsection (b).

(b) Conforming Amendments.—Subsection (b) of section 14101 of such title is amended—
(1) by striking paragraph (1); and
(2) by redesigning paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 513. NATIONAL GUARD OFFICERS ON ACTIVE DUTY IN COMMAND OF NATIONAL GUARD UNITS.

(a) Continuation in State Status.—Subsection (a) of section 325 of title 32, United States Code, is amended—
(1) by striking “(a) Each” and inserting “(a) Relief Required.—(1) Except as provided in paragraph (2), each”; and
(2) by adding at the end the following new paragraph:
“(2) An officer of the Army National Guard of the United States or the Air National Guard of the United States is not relieved from duty in the National Guard of his State or Territory, or of Puerto Rico or the District of Columbia, under paragraph (1) while serving on active duty in command of a National Guard unit if—
“(A) the President authorizes such service in both duty statuses; and

“(B) the Governor of his State or Territory or Puerto Rico, or the Commanding General of the District of Columbia National Guard, as the case may be, consents to such service in both duty statuses.”

(b) FORMAT AMENDMENT.—Subsection (b) of such section is amended by inserting “RETURN TO STATE STATUS.—” after “(b)”.

Subtitle C—Revision of Retirement Authorities

SEC. 521. PERMANENT AUTHORITY TO REDUCE THREE-YEAR TIME-IN-RANK REQUIREMENT FOR RETIREMENT IN GRADE FOR OFFICERS IN GRADES ABOVE MAJOR AND LIEUTENANT COMMANDER.

Section 1370(a)(2)(A) of title 10, United States Code, is amended by striking “during the period beginning on October 1, 2002, and ending on December 31, 2003” and inserting “after September 30, 2002”.

•S 1047 PCS
Subtitle D—Education and Training

SEC. 531. INCREASED FLEXIBILITY FOR MANAGEMENT OF SENIOR LEVEL EDUCATION AND POST-EDUCATION ASSIGNMENTS.

(a) Repeal of Post-Education Joint Duty Assignments Requirement.—Subsection (d) of section 663 of title 10, United States Code, is repealed.

(b) Repeal of Minimum Duration Requirement for Principal Course of Instruction at the Joint Forces Staff College.—Subsection (e) of such section is repealed.

SEC. 532. EXPANDED EDUCATIONAL ASSISTANCE AUTHORITY FOR CADETS AND MIDSHIPMEN RECEIVING ROTC SCHOLARSHIPS.

(a) Financial Assistance Program for Service on Active Duty.—Section 2107(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking the first sentence and inserting the following: “The Secretary concerned may provide financial assistance described in paragraph (3) for a student appointed as a cadet or midshipman by the Secretary under subsection (a).”;
(2) in paragraph (2), by striking “as described in paragraph (1)” and inserting “as described in paragraph (3)”;

(3) by adding at the end the following new paragraphs:

“(3)(A) The financial assistance provided for a student under this subsection shall be the payment of one of the two sets of expenses selected by the Secretary, as follows:

“(i) Tuition, fees, books, and laboratory expenses.

“(ii) Expenses for room and board and any other necessary expenses imposed by the student’s educational institution for the academic program in which the student is enrolled, which may include any of the expenses described in clause (i).

“(B) The total amount of the financial assistance provided for a student for an academic year under clause (ii) of subparagraph (A) may not exceed the total amount of the financial assistance that would otherwise have been provided for the student for that academic year under clause (i) of such subparagraph.

“(4) The Secretary of the military department concerned may provide for the payment of all expenses in the Secretary’s department of administering the financial as-
(b) Financial Assistance Program for Service in Troop Program Units.—Section 2107a(e) of such title is amended to read as follows:

“(c)(1) The Secretary of the Army may provide financial assistance described in paragraph (2) for a student appointed as a cadet by the Secretary under subsection (a).

“(2)(A) The financial assistance provided for a student under this subsection shall be the payment of one of the two sets of expenses selected by the Secretary concerned, as follows:

“(i) Tuition, fees, books, and laboratory expenses.

“(ii) Expenses for room and board and any other necessary expenses imposed by the student’s educational institution for the academic program in which the student is enrolled, which may include any of the expenses described in clause (i).

“(B) The total amount of the financial assistance provided for a student for an academic year under clause (ii) of subparagraph (A) may not exceed the total amount of the financial assistance that would otherwise have been
provided for the student for that academic year under clause (i) of such subparagraph.

“(3) The Secretary may provide for the payment of all expenses in the Department of the Army for administering the financial assistance program under this section, including the payment of expenses described in paragraph (2).”.

SEC. 533. ELIGIBILITY AND COST REIMBURSEMENT REQUIREMENTS FOR PERSONNEL TO RECEIVE INSTRUCTION AT THE NAVAL POSTGRADUATE SCHOOL.

(a) EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL.—Subsection (a)(2) of section 7045 of title 10, United States Code, is amended—

(1) by inserting “(A)” after “(2)”;

(2) by striking “this paragraph” in the second sentence and inserting “this subparagraph”; and

(3) by adding at the end the following new subparagraphs:

“(B) The Secretary may permit an enlisted member of the armed forces to receive instruction in an executive level seminar at the Naval Postgraduate School.

“(C) The Secretary may permit an eligible enlisted member of the armed forces to receive instruction in connection with pursuit of a program of education in informa-
tion assurance as a participant in the Information Security Scholarship program under chapter 112 of this title. To be eligible for instruction under this subparagraph, the enlisted member must have been awarded a baccalaureate degree by an institution of higher education.”.

(b) Payment of Costs for Participants in Information Security Scholarship Program.—Subsection (b) of such section is amended—

(1) by inserting “(1)” after “(b)”; and

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

“(2) The requirements for payment of costs and fees under paragraph (1) shall be subject to such exceptions as the Secretary of Defense may prescribe for members of the armed forces who receive instruction at the Postgraduate School in connection with pursuit of a degree or certification as participants in the Information Security Scholarship program under chapter 112 of this title.”.

(c) Conforming Amendments.—Paragraph (1) of such subsection (b), as redesignated by subsection (b)(1) of this section, is amended—

(A) in the first sentence, by striking “officers” and inserting “members of the armed forces who are”; and

(B) in the second sentence—
(i) by inserting “under subsection (a)(2)(A)” after “at the Postgraduate School”; and
(ii) by striking “(taking into consideration the admission of enlisted members on a space-available basis)”.

SEC. 534. ACTIONS TO ADDRESS SEXUAL MISCONDUCT AT THE SERVICE ACADEMIES.

(a) POLICY ON SEXUAL MISCONDUCT.—(1) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall, under guidance prescribed by the Secretary of Defense, direct the Superintendent of the United States Military Academy, the Superintendent of the United States Naval Academy, and the Superintendent of the United States Air Force Academy, respectively, to prescribe a policy on sexual misconduct applicable to the personnel of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy, respectively.

(2) The policy on sexual misconduct prescribed for an academy shall specify the following:

(A) Programs to promote awareness of the incidence of rape, acquaintance rape, and other sexual offenses of a criminal nature that involve academy personnel.
(B) Procedures that a cadet or midshipman, as the case may be, should follow in the case of an occurrence of sexual misconduct, including—

(i) a specification of the person or persons to whom the alleged offense should be reported;

(ii) a specification of any other person whom the victim should contact; and

(iii) procedures on the preservation of evidence potentially necessary for proof of criminal sexual assault.

(C) Procedures for disciplinary action in cases of alleged criminal sexual assault involving academy personnel.

(D) Any other sanctions authorized to be imposed in a substantiated case of misconduct involving academy personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

(E) Required training on the policy for all academy personnel, including the specific training required for personnel who process allegations of sexual misconduct involving academy personnel.

(b) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretaries of the military departments, shall direct each Superintendent to conduct at the
academy under the jurisdiction of the Superintendent an
assessment in each academy program year to determine
the effectiveness of the academy’s policies, training, and
procedures on sexual misconduct to prevent criminal sex-
ual misconduct involving academy personnel.

(2) For the assessment for each of the 2004, 2005,
2006, 2007, and 2008 academy program years, the Super-
intendent of the academy shall conduct a survey of all
academy personnel—

(A) to measure—

(i) the incidence, in such program year, of
sexual misconduct events, on or off the academy
reservation, that have been reported to officials
of the academy; and

(ii) the incidence, in such program year, of
sexual misconduct events, on or off the academy
reservation, that have not been reported to offi-
cials of the academy; and

(B) to assess the perceptions of academy per-
sonnel on—

(i) the policies, training, and procedures on
sexual misconduct involving academy personnel;

(ii) the enforcement of such policies;
(iii) the incidence of sexual misconduct involving academy personnel in such program year; and
(iv) any other issues relating to sexual misconduct involving academy personnel.

(c) Annual Report.—(1) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall direct the Superintendent of the United States Military Academy, the Superintendent of the United States Naval Academy, and the Superintendent of the United States Air Force Academy, respectively, to submit to the Secretary a report on sexual misconduct involving academy personnel for each of the 2004, 2005, 2006, 2007, and 2008 academy program years.

(2) The annual report for an academy under paragraph (1) shall contain, for the academy program year covered by the report, the following matters:

(A) The number of sexual assaults, rapes, and other sexual offenses involving academy personnel that have been reported to academy officials during the program year, and the number of the reported cases that have been substantiated.

(B) The policies, procedures, and processes implemented by the Secretary of the military department concerned and the leadership of the academy
in response to sexual misconduct involving academy personnel during the program year.

(C) In the report for the 2004 academy program year, a discussion of the survey conducted under subsection (b), together with an analysis of the results of the survey and a discussion of any initiatives undertaken on the basis of such results and analysis.

(D) In the report for each of the subsequent academy program years, the results of the annual survey conducted in such program year under subsection (b).

(E) A plan for the actions that are to be taken in the following academy program year regarding prevention of and response to sexual misconduct involving academy personnel.

(3) The Secretary of a military department shall transmit the annual report on an academy under this subsection, together with the Secretary’s comments on the report, to the Secretary of Defense and the Board of Visitors of the academy.

(4) The Secretary of Defense shall transmit the annual report on each academy under this subsection, together with the Secretary’s comments on the report to,
the Committees on Armed Services of the Senate and the
House of Representatives.

(5) The report for the 2004 academy program year
for an academy shall be submitted to the Secretary of the
military department concerned not later than one year
after the date of the enactment of this Act.

(6) In this subsection, the term "academy program
year" with respect to a year, means the academy program
year that ends in that year.

Subtitle E—Decorations, Awards,
and Commendations

(Reserved)

Subtitle F—Military Justice

SEC. 551. EXTENDED LIMITATION PERIOD FOR PROSECUTION OF CHILD ABUSE CASES IN COURTS-MARTIAL.

Section 843(b) of title 10, United States Code (article
43 of the Uniform Code of Military Justice) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the follow-

lowing new paragraph (2):

"(2)(A) A person charged with having committed a
child abuse offense against a child is liable to be tried by
court-martial if the sworn charges and specifications are
received before the child reaches the age of 25 years by
an officer exercising summary court-martial jurisdiction
with respect to that person.

“(B) In subparagraph (A), the term ‘child abuse of-
fense’ means an act that involves sexual or physical abuse
of a person under 16 years of age and constitutes any
of the following offenses:

“(i) Rape or carnal knowledge in violation of
section 920 of this title (article 120).

“(ii) Maiming in violation of section 924 of this
title (article 124).

“(iii) Sodomy in violation of section 925 of this
title (article 126).

“(iv) Aggravated assault or assault con-
summated by a battery in violation of section 928 of
this title (article 128).

“(v) Indecent assault, assault with intent to
commit murder, voluntary manslaughter, rape, or
sodomy, or indecent acts or liberties with a child in
violation of section 934 of this title (article 134).”.
SEC. 552. CLARIFICATION OF BLOOD ALCOHOL CONTENT LIMIT FOR THE OFFENSE UNDER THE UNIFORM CODE OF MILITARY JUSTICE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL.

Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended—

(1) in subsection (a)(2), by striking “is in excess of” and inserting “is equal to or exceeds”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

“(A) In the case of the operation or control of a vehicle, aircraft, or vessel in the United States, such limit is the lesser of—

“(i) the blood alcohol content limit under the law of the State in which the conduct occurred, except as may be provided under paragraph (2) for conduct on a military installation that is in more than one State; or

“(ii) the blood alcohol content limit specified in paragraph (3).”; and

(B) by striking “maximum” in paragraphs (1)(B) and (3).
Subtitle G—Other Matters

SEC. 561. HIGH-TEMPO PERSONNEL MANAGEMENT AND ALLOWANCE.

(a) DEPLOYMENT MANAGEMENT.—Section 991(a) of title 10, United States Code, is amended to read as follows:

“(a) MANAGEMENT RESPONSIBILITIES.—(1) The deployment (or potential deployment) of a member of the armed forces shall be managed to ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed out of the preceding 365 days would exceed the maximum number of deployment days prescribed for the purposes of this section by the Under Secretary of Defense for Personnel and Readiness. The maximum number of deployment days so prescribed may not exceed 220 days.

“(2) A member may be deployed, or continued in a deployment, without regard to paragraph (1) if such deployment, or continued deployment, is approved by—

“(A) a member of the Senior Executive Service designated by the Secretary of Defense to do so; or

“(B) the first officer in the member’s chain of command who is—
“(i) a general officer or, in the case of the
Navy, an officer in a grade above captain; or
“(ii) a colonel or, in the case of the Navy,
a captain who is recommended for promotion to
brigadier general or rear admiral, respectively,
in a report of a selection board convened under
section 611(a) or 14101(a) of this title that has
been approved by the President.”.
(b) High-Tempo Allowance.—(1) Subsection (a)
of section 436 of title 37, United States Code, is amended
to read as follows:
“(a) Monthly Allowance.—The Secretary of the
military department concerned shall pay a high-tempo al-
lowance to a member of the armed forces under the Sec-
retary’s jurisdiction for the following months:
“(1) Each month during which the member is
deployed and has, as of any day during that month,
been deployed—
“(A) for at least the number of days out
of the preceding 730 days that is prescribed for
the purpose of this subparagraph by the Under
Secretary of Defense for Personnel and Readi-
ness, except that the number of days so pre-
scribed may not be more than 401 days; or
“(B) at least the number of consecutive days that is prescribed for the purpose of this subparagraph by the Under Secretary of Defense for Personnel and Readiness, except that the number of days so prescribed may not be more than 191 days.

“(2) Each month that includes a day on which the member serves on active duty pursuant to a call or order to active duty for a period of more than 30 days under a provision of law referred to in section 101(a)(13)(B) of title 10, if such period begins within one year after the date on which the member was released from previous service on active duty for a period of more than 30 days under a call or order issued under such a provision of law.”.

(2) Subsection (c) of such section is amended to read as follows:

“(c) MONTHLY AMOUNT.—The Secretary of Defense shall prescribe the amount of the monthly allowance payable to a member under this section. The amount may not exceed $1,000.”.

(3) Such section is further amended by adding at the end the following new subsection:

“(g) SERVICE IN EXEMPTED DUTY POSITIONS.—(1) Except as provided in paragraph (2), a member is not eli-
sible for the high-tempo allowance under this section while
serving in a duty position designated as exempt for the
purpose of this subsection by the Secretary concerned with
the approval of the Under Secretary of Defense for Per-
sonnel and Readiness.

“(2) A designation of a duty position as exempt
under paragraph (1) does not terminate the eligibility for
the high-tempo allowance under this section of a member
serving in the duty position at the time the designation
is made.

“(h) PAYMENT FROM OPERATION AND MAINTEN-
ANCE FUNDS.—The monthly allowance payable to a
member under this section shall be paid from appropria-
tions available for operation and maintenance for the
armed force in which the member serves.”.

(4) Such section is further amended—

(A) in subsections (d) and (e), by striking
“high-deployment per diem” and inserting “high-
tempo allowance”; and

(B) in subsection (f)—

(i) by striking “per diem” and inserting
“allowance”; and

(ii) by striking “day on which” and insert-
ing “month during which”.

•S 1047 PCS
(5)(A) The heading of such section is amended to read as follows:

§436. High-tempo allowance: lengthy or numerous deployments; frequent mobilizations”.

(B) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

“436. High-tempo allowance: lengthy or numerous deployments; frequent mobilizations.”.

(e) MODIFIED REPORTING REQUIREMENT.—Section 487(b)(5) of title 10, United States Code, is amended to read as follows:

“(5) For each of the armed forces, the description shall indicate the number of members who received the high-tempo allowance under section 436 of title 37, the total number of months for which the allowance was paid to members, and the total amount spent on the allowance.”.

SEC. 562. ALTERNATE INITIAL MILITARY SERVICE OBLIGATION FOR PERSONS ACCESSED UNDER DIRECT ENTRY PROGRAM.

(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a direct entry program for persons with critical military skills who enter the Armed Forces for an initial period of service in the Armed Forces.
(b) E L I G I B L E  P E R S O N S . — T h e  S e c r e t a r y  s h a l l  p r e-
scribe the eligibility requirements for entering the Armed
Forces under the direct entry program carried out under
this section. The Secretary may limit eligibility as the Sec-
retary determines appropriate to meet the needs of the
Armed Forces.

(c) C R I T I C A L  M I L I T A R Y  S K I L L S . — T h e  S e c r e t a r y
shall designate the military skills that are critical military
skills for the purposes of this section.

(d) I N I T I A L  S E R V I C E  O B L I G A T I O N . — (1) T h e  S e c-
retary shall prescribe the period of initial service in the
Armed Forces that is to be required of a person entering
the Armed Forces under the direct entry program. The
period may not be less than three years.

(2) S e c t i o n  6 5 1 ( a )  o f  t i t l e  1 0 ,  U n i t e d  S t a t e s  C o d e,
shall not apply to a person who enters the Armed Forces
under the direct entry program.

(e) R E P O R T S . — (1) N o t  l a t e r  t h a n  3 0  d a y s  a f t e r  t h e
direct entry program commences under this section, the
Secretary shall submit a report on the establishment of
the program to the Committees on Armed Services of the
Senate and the House of Representatives. The report shall
include the following:
(A) A list of the military skills designated as critical military skills for the purposes of this section.

(B) The eligibility requirements for entering the Armed Forces under the program.

(C) A detailed discussion of the other features of the program.

(2) Whenever the list of critical military skills is revised, the Secretary shall promptly submit the revised list to the committees referred to in paragraph (1).

(3) The Secretary shall submit a final report on the program to Congress not later than 180 days after the date on which the direct entry program terminates under subsection (f). The report shall include the Secretary’s assessment of the effectiveness of the direct entry program for recruiting personnel with critical military skills for the Armed Forces.

(f) Period of Program.—The direct entry program under this section shall commence on October 1, 2003, and shall terminate on September 30, 2005.
SEC. 563. POLICY ON CONCURRENT DEPLOYMENT TO COMBAT ZONES OF BOTH MILITARY SPOUSES OF MILITARY FAMILIES WITH MINOR CHILDREN.

(a) Publication of Policy.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children; and

(2) transmit the policy to the Committees on Armed Services of the Senate and the House of Representatives.

(b) Dual-Military Family Defined.—In this section, the term “dual-military family” means a family in which both spouses are members of the Armed Forces.

SEC. 564. ENHANCEMENT OF VOTING RIGHTS OF MEMBERS OF THE UNIFORMED SERVICES.

(a) Standard for Invalidation of Ballots Cast by Absent Uniformed Services Voters in Federal Elections.—(1) Section 102 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(A) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and
(B) by inserting after subsection (b) the following new subsection (c):

“(c) STANDARDS FOR INVALIDATION OF CERTAIN BALLOTS.—

“(1) IN GENERAL.—A State may not refuse to count a ballot submitted in an election for Federal office by an absent uniformed services voter—

“(A) solely on the grounds that the ballot lacked—

“(i) a notarized witness signature;

“(ii) an address (other than on a Federal write-in absentee ballot, commonly known as ‘SF186’);

“(iii) a postmark if there are any other indicia that the vote was cast in a timely manner; or

“(iv) an overseas postmark; or

“(B) solely on the basis of a comparison of signatures on ballots, envelopes, or registration forms unless there is a lack of reasonable similarity between the signatures.

“(2) NO EFFECT ON FILING DEADLINES UNDER STATE LAW.—Nothing in this subsection may be construed to affect the application to ballots submitted by absent uniformed services voters of any
ballot submission deadline applicable under State law.”.

(2) The amendments made by paragraph (1) shall apply with respect to ballots described in section 102(c) of the Uniformed and Overseas Citizens Absentee Voting Act, as added by paragraph (1), that are submitted with respect to elections that occur after the date of the enactment of this Act.

(b) Maximization of Access of Recently Separated Uniformed Services Voters to the Polls.—

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

(A) in paragraph (4), by striking “and” at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

“(6) in addition to using the postcard form for the purpose described in paragraph (4), accept and process any otherwise valid voter registration application submitted by a uniformed service voter for the purpose of voting in an election for Federal office; and
“(7) permit each recently separated uniformed services voter to vote in any election for which a voter registration application has been accepted and processed under this section if that voter—

“(A) has registered to vote under this section; and

“(B) is eligible to vote in that election under State law.”.

(2) The amendments made by paragraph (1) shall apply with respect to elections for Federal office that occur after the date of the enactment of this Act.

(c) DEFINITIONS.—Section 107 of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (9) and (11), respectively;

(2) by inserting after paragraph (6) the following new paragraph:

“(7) ‘recently separated uniformed services voter’ means any individual who was a uniformed services voter on the date that is 60 days before the date on which the individual seeks to vote and who—

“(A) presents to the election official Department of Defense form 214 evidencing the
individual’s former status as such a voter, or any other official proof of such status;
“(B) is no longer such a voter; and
“(C) is otherwise qualified to vote in that election;”; and
(3) by inserting after paragraph (9), as so re-designated, the following new paragraph:
“(10) ‘uniformed services voter’ means—
“(A) a member of a uniformed service in active service;
“(B) a member of the merchant marine; and
“(C) a spouse or dependent of a member referred to in subparagraph (A) or (B) who is qualified to vote; and”.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS
Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.
(a) Waiver of Section 1009 Adjustment.—The adjustment to become effective during fiscal year 2004 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.
(b) INCREASE IN BASIC PAY.—Effective on January 1, 2004, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:
## COMMISSIONED OFFICERS

Years of service computed under section 205 of title 37, United States Code

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<thead>
<tr>
<th>Pay Grade</th>
<th>2 or less</th>
<th>Over 2</th>
<th>Over 3</th>
<th>Over 4</th>
<th>Over 6</th>
</tr>
</thead>
<tbody>
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<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<td>2,848.50</td>
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</tbody>
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<table>
<thead>
<tr>
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<th>Over 14</th>
<th>Over 16</th>
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<td>$0.00</td>
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<td>4,911.30</td>
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<td>3,609.90</td>
<td>3,609.90</td>
<td>3,609.90</td>
</tr>
<tr>
<td>O–1</td>
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<td>2,848.50</td>
<td>2,848.50</td>
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<table>
<thead>
<tr>
<th>Over 18</th>
<th>Over 20</th>
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<td>10,635.30</td>
<td>10,635.30</td>
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<td>9,386.10</td>
<td>9,386.10</td>
<td>9,386.10</td>
</tr>
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<td>7,500.90</td>
<td>7,698.30</td>
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<td>5,733.00</td>
<td>5,733.00</td>
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<td>O–3</td>
<td>4,911.30</td>
<td>4,911.30</td>
<td>4,911.30</td>
<td>4,911.30</td>
</tr>
<tr>
<td>O–2</td>
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<td>3,609.50</td>
<td>3,609.50</td>
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<td>2,848.50</td>
<td>2,848.50</td>
<td>2,848.50</td>
</tr>
</tbody>
</table>

1 Notwithstanding 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.

2 Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code) is $14,634.20, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

3 This 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

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<tr>
<th>Pay Grade</th>
<th>2 or less</th>
<th>Over 2</th>
<th>Over 3</th>
<th>Over 4</th>
<th>Over 6</th>
</tr>
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<td>3,609.90</td>
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<td>0.00</td>
<td>0.00</td>
<td>2,848.50</td>
<td>3,042.30</td>
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<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Over 8</th>
<th>Over 10</th>
<th>Over 12</th>
<th>Over 14</th>
<th>Over 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>O–3E</td>
<td>$4,431.60</td>
<td>$4,568.70</td>
<td>$4,794.30</td>
<td>$4,984.20</td>
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<td>3,537.00</td>
<td>3,537.00</td>
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<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Over 18</th>
<th>Over 20</th>
<th>Over 22</th>
<th>Over 24</th>
<th>Over 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>O–2E</td>
<td>4,180.20</td>
<td>4,180.20</td>
<td>4,180.20</td>
<td>4,180.20</td>
<td>4,180.20</td>
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<tr>
<td>O–1E</td>
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<td>3,537.00</td>
<td>3,537.00</td>
<td>3,537.00</td>
<td>3,537.00</td>
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</table>

<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>2 or less</th>
<th>Over 2</th>
<th>Over 3</th>
<th>Over 4</th>
<th>Over 6</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$0.00</td>
<td>$0.00</td>
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<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Over 8</th>
<th>Over 10</th>
<th>Over 12</th>
<th>Over 14</th>
<th>Over 16</th>
</tr>
</thead>
<tbody>
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<td>W–5 ..</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<table>
<thead>
<tr>
<th>Pay Grade</th>
<th>Over 18</th>
<th>Over 20</th>
<th>Over 22</th>
<th>Over 24</th>
<th>Over 26</th>
</tr>
</thead>
<tbody>
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<td>3,535.80</td>
<td>3,535.80</td>
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</table>

1Notwithstanding 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 MEMBERS

Years of service computed under section 205 of title 37, United States Code

<table>
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<tr>
<th>Pay Grade</th>
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<th>Over 3</th>
<th>Over 4</th>
<th>Over 6</th>
</tr>
</thead>
<tbody>
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<td>$0.00</td>
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<td>0.00</td>
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<td>1,991.10</td>
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### ENLISTED MEMBERS¹—Continued

Years of service computed under section 205 of title 37, United States Code

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<th>Over 3</th>
<th>Over 4</th>
<th>Over 6</th>
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<td>1,891.50</td>
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</table>

¹ Notwithstanding 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.

² Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade 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, is $6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³ In 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 $1,104.00.

### 1 SEC. 602. REVISED ANNUAL PAY ADJUSTMENT PROCESS.

(a) Requirement for Annual Adjustment.—

Subsection (a) of section 1009 of title 37, United States Code, is amended to read as follows:

“(a) Requirement for Annual Adjustment.—

Effective on January 1 of each year, the rates of basic pay for members of the uniformed services under section 203(a) of this title shall be increased under this section.”.

(b) Effectiveness of Adjustment.—Subsection (b) of such section is amended by striking “shall—” and
all that follows and inserting “shall have the force and effect of law.”.

(c) **Percentage of Adjustment.**—Subsection (c) of such section is amended to read as follow:

“(c) **Equal Percentage Increase for All Members.**—(1) An adjustment made under this section in a year shall provide all eligible members with an increase in the monthly basic pay that is the percentage (rounded to the nearest one-tenth of 1 percent) by which the ECI for the base quarter of the year before the preceding year exceeds the ECI for the base quarter of the second year before the preceding calendar year (if at all).

“(2) Notwithstanding paragraph (1), but subject to subsection (d), the percentage of the adjustment taking effect under this section during each of fiscal years 2004, 2005, and 2006, shall be one-half of 1 percentage point higher than the percentage that would otherwise be applicable under such paragraph.”.

(d) **Repeal of Allocation Authority.**—Such section is further amended—

(1) by striking subsections (d), (e), and (g); and

(2) redesignating subsection (f) as subsection (d).

(e) **Presidential Determination of Need for Alternative Pay Adjustment.**—Such section, as
amended by subsection (d), is further amended adding at the end the following new subsection:

"(e) Presidential Determination of Need for Alternative Pay Adjustment.—(1) If, because of national emergency or serious economic conditions affecting the general welfare, the President considers the pay adjustment which would otherwise be required by this section in any year to be inappropriate, the President shall prepare and transmit to Congress before September 1 of the preceding year a plan for such alternative pay adjustments as the President considers appropriate, together with the reasons therefor.

"(2) In evaluating an economic condition affecting the general welfare under this subsection, the President shall consider pertinent economic measures including the Indexes of Leading Economic Indicators, the Gross National Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

"(3) The President shall include in the plan submitted to Congress under paragraph (1) an assessment of the impact that the alternative pay adjustments proposed in the plan would have on the Government's ability
to recruit and retain well-qualified persons for the uni-
formed services.”.

(f) DEFINITIONS.—Such section, as amended by sub-
section (e), is further amended by adding at the end the
following:

“(f) DEFINITIONS.—In this section:

“(1) The term ‘ECI’ means the Employment
Cost Index (wages and salaries, private industry
workers) published quarterly by the Bureau of
Labor Statistics.

“(2) The term ‘base quarter’ for any year is the
3-month period ending on September 30 of such
year.”.

SEC. 603. COMPUTATION OF BASIC PAY RATE FOR COMMISS-
SIONED OFFICERS WITH PRIOR ENLISTED OR
WARRANT OFFICER SERVICE.

Section 203(d)(2) of title 37, United States Code, is
amended—

(1) in subparagraph (A), by striking “enlisted
member,” and all that follows through the period
and inserting “enlisted member.”; and

(2) by striking subparagraph (B) and inserting
the following new subparagraph:

“(B) Service as a warrant officer, as an enlisted
member, or as a warrant officer and an enlisted
member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.”.

SEC. 604. PILOT PROGRAM OF MONTHLY SUBSISTENCE ALLOWANCE FOR NON-SCHOLARSHIP SENIOR ROTC MEMBERS COMMITTING TO CONTINUE ROTC PARTICIPATION AS SOPHOMORES.

(a) Authority.—Section 209 of title 37, United States Code, is amended by adding at the end the following new subsection:

“(e) Non-Scholarship Senior ROTC Members Not in Advanced Training.—(1) A member of the Senior Reserve Officers’ Training Corps described in subsection (b) is entitled to a monthly subsistence allowance at a rate prescribed under subsection (a).

“(2) To be entitled to receive a subsistence allowance under this subsection, a member must—

“(A) be a citizen of the United States;

“(B) enlist in an armed force under the jurisdiction of the Secretary of the military department concerned for the period prescribed by the Secretary;

“(C) contract, with the consent of his parent or guardian if he is a minor, with the Secretary of the military department concerned, or his designated
representative, to serve for the period required by
the program;

“(D) agree in writing that he will accept an ap-
pointment, if offered, as a commissioned officer in
the Army, Navy, Air Force, or Marine Corps, as the
case may be, and that he will serve in the armed
forces for the period prescribed by the Secretary;

“(E) successfully complete the first year of a
four-year Senior Reserve Officers’ Training Corps
course;

“(F) not be eligible for advanced training under
section 2104 of title 10;

“(G) not be appointed under section 2107 of
title 10; and

“(H) execute a certificate of loyalty in such
form as the Secretary of Defense prescribes or take
a loyalty oath as prescribed by the Secretary.

“(3) The first month for which a monthly subsistence
allowance is payable to a member under this subsection
shall be a month designated by the Secretary of the mili-
tary department concerned that begins after the member
satisfies the condition in subparagraph (E) of paragraph
(2). Payment of the subsistence allowance shall continue
for as long as the member continues to meet the conditions
in such paragraph and the member’s obligations under the
enlistment, contract, and agreement entered into as described in such paragraph. In no event, however, may a member receive the monthly subsistence allowance for more than 20 months.

“(4) In this subsection, the term ‘program’ means the Senior Reserve Officers’ Training Corps of an armed force.

“(5) No subsistence allowance may be paid under this subsection with respect to a contract that is entered into as described in paragraph (2)(C) after December 31, 2006.”.

(b) EFFECTIVE DATE.—Subsection (e) of section 209 of title 37, United States Code (as added by subsection (a)), shall take effect on January 1, 2004.

SEC. 605. BASIC ALLOWANCE FOR HOUSING FOR EACH MEMBER MARRIED TO ANOTHER MEMBER WITHOUT DEPENDENTS WHEN BOTH SPOUSES ARE ON SEA DUTY.

(a) ENTITLEMENT.—Section 403(f)(2)(C) of title 37, United States Code, is amended—

(1) in the first sentence, by striking “are jointly entitled to one basic allowance for housing” and inserting “are each entitled to a basic allowance for housing”; and
(2) by striking “The amount of the allowance” and all that follows and inserting “The amount of the allowance payable to a member under the preceding sentence shall be based on the without dependents rate for the pay grade of the member.”.

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 2003.

SEC. 606. INCREASED RATE OF FAMILY SEPARATION ALLOWANCE.

(a) Rate.—Section 427(a)(1) of title 37, United States Code, is amended by striking “$100” and inserting “$250”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 2003.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) Selected Reserve Reenlistment Bonus.—Section 308b(f) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.
(b) Selected Reserve Enlistment Bonus.—Section 308e(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

d) Special Pay for Enlisted Members Assigned to Certain High Priority Units.—Section 308d(c) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

e) Selected Reserve Affiliation Bonus.—Section 308e(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

f) Ready Reserve Enlistment and Reenlistment Bonus.—Section 308h(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) Nurse Officer Candidate Accession Program.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.
(b) Repayment of Education Loans for Certain Health Professionals Who Serve in the Selected Reserve.—Section 16302(d) of such title is amended by striking “January 1, 2004” and inserting “January 1, 2005”.

c) Accession Bonus for Registered Nurses.—Section 302d(a)(1) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

d) Incentive Special Pay for Nurse Anesthetists.—Section 302e(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

e) Special Pay for Selected Reserve Health Professionals in Critically Short Wartime Specialties.—Section 302g(f) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(f) Accession Bonus for Dental Officers.—Section 302h(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.
SEC. 613. ONE-YEAR 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 title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) Nuclear Career Accession Bonus.—Section 312b(c) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) Nuclear Career Annual Incentive Bonus.—Section 312c(d) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) Aviation Officer Retention Bonus.—Section 301b(a) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) Reenlistment Bonus for Active Members.—Section 308(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

&S 1047 PCS
(c) Enlistment Bonus for Active Members.—
Section 309(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) Retention Bonus for Members with Critical Military Skills.—Section 323(i) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) Accession Bonus for New Officers in Critical Skills.—Section 324(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 615. SPECIAL PAY FOR RESERVE OFFICERS HOLDING POSITIONS OF UNUSUAL RESPONSIBILITY AND OF CRITICAL NATURE.

(a) Eligibility.—Section 306 of title 37, United States Code, is amended—

(1) in subsection (a), by inserting “under section 201 of this title, or the compensation under section 206 of this title,” after “is entitled to the basic pay”;

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

(3) by inserting after subsection (a) the following new subsection (b):
“(b) In the case of an officer who is a member of a reserve component, special pay under subsection (a) shall be paid at the rate of $1/30$ of the monthly rate authorized by that subsection for each day of the performance of duties described in that subsection.”.

(b) LIMITATION.—Subsection (d) of such section, as redesignated by subsection (a)(2) of this section, is amended—

(1) by inserting “(1)” after “(d)”; and

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

“(2) Of the number of officers in the Selected Reserve of the Ready Reserve of an armed force who are not on active duty (other than for training), not more than 5 percent of the number of such officers in each of the pay grades O–3 and below, and not more than 10 percent of the number of such officers in pay grade O–4, O–5, or O–6, may be paid special pay under subsection (b).”.

SEC. 616. ASSIGNMENT INCENTIVE PAY FOR SERVICE IN KOREA.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 307a the following new section:
§ 307b. Special pay: Korea service incentive pay

(a) Authority.—The Secretary concerned shall pay monthly incentive pay under this section to a member of a uniformed service for the period that the member performs service in Korea while entitled to basic pay.

(b) Rate.—The monthly rate of incentive pay payable to a member under this section is $100.

(c) Relationship to Other Pay and Allowances.—Incentive pay paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

(d) Status Not Affected by Temporary Duty or Leave.—The service of a member in an assignment referred to in subsection (a) shall not be considered discontinued during any period that the member is not performing service in the assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

(e) Termination of Authority.—Special pay may not be paid under this section for months beginning after December 31, 2005.’’.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 307a the following new item:

“307b. Special pay: Korea service incentive pay.’’.
(b) EFFECTIVE DATE.—Section 307(b) of title 37, United States Code (as added by subsection (a)), shall take effect on October 1, 2003.

SEC. 617. INCREASED MAXIMUM AMOUNT OF REENLISTMENT BONUS FOR ACTIVE MEMBERS.

(a) MAXIMUM AMOUNT.—Section 308(a)(2)(B) of title 37, United States Code, is amended by striking "$60,000" and inserting "$70,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003, and shall apply with respect to reenlistments and extensions of enlistments that take effect on or after that date.

SEC. 618. PAYMENT OF SELECTED RESERVE REENLISTMENT BONUS TO MEMBERS OF SELECTED RESERVE WHO ARE MOBILIZED.

Section 308b of title 37, United States Code, is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

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

"(d) PAYMENT TO MOBILIZED MEMBERS.—In the case of a member entitled to a bonus under this section who is called or ordered to active duty, any amount of such bonus that is payable to the member during the pe-
period of active duty of the member shall be paid the mem-
ber during that period of active duty without regard to
the fact that the member is serving on active duty pursu-
ant to such call or order to active duty.”.

SEC. 619. INCREASED RATE OF HOSTILE FIRE AND IMMI-
NENT DANGER SPECIAL PAY.

(a) Rate.—Section 310(a) of title 37, United States
Code, is amended by striking “$150” and inserting
“$225”.

(b) Effective Date.—The amendment made by
subsection (a) shall take effect on October 1, 2003.

SEC. 620. AVAILABILITY OF HOSTILE FIRE AND IMMINENT
DANGER SPECIAL PAY FOR RESERVE COMPO-
NENT MEMBERS ON INACTIVE DUTY.

(a) Expansion and Clarification of Current
Law.—Section 310 of title 37, United States Code, is
amended—

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

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

“(a) Eligibility and Special Pay Amount.—
Under regulations prescribed by the Secretary of Defense,
a member of a uniformed service may be paid special pay
at the rate of $150 for any month in which—
“(1) the member was entitled to basic pay or compensation under section 204 or 206 of this title; and

“(2) the member—

“(A) was subject to hostile fire or explosion of hostile mines;

“(B) was on duty in an area in which the member was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period the member was on duty in the area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines;

“(C) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

“(D) was on duty in a foreign area in which the member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

“(b) CONTINUATION DURING HOSPITALIZATION.—A member covered by subsection (a)(2)(C) who is hospitalized for the treatment of the injury or wound may be paid special pay under this section for not more than three ad-
ditional months during which the member is so hospital-ized.”.

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (c), as redesignated by subsection (a)(1), by inserting “LIMITATIONS AND ADMINISTRATION.—” before “(1)”; and

(2) in subsection (d), as redesignated by subsection (a)(1), by inserting “DETERMINATIONS OF FACT.—” before “Any”.

(c) EFFECTIVE DATE.—Subsections (a) and (b) of section 310 of title 37, United States Code, as added by subsection (a)(2), shall take effect as of September 11, 2001.

SEC. 621. EXPANSION OF OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM TO OFFICERS.

(a) SPECIAL PAY OR BONUS FOR EXTENDING OVERSEAS TOUR OF DUTY.—(1) Subsections (a) and (b) of section 314 of title 37, United States Code, are amended by striking “an enlisted member” and inserting “a member”.

(2)(A) The heading of such section is amended to read as follows:
§ 314. Special pay or bonus: qualified members extending duty at designated locations overseas.

(B) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

“314. Special pay or bonus: qualified members extending duty at designated locations overseas.”.

(b) REST AND RECUPERATIVE ABSENCE IN LIEU OF PAY OR BONUS.—(1) Subsection (a) of section 705 of title 10, United States Code, is amended by striking “an enlisted member” and inserting “a member”.

(2)(A) The heading of such section is amended to read as follows:

§ 705. Rest and recuperation absence: qualified members extending duty at designated locations overseas.

(B) The item relating to such section in the table of sections at the beginning of chapter 40 of such title is amended to read as follows:

“705. Rest and recuperation absence: qualified members extending duty at designated locations overseas.”.
SEC. 622. ELIGIBILITY OF WARRANT OFFICERS FOR ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.

(a) ELIGIBILITY.—Section 324 of title 37, United States Code, is amended in subsections (a) and (f)(1) by inserting “or an appointment” after “commission”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003.

SEC. 623. INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

§ 326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage

“(a) INCENTIVE BONUS AUTHORIZED.—The Secretary concerned may pay a bonus under this section to an eligible member of the armed forces who executes a written agreement to convert to, and serve for a period of not less than four years in, a military occupational specialty for which there is a shortage of trained and qualified personnel.

“(b) ELIGIBLE MEMBERS.—A member is eligible for a bonus under this section if—
“(1) the member is entitled to basic pay; and
“(2) at the time the agreement under subsection (a) is executed, the member is serving in—
“(A) pay grade E–6 with not more than 10 years of service computed under section 205 of this title; or
“(B) pay grade E–5 or below, regardless of years of service.
“(c) Amount and Payment of Bonus.—(1) A bonus under this section may not exceed $4,000.
“(2) A bonus payable under this section shall be disbursed in one lump sum when the member’s conversion to the military occupational specialty is approved by the chief personnel officer of the member’s armed force.
“(d) Relationship to Other Pay and Allowances.—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.
“(e) Repayment of Bonus.—(1) A member who receives a bonus for conversion to a military occupational specialty under this section and who, voluntarily or because of misconduct, fails to serve in such military occupational specialty for the period specified in the agreement shall refund to the United States an amount that bears the same ratio to the bonus amount paid to the member
as the unserved part of such period bears to the total pe-
riod agreed to be served.

“(2) An obligation to reimburse the United States
imposed under paragraph (1) is, for all purposes, a debt
owed to the United States.

“(3) A discharge in bankruptcy under title 11 that
is entered less than five years after the termination of the
agreement for which a bonus was paid under this section
shall not discharge the person signing such agreement
from the debt arising under paragraph (1).

“(4) Under regulations prescribed pursuant to sub-
section (f), the Secretary concerned may waive, in whole
or in part, a refund required under paragraph (1) if the
Secretary determines that recovery would be against eq-
uity and good conscience or would be contrary to the best
interests of the United States.

“(f) REGULATIONS.—The Secretaries concerned shall
prescribe regulations to carry out this section. Regulations
prescribed by the Secretary of a military department shall
be subject to the approval of the Secretary of Defense.

“(g) TERMINATION OF AUTHORITY.—No agreement
under this section may be entered into after December 31,
2006.”.
(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage.”.

Subtitle C—Travel and Transportation Allowances

SEC. 631. SHIPMENT OF PRIVATELY OWNED MOTOR VEHICLE WITHIN CONTINENTAL UNITED STATES.

(a) AUTHORITY TO PROCURE CONTRACT FOR TRANSPORTATION OF MOTOR VEHICLE.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

“(h) In the case of a member’s change of permanent station described in subparagraph (A) or (B) of subsection (i)(1), the Secretary concerned may authorize the member to arrange for the shipment of the motor vehicle in lieu of transportation at the expense of the United States under this section. The Secretary concerned may pay the member a monetary allowance in lieu of transportation, as established under section 404(d)(1) of title 37, and the member shall be responsible for any transportation costs in excess of such allowance.”.
(b) ALLOWANCE FOR SELF-PROCUREMENT OF TRANSPORTATION OF MOTOR VEHICLE.—Section 406(b)(1)(B) of title 37, United States Code, is amended by adding at the end the following new sentence: “In the case of the transportation of a motor vehicle arranged by the member under section 2634(h) of title 10, the Secretary concerned may pay the member, upon presentation of proof of shipment, a monetary allowance in lieu of transportation, as established under section 404(d)(1) of this title.”.

SEC. 632. PAYMENT OR REIMBURSEMENT OF STUDENT BAGGAGE STORAGE COSTS FOR DEPENDENT CHILDREN OF MEMBERS STATIONED OVERSEAS.

Section 430(b)(2) of title 37, United States Code, is amended in the first sentence by inserting before the period at the end the following: “or during a different period in the same fiscal year selected by the member”.

SEC. 633. CONTRACTS FOR FULL REPLACEMENT VALUE FOR LOSS OR DAMAGE TO PERSONAL PROPERTY TRANSPORTED AT GOVERNMENT EXPENSE.

(a) AUTHORITY.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2636 the following new section:
§2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers

“(a) PROCUREMENT OF COVERAGE.—The Secretary of Defense may include in a contract for the transportation of baggage and household effects for members of the armed forces at Government expense a clause that requires the carrier under the contract to pay the full replacement value for loss or damage to the baggage or household effects transported under the contract.

“(b) DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—In the case of a loss or damage of baggage or household effects transported under a contract with a carrier that includes a clause described in subsection (a), the amount equal to the full replacement value for the baggage or household effects may be deducted from the amount owed by the United States to the carrier under the contract upon a failure of the carrier to settle a claim for such loss or total damage within a reasonable time. The amount so deducted shall be remitted to the claimant, notwithstanding section 2636 of this title.

“(c) INAPPLICABILITY OF RELATED LIMITS.—The limitations on amounts of claims that may be settled under section 3721(b) of title 31 do not apply to a car-
rier’s contractual obligation to pay full replacement value
under this section.

“(d) REGULATIONS.—The Secretary of Defense shall
prescribe regulations for administering this section. The
regulations shall include policies and procedures for vali-
dating and evaluating claims, validating proper claimants,
and determining reasonable time for settlement.

“(e) TRANSPORTATION DEFINED.—In this section,
the terms ‘transportation’ and ‘transport’, with respect to
baggage or household effects, includes packing, crating,
drayage, temporary storage, and unpacking of the baggage
or household effects.”.

(b) CLERICAL AMENDMENT.—The table of sections
at the beginning of such chapter is amended by inserting
after the item relating to section 2636 the following new
item:

“2636a. Loss or damage to personal property transported at Government ex-


Subtitle D—Retired Pay and
Survivor Benefits

SEC. 641. SPECIAL RULE FOR COMPUTATION OF RETIRED
PAY BASE FOR COMMANDERS OF COMBAT-
ANT COMMANDS.

(a) Treatment Equivalent to Chiefs of Serv-
ice.—Subsection (i) of section 1406 of title 10, United
States Code, is amended by inserting “as a commander
of a unified or specified combatant command (as defined in section 161(e) of this title),” after “Chief of Service,”.

(b) Conforming Amendment.—The heading for such subsection is amended by inserting “COMMANDERS OF COMBATANT COMMANDS,” after “CHIEFS OF SERVICE,”.

(c) Effective Date and Applicability.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to officers who first become entitled to retired pay under title 10, United States Code, on or after such date.

SEC. 642. SURVIVOR BENEFIT PLAN ANNUITIES FOR SURVIVING SPOUSES OF RESERVES NOT ELIGIBLE FOR RETIREMENT WHO DIE FROM A CAUSE INCURRED OR AGGRAVATED WHILE ON INACTIVE-DUTY TRAINING.

(a) Surviving Spouse Annuity.—Paragraph (1) of section 1448(f) of title 10, United States Code, is amended to read as follows:

“(1) Surviving spouse annuity.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of—

“(A) a person who is eligible to provide a reserve-component annuity and who dies—
“(i) before being notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay; or

“(ii) during the 90-day period beginning on the date he receives notification under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay if he had not made an election under subsection (a)(2)(B) to participate in the Plan; or

“(B) a member of a reserve component not described in subparagraph (A) who dies from an injury or illness incurred or aggravated in the line of duty during inactive-duty training.”.

(b) CONFORMING AMENDMENT.—The heading for subsection (f) of section 1448 of such title is amended by inserting “OR BEFORE” after “DYING WHEN”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of September 10, 2001, and shall apply with respect to performance of inactive-duty training (as defined in section 101(d) of title 10, United States Code) on or after that date.
SEC. 643. INCREASE IN DEATH GRATUITY PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) Amount of Death Gratuity.—Section 1478(a) of title 10, United States Code, is amended by striking “$6,000” and inserting “$12,000”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

Subtitle E—Other Matters

SEC. 651. RETENTION OF ACCUMULATED LEAVE.

(a) Higher Maximum Limitation Associated With Certain Service.—Section 701(f) of title 10, United States Code, is amended to read as follows:

“(f)(1) The Secretary of Defense may authorize a member eligible under paragraph (2) to retain 120 days’ leave accumulated by the end of the fiscal year described in such paragraph.

“(2) Paragraph (1) applies to a member who—

“(A) during a fiscal year—

“(i) serves on active duty for a continuous period of at least 120 days in an area in which the member is entitled to special pay under section 310(a) of title 37; or
“(ii) is assigned to a deployable ship, to a mobile unit, to duty in support of a contingency operation, or to other duty designated for the purpose of this section; and

“(B) except for paragraph (1), would lose any accumulated leave in excess of 60 days at the end of the fiscal year.

“(3) Leave in excess of 60 days accumulated under this subsection is lost unless it is used by the member before the end of the third fiscal year after the fiscal year in which the service described in paragraph (2) terminated.”.

(b) SAVINGS PROVISIONS.—Regulations in effect under subsection (f) of section 701 of title 10, United States Code, on the day before the date of the enactment of this Act shall remain in effect until revised or superseded by regulations prescribed to implement the authority under the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003.
TITLE VII—HEALTH CARE

SEC. 701. MEDICAL AND DENTAL SCREENING FOR MEMBERS OF SELECTED RESERVE UNITS ALERTED FOR MOBILIZATION.

Section 1074a of title 10, United States Code, is amended by adding at the end the following new subsection:

“(f)(1) At any time after the Secretary concerned notifies the commander of a unit of the Selected Reserve of the Ready Reserve that members of the unit are to be called or ordered to active duty under a provision of law referred to in section 101(a)(13)(B) in support of an operational mission or contingency operation during a national emergency or in time of war, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

“(2) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.”.
Section 1095e(a)(1) of title 10, United States Code, is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) designate for each of the TRICARE program regions at least one person (other than a person designated under subparagraph (A)) to serve full-time as a beneficiary counseling and assistance coordinator solely for members of the reserve components and their dependents who are beneficiaries under the TRICARE program; and”.
SEC. 703. EXTENSION OF AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR HEALTH CARE SERVICES TO BE PERFORMED AT LOCATIONS OUTSIDE MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2008”.

SEC. 704. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND VALUATIONS AND CONTRIBUTIONS.

(a) SEPARATE PERIODIC ACTUARIAL VALUATION FOR SINGLE UNIFORMED SERVICE.—Section 1115(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(6) The Secretary of Defense may determine a single level dollar amount under subparagraph (A) or (B) of paragraph (1) for each or any of the participating uniformed services separately from the other participating uniformed services if the Secretary determines that a more accurate and appropriate actuarial valuation under such subparagraph would be achieved by doing so.”.

(b) ASSOCIATED CALCULATIONS OF PAYMENTS INTO THE FUND.—Section 1116 of such title is amended—

(1) in subsection (a), by striking “the amount that” in the matter preceding paragraph (1) and in-
serting “the amount that, subject to subsection (b),”;

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

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

“(b) If an actuarial valuation referred to in paragraph (1) or (2) of subsection (a) has been calculated in a single level dollar amount for a participating uniformed service separately from the other participating uniformed services under section 1115(c)(6) of this title, the administering Secretary for the department in which such uniformed service is operating shall calculate the amount under such paragraph separately for such uniformed service. If the administering Secretary is not the Secretary of Defense, the administering Secretary shall notify the Secretary of Defense of the amount so calculated. To determine a single amount for the purpose of paragraph (1) or (2) of subsection (a), as the case may be, the Secretary of Defense shall aggregate the amount calculated under this subsection for a uniformed service for the purpose of such paragraph with the amount or amounts calculated (whether separately or otherwise) for the other uniformed services for the purpose of such paragraph.”.
(c) TECHNICAL CORRECTION.—Section 1115(c)(1)(B) of such title is amended by striking “and other than members” and inserting “(other than members)”.

(d) CONFORMING AMENDMENT.—Subsections (a) and (c)(5) of section 1115 of such title are amended by striking “section 1116(b) of this title” and inserting section “1116(c) of this title”.

SEC. 705. SURVEYS ON CONTINUED VIABILITY OF TRICARE STANDARD.

(a) REQUIREMENT FOR SURVEYS.—(1) The Secretary of Defense shall conduct surveys in the TRICARE Standard market areas in the continental United States to determine how many health care providers are accepting new patients under TRICARE Standard in each such market area.

(2) The Secretary shall carry out the surveys in at least 20 TRICARE market areas in the continental United States each fiscal year after fiscal year 2003 until all such market areas in the continental United States have been surveyed. The Secretary shall complete six of the fiscal year 2004 surveys not later than March 31, 2004.

(3) In prioritizing the market areas for the sequence in which market areas are to be surveyed under this sub-
section, the Secretary shall consult with representatives of
TRICARE beneficiaries and health care providers to iden-
tify locations where TRICARE Standard beneficiaries are
experiencing significant levels of access-to-care problems
under TRICARE Standard and shall give a high priority
to surveying health care providers in such areas.

(b) SUPERVISION.—(1) The Secretary shall designate
a senior official of the Department of Defense to take the
actions necessary for achieving and maintaining participa-
tion of health care providers in TRICARE Standard in
each TRICARE market area in a number that is adequate
to ensure the viability of TRICARE Standard for
TRICARE beneficiaries in that market area.

(2) The official designated under paragraph (1) shall
have the following duties:

(A) To educate health care providers about
TRICARE Standard.

(B) To encourage health care providers to ac-
cept patients under TRICARE Standard.

(C) To ensure that TRICARE beneficiaries
have the information necessary to locate TRICARE
Standard providers readily.

(D) To recommend adjustments in TRICARE
Standard provider payment rates that the official
considers necessary to ensure adequate availability
of TRICARE Standard providers for TRICARE Standard beneficiaries.

(c) GAO Review.—(1) The Comptroller General shall, on an ongoing basis, review—

(A) the processes, procedures, and analysis used by the Department of Defense to determine the adequacy of the number of health care providers accepting TRICARE Standard beneficiaries as patients under TRICARE Standard in each TRICARE market area; and

(B) the actions taken by the Department of Defense to ensure ready access of TRICARE Standard beneficiaries to health care under TRICARE Standard in each TRICARE market area.

(2)(A) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the results of the review under paragraph (1). The first semiannual report shall be submitted not later than June 30, 2004.

(B) The semiannual report under subparagraph (A) shall include the following:

(i) An analysis of the adequacy of the surveys under subsection (a).
(ii) The adequacy of existing statutory authority to address inadequate levels of participation by health care providers in TRICARE Standard.

(iii) Identification of policy-based obstacles to achieving adequacy of availability of TRICARE Standard health care in the TRICARE Standard market areas.

(iv) An assessment of the adequacy of Department of Defense education programs to inform health care providers about TRICARE Standard.

(v) An assessment of the adequacy of Department of Defense initiatives to encourage health care providers to accept patients under TRICARE Standard.

(vi) An assessment of the adequacy of information to TRICARE Standard beneficiaries to facilitate access by such beneficiaries to health care under TRICARE Standard.

(vii) Any need for adjustment of health care provider payment rates to attract participation in TRICARE Standard by appropriate numbers of health care providers.

(d) DEFINITION.—In this section, the term “TRICARE Standard” means the option of the TRICARE program that is also known as the Civilian
1 Health and Medical Program of the Uniformed Services, as defined in section 1072(4) of title 10, United States Code.

2 **SEC. 706. ELIMINATION OF LIMITATION ON COVERED BENEFICIARIES’ ELIGIBILITY TO RECEIVE HEALTH CARE SERVICES FROM FORMER PUBLIC HEALTH SERVICE TREATMENT FACILITIES.**

3 Section 724(d) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by striking “who—” and all that follows through “(2) are enrolled” and inserting “who are enrolled”.

4 **SEC. 707. MODIFICATION OF STRUCTURE AND DUTIES OF DEPARTMENT OF VETERANS AFFAIRS-DEPARTMENT OF DEFENSE HEALTH EXECUTIVE COMMITTEE.**

5 (a) In General.—Subsection (c) of section 8111 of title 38, United States Code, is amended to read as follows:

6 “(c) DOD–VA JOINT EXECUTIVE COMMITTEE.—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee (hereinafter in this section referred to as the ‘Committee’).
“(2) The Committee shall be composed of—

“(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department as the Secretary may designate; and

“(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

“(3)(A) The Deputy Secretary and the Under Secretary shall determine the size and structure of the Committee, except that the Committee shall have subordinate committees as follows:

“(i) A Health Executive Committee.

“(ii) A Benefits Executive Committee.

“(iii) Such other subordinate committees as the Deputy Secretary and the Under Secretary consider appropriate.

“(B) The Deputy Secretary and the Under Secretary shall establish the administrative and procedural guidelines for the operation of the Committee.

“(C) The two Departments shall supply staff and resources to the Committee in order to provide such administrative support and services for the Committee as are necessary for the efficient operation of the Committee.
“(4) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing of efforts between and within the two Departments under this section, and shall oversee implementation of such coordination and efforts.

“(5) In order to enable the Committee to make recommendations under paragraph (4) in its annual report under paragraph (6), the Committee shall—

“(A) review existing policies, procedures, and practices relating to the coordination and sharing of health care resources and other resources between the two Departments;

“(B) identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of services and health care resources and other resources of the two Departments in order to achieve the goal of improving the quality, efficiency, and effectiveness of the delivery of benefits and services to veterans, members of the Armed Forces, military retirees, and their families through an enhanced partnership between the two Departments;

“(C) identify and assess further opportunities for coordination and collaboration between the two
Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department;

“(D) review the plans of both agencies for the acquisition of additional health care resources and other resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of such resources; and

“(E) review the implementation of activities designed to promote the coordination and sharing of health care resources and other resources between the two Departments.

“(6) The Committee shall submit to the Secretaries, and to Congress, each year a report containing such recommendations as the Committee considers appropriate, including recommendations in light of activities under paragraph (5).”.

(b) CONFORMING AMENDMENTS.—Subsection (e)(1) of such section is amended by striking “subsection (c)(2)” and inserting “subsection (e)(4)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003, as if in-

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. TEMPORARY EMERGENCY PROCUREMENT AUTHORITY TO FACILITATE DEFENSE AGAINST OR RECOVERY FROM TERRORISM OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.


(b) Expanded Scope.—Such section 836(a) is further amended—
(1) in paragraph (1), by striking “the defense against terrorism or biological or chemical attack” and inserting “defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack”; and

(2) in paragraph (2), by striking “the defense against terrorism or biological attack” and inserting “defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack”.

(c) CONFORMING AMENDMENT.—The heading for such section is amended to read as follows:

“SEC. 836. TEMPORARY EMERGENCY PROCUREMENT AUTHORITY TO FACILITATE DEFENSE AGAINST OR RECOVERY FROM TERRORISM OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.”.

SEC. 802. SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

(a) AUTHORITY.—The Secretary of Defense may settle any financial account for a contract entered into by the Secretary or the Secretary of a military department before October 1, 1996, that is administratively complete if the financial account has an unreconciled balance, either positive or negative, that is less than $100,000.
(b) **Finality of Decision.**—A settlement under this section shall be final and conclusive upon the accounting officers of the United States.

(c) **Regulations.**—The Secretary of Defense shall prescribe regulations for the administration of the authority under this section.

(d) **Termination of Authority.**—A financial account may not be settled under this section after September 30, 2006.

**SEC. 803. DEFENSE ACQUISITION PROGRAM MANAGEMENT FOR USE OF RADIO FREQUENCY SPECTRUM.**

(a) **Revision of Department of Defense Directive.**—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall revise and reissue Department of Defense Directive 4650.1, relating to management and use of the radio frequency spectrum, last issued on June 24, 1987, to update the procedures applicable to Department of Defense management and use of the radio frequency spectrum.

(b) **Acquisition Program Requirements.**—The Secretary of Defense shall—

(1) require that each military department or Defense Agency carrying out a program for the acquisition of a system that is to use the radio frequency spectrum consult with the official or board
designated under subsection (c) on the usage of the spectrum by the system as early as practicable during the concept exploration and technology development phases of the acquisition program;

(2) prohibit the program from proceeding into system development and demonstration, or otherwise obtaining production or procuring any unit of the system, until—

(A) an evaluation of the proposed radio frequency spectrum usage by the system is completed in accordance with requirements prescribed by the Secretary; and

(B) the designated official or board reviews and approves the proposed usage of the spectrum by the system; and

(3) prescribe a procedure for waiving the prohibition imposed under paragraph (2) in any case in which it is determined necessary to do so in the national security interests of the United States.

(c) Designation of Official or Board.—The Secretary of Defense shall designate an appropriate official or board of the Department of Defense to perform the functions described for the official or board in subsection (b).
SEC. 804. NATIONAL SECURITY AGENCY MODERNIZATION PROGRAM.

(a) Responsibilities of Under Secretary of Defense for Acquisition, Technology, and Logistics.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall—

(1) direct and manage the acquisitions under the National Security Agency Modernization Program; and

(2) designate the projects under such program as major defense acquisition programs.

(b) Projects Comprising Program.—The National Security Agency Modernization Program includes the following projects of the National Security Agency:

(1) The Trailblazer project.

(2) The Groundbreaker project.

(3) Each cryptological mission management project.

(4) Each other project that—

(A) meets either of the dollar threshold requirements set forth in subsection (a)(2) of section 2430 of title 10, United States Code (as adjusted under subsection (b) of such section); and
(B) is determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics as being a modernization project of the National Security Agency.

(c) MILESTONE DECISION AUTHORITY.—(1) In the administration of subsection (a), the Under Secretary of Defense for Acquisition, Technology, and Logistics shall exercise the milestone decision authority for—

(A) each major defense acquisition program under the National Security Agency Modernization Program, as designated under subsection (a)(2); and

(B) the acquisition of each major system under the National Security Agency Modernization Program, as described in subsection (d).

(2) The Under Secretary may not delegate the milestone decision authority to any other official before October 1, 2006.

(3) The Under Secretary may delegate the milestone decision authority to the Director of the National Security Agency at any time after the later of September 30, 2006, or the date on which the following conditions are satisfied:

(A) The Under Secretary has determined that the Director has implemented acquisition management policies, procedures, and practices that are sufficiently mature to ensure that National Security
Agency acquisitions are conducted in a manner consistent with a sound, efficient acquisition enterprise.

(B) The Under Secretary has consulted with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management on the delegation.

(C) The Secretary of Defense has approved the delegation.

(D) The Under Secretary has transmitted to the Committees on Armed Services of the Senate and the House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a notification of the intention to delegate the authority, together with a detailed discussion of the justification for the delegation of authority.

(d) MAJOR SYSTEM DEFINED.—In this section, the term “major system” means a system that meets either of the dollar threshold requirements set forth in paragraph (1) or (2) of subsection (a) of section 2302d of title 10, United States Code (as adjusted under subsection (c) of such section).
SEC. 805. QUALITY CONTROL IN PROCUREMENT OF AVIATION CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe a quality control policy for the procurement of aviation critical safety items and the procurement of modifications, repair, and overhaul of such items.

(b) CONTENT OF POLICY.—The policy shall include the following requirements:

(1) That the head of the design control activity for aviation critical safety items establish processes to identify and manage aviation critical safety items and modifications, repair, and overhaul of such items.

(2) That the head of the contracting activity for an aviation critical safety item enter into a contract for such item only with a source approved by the design control activity in accordance with section 2319 of title 10, United States Code.

(3) That the aviation critical safety items delivered, and the services performed with respect to aviation critical safety items, meet all technical and quality requirements specified by the design control activity, except for any requirement determined unnecessary by the Secretary of Defense in writing.
(c) DEFINITIONS.—In this section, the terms “aviation critical safety item” and “design control activity” have the meanings given such terms in section 2319(g) of title 10, United States Code, as amended by subsection (d).

(d) CONFORMING AMENDMENT TO TITLE 10.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting after “the contracting officer” the following: “(or, in the case of a contract for the procurement of an aviation critical item, the head of the design control activity for such item)”;

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

“(g) DEFINITIONS.—In this section:

“(1) The term ‘aviation critical safety item’ means a part, an assembly, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system if the part, assembly, or equipment contains a characteristic any failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in the loss of or serious damage to the aircraft or weapon system, an unacceptable risk of personal injury or loss of life, an uncommanded engine
shutdown that jeopardizes safety, or the failure of a military mission.

“(2) The term ‘design control activity’, with respect to an aviation critical safety item, means the systems command of a military department that is specifically responsible for ensuring the airworthiness of an aviation system or equipment in which the item is to be used.’’.

**Subtitle B—Procurement of Services**

**SEC. 811. EXPANSION AND EXTENSION OF INCENTIVE FOR USE OF PERFORMANCE-BASED CONTRACTS IN PROCUREMENTS OF SERVICES.**

(a) **INCREASED MAXIMUM AMOUNT OF PROCUREMENT ELIGIBLE FOR COMMERCIAL ITEMS TREATMENT.**—Paragraph (1)(A) of section 821(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–218; 10 U.S.C. 2302 note) is amended by striking “$5,000,000” and inserting “$10,000,000”.

(b) **EXTENSION OF AUTHORITY.**—Paragraph (4) of such section 821(b) is amended by striking “more than 3 years after the date of the enactment of this Act” and inserting “after October 30, 2006”.

•§ 1047 PCS
SEC. 812. PUBLIC-PRIVATE COMPETITIONS FOR THE PERFORMANCE OF DEPARTMENT OF DEFENSE FUNCTIONS.

(a) Pilot Program for Best Value Source Selection for the Performance of Information Technology Services.—

(1) Authority.—The Secretary of Defense may carry out a pilot program for use of a best value criterion in the selection of sources for performance of information technology services for the Department of Defense.

(2) Conversion to private sector performance.—(A) Under the pilot program, an analysis of the performance of an information technology services function for the Department of Defense under section 2461(b)(3) of title 10, United States Code, shall include an examination of the performance of the function by Department of Defense civilian employees and by one or more private contractors to demonstrate whether change to performance by the private sector will result in the best value to the Government over the life of the contract, including in the examination the following:

(i) The cost to the Government, estimated by the Secretary of Defense (based on offers re-
ceived), for performance of the function by the private sector.

(ii) The estimated cost to the Government of Department of Defense civilian employees performing the function.

(iii) Benefits in addition to price that warrant performance of the function by a particular source at a cost higher than that of performance by Department of Defense civilian employees.

(iv) In addition to the cost referred to in clause (i), an estimate of all other costs and expenditures that the Government would incur because of the award of such a contract.

(B) Under the pilot program, subparagraph (A) of such section 2461(b)(3) shall not apply to an analysis of the performance of an information technology services function for the Department of Defense.

(3) CONTRACTING FOR INFORMATION TECHNOLOGY SERVICES.—(A) Under the pilot program, except as otherwise provided by law, the Secretary shall procure information technology services necessary for or beneficial to the accomplishment of the authorized functions of the Department of Defense
(other than functions which the Secretary of Defense
determines must be performed by military or Gov-
ernment personnel) from a source in the private sec-
tor if performance by that source represents the best
value to the United States, determined in accordance
with the competition requirements of Office of Man-
agement and Budget Circular A–76.

(B) Under the pilot program, section 2462(a)
of title 10, United States Code, shall not apply to
a procurement described in paragraph (1).

(4) Duration of Pilot Program.—(A) The
period for which the pilot program may be carried
out under this subsection shall be fiscal years 2004
through 2008.

(B) An analysis commenced under the pilot pro-
gram in accordance with paragraph (2), and a pro-
curement for which a solicitation has been issued in
accordance with paragraph (3), before the end of the
pilot program period may be continued in accord-
ance with paragraph (2) or (3), respectively, after
the end of such period.

(5) GAO Review.—(A) The Comptroller Gen-
eral shall review the administration of any pilot pro-
gram carried out under this subsection to assess the
extent to which the program is effective and is equi-
table for the potential public sources and the potential private sources of information technology services for the Department of Defense.

(B) Not later than February 1, 2008, the Comptroller General shall submit to the congressional defense committees a report on the review of the program under subparagraph (A). The report shall include the Comptroller General’s assessment of the matters required under that subparagraph and any other conclusions resulting from the review.

(6) INFORMATION TECHNOLOGY SERVICES DEFINED.—In this subsection, the term “information technology service” means any service performed in the operation or maintenance of information technology (as defined in section 11101 of title 40, United States Code).

(b) RESOURCES-BASED SCHEDULES FOR COMPLETION OF PUBLIC-PRIVATE COMPETITIONS.—

(1) APPLICATION OF TIMEFRAMES.—Any interim or final deadline or other schedule-related milestone for the completion of a Department of Defense public-private competition shall be established solely on the basis of considered research and sound analysis regarding the availability of sufficient personnel, training, and technical resources to the De-
partment of Defense to carry out such competition in a timely manner.

(2) Extension of Timeframes.—Any interim or final deadline or other schedule-related milestone established (consistent with paragraph (1)) for the completion of a Department of Defense public-private competition shall be extended if the Department of Defense official responsible for managing the competition determines under procedures prescribed by the Secretary of Defense that the personnel, training, or technical resources available to the Department of Defense to carry out such competition timely are insufficient.

SEC. 813. AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.

(a) Authority.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2396 the following new section:

§ 2397. Personal services: procurement by certain elements of the Department of Defense

“(a) Authority.—The head of an element of the Department of Defense referred to in subsection (b) may enter into a contract for the procurement of services described in section 3109 of title 5 that are necessary to carry out a mission of that element without regard to the
limitations in such section if the head of that element de-
termines in writing that the services to be procured are
unique and that it would not be practicable to obtain such
services by other means.

“(b) APPLICABILITY.—Subsection (a) applies to—

“(1) any element of the Department of Defense
within the intelligence community, as defined in sec-
tion 3(4) of the National Security Act of 1947 (50
U.S.C. 401a(4)); and

“(2) the United States Special Operations Com-
mand, with respect to special operations activities
described in paragraphs (1), (2), (3), and (4) of sec-
tion 167(j) of this title.”.

(b) CLERICAL AMENDMENT.—The table of sections
at the beginning of such chapter is amended by inserting
after the item relating to section 2396 the following new
item:

“2397. Personal services: procurement by certain elements of the Department
of Defense.”.

Subtitle C—Major Defense
Acquisition Programs

SEC. 821. CERTAIN WEAPONS-RELATED PROTOTYPE
PROJECTS.

(a) EXTENSION OF AUTHORITY.—Subsection (g) of
section 845 of the National Defense Authorization Act for
Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by
striking “September 30, 2004” and inserting “September 30, 2007”.

(b) **Increased Scope of Authority.**—Subsection (a) of such section is amended by inserting before the period at the end the following: “, or to improvement of weapons or weapon systems in use by the Armed Forces”.

(c) **Pilot Program for Transition to Follow-on Contracts.**—Such section, as amended by subsection (a), is further amended—

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

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

“(e) **Pilot Program for Transition to Follow-on Contracts.**—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes that are developed by nontraditional defense contractors under prototype projects carried out under this section.

“(2) Under the pilot program—

“(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procure-
ment of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

“(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

“(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

“(A) does not exceed $50,000,000; and

“(B) is either—

“(i) a firm, fixed-price contract or subcontract; or

“(ii) a fixed-price contract or subcontract with economic price adjustment.

“(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2007. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.”.
SEC. 822. APPLICABILITY OF CLINGER-COHEN ACT POLICIES AND REQUIREMENTS TO EQUIPMENT INTEGRAL TO A WEAPON OR WEAPON SYSTEM.

(a) In General.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2223 the following:

"§ 2223a. Acquisition of equipment integral to a weapon or a weapon system: applicability of certain acquisition reform authorities and information technology-related requirements

"(a) Board of Senior Acquisition Officials.—(1) The Secretary of Defense shall establish a board of senior acquisition officials to administer the implementation of the policies and requirements of chapter 113 of title 40 in procurements of information technology equipment determined by the Secretary as being an integral part of a weapon or a weapon system.

"(2) The Board shall be composed of the following officials:

"(A) Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall be the Chairman.

"(B) The acquisition executive of each of the military departments.
“(C) The Chief Information Officer of the Department of Defense.

“(c) Responsibilities of Board.—The Board shall be responsible for ensuring that—

“(1) the acquisition of information technology equipment determined by the Secretary of Defense as being an integral part of a weapon or a weapon system is conducted in a manner that is consistent with the capital planning, investment control, and performance and results-based management processes and requirements provided under sections 11302, 11303, 11312, and 11313 of title 40, to the extent that such processes requirements are applicable to the acquisition of such equipment;

“(2) issues of spectrum availability, interoperability, and information security are appropriately addressed in the development of weapons and weapon systems; and

“(3) in the case of information technology equipment that is to be incorporated into a weapon or a weapon system under a major defense acquisition program, the information technology equipment is incorporated in a manner that is consistent with—
“(A) the planned approach to applying cer-
tain provisions of law to major defense acquisi-
tion programs following the evolutionary acqui-
sition process that the Secretary of Defense re-
ported to Congress under section 802 of the
Bob Stump National Defense Authorization Act
for Fiscal Year 2003 (Public Law 107–314;
116 Stat. 2602);

“(B) the acquisition policies that apply to
spiral development programs under section 803
of such Act (116 Stat. 2603; 10 U.S.C. 2430
note); and

“(C) the software acquisition processes of
the military department or Defense Agency con-
cerned under section 804 of such Act (116

“(d) INAPPLICABILITY OF OTHER LAWS.—The fol-
lowing provisions of law do not apply to information tech-
nology equipment that is determined by the Secretary of
Defense as being an integral part of a weapon or a weapon
system:

“(1) Section 11315 of title 40.

“(2) The policies and procedures established
under section 11316 of title 40.
“(3) Subsections (d) and (e) of section 811 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–211), and the requirements and prohibitions that are imposed by Department of Defense Directive 5000.1 pursuant to subsections (b) and (c) of such section.


“(e) DEFINITIONS.—In this section:

“(1) The term ‘acquisition executive’, with respect to a military department, means the official who is designated as the senior procurement executive of the military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

“(2) The term ‘information technology’ has the meaning given such term in section 11101 of title 40.

“(3) The term ‘major defense acquisition program’ has the meaning given such term in section 2430 of this title.”.
(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2223 the following new item:

“2223a. Acquisition of equipment integral to a weapon or a weapon system: applicability of certain acquisition reform authorities and information technology-related requirements.”.

(b) Conforming Amendment.—Section 2223 of such title is amended by adding at the end the following new subsection:

“(c) Equipment Integral to a Weapon or Weapon System.—(1) In the case of information technology equipment determined by the Secretary of Defense as being an integral part of a weapon or a weapon system, the responsibilities under this section shall be performed by the board of senior acquisition officials established pursuant to section 2223a of this title.

“(2) In this subsection, the term ‘information technology’ has the meaning given such term in section 11101 of title 40.”.

SEC. 823. APPLICABILITY OF REQUIREMENT FOR REPORTS ON MATURITY OF TECHNOLOGY AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 804(a) of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–107; 115 Stat. 1180) is amended by striking “, as in effect on the date of enactment of this Act,” and inserting “(as in effect on
the date of the enactment of this Act), and the cor-
responding provision of any successor to such Instruc-
tion,”.

Subtitle D—Domestic Source
Requirements

SEC. 831. EXCEPTIONS TO BERRY AMENDMENT FOR CON-
TINGENCY OPERATIONS AND OTHER URGENT
SITUATIONS.

Section 2533a(d) of title 10, United States Code, is
amended—

(1) in paragraph (1), by inserting “or contin-
gency operations” after “in support of combat oper-
ations”; and

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

“(4) Procurements for which the use of proce-
dures other than competitive procedures has been
approved on the basis of section 2304(c)(2) of this
title, relating to unusual and compelling urgency of
need.”.
SEC. 832. INAPPLICABILITY OF BERRY AMENDMENT TO PROCUREMENTS OF WASTE AND BYPRODUCTS OF COTTON AND WOOL FIBER FOR USE IN THE PRODUCTION OF PROPELLANTS AND EXPLOSIVES.

Section 2533a(f) of title 10, United States Code, is amended—

(1) by striking “(f) EXCEPTION” and all that follows through “the procurement of” and inserting the following:

“(f) EXCEPTIONS FOR CERTAIN OTHER COMMODITIES AND ITEMS.—Subsection (a) does not preclude the procurement of the following:

“(1)”;

(2) by capitalizing the initial letter of the word following “(1)”, as added by paragraph (1); and

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

“(2) Waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.”.

SEC. 833. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:
§ 2539c. Waiver of domestic source or content requirements

(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

(1) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States;

(2) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States; or

(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States.
“(b) COVERED REQUIREMENTS.—For purposes of this section:

“(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

“(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

“(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

“(1) application of the requirement would impede the reciprocal procurement of defense items under a memorandum of understanding providing
for reciprocal procurement of defense items between a foreign country and the United States in accordance with section 2531 of this title; and

“(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

“(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology and Logistics.

“(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

“(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:


“(3) Sections 7309 and 7310 of this title.

“(4) Section 2533a of this title.

“(g) Relationship to Other Waiver Authority.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

“(h) Construction With Respect to Later Enacted Laws.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.”.

(b) Clerical Amendment.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

“2539c. Waiver of domestic source or content requirements.”.

SEC. 834. BUY AMERICAN EXCEPTION FOR BALL BEARINGS AND ROLLER BEARINGS USED IN FOREIGN PRODUCTS.

Section 2534(a)(5) of title 10, United States Code, is amended by inserting before the period at the end the following: “, except ball bearings and roller bearings being
procured for use in an end product manufactured by a
manufacturer that does not satisfy the requirements of
subsection (b) or in a component part manufactured by
such a manufacturer”.

Subtitle E—Defense Acquisition
and Support Workforce

SEC. 841. FLEXIBILITY FOR MANAGEMENT OF THE DE-
FENSE ACQUISITION AND SUPPORT WORK-
FORCE.

(a) MANAGEMENT STRUCTURE.—(1) Sections 1703,
1705, 1706, and 1707 of title 10, United States Code,
are repealed.

(2) Section 1724(d) of such title is amended—

(A) in the first sentence, by striking “The ac-
quision career program board concerned” and all
that follows through “if the board certifies” and in-
serting “The Secretary of Defense may waive any or
all of the requirements of subsections (a) and (b)
with respect to an employee of the Department of
Defense or member of the armed forces if the Sec-
etary determines”;

(B) in the second sentence, by striking “the
board” and inserting “the Secretary”; and

(C) by striking the third sentence.

(3) Section 1732(b) of such title is amended—
(A) in paragraph (1)(C), by striking “as validated by the appropriate career program management board”; and

(B) in paragraph (2)(A)(ii), by striking “has been certified by the acquisition career program board of the employing military department as possessing” and inserting “possess”.

(4) Section 1732(d) of such title is amended—

(A) in paragraph (1)—

(i) in the first sentence, by striking “the acquisition career program board of a military department” and all that follows through “if the board certifies” and inserting “The Secretary of Defense may waive any or all of the requirements of subsection (b) with respect to an employee if the Secretary determines”; 

(ii) in the second sentence, by striking “the board” and inserting “the Secretary”; and

(iii) by striking the third sentence; and

(B) in paragraph (2), by striking “The acquisition career program board of a military department” and inserting “The Secretary”.

(5) Section 1734(d) of such title is amended—

(A) in subsection (d)—

(i) by striking paragraph (2); and
(ii) in paragraph (3), by striking the second sentence; and

(B) in subsection (e)(2), by striking “, by the acquisition career program board of the department concerned,”.

(6) Section 1737(c) of such title is amended—

(A) by striking paragraph (2); and

(B) by striking “(1) The Secretary” and inserting “The Secretary”.

(b) Elimination of Role of Office of Personnel Management.—(1) Section 1725 of such title is repealed.

(2) Section 1731 of such title is amended by striking subsection (c).

(3) Section 1732(c)(2) of such title is amended by striking the second and third sentences.

(4) Section 1734(g) of such title is amended—

(A) by striking paragraph (2); and

(B) in paragraph (1) by striking “(1) The Secretary” and inserting “The Secretary”.

(5) Section 1737 of such title is amended by striking subsection (d).

(6) Section 1744(c)(3)(A)(i) of such title is amended by striking “and such other requirements as the Office of Personnel Management may prescribe”.
(c) Single Acquisition Corps.—(1) Section 1731
of such title is amended—

(A) in subsection (a)—

(i) by striking “each of the military departments and one or more Corps, as he considers appropriate, for the other components of” in the first sentence; and

(ii) by striking the second sentence; and

(B) in subsection (b), by striking “an Acquisition Corps” and inserting “the Acquisition Corps”.

(2) Sections 1732(a), 1732(e)(1), 1732(e)(2),
1733(a), 1734(e)(1), and 1737(a)(1) of such title are amended by striking “an Acquisition Corps” and inserting “the Acquisition Corps”.

(3) Section 1734 of such title is amended—

(A) in subsection (g), by striking “each Acquisition Corps, a test program in which members of a Corps” and inserting “the Acquisition Corps, a test program in which members of the Corps”; and

(B) in subsection (h), by striking “making assignments of civilian and military members of the Acquisition Corps of that military department” and inserting “making assignments of civilian and military personnel of that military department who are members of the Acquisition Corps”. 
(d) Consolidation of Certain Education and Training Program Requirements.—(1) Section 1742 of such title is amended to read as follows:

§1742. Internship, cooperative education, and scholarship programs

“The Secretary of Defense shall conduct the following education and training programs:

“(1) An intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.

“(2) A cooperative education credit program under which the Secretary arranges, through cooperative arrangements entered into with one or more accredited institutions of higher education, for such institutions to grant undergraduate credit for work performed by students who are employed by the Department of Defense in acquisition positions.

“(3) A scholarship program for the purpose of qualifying personnel for acquisition positions in the Department of Defense.”.

(2) Sections 1743 and 1744 of such title are repealed.

(e) General Management Provisions.—Subchapter V of chapter 87 of such title is amended—
(1) by striking section 1763; and

(2) by adding at the end the following new sec-
tion 1764:

§ 1764. Authority to establish different minimum re-
quirements

“(a) AUTHORITY.—(1) The Secretary of Defense may
prescribe a different minimum number of years of experi-
ence, different minimum education qualifications, and dif-
ferent tenure of service qualifications to be required for
eligibility for appointment or advancement to an acquisi-
tion position referred to in subsection (b) than is required
for such position under or pursuant to any provision of
this chapter.

“(2) Any requirement prescribed under paragraph
(1) for a position referred to in any paragraph of sub-
section (b) shall be applied uniformly to all positions re-
ferred to in such paragraph.

“(b) APPLICABILITY.—This section applies to the fol-
lowing acquisition positions in the Department of Defense:

“(1) Contracting officer, except a position re-
ferred to in paragraph (5).

“(2) Program executive officer.

“(3) Senior contracting official.

“(4) Program manager.
“(5) A position in the contract contingency force of an armed force that is filled by a member of that armed force.

“(c) DEFINITION.—In this section, the term ‘contract contingency force’, with respect to an armed force, has the meaning given such term in regulations prescribed by the Secretary concerned.”

(f) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of subchapter I of chapter 87 of title 10, United States Code, is amended by striking the items relating to sections 1703, 1705, 1706, and 1707.

(2) The table of sections at the beginning of subchapter II of such chapter is amended by striking the item relating to section 1725.

(3) The table of sections at the beginning of subchapter IV of such chapter is amended by striking the items relating to sections 1742, 1743, and 1744 and inserting the following:

“1742. Internship, cooperative education, and scholarship programs.”.

(3) The table of sections at the beginning of subchapter V of such chapter is amended by striking the item relating to section 1763 and inserting the following:

“1764. Authority to establish different minimum requirements.”.
SEC. 842. LIMITATION AND REINVESTMENT AUTHORITY RELATING TO REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) LIMITATION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2004, 2005, and 2006, below the level of that workforce as of September 30, 2002, determined on the basis of full-time equivalent positions, except as may be necessary to strengthen the defense acquisition and support workforce in higher priority positions in accordance with this section.

(b) WORKFORCE FLEXIBILITY.—During fiscal years 2004, 2005, and 2006, the Secretary of Defense may realign any part of the defense acquisition and support workforce to support reinvestment in other, higher priority positions in such workforce.

(e) HIGHER PRIORITY POSITIONS.—For the purposes of this section, higher priority positions in the defense acquisition and support workforce include the following positions:

(1) Positions the responsibilities of which include drafting performance-based work statements for services contracts and overseeing the performance of contracts awarded pursuant to such work statements.
(2) Positions the responsibilities of which include conducting spending analyses, negotiating company-wide pricing agreements, and taking other measures to reduce contract costs.

(3) Positions the responsibilities of which include reviewing contractor quality control systems, assessing and analyzing quality deficiency reports, and taking other measures to improve product quality.

(4) Positions the responsibilities of which include effectively conducting public-private competitions in accordance with Office of Management and Budget Circular A–76.

(5) Any other positions in the defense acquisition and support workforce that the Secretary identifies as being higher priority positions that are staffed at levels not likely to ensure efficient and effective performance of all of the responsibilities of those positions.

(d) Defense Acquisition and Support Workforce Defined.—In this section, the term “defense acquisition and support workforce” means members of the Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department
of Defense that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 843. CLARIFICATION AND REVISION OF AUTHORITY FOR DEMONSTRATION PROJECT RELATING TO CERTAIN ACQUISITION PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is amended—

(1) in subsection (b), by striking paragraph (3) and inserting the following:

“(3) CONDITIONS.—Paragraph (2) shall not apply with respect to a demonstration project unless—

“(A) for each organization or team participating in the demonstration project—

“(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and

“(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel
assigned to work directly with the acquisition workforce; and

“(B) the demonstration project commences before October 1, 2007.”;

(2) in subsection (d), by striking “95,000” in subsection (d) and inserting “120,000”;

(3) by redesignating subsection (e) as subsection (f); and

(4) by inserting after subsection (d) the following:

“(e) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.”.
Subtitle F—Federal Support for
Procurement of Anti-Terrorism Technologies and Services by
State and Local Governments

SEC. 851. APPLICATION OF INDEMNIFICATION AUTHORITY
TO STATE AND LOCAL GOVERNMENT CONTRACTORS.

(a) AUTHORITY.—Subject to the limitations of subsection (b), the President may exercise the discretionary authority under Public Law 85–804 (50 U.S.C. 1431 et seq.) so as to provide under such law for indemnification of contractors and subcontractors in procurements by States or units of local government of an anti-terrorism technology or an anti-terrorism service for the purpose of preventing, detecting, identifying, otherwise deterring, or recovering from acts of terrorism.

(b) LIMITATIONS.—Any authority that is delegated by the President under subsection (a) to the head of a Federal agency to provide for the indemnification of contractors and subcontractors under Public Law 85–804 (50 U.S.C. 1431 et seq.) for procurements by States or units of local government may be exercised only—

(1) in the case of a procurement by a State or unit of local government that—
(A) is made under a contract awarded pursuant to section 852; and

(B) is approved, in writing, for the provision of indemnification by the President or the official designated by the President under section 852(a); and

(2) with respect to—

(A) amounts of losses or damages not fully covered by private liability insurance and State or local government-provided indemnification; and

(B) liabilities of a contractor or subcontractor not arising out of willful misconduct or lack of good faith on the part of the contractor or subcontractor, respectively.

SEC. 852. PROCUREMENTS OF ANTI-TERRORISM TECHNOLOGIES AND ANTI-TERRORISM SERVICES BY STATE AND LOCAL GOVERNMENTS THROUGH FEDERAL CONTRACTS.

(a) IN GENERAL.—

(1) ESTABLISHMENT OF PROGRAM.—The President shall designate an officer or employee of the United States to establish, and the designated official shall establish, a program under which States and units of local government may procure through
contracts entered into by the designated official anti-terrorism technologies or anti-terrorism services for the purpose of preventing, detecting, identifying, otherwise deterring, or recovering from acts of terrorism.

(2) Designated Federal Procurement Official for Program.—In this section, the officer or employee designated by the President under paragraph (1) shall be referred to as the “designated Federal procurement official”.

(3) Authorities.—Under the program, the designated Federal procurement official may, but shall not be required to, award contracts using the same authorities as are provided to the Administrator of General Services under section 309(b)(3) of the Federal Property and Administrative Services Act (41 U.S.C. 259(b)(3)).

(4) Offers Not Required to State and Local Governments.—A contractor that sells anti-terrorism technology or anti-terrorism services to the Federal Government may not be required to offer such technology or services to a State or unit of local government under the program.

(b) Responsibilities of the Contracting Official.—In carrying out the program established under this
section, the designated Federal procurement official shall—

(1) produce and maintain a catalog of anti-terrorism technologies and anti-terrorism services suitable for procurement by States and units of local government under this program; and

(2) establish procedures in accordance with subsection (c) to address the procurement of anti-terrorism technologies and anti-terrorism services by States and units of local government under contracts awarded by the designated official.

(c) REQUIRED PROCEDURES.—The procedures required by subsection (b)(2) shall implement the following requirements and authorities:

(1) Submissions by States.—

(A) Requests and Payments.—Except as provided in subparagraph (B), each State desiring to participate in a procurement of anti-terrorism technologies or anti-terrorism services through a contract entered into by the designated Federal procurement official under this section shall submit to that official in such form and manner and at such times as such official prescribes, the following:
(i) REQUEST.—A request consisting of an enumeration of the technologies or services, respectively, that are desired by the State and units of local government within the State.

(ii) PAYMENT.—Advance payment for each requested technology or service in an amount determined by the designated official based on estimated or actual costs of the technology or service and administrative costs incurred by such official.

(B) OTHER CONTRACTS.—The designated Federal procurement official may award and designate contracts under which States and units of local government may procure anti-terrorism technologies and anti-terrorism services directly from the contractors. No indemnification may be provided under Public Law 85–804 pursuant to an exercise of authority under section 851 for procurements that are made directly between contractors and States or units of local government.

(2) PERMITTED CATALOG TECHNOLOGIES AND SERVICES.—A State may include in a request submitted under paragraph (1) only a technology or
service listed in the catalog produced under sub-

section (b)(1).

(3) Coordination of local requests within state.—The Governor of a State may establish such procedures as the Governor considers appropriate for administering and coordinating requests for anti-terrorism technologies or anti-terrorism services from units of local government within the State.

(4) Shipment and transportation costs.—A State requesting anti-terrorism technologies or anti-terrorism services shall be responsible for arranging and paying for any shipment or transportation of the technologies or services, respectively, to the State and localities within the State.

(d) Reimbursement of actual costs.—In the case of a procurement made by or for a State or unit of local government under the procedures established under this section, the designated Federal procurement official shall require the State or unit of local government to reimburse the Department for the actual costs it has incurred for such procurement.

(e) Time for implementation.—The catalog and procedures required by subsection (b) of this section shall
be completed as soon as practicable and no later than 210
days after the enactment of this Act.

SEC. 853. DEFINITIONS.

In this subtitle:

(1) **Anti-terrorism technology and service.**—The terms “anti-terrorism technology” and “anti-terrorism service” mean any product, equipment, or device, including information technology, and any service, system integration, or other kind of service (including a support service), respectively, that is related to technology and is designed, developed, modified, or procured for the purpose of preventing, detecting, identifying, otherwise deterring, or recovering from acts of terrorism.

(2) **Information technology.**—The term “information technology” has the meaning given such term in section 11101(6) of title 40, United States Code.

(3) **State.**—The term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States.

(4) **Unit of local government.**—The term “unit of local government” means any city, county,
township, town, borough, parish, village, or other
genral purpose political subdivision of a State; an
Indian tribe which performs law enforcement func-
tions as determined by the Secretary of the Interior;
or any agency of the District of Columbia Govern-
ment or the United States Government performing
law enforcement functions in and for the District of
Columbia or the Trust Territory of the Pacific Is-
lands.

Subtitle G—General Contracting
Authorities, Procedures, and
Limitations, and Other Matters

SEC. 861. LIMITED ACQUISITION AUTHORITY FOR COM-
MANDER OF UNITED STATES JOINT FORCES
COMMAND.

Section 164 of title 10, United States Code, is
amended by adding at the end the following new sub-
section:

“(h) LIMITED ACQUISITION AUTHORITY FOR COM-
MANDER OF CERTAIN UNIFIED COMBATANT COMMAND.—
(1) The Secretary of Defense shall delegate to the com-
mander of the unified combatant command referred to in
paragraph (2) authority of the Secretary under chapter
137 of this title sufficient to enable the commander to de-
velop and acquire equipment described in paragraph (3).
The exercise of authority so delegated is subject to the
authority, direction, and control of the Secretary.

“(2) The commander to which authority is delegated
under paragraph (1) is the commander of the unified com-
batant command that has the mission for joint warfighting
experimentation, as assigned by the Secretary of Defense.

“(3) The equipment referred to in paragraph (1) is
as follows:

“(A) Battlefield command, control, communica-
tions, and intelligence equipment.

“(B) Any other equipment that the commander
referred to in that paragraph determines necessary
and appropriate for—

“(i) facilitating the use of joint forces in
military operations; or

“(ii) enhancing the interoperability of
equipment used by the various components of
joint forces on the battlefield.

“(4) The authority delegated under paragraph (1)
does not apply to the development or acquisition of a sys-
tem for which—

“(A) the total expenditure for research, develop-
ment, test, and evaluation is estimated to be
$10,000,000 or more; or
“(B) the total expenditure for procurement of the system is estimated to be $50,000,000 or more.
“(5) The commander of the unified combatant command referred to in paragraph (1) shall require the inspector general of the command to conduct internal audits and inspections of purchasing and contracting administered by the commander under the authority delegated under subsection (a).”.

SEC. 862. OPERATIONAL TEST AND EVALUATION.

(a) Leadership and Duties of Department of Defense Test Resource Management Center.—(1) Subsection (b)(1) of section 196 of title 10, United States Code, is amended—

(A) by striking “on active duty. The Director” and inserting “on active duty or from among senior civilian officers and employees of the Department of Defense. A commissioned officer serving as the Director”; and

(B) by adding at the end the following: “A civilian officer or employee serving as the Director shall serve in a pay level equivalent in rank to lieutenant general.”.

(2)(A) Subsection (c)(1)(B) of such section is amended by inserting after “Department of Defense” the fol-
following: “other than budgets and expenditures for activities described in section 139(i) of this title”.

(B) Subsection (e)(1) of such section is amended—

(i) by striking “, the Director of Operational Test and Evaluation,”; and

(ii) by striking “, Director’s”.

(b) DEPLOYMENT BEFORE COMPLETION OF OT&E.—Section 806(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2607; 10 U.S.C. 2302 note) is amended by adding at the end the following new paragraph:

“(3) If items are deployed under the rapid acquisition and deployment procedures prescribed pursuant to this section, or under any other authority, before the completion of operational test and evaluation of the items, the Director of Operational Test and Evaluation shall have access to operational records and data relevant to such items in accordance with section 139(e)(3) of title 10, United States Code, for the purpose of completing operational test and evaluation of the items. The access to the operational records and data shall be provided in a time and manner determined by the Secretary of Defense consistent with requirements of operational security and other relevant operational requirements.”.
SEC. 863. MULTIYEAR TASK AND DELIVERY ORDER CONTRACTS.

(a) REPEAL OF APPLICABILITY OF EXISTING AUTHORITY AND LIMITATIONS.—Section 2306c of title 10, United States Code, is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) MULTIYEAR CONTRACTING AUTHORITY.—Section 2304a of such title is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

“(f) MULTIYEAR CONTRACTS.—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover any period up to five years and may extend the contract period for one or more successive periods pursuant to an option provided in the contract or a modification of the contract. In no event, however, may the total contract period as extended exceed eight years.”.
SEC. 864. REPEAL OF REQUIREMENT FOR CONTRACTOR ASSURANCES REGARDING THE COMPLETENESS, ACCURACY, AND CONTRACTUAL SUFFICIENCY OF TECHNICAL DATA PROVIDED BY THE CONTRACTOR.

Section 2320(b) of title 10, United States Code, is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

SEC. 865. REESTABLISHMENT OF AUTHORITY FOR SHORT-TERM LEASES OF REAL OR PERSONAL PROPERTY ACROSS FISCAL YEARS.

(a) REESTABLISHMENT OF AUTHORITY.—Subsection (a) of section 2410a of title 10, United States Code, is amended—

(1) by inserting “(1)” before “The Secretary of Defense”;

(2) by striking “for procurement of severable services” and inserting “for a purpose described in paragraph (2)”;

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

“(2) The purpose of a contract described in this paragraph is as follows:

“(A) The procurement of severable services.
“(B) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.”.

(b) Conforming and Clerical Amendments.—

(1) The heading of such section is amended to read as follows:

“§ 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property”.

(2) The table of sections at the beginning of chapter 141 of such title is amended by striking the item relating to section 2410a and inserting the following new item:

“2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property.”.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department Officers and Agencies

SEC. 901. CLARIFICATION OF RESPONSIBILITY OF MILITARY DEPARTMENTS TO SUPPORT COMBATANT COMMANDS.

Sections 3013(c)(4), 5013(c)(4), and 8013(3)(c)(4) of title 10, United States Code, are amended by striking “(to the maximum extent practicable)”. 
SEC. 902. REDESIGNATION OF NATIONAL IMAGERY AND MAPPING AGENCY AS NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.

(a) Redesignation.—The National Imagery and Mapping Agency (NIMA) is hereby redesignated as the National Geospatial-Intelligence Agency (NGA).

(b) Conforming Amendments.—

(1) Title 10, United States Code.—(A) Chapter 22 of title 10, United States Code, is amended by striking “National Imagery and Mapping Agency” each place it appears (other than the penultimate place it appears in section 461(b) of such title) and inserting “National Geospatial-Intelligence Agency”.

(B) Section 453(b) of such title is amended by striking “NIMA” each place it appears and inserting “NGA”.

(C)(i) Subsection (b)(3) of section 424 of such title is amended by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(ii) The heading for such section is amended to read as follows:

(iii) The table of sections at the beginning of subchapter I of chapter 21 of such title is amended in the item relating to section 424 by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(D) Section 425(a) of such title is amended—

(i) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

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

“(3) The words ‘National Geospatial-Intelligence Agency’, the initials ‘NGA’, or the seal of the National Geospatial-Intelligence Agency.”.

(E) Section 1614(2)(C) of such title is amended by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(F)(i) The heading for chapter 22 of such title is amended to read as follows:
“CHAPTER 22—NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

(ii) The table of chapters at the beginning of subtitle A of such title, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 22 and inserting the following new item:

“22. National Geospatial-Intelligence Agency ..................... 441”.

(2) NATIONAL SECURITY ACT OF 1947.—(A) Section 3(4)(E) of the National Security Act of 1947 (50 U.S.C. 401a(4)(E)) is amended by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(B) That Act is further amended by striking “National Imagery and Mapping Agency” each place it appears in sections 105, 105A, 105C, 106, and 110 (50 U.S.C. 403–5, 403–5a, 403–5c, 403–6, 404e) and inserting “National Geospatial-Intelligence Agency”.

(C) Section 105C of that Act (50 U.S.C. 403–5c) is further amended—

(i) by striking “NIMA” each place it appears and inserting “NGA”; and

(ii) in subsection (a)(6)(B)(iv)(II), by striking “NIMA’s” and inserting “NGA’s”.
(D) The heading for section 105C of that Act (50 U.S.C. 403–5e) is amended to read as follows:

“PROTECTION OF OPERATIONAL FILES OF THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

(E) The heading for section 110 of that Act (50 U.S.C. 404e) is amended to read as follows:

“NATIONAL MISSION OF NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

(F) The table of contents for that Act is amended—

(i) by striking the item relating to section 105C and inserting the following new item:

“Sec. 105C. Protection of operational files of the National Geospatial-Intelligence Agency.”; and

(ii) by striking the item relating to section 110 and inserting the following new item:

“Sec. 110. National mission of National Geospatial-Intelligence Agency.”.

(c) REFERENCES.—Any reference to the National Imagery and Mapping Agency or NIMA in any law, regulation, document, paper, or other record of the United States shall be deemed to be a reference to the National Geospatial-Intelligence Agency or NGA, respectively.

(d) MATTERS RELATING TO GEOSPATIAL INTELLIGENCE.—(1) Section 442(a)(2) of title 10, United States Code, is amended by striking “Imagery, intel-
ligence, and information” and inserting “Geospatial intel-
ligence”.

(2) Section 467 of such title is amended by adding at the end the following new paragraph:

“(5) The term ‘geospatial intelligence’ means the exploitation and analysis of imagery and geospatial information to describe, assess, and visually depict physical features and geographically referenced activities on the earth, and includes imagery, imagery intelligence, and geospatial information.”.

(3) Section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a)) is amended by striking “imagery requirements” and inserting “geospatial intelligence requirements”.

SEC. 903. STANDARDS OF CONDUCT FOR MEMBERS OF THE DEFENSE POLICY BOARD AND THE DEFENSE SCIENCE BOARD.

(a) Standards Required.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall promulgate standards of conduct for members of the Defense Policy Board and the Defense Science Board. The purpose of the standards of conduct shall be to ensure public confidence in the Defense Policy Board and the Defense Science Board.
(b) ISSUES TO BE ADDRESSED.—The standards of conduct promulgated pursuant to subsection (a) shall address, at a minimum, the following:

(1) Conditions governing the access of Board members to classified information and other confidential information about the plans and operations of the Department of Defense and appropriate limitations on any use of such information for private gain.

(2) Guidelines for addressing conflicting financial interests and recusal from participation in matters affecting such interests.

(3) Guidelines regarding the lobbying of Department of Defense officials or other contacts with Department of Defense officials regarding matters in which Board members may have financial interests.

(c) REPORT TO CONGRESS.—The Secretary of Defense shall provide the Committees on Armed Services of the Senate and the House of Representatives with a copy of the standards of conduct promulgated pursuant to subsection (a) immediately upon promulgation of the standards.
Subtitle B—Space Activities

SEC. 911. COORDINATION OF SPACE SCIENCE AND TECHNOLOGY ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) Space Science and Technology Strategy.—

(1) The Under Secretary of the Air Force, in consultation with the Director of Defense Research and Engineering, shall develop a space science and technology strategy and shall review and, as appropriate, revise the strategy annually.

(2) The strategy shall, at a minimum, address the following issues:

(A) Short-term and long-term goals of the space science and technology programs of the Department of Defense.

(B) The process for achieving the goals, including an implementation plan.

(C) The process for assessing progress made toward achieving the goals.

(3) Not later than March 15, 2004, the Under Secretary shall submit a report on the space science and technology strategy to the Committees on Armed Services of the Senate and the House of Representatives.

(b) Required Coordination.—In executing the space science and technology strategy, the directors of the
research laboratories of the Department of Defense, the heads of other Department of Defense research components, and the heads of all other appropriate organizations identified jointly by the Under Secretary of the Air Force and the Director of Defense Research and Engineering—

(1) shall identify research laboratory projects that make contributions pertaining directly and uniquely to the development of space technology; and

(2) may execute the identified projects only with the concurrence of the Under Secretary of the Air Force.

(c) General Accounting Office Review.—(1) The Comptroller General shall review and assess the space science and technology strategy developed under subsection (a) and the effectiveness of the coordination process required under subsection (b).

(2) Not later than September 1, 2004, the Comptroller General shall submit a report containing the findings and assessment under paragraph (1) to the committees on Armed Services of the Senate and the House of Representatives.

(d) Definitions.—In this section:

(1) The term "research laboratory of the Department of Defense" means the following:

(A) The Air Force Research Laboratory.
(B) The Naval Research Laboratory.

(C) The Office of Naval Research.

(D) The Army Research Laboratory.

(2) The term “other Department of Defense research component” means the following:

(A) The Defense Advanced Research Projects Agency.

(B) The National Reconnaissance Office.

SEC. 912. SPACE PERSONNEL CADRE.

(a) Strategy Required.—(1) The Secretary of Defense shall develop a human capital resources strategy for space personnel of the Department of Defense.

(2) The strategy shall be designed to ensure that the space career fields of the military departments are integrated to the maximum extent practicable.

(b) Report.—Not later than February 1, 2004, the Secretary shall submit a report on the strategy to the Committees on Armed Services of the Senate and the House of Representatives. The report shall contain the following information:

(1) The strategy.

(2) An assessment of the progress made in integrating the space career fields of the military departments.
(3) A comprehensive assessment of the adequacy of the establishment of the Air Force officer career field for space under section 8084 of title 10, United States Code, as a solution for correcting deficiencies identified by the Commission To Assess United States National Security Space Management and Organization (established under section 1621 of Public Law 106–65; 113 Stat. 813; 10 U.S.C. 111 note).

(c) General Accounting Office Review.—(1) The Comptroller General shall review the strategy developed under subsection (a) the space career fields of the military departments and the plans of the military departments for developing space career fields. The review shall include an assessment of how effective the strategy and the space career fields and plans, when implemented, are likely to be for developing the necessary cadre of personnel who are expert in space systems development and space systems operations.

(2) Not later than June 15, 2004, the Comptroller General shall submit to the Committees referred to in subsection (a)(2) a report on the results of the review under paragraph (1), including the assessment required by such paragraph.
SEC. 913. POLICY REGARDING ASSURED ACCESS TO SPACE FOR UNITED STATES NATIONAL SECURITY PAYLOADS.

(a) POLICY.—It is the policy of the United States for the President to undertake actions appropriate to ensure, to the maximum extent practicable, that the United States has the capabilities necessary to launch and insert United States national security payloads into space whenever such payloads are needed in space.

(b) INCLUDED ACTIONS.—The appropriate actions referred to in subsection (a) shall include, at a minimum, providing resources and policy guidance to sustain—

(1) the availability of at least two space launch vehicles or families of space launch vehicles capable of delivering into space all payloads designated as national security payloads by the Secretary of Defense and the Director of Central Intelligence; and

(2) a robust space launch infrastructure and industrial base.

(c) COORDINATION.—The Secretary of Defense shall, to the maximum extent practicable, pursue the attainment of the capabilities described in subsection (a) in coordination with the Administrator of the National Space and Aeronautics Administration.
SEC. 914. PILOT PROGRAM TO PROVIDE SPACE SURVEILLANCE NETWORK SERVICES TO ENTITIES OUTSIDE THE UNITED STATES GOVERNMENT.

(a) Establishment.—The Secretary of Defense shall carry out a pilot program to provide eligible entities outside the Federal Government with satellite tracking services using assets owned or controlled by the Department of Defense.

(b) Eligible Entities.—The Secretary shall prescribe the requirements for eligibility to obtain services under the pilot program. The requirements shall, at a minimum, provide eligibility for the following entities:

(1) The governments of States.
(2) The governments of political subdivisions of States.
(3) United States commercial entities.
(4) The governments of foreign countries.
(5) Foreign commercial entities.

(c) Sale of Services.—Services under the pilot program may be provided by sale, except in the case of services provided to a government described in paragraph (1) or (2) of subsection (b).

(d) Contractor Intermediaries.—Services under the pilot program may be provided either directly to an eligible entity or through a contractor of the United States or a contractor of an eligible entity.
(c) Satellite Data and Related Analyses.—The services provided under the pilot program may include satellite tracking data or any analysis of satellite data if the Secretary determines that it is in the national security interests of the United States for the services to include such data or analysis, respectively.

(f) Reimbursement of Costs.—The Secretary may require an entity purchasing services under the pilot program to reimburse the Department of Defense for the costs incurred by the Department in entering into the sale.

(g) Crediting to Charged Accounts.—(1) The proceeds of a sale of services under the pilot program, together with any amounts reimbursed under subsection (f) in connection with the sale, shall be credited to the appropriation for the fiscal year in which collected that is or corresponds to the appropriation charged the costs of such services.

(2) Amounts credited to an appropriation under paragraph (1) shall be merged with other sums in the appropriation and shall be available for the same period and the same purposes as the sums with which merged.

(h) Nontransferability Agreement.—The Secretary shall require a recipient of services under the pilot program to enter into an agreement not to transfer any data or technical information, including any analysis of
satellite tracking data, to any other entity without the ex-
expressed approval of the Secretary.

(i) Prohibition Concerning Intelligence As-
sets or Data.—Services and information concerning, or
derived from, United States intelligence assets or data
may not be provided under the pilot program.

(j) Definitions.—In this section:

(1) The term “United States commercial enti-

ty” means an entity that is involved in commerce
and is organized under laws of a State, the District
of Columbia, the Commonwealth of Puerto Rico,
Guam, the United States Virgin Islands, the Com-
monwealth of the Northern Mariana Islands, or
American Samoa.

(2) The term “foreign commercial entity”
means an entity that is involved in commerce and is
organized under laws of a foreign country.

(k) Duration of Pilot Program.—The pilot pro-
gram under this section shall be conducted for three years
beginning on a date designated by the Secretary of De-
fense, but not later than 180 days after the date of the
enactment of this Act.
SEC. 915. CONTENT OF BIENNIAL GLOBAL POSITIONING SYSTEM REPORT.

(a) Revised Content.—Paragraph (1) of section 2281(d) of title 10, United States Code, is amended—

(1) by striking subparagraph (C);

(2) in subparagraph (E), by striking “Any progress made toward” and inserting “Progress and challenges in”;

(3) by striking subparagraph (F), and inserting the following:

“(F) Progress and challenges in protecting GPS from jamming, disruption, and interference.”;

(4) by redesignating subparagraphs (D), (E), and (F), as subparagraphs (C), (D), and (E), respectively; and

(5) by inserting after subparagraph (E), as so redesignated, the following new subparagraph (F):

“(F) Progress and challenges in developing the enhanced Global Positioning System required by section 218(b) of Public Law 105–261 (112 Stat. 1951; 10 U.S.C. 2281 note).”.

(b) Conforming Amendment.—Paragraph (2) of such section 2281(d) is amended by inserting “(C),” after “under subparagraphs”.

S 1047 PCS
Subtitle C—Other Matters

SEC. 921. COMBATANT COMMANDER INITIATIVE FUND.

(a) Redesignation of CINC Initiative Fund.—

(1) The CINC Initiative Fund administered under section 166a of title 10, United States Code, is redesignated as the “Combatant Commander Initiative Fund”.

(2) Section 166a of title 10, United States Code, is amended—

(A) by striking the heading for subsection (a) and inserting “COMBATANT COMMANDER INITIATIVE FUND.—“; and

(B) by striking “CINC Initiative Fund” in subsections (a), (c), and (d), and inserting “Combatant Commander Initiative Fund”.

(3) Any reference to the CINC Initiative Fund in any other provision of law or in any regulation, document, record, or other paper of the United States shall be considered to be a reference to the Combatant Commander Initiative Fund.

(b) Authorized Activities.—Subsection (b) of section 166a of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(10) Joint warfighting capabilities.”.
(c) INCREASED MAXIMUM AMOUNTS AUTHORIZED FOR USE.—Subsection (e)(1) of such section is amend-
ed—

(1) in subparagraph (A), by striking “$7,000,000” and inserting “$15,000,000”;

(2) in subparagraph (B), by striking “$1,000,000” and inserting “$10,000,000”; and

(3) in subparagraph (C), by striking “$2,000,000” and inserting “$10,000,000”.

SEC. 922. AUTHORITY FOR THE MARINE CORPS UNIVER-
SITY TO AWARD THE DEGREE OF MASTER OF 
OPERATIONAL STUDIES.

Section 7102(b) of title 10, United States Code, is 
amended—

(1) by striking “MARINE CORPS WAR COL-
LEGE.—” and inserting “AWARDING OF DE-
GREES.—(1)”; and

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

“(2) Upon the recommendation of the Director and 
faculty of the Command and Staff College of the Marine 
Corps University, the President of the Marine Corps Uni-
versity may confer the degree of master of operational 
studies upon graduates of the School of Advanced
1 Warfighting of the Command and Staff College who fulfill 
2 the requirements for that degree.”.

3 **SEC. 923. REPORT ON CHANGING ROLES OF UNITED 
4 STATES SPECIAL OPERATIONS COMMAND.**
5 
6 (a) **REPORT REQUIRED.**—Not later than 180 days 
7 after the date of the enactment of this Act, the Secretary 
8 of Defense shall submit to the Committees on Armed Serv-
9 ices of the Senate and the House of Representatives a re-
10 port on the changing roles of the United States Special 
11 Operations Command.
12 
13 (b) **CONTENT OF REPORT.**—(1) The report shall spe-
14 cifically discuss in detail the following matters:
15 
16 (A) The expanded role of the United States 
17 Special Operations Command in the global war on 
18 terrorism.
19 
20 (B) The reorganization of the United States 
21 Special Operations Command to function as a sup-
22 ported combatant command for planning and exe-
23 cuting operations.
24 
25 (C) The role of the United States Special Oper-
26 ations Command as a supporting combatant com-
27 mand.
28 
29 (2) The report shall also include, in addition to the 
30 matters discussed pursuant to paragraph (1), a discussion 
31 of the following matters:
(A) The military strategy to employ the United States Special Operations Command to fight the war on terrorism and how that strategy contributes to the overall national security strategy with regard to the global war on terrorism.

(B) The scope of the authority granted to the commander of the United States Special Operations Command to act as a supported commander and to prosecute the global war on terrorism.

(C) The operational and legal parameters within which the commander of the United States Special Operations Command is to exercise command authority in foreign countries when taking action against foreign and United States citizens engaged in terrorist activities.

(D) The decisionmaking procedures for authorizing, planning, and conducting individual missions, including procedures for consultation with Congress.

(E) The procedures for the commander of the United States Special Operations Command to use to coordinate with commanders of other combatant commands, especially geographic commands.

(F) Future organization plans and resource requirements for conducting the global counterterrorism mission.
(G) The impact of the changing role of the United States Special Operations Command on other special operations missions, including foreign internal defense, psychological operations, civil affairs, unconventional warfare, counterdrug activities, and humanitarian activities.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form and, as necessary, in classified form.

SEC. 924. INTEGRATION OF DEFENSE INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE CAPABILITIES

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

(1) As part of transformation efforts within the Department of Defense, each of the Armed Forces is developing intelligence, surveillance, and reconnaissance capabilities that best support future war fighting as envisioned by the leadership of the military department concerned.

(2) Concurrently, intelligence agencies of the Department of Defense outside the military departments are developing transformation roadmaps to best support the future decisionmaking and war fighting needs of their principal customers, but are
not always closely coordinating those efforts with the intelligence, surveillance, and reconnaissance development efforts of the military departments.

(3) A senior official of each military department has been designated as the integrator of intelligence, surveillance, and reconnaissance for each of the Armed Forces in such military department, but there is not currently a well-defined forum where the integrators of intelligence, surveillance, and reconnaissance capabilities for each of the Armed Forces can routinely interact with each other and with senior representatives of Department of Defense intelligence agencies, as well as with other members of the intelligence community, to ensure unity of effort and to preclude unnecessary duplication of effort.

(4) The current funding structure of a National Foreign Intelligence Program (NFIP), Joint Military Intelligence Program (JMIP), and Tactical Intelligence and Related Activities Program (TIARA) might not be the best approach for supporting the development of an intelligence, surveillance, and reconnaissance structure that is integrated to meet the national security requirements of the United States in the 21st century.
(5) The position of Under Secretary of Defense for Intelligence was established in 2002 by Public Law 107–314 in order to facilitate resolution of the challenges to achieving an integrated intelligence, surveillance, and reconnaissance structure in the Department of Defense to meet such 21st century requirements.

(b) GOAL.—It shall be a goal of the Department of Defense to fully coordinate and integrate the intelligence, surveillance, and reconnaissance capabilities and developmental activities of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands as those departments, agencies, and commands transform their intelligence, surveillance, and reconnaissance systems to meet current and future needs.

(c) REQUIREMENT.—(1) The Under Secretary of Defense for Intelligence shall establish an Intelligence, Surveillance, and Reconnaissance Integration Council to provide a permanent forum for the discussion and arbitration of issues relating to the integration of intelligence, surveillance, and reconnaissance capabilities.

(2) The Council shall be composed of the senior intelligence officers of the Armed Forces and the United States Special Operations Command, the Director of Operations...
of the Joint Staff, and the directors of the intelligence agencies of the Department of Defense.

(3) The Under Secretary of Defense for Intelligence shall invite the participation of the Director of Central Intelligence or his representative in the proceedings of the Council.

(d) ISR INTEGRATION ROADMAP.—The Under Secretary of Defense for Intelligence, in consultation with the Intelligence, Surveillance, and Reconnaissance Integration Council and the Director of Central Intelligence, shall develop a comprehensive Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap to guide the development and integration of the Department of Defense intelligence, surveillance, and reconnaissance capabilities for 15 years.

(e) REPORT.—(1) Not later than September 30, 2004, the Under Secretary of Defense for Intelligence shall submit to the committees of Congress specified in paragraph (2) a report on the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap developed under subsection (d). The report shall include the following matters:

(A) The fundamental goals established in the roadmap.
(B) An overview of the intelligence, surveillance, and reconnaissance integration activities of the military departments and the intelligence agencies of the Department of Defense.

(C) An investment strategy for achieving—

(i) an integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities that ensures sustainment of needed tactical and operational efforts; and

(ii) efficient investment in new intelligence, surveillance, and reconnaissance capabilities.

(D) A discussion of how intelligence gathered and analyzed by the Department of Defense can enhance the role of the Department of Defense in fulfilling its homeland security responsibilities.

(E) A discussion of how counterintelligence activities of the Armed Forces and the Department of Defense intelligence agencies can be better integrated.

(F) Recommendations on how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated Department of Defense intelligence, surveillance, and reconnaissance architecture.
(2) The committees of Congress referred to in paragraph (1) are as follows:

(A) The Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 925. ESTABLISHMENT OF THE NATIONAL GUARD OF THE NORTHERN MARIANA ISLANDS.

(a) Establishment.—The Secretary of Defense may cooperate with the Governor of the Northern Mariana Islands to establish the National Guard of the Northern Mariana Islands, and may integrate into the Army National Guard of the United States and the Air National Guard of the United States the members of the National Guard of the Northern Mariana Islands who are granted Federal recognition under title 32, United States Code.

(b) Amendments to Title 10.—(1) Section 101 of title 10, United States Code, is amended—

(A) in subsection (c), by inserting “the Northern Mariana Islands,” after “Puerto Rico,” in paragraphs (2) and (4); and
(B) in subsection (d)(5), by inserting “the Commonwealth of the Northern Mariana Islands,” after “the Commonwealth of Puerto Rico,”.

(2) Section 10001 of such title is amended by inserting “the Commonwealth of the Northern Mariana Islands,” after “the Commonwealth of Puerto Rico,”.

(c) Amendments to Title 32.—Title 32, United States Code, is amended as follows:

(1) Section 101 is amended—

(A) in paragraphs (4) and (6), by inserting “, the Northern Mariana Islands,” after “Puerto Rico”; and

(B) in paragraph (19), by inserting “the Commonwealth of the Northern Mariana Islands,” after “the Commonwealth of Puerto Rico,”.

(2) Section 103 is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(3) Section 104 is amended—

(A) in subsection (a), by striking “and Puerto Rico” and inserting “, Puerto Rico, and the Northern Mariana Islands”; and

(B) in subsections (c) and (d), by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.
(4) Section 107(b) is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(5) Section 109 is amended by inserting “the Northern Mariana Islands” in subsections (a), (b), and (c) after “Puerto Rico,”.

(6) Section 112(i)(3) is amended by inserting “the Commonwealth of the Northern Mariana Islands,” after “the Commonwealth of Puerto Rico,”.

(7) Section 304 is amended by inserting “, the Northern Mariana Islands,” after “or of Puerto Rico” in the sentence following the oath.

(8) Section 314 is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico” in subsections (a) and (d).

(9) Section 315 is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico” each place it appears.

(10) Section 325(a) is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(11) Section 501(b) is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

•S 1047 PCS
(12) Section 503(b) is amended by inserting “,
the Northern Mariana Islands,” after “Puerto
Rico”.

(13) Section 504(b) is amended by inserting “,
the Northern Mariana Islands,” after “Puerto
Rico”.

(14) Section 505 is amended by inserting “or
the Northern Mariana Islands,” after “Puerto
Rico,” in the first sentence.

(15) Section 509(l)(1) is amended by inserting
“the Commonwealth of the Northern Mariana Is-
lands,” after “the Commonwealth of Puerto Rico,”.

(16) Section 702 is amended—

(A) in subsection (a), by inserting “, or the
Northern Mariana Islands,” after “Puerto
Rico”; and

(B) in subsections (b), (c), and (d), by in-
serting “, the Northern Mariana Islands,” after
“Puerto Rico”.

(17) Section 703 is amended by inserting “, the
Northern Mariana Islands,” after “Puerto Rico” in
subsections (a) and (b).

(18) Section 704 is amended by inserting “, the
Northern Mariana Islands,” after “Puerto Rico” in
subsections (a) and (b).
(19) Section 708 is amended—

(A) in subsection (a), by striking “and Puerto Rico,” and inserting “Puerto Rico, and the Northern Mariana Islands,”; and

(B) in subsection (d), by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(20) Section 710 is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico” each place it appears in subsections (c), (d)(3), (e), and (f)(1).

(21) Section 711 is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(22) Section 712(1) is amended by inserting “, the Northern Mariana Islands,” after “Puerto Rico”.

(23) Section 715(c) is amended by striking “or the District of Columbia or Puerto Rico,” and inserting “, the District of Columbia, Puerto Rico, or the Northern Mariana Islands”.

(d) AMENDMENTS TO TITLE 37.—Section 101 of title 37, United States Code, is amended by striking “the Canal Zone,” in paragraphs (7) and (9) and inserting “the Northern Mariana Islands,”.
(e) Other References.—Any reference that is made in any other provision of law or in any regulation of the United States to a State, or to the Governor of a State, in relation to the National Guard (as defined in section 101(3) of title 32, United States Code) shall be considered to include a reference to the Commonwealth of the Northern Mariana Islands or to the Governor of the Northern Mariana Islands, respectively.

TITLE X—GENERAL PROVISIONS
Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) Authority To Transfer Authorizations.—

(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2004 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,000,000,000.
(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

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

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

effect on authorization amounts.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2004.

(a) Fiscal Year 2004 Limitation.—The total amount contributed by the Secretary of Defense in fiscal year 2004 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum
amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) **Total Amount.**—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2003, of funds appropriated for fiscal years before fiscal year 2004 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) **Authorized Amounts.**—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $853,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $207,125,000 for the Military Budget.

(d) **Definitions.**—For purposes of this section:

(1) **Common-Funded Budgets of NATO.**—The term “common-funded budgets of NATO” means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic
Treaty Organization (and any successor or additional account or program of NATO).

(2) Fiscal Year 1998 Baseline Limitation.—
The term “fiscal year 1998 baseline limitation” means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.


(a) DOD and DOE Authorizations.—Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2003 in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are in-
increased by a transfer of funds, pursuant to title I of Public Law 108–11.

(b) Report on Fiscal Year 2003 Transfers.—Not later than 30 days after the end of each fiscal quarter for which unexpended balances of funds appropriated under title I of Public Law 108–11 are available for the Department of Defense, the Secretary of Defense shall submit to the congressional defense committees a report stating, for each transfer of such funds during such fiscal quarter of an amount provided for the Department of Defense through a so-called “transfer account”, including the Iraqi Freedom Fund or any other similar account—

(1) the amount of the transfer;

(2) the appropriation account to which the transfer was made; and

(3) the specific purpose for which the transferred funds were used or are to be used.

Subtitle B—Improvement of Travel Card Management

SEC. 1011. MANDATORY DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY TO TRAVEL CARD CREDITORS.

Section 2784a(a) of title 10, United States Code, is amended—
(1) in paragraph (1), by striking “The Secretary of Defense may require” and inserting “The Secretary of Defense shall require”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

“(2) The Secretary of Defense may waive the requirement for a direct payment to a travel care issuer under paragraph (1) in any case in which it is determined under regulations prescribed by the Secretary that the direct payment would be against equity and good conscience or would be contrary to the best interests of the United States.”.

SEC. 1012. DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.

Section 2784a of title 10, United States Code, is amended—

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

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

“(d) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—(1) The Secretary of Defense shall require that the creditworthiness
of an individual be evaluated before a Defense travel card is issued to the individual. The evaluation may include an examination of the individual’s credit history in available credit records.

“(2) An individual may not be issued a Defense travel card if the individual is found not creditworthy as a result of the evaluation required under paragraph (1).”.

SEC. 1013. DISCIPLINARY ACTIONS AND ASSESSING PENALTIES FOR MISUSE OF DEFENSE TRAVEL CARDS.

(a) REQUIREMENT FOR GUIDANCE.—The Secretary of Defense shall prescribe guidelines and procedures for making determinations regarding the taking of disciplinary action, including assessment of penalties, against Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

(b) ACTIONS COVERED.—The disciplinary actions and penalties covered by the guidance and procedures prescribed under subsection (a) may include the following:

(1) Civil actions for false claims under sections 3729 through 3731 of title 31, United States Code.

(2) Administrative remedies for false claims and statements provided under chapter 38 of title 31, United States Code.
(3) In the case of civilian personnel, adverse personnel actions under chapter 75 of title 5, United States Code, and any other disciplinary actions available under law for employees of the United States.

(4) In the case of members of the Armed Forces, disciplinary actions and penalties under chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

(c) REPORT.—Not later than February 1, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the guidelines and penalties prescribed under subsection (a). The report shall include the following:

(1) The guidelines and penalties.

(2) A discussion of the implementation of the guidelines and penalties.

(3) A discussion of any additional administrative action, or any recommended legislation, that the Secretary considers necessary to effectively take disciplinary action against and penalize Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.
(d) **DEFENSE TRAVEL CARD DEFINED.**—In this section, the term “Defense travel card” has the meaning given such term in section 2784a(d)(1) of title 10, United States Code.

**Subtitle C—Reports**

SEC. 1021. ELIMINATION AND REVISION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) **PROVISIONS OF TITLE 10.**—Title 10, United States Code, is amended as follows:

(1) Section 128 is amended by striking subsection (d).

(2) Section 437 is amended—

(A) by striking subsection (b); and

(B) in subsection (c)—

(i) by striking “and” at the end of paragraph (2);

(ii) by striking the period at the end of paragraph (3) and inserting “; and”;

and

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

“(4) a description of each corporation, partnership, and other legal entity that was established during such fiscal year.”.
(3)(A) Section 520c is amended—

(i) by striking subsection (b);

(ii) by striking “(a) Provision of Meals and Refreshments.”; and

(iii) by striking the heading for such section and inserting the following:

“§ 520c. Provision of meals and refreshments for recruiting purposes”.

(B) The item relating to such section in the table of sections at the beginning of chapter 31 of such title is amended to read as follow:

“520c. Provision of meals and refreshments for recruiting purposes.”.

(4) Section 986 is amended by striking subsection (e).

(5) Section 1060 is amended by striking subsection (d).

(6) Section 2212 is amended by striking subsections (d) and (e).

(7) Section 2224 is amended by striking subsection (e).

(8) Section 2255(b) is amended—

(A) by striking paragraph (2);

(B) by striking “(b) Exception.—(1)” and inserting “(b) Exception.—”;
(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(D) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively.

(9) Section 2323(i) is amended by striking paragraph (3).

(10) Section 2350a is amended by striking subsection (f).

(11) Section 2350b(d) is amended—

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

“(1) Not later than 90 days after the end of each fiscal year in which the Secretary of Defense has authority delegated as described in subsection (a), the Secretary shall submit to Congress a report on the administration of such authority under this section. The report for a fiscal year shall include the following information:

“(A) Each prime contract that the Secretary required to be awarded to a particular prime contractor during such fiscal year, and each subcontract that the Secretary required be awarded to a particular subcontractor during such fiscal year, to comply with a cooperative agreement, together with
the reasons that the Secretary exercised authority to
designate a particular contractor or subcontractor,
as the case may be.

“(B) Each exercise of the waiver authority
under subsection (c) during such fiscal year, includ-
ing the particular provision or provisions of law that
were waived.”; and

(B) by redesignating paragraph (3) as
paragraph (2).

(12) Section 2371(h) is amended by adding at
the end the following new paragraph:
“(3) No report is required under this section for fis-
cal years after fiscal year 2006.”.

(13) Section 2515(d) is amended—
(A) by striking “ANNUAL REPORT.—” and
inserting “BIENNIAL REPORT.—”; and
(B) in paragraph (1)—
(i) in the second sentence, by striking
“each year” and inserting “each even-num-
bered year”; and
(ii) in the third sentence, by striking
“during the fiscal year” and inserting
“during the two fiscal years”.

(14) Section 2541d is amended—
(A) by striking subsection (b); and
(B) by striking "(a) REPORT BY COMMERCIAL FIRMS TO SECRETARY OF DEFENSE.—"

(15) Section 2645(d) is amended—

(A) by striking "to Congress" and all that follows through "notification of the loss" in paragraph (1) and inserting "to Congress notification of the loss";

(B) by striking "loss; and" and inserting "loss."; and

(C) by striking paragraph (2).

(16) Section 2680 is amended by striking subsection (e).

(17) Section 2688(e) is amended to read as follows:

"(e) QUARTERLY REPORT.—(1) Not later than 30 days after the end of each quarter of a fiscal year, the Secretary shall submit to the congressional defense committees a report on the conveyances made under subsection (a) during such fiscal quarter. The report shall include, for each such conveyance, an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

"(A) the long-term economic benefit of the conveyance to the United States exceeds the long-term
economic cost of the conveyance to the United States; and

“(B) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned.

“(2) In this section, the term ‘congressional defense committees’ means the following:

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

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

(18) Section 2807(b) is amended by striking “$500,000” and inserting “$1,000,000”.

(19) Section 2827 is amended—

(A) by striking subsection (b); and

(B) by striking “(a) Subject to subsection (b), the Secretary” and inserting “The Secretary”.

(20) Section 2902(g) is amended—

(A) by striking paragraph (2); and

(B) by striking “(g)(1)” and inserting “(g)”.

(21) Section 9514 is amended—

(A) in subsection (e)—
(i) by striking “to Congress” and all
that follows through “notification of the
loss” in paragraph (1) and inserting “to
Congress notification of the loss”;  
(ii) by striking “loss; and” and inserting
“loss.”; and
(iii) by striking paragraph (2); and
(B) by striking subsection (f).

(b) National Defense Authorization Act for
Fiscal Years 1992 and 1993.—Section 734 of the Na-
tional Defense Authorization Act for Fiscal Years 1992
and 1993 (Public Law 102–190; 105 Stat. 1411; 10
U.S.C. 1074 note) is amended by striking subsection (c).

(c) National Defense Authorization Act for
Fiscal Year 1993.—Section 324 of the National Defense
Authorization Act for Fiscal Year 1993 (Public Law 102–
484; 106 Stat. 2367; 10 U.S.C. 2701 note) is amended—
(1) by striking subsection (b); and
(2) in subsection (a), by striking “(a) Sense
of Congress.—”.

(d) National Defense Authorization Act for
Fiscal Year 1995.—Section 721 of the National Defense
Authorization Act for Fiscal Year 1995 (Public Law 103–
337; 108 Stat. 2804; 10 U.S.C. 1074 note) is amended
by striking subsection (h).


(1) in section 745(e) (112 Stat. 2078; 10 U.S.C. 1071 note)—

(A) by striking paragraph (2); and

(B) by striking “TRICARE.—(1) The” and inserting “TRICARE.—The”; and


(1) by striking section 1025 (113 Stat. 748; 10 U.S.C. 113 note);
(2) in section 1039 (113 Stat. 756; 10 U.S.C. 113 note), by striking subsection (b); and
(3) in section 1201 (113 Stat. 779; 10 U.S.C. 168 note) by striking subsection (d).

(h) Department of Defense and Emergency Supplemental Appropriations for Recovery From and Response to Terrorist Attacks on the United States Act, 2002.—Section 8009 of the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002 (Public Law 107–117; 115 Stat. 2249) is amended by striking “, and these obligations shall be reported to the Congress as of September 30 of each year”.

SEC. 1022. GLOBAL STRIKE PLAN.

(a) Integrated Plan for Prompt Global Strike.—The Secretary of Defense shall prescribe an integrated plan for developing, deploying, and sustaining a prompt global strike capability in the Armed Forces. The Secretary shall update the plan annually.

(b) Reports Required.—(1) Not later than April 1 of each of 2004, 2005, and 2006, the Secretary shall submit to the congressional defense committees a report on the plan prescribed under subsection (a).
(2) Each report required under paragraph (1) shall include the following:

(A) A description and assessment of the targets against which long-range strike assets might be directed and the conditions under which the assets might be used.

(B) The role of, and plans for ensuring, sustainment and modernization of current long-range strike assets, including bombers, intercontinental ballistic missiles, and submarine launched ballistic missiles.

(C) A description of the capabilities desired for advanced long-range strike assets and plans to achieve those capabilities.

(D) A description of the capabilities desired for advanced conventional munitions and the plans to achieve those capabilities.

(E) An assessment of advanced nuclear concepts that could contribute to the prompt global strike mission.

(F) An assessment of the command, control, and communications capabilities necessary to support prompt global strike capabilities.
An assessment of intelligence, surveillance, and reconnaissance capabilities necessary to support prompt global strike capabilities.

A description of how prompt global strike capabilities are to be integrated with theater strike capabilities.

An estimated schedule for achieving the desired prompt global strike capabilities.

The estimated cost of achieving the desired prompt global strike capabilities.

A description of ongoing and future studies necessary for updating the plan appropriately.

SEC. 1023. REPORT ON THE CONDUCT OF OPERATION IRAQI FREEDOM.

(a) REPORT REQUIRED.—(1) The Secretary of Defense shall summit to the congressional defense committees, not later than March 31, 2004, a report on the conduct of military operations under Operation Iraqi Freedom.

(2) The report shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the Commander of the United States Central Command, and such other officials as the Secretary considers appropriate.

(b) CONTENT.—(1) The report shall include a discussion of the matters described in paragraph (2), with a par-
particular emphasis on accomplishments and shortcomings
and on near-term and long-term corrective actions to ad-
dress the shortcomings.

(2) The matters to be discussed in the report are as
follows:

(A) The military objectives of the international
coalition conducting Operation Iraqi Freedom, the
military strategy selected to achieve the objectives,
and an assessment of the execution of the military
strategy.

(B) The deployment process, including the
adaptability of the process to unforeseen contin-
gencies and changing requirements.

(C) The reserve component mobilization proc-
ess, including the timeliness of notification, training,
and subsequent demobilization.

(D) The use and performance of major items of
United States military equipment, weapon systems,
and munitions (including items classified under spe-
cial access procedures and items drawn from
prepositioned stocks) and any expected effects of the
experience with the use and performance of those
items on the doctrinal and tactical employment of
such items and on plans for continuing the acquisi-
tion of such items.
(E) Any additional identified requirements for military equipment, weapon systems, and munitions, including mix and quantity for future contingencies.

(F) The effectiveness of joint air operations, including the doctrine for the employment of close air support in the varied environments of Operation Iraqi Freedom, and the effectiveness of attack helicopter operations.

(G) The use of special operations forces, including operational and intelligence uses.

(H) The scope of logistics support, including support from other nations.

(I) The incidents of accidental fratricide, together with a discussion of the effectiveness of the tracking of friendly forces and of the combat identification systems in mitigating friendly fire incidents.

(J) The adequacy of spectrum and bandwidth to transmit all necessary information to operational forces and assets, including unmanned aerial vehicles, ground vehicles, and individual soldiers.

(K) The effectiveness of information operations, including the effectiveness of Commando Solo and other psychological operations assets, in achieving established objectives, together with a description of
technological and other restrictions on the use of
psychological operations capabilities.

(L) The effectiveness of the reserve component
forces used in Operation Iraqi Freedom.

(M) The adequacy of intelligence support to the
warfighter before, during, and after combat oper-
ations, including the adequacy of such support to fa-
cilitate searches for weapons of mass destruction.

(N) The rapid insertion and integration, if any,
of developmental but mission-essential equipment
during all phases of the operation.

(O) The most critical lessons learned that could
lead to long-term doctrinal, organizational, and tech-
ological changes, and the probable effects that an
implementation of those changes would have on cur-
rent visions, goals, and plans for transformation of
the Armed Forces.

(c) FORMS OF REPORT.—The report shall be sub-
mitted in unclassified form, but may also be submitted in
classified form if necessary.

SEC. 1024. REPORT ON MOBILIZATION OF THE RESERVES.

(a) REQUIREMENT FOR REPORT.—Not later than 90
days after the date of the enactment of this Act, the Sec-
retary of Defense shall submit to the Committees on
Armed Services of the Senate and the House of Represent-
atives a report on the mobilization of reserve component forces during fiscal years 2002 and 2003.

(b) CONTENT.—The report under subsection (a) shall include, for the period covered by the report, the following information:

(1) The number of Reserves who were called or ordered to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code.

(2) The number of such Reserves who were called or ordered to active duty for one year or more, including any extensions on active duty.

(3) The military specialties of the Reserves counted under paragraph (2).

(4) The number of Reserves who were called or ordered to active duty more than once under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code.

(5) The military specialties of the Reserves counted under paragraph (4).

(6) The known effects on the reserve components, including the effects on recruitment and retention of personnel for the reserve components, that have resulted from—
(A) the calls and orders of Reserves to active duty; and

(B) the tempo of the service of the Reserves on the active duty to which called or ordered.

(7) The changes in the Armed Forces, including any changes in the allocation of roles and missions between the active components and the reserve components of the Armed Forces, that are envisioned by the Secretary of Defense on the basis of—

(A) the effects discussed under paragraph (6); or

(B) the experienced need for calling and ordering Reserves to active duty during the period.

(8) An assessment of how necessary it would be to call or order Reserves to active duty in the event of a war or contingency operation (as defined in section 101(a)(13) of title 10, United States Code) if such changes were implemented.

(9) On the basis of the experience of calling and ordering Reserves to active duty during the period, an assessment of the process for calling and ordering Reserves to active duty, preparing such Reserves for the active duty, processing the Reserves into the
force upon entry onto active duty, and deploying the
Reserves, including an assessment of the adequacy
of the alert and notification process from the per-
spectives of the individual Reserves, reserve compo-
nent units, and employers of Reserves.

Subtitle D—Other Matters

SEC. 1031. BLUE FORCES TRACKING INITIATIVE.

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

(1) For military commanders, a principal pur-
pose of technology is to enable the commanders to
ascertain the location of the units in their commands
in near real time.

(2) Each of the Armed Forces is developing and
testing a variety of technologies for tracking friendly
forces (known as “blue forces”).

(3) Situational awareness of blue forces has
been much improved since the 1991 Persian Gulf
War, but blue forces tracking remains a complex
problem characterized by information that is incom-
plete, not fully accurate, or untimely.

(4) Casualties in recent warfare have declined,
but casualties associated with friendly fire incidents
have remained relatively constant.
Despite significant investment, a coordinated, interoperable plan for tracking blue forces throughout a United States or coalition forces theater of operations has not been developed.

(b) GOAL.—It shall be a goal of the Department of Defense to fully coordinate the various efforts of the Joint Staff, the commanders of the combatant commands, and the military departments to develop an effective blue forces tracking system.

(c) JOINT BLUE FORCES TRACKING EXPERIMENT.—

(1) The Secretary of Defense, through the Commander of the United States Joint Forces Command, shall carry out a joint experiment in fiscal year 2004 to demonstrate and evaluate available joint blue forces tracking technologies.

(2) The objectives of the experiment are as follows:

(A) To explore various options for tracking United States and other friendly forces during combat operations.

(B) To determine an optimal, achievable, and ungradable solution for the development, acquisition, and fielding of a system for tracking all United States military forces that is coordinated and interoperable and also accommodates the participation of military forces of allied nations with United States forces in combat operations.
(d) REPORT.—Not later than 60 days after the conclusion of the experiment under subsection (c), but not later than December 1, 2004, the Secretary shall submit to the congressional defense committees a report on the results of the experiment, together with a comprehensive plan for the development, acquisition, and fielding of a functional, near real time blue forces tracking system.

SEC. 1032. LOAN, DONATION, OR EXCHANGE OF OBSOLETE OR SURPLUS PROPERTY.

During fiscal years 2004 and 2005, the Secretary of the military department concerned may exchange for an historical artifact any obsolete or surplus property held by such military department in accordance with section 2572 of title 10, United States Code, without regard to whether the property is described in subsection (c) of such section.

SEC. 1033. ACCEPTANCE OF GIFTS AND DONATIONS FOR ASIA-PACIFIC CENTER FOR SECURITY STUDIES.

(a) AUTHORIZED SOURCES OF GIFTS AND DONATIONS.—Subsection (a) of section 2611 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “foreign gifts and donations” and inserting “gifts and donations from sources described in paragraph (2)”;

•S 1047 PCS
(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

“(2) The sources from which gifts and donations may be accepted under paragraph (1) are as follows:

“(A) A department or agency of the Federal Government.

“(B) The government of a State or of a political subdivision of a State.

“(C) The government of a foreign country.

“(D) A foundation or other charitable organization, including a foundation or charitable organization that is organized or operates under the laws of a foreign country.

“(E) Any source in the private sector of the United States or a foreign country.”.

(b) CONFORMING AMENDMENTS.—(1) The headings for subsections (a) and (f) of such section are amended by striking “FOREIGN”.

(2) Subsection (c) is amended by striking “foreign”.

(3) Subsection (f) is amended—

(A) by striking “foreign”; and

(B) by striking “faculty services)” and all that follows and inserting “faculty services).”.

(4)(A) The heading of such section is amended to read as follows:


(B) The item relating to such section in the table of sections at the beginning of chapter 155 is amended to read as follows:

"2611. Asia-Pacific Center for Security Studies: acceptance of gifts and donations."

SEC. 1034. PROVISION OF LIVING QUARTERS FOR CERTAIN STUDENTS WORKING AT NATIONAL SECURITY AGENCY LABORATORY.

Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) The Director of the National Security Agency may provide living quarters to a student in the Student Educational Employment Program or similar program (as prescribed by the Office of Personnel Management) while the student is employed at the laboratory of the Agency.

“(2) Notwithstanding section 5911(c) of title 5, living quarters may be provided under paragraph (1) without charge, or at rates or charges specified in regulations prescribed by the Director.”.
SEC. 1035. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) IN GENERAL.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 204. Operational files of the National Security Agency: authority to withhold from public disclosure

“(a) AUTHORITY.—The Secretary of Defense may withhold from public disclosure operational files of the National Security Agency to the same extent that operational files may be withheld under section 701 of the National Security Act of 1947 (50 U.S.C. 431).

“(b) OPERATIONAL FILES DEFINED.—In this section, the term ‘operational files’ means files of the National Security Agency that document the means by which foreign intelligence or counterintelligence is collected through technical systems. Files that contain disseminated intelligence are not operational files.”.

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

“204. Operational files of the National Security Agency: authority to withhold from public disclosure.”.
SEC. 1036. TRANSFER OF ADMINISTRATION OF NATIONAL
SECURITY EDUCATION PROGRAM TO DIRECTOR OF CENTRAL INTELLIGENCE.


(1) in subsection (a), by striking “Secretary of Defense” and inserting “Director of Central Intelligence”; and

(2) by striking “Secretary” each place it appears (other than in subsection (h)) and inserting “Director”.

(b) AWARDS TO ATTEND FOREIGN LANGUAGE CENTER.—Section 802(h) of such Act (50 U.S.C. 1902(h)) is amended by inserting “of Defense” after “Secretary” each place it appears.

(c) NATIONAL SECURITY EDUCATION BOARD.—(1) Section 803 of such Act (50 U.S.C. 1903) is amended—

(A) in subsection (a), by striking “Secretary of Defense” and inserting “Director”;

(B) in subsection (b)—

(i) in paragraph (1), by striking “Secretary of Defense” and inserting “Director”;

(ii) by redesignating paragraphs (2) through (7) as paragraphs (3) through (8), respectively; and
(iii) by inserting after paragraph (1), as so amended, the following new paragraph (2):

“(2) The Secretary of Defense.”;

(C) in subsection (c), by striking “subsection (b)(6)” and inserting “subsection (b)(8)”;

(D) in subsection (d), by striking “Secretary” each place it appears and inserting “Director”.

(2) Section 806(d) of such Act (50 U.S.C. 1906(d)) is amended by striking “paragraphs (1) through (7)” and inserting “paragraphs (2) through (8)”.

(d) ADMINISTRATIVE PROVISIONS.—Section 805 of such Act (50 U.S.C. 1905) is amended by striking “Secretary” each place it appears and inserting “Director”.

(e) ANNUAL REPORT.—Section 806 of such Act (50 U.S.C. 1906) is amended by striking “Secretary” each place it appears and inserting “Director”.

(f) AUDITS.—Section 807 of such Act (50 U.S.C. 1907) is amended by striking “Department of Defense” and inserting “Central Intelligence Agency”.

(g) DEFINITION.—Section 808 of such Act (50 U.S.C. 1908) is amended—

(1) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively; and

(2) by inserting before paragraph (2) the following new paragraph (1):

•S 1047 PCS
“(1) The term ‘Director’ means the Director of Central Intelligence.”.

(h) MATTERS RELATING TO NATIONAL FLAGSHIP LANGUAGE INITIATIVE.—(1) Effective as if included therein as enacted by section 333(a) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2396), section 802(i)(1) of the David L. Boren National Security Education Act of 1991 is amended by striking “Secretary” and inserting “Director”.

(2) Effective as if included therein as enacted by section 333(b) of the Intelligence Authorization Act for Fiscal Year 2003 (116 Stat. 2397), section 811(a) of the David L. Boren National Security Education Act of 1991 is amended by striking “Secretary” each place it appears and inserting “Director”.

(i) EFFECT OF TRANSFER OF ADMINISTRATION ON SERVICE AGREEMENTS.—(1) The transfer to the Director of Central Intelligence of the administration of the National Security Education Program as a result of the amendments made by this section shall not affect the force, validity, or terms of any service agreement entered into under section 802(b) of the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1902(b)) before the date of the enactment of this Act that is in force as of that date, except
that the Director shall administer such service agreement
in lieu of the Secretary of Defense.

(2) Notwithstanding any other provision of law, the
Director of Central Intelligence may, for purposes of the
implementation of any service agreement referred to in
paragraph (1), adopt regulations for the implementation
of such service agreement that were prescribed by the Sec-
retary of Defense under the David L. Boren National Se-
curity Education Act of 1991 before the date of the enact-
ment of this Act.

(j) REPEAL OF SATISFIED REQUIREMENTS.—Section
802(g) of the David L. Boren National Security Edu-
cation Act of 1991 (title VIII of Public Law 102–183; 50
U.S.C. 1902(g)) is amended—

(1) in paragraph (1)—

(A) by striking ``(1)''; and

(B) by striking the second sentence; and

(2) by striking paragraph (2).

(k) TECHNICAL AMENDMENT.—Paragraph (5)(A) of
section 808 of such Act, as redesignated by subsection
(g)(1) of this section, is further amended by striking “a
agency” and inserting “an agency”.
SEC. 1037. REPORT ON USE OF UNMANNED AERIAL VEHICLES FOR SUPPORT OF HOMELAND SECURITY MISSIONS.

(a) REQUIREMENT FOR REPORT.—Not later than April 1, 2004, the President shall submit to Congress a report on the potential uses of unmanned aerial vehicles for support of the performance of homeland security missions.

(b) CONTENT.—The report shall, at a minimum, include the following matters:

(1) An assessment of the potential for using unmanned aerial vehicles for monitoring activities in remote areas along the northern and southern borders of the United States.

(2) An assessment of the potential for using long-endurance, land-based unmanned aerial vehicles for supporting the Coast Guard in the performance of its homeland security missions, drug interdiction missions, and other maritime missions along the approximately 95,000 miles of inland waterways in the United States.

(3) An assessment of the potential for using unmanned aerial vehicles for monitoring the safety and integrity of critical infrastructure within the territory of the United States, including the following:

(A) Oil and gas pipelines.
(B) Dams.

(C) Hydroelectric power plants.

(D) Nuclear power plants.

(E) Drinking water utilities.

(F) Long-distance power transmission lines.

(4) An assessment of the potential for using unmanned aerial vehicles for monitoring the transportation of hazardous cargo.

(5) A discussion of the safety issues involved in—

(A) the use of unmanned aerial vehicles by agencies other than the Department of Defense; and

(B) the operation of unmanned aerial vehicles over populated areas of the United States.

(6) A discussion of—

(A) the effects on privacy and civil liberties that could result from the monitoring uses of unmanned aerial vehicles operated over the territory of the United States; and

(B) any restrictions on the domestic use of unmanned aerial vehicles that should be imposed, or any other actions that should be taken, to prevent any adverse effect of such a
use of unmanned aerial vehicles on privacy or civil liberties.

(7) A discussion of what, if any, legislation and organizational changes may be necessary to accommodate the use of unmanned aerial vehicles of the Department of Defense in support of the performance of homeland security missions, including any amendment of section 1385 of title 18, United States Code (popularly referred to as the “Posse Comitatus Act”).

(8) An evaluation of the capabilities of manufacturers of unmanned aerial vehicles to produce such vehicles at higher rates if necessary to meet any increased requirements for homeland security and homeland defense missions.

(e) REFERRAL TO COMMITTEES.—The report under subsection (a) shall be referred—

(1) upon receipt in the Senate, to the Committee on Armed Services of the Senate; and

(2) upon receipt in the House of Representatives, to the Committee on Armed Services of the House of Representatives.
SEC. 1038. CONVEYANCE OF SURPLUS T-37 AIRCRAFT TO AIR FORCE AVIATION HERITAGE FOUNDATION, INCORPORATED.

(a) AUTHORITY.—The Secretary of the Air Force may convey, without consideration, to the Air Force Aviation Heritage Foundation, Incorporated, of Georgia (in this section referred to as the “Foundation”), all right, title, and interest of the United States in and to one surplus T–37 “Tweet” aircraft. The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The Secretary may not convey ownership of the aircraft under subsection (a) until the Secretary determines that the Foundation has altered the aircraft in such manner as the Secretary determines necessary to ensure that the aircraft does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) CONDITIONS FOR CONVEYANCE.—(1) The conveyance of a T–37 aircraft under this section shall be subject to the following conditions:

(A) That the Foundation not convey any ownership interest in, or transfer possession of, the air-
craft to any other party without the prior approval of the Secretary of the Air Force.

(B) That the operation and maintenance of the aircraft comply with all applicable limitations and maintenance requirements imposed by the Administrator of the Federal Aviation Administration.

(C) That if the Secretary of the Air Force determines at any time that the Foundation has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, or has failed to comply with the condition set forth in subparagraph (B), all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(2) The Secretary shall include the conditions under paragraph (1) in the instrument of conveyance of the T–37 aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—Any conveyance of a T–37 aircraft under this section shall be made at no cost to the United States. Any costs associated with such conveyance, costs of determining compliance by the Foundation with the conditions
in subsection (b), and costs of operation and maintenance
of the aircraft conveyed shall be borne by the Foundation.

(c) ADDITIONAL TERMS AND CONDITIONS.—The
Secretary of the Air Force may require such additional
terms and conditions in connection with the conveyance
under this section as the Secretary considers appropriate
to protect the interests of the United States.

(f) CLARIFICATION OF LIABILITY.—Notwithstanding
any other provision of law, upon the conveyance of owner-
ship of a T–37 aircraft to the Foundation under sub-
section (a), the United States shall not be liable for any
death, injury, loss, or damage that results from any use
of that aircraft by any person other than the United
States.

TITLE XI—DEPARTMENT OF DE-
FENSE CIVILIAN PERSONNEL
POLICY

SEC. 1101. AUTHORITY TO EMPLOY CIVILIAN FACULTY
MEMBERS AT THE WESTERN HEMISPHERE
INSTITUTE FOR SECURITY COOPERATION.

Section 1595(c) of title 10, United States Code, is
amended by adding at the end the following new para-
graph:

“(6) The Western Hemisphere Institute for Se-
curity Cooperation.”.
SEC. 1102. PAY AUTHORITY FOR CRITICAL POSITIONS.

(a) AUTHORITY.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

§ 1599e. Pay authority for critical positions

“(a) AUTHORITY GENERALLY.—(1) When the Secretary of Defense seeks a grant of authority under section 5377 of title 5 for critical pay for one or more positions within the Department of Defense, the Director of the Office of Management and Budget may fix the rate of basic pay, notwithstanding sections 5377(d)(2) and 5307 of such title, at any rate up to the salary set in accordance with section 104 of title 3.

“(2) Notwithstanding section 5307 of title 5, no allowance, differential, bonus, award, or similar cash payment may be paid to any employee receiving critical pay at a rate fixed under paragraph (1), in any calendar year if, or to the extent that, the employee’s total annual compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

“(b) TEMPORARY STREAMLINED CRITICAL PAY AUTHORITY.—(1) The Secretary of Defense may establish, fix the compensation of, and appoint persons to positions designated as critical administrative, technical, or profes-
sional positions needed to carry out the functions of the
Department of Defense, subject to paragraph (2).

“(2) The authority under paragraph (1) may be exer-
cised with respect to a position only if—

“(A) the position—

“(i) requires expertise of an extremely high
level in an administrative, technical, or profes-
sional field; and

“(ii) is critical to the successful accom-
plishment of an important mission by the De-
partment of Defense;

“(B) the exercise of the authority is necessary
to recruit or retain a person exceptionally well qual-
ified for the position;

“(C) the number of all positions covered by the
exercise of the authority does not exceed 40 at any
one time;

“(D) in the case of a position designated as a
critical administrative, technical, or professional po-
sition by an official other than the Secretary of De-
fense, the designation is approved by the Secretary;

“(E) the term of appointment to the position is
limited to not more than four years;

“(F) the appointee to the position was not a
Department of Defense employee before the date of
the enactment of the National Defense Authorization Act for Fiscal Year 2004;

“(G) the total annual compensation for the appointee to the position does not exceed the highest total annual compensation payable at the rate determined under section 104 of title 3; and

“(H) the position is excluded from collective bargaining units.

“(3) The authority under this subsection may be exercised without regard to—

“(A) subsection (a);

“(B) the provisions of title 5 governing appointments in the competitive service or the Senior Executive Service; and

“(C) chapters 51 and 53 of title 5, relating to classification and pay rates.

“(4) The authority under this subsection may not be exercised after the date that is 10 years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004.

“(5) For so long as a person continues to serve without a break in service in a position to which appointed under this subsection, the expiration of authority under this subsection does not terminate the position, terminate the person’s appointment in the position before the end
of the term for which appointed under this subsection, or affect the compensation fixed for the person’s service in the position under this subsection during such term of appointment.

“(6) Subchapter II of chapter 75 of title 5 does not apply to an employee during a term of service in a critical administrative, technical, or professional position to which the employee is appointed under this subsection.”.

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

“1599e. Pay authority for critical positions.”.

SEC. 1103. EXTENSION, EXPANSION, AND REVISION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.


(b) INCREASED LIMITATION ON NUMBER OF APPOINTMENTS.—Subsection (b)(1)(A) of such section is amended by striking “40” and inserting “50”.

S 1047 PCS
(c) Commensurate Extension of Requirement for Annual Report.—Subsection (g) of such section is amended by striking “2006” and inserting “2009”.

SEC. 1104. TRANSFER OF PERSONNEL INVESTIGATIVE FUNCTIONS AND RELATED PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) Transfer of Functions.—(1) With the consent of the Director of the Office of Personnel Management, the Secretary of Defense may transfer to the Office of Personnel Management the personnel security investigations functions that, as of the date of the enactment of this Act, are performed by the Defense Security Service of the Department of Defense.

(2) The Director of the Office of Personnel Management may accept a transfer of functions under paragraph (1).

(3) Any transfer of a function under this subsection is a transfer of function within the meaning of section 3503 of title 5, United States Code.

(b) Transfer of Personnel.—(1) If the Director of the Office of Personnel Management accepts a transfer of functions under subsection (a), the Secretary of Defense shall also transfer to the Office of Personnel Management, and the Director shall accept—
(A) the Defense Security Service employees who perform those functions immediately before the transfer of functions; and

(B) the Defense Security Service employees who, as of such time, are first level supervisors of employees transferred under subparagraph (A).

(2) The Secretary may also transfer to the Office of Personnel Management any Defense Security Service employees (including higher level supervisors) who provide support services for the performance of the functions transferred under subsection (a) or for the personnel (including supervisors) transferred under paragraph (1) if the Director—

(A) determines that the transfer of such additional employees and the positions of such employees to the Office of Personnel Management is necessary in the interest of effective performance of the transferred functions; and

(B) accepts the transfer of the additional employees.

(3) In the case of an employee transferred to the Office of Personnel Management under paragraph (1) or (2), whether a full-time or part-time employee—
(A) subsections (b) and (c) of section 5362 of title 5, United States Code, relating to grade retention, shall apply to the employee, except that—

(i) the grade retention period shall be the one-year period beginning on the date of the transfer; and

(ii) paragraphs (1), (2), and (3) of such subsection (c) shall not apply to the employee; and

(B) the employee may not be separated, other than pursuant to chapter 75 of title 5, United States Code, during such one-year period.

(c) ACTIONS AFTER TRANSFER.—(1) Not later than one year after a transfer of functions to the Office of Personnel Management under subsection (a), the Secretary of Defense shall review all functions performed by personnel of the Defense Security Service at the time of the transfer and make a written determination regarding whether each such function is inherently governmental or is otherwise inappropriate for performance by contractor personnel.

(2) A function performed by Defense Security Service employees as of the date of the enactment of this Act may not be converted to contractor performance by the Director of the Office of Personnel Management until—
(A) the Secretary of Defense reviews the function in accordance with the requirements of paragraph (1) and makes a written determination that the function is not inherently governmental and is not otherwise inappropriate for contractor performance; and

(B) the Director conducts a public-private competition regarding the performance of that function in accordance with the requirements of the Office of Management and Budget Circular A–76.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

SEC. 1201. AUTHORITY TO USE FUNDS FOR PAYMENT OF COSTS OF ATTENDANCE OF FOREIGN VISITORS UNDER REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) Authority To Use Funds.—(1) Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:
§ 2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program

“(a) AUTHORITY TO USE FUNDS.—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense may be used to pay any costs associated with the attendance of foreign military officers, ministry of defense officials, or security officials at United States military educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Counterterrorism Fellowship Program, including costs of transportation and travel and subsistence costs.

“(b) LIMITATION.—The total amount of funds used under the authority in subsection (a) in any fiscal year may not exceed $20,000,000.

“(c) ANNUAL REPORT.—Not later than December 1 of each year, the Secretary of Defense shall submit to Congress a report on the administration of this section during the fiscal year ended in such year. The report shall include the following matters:

“(1) A complete accounting of the expenditure of appropriated funds for purposes authorized under subsection (a), including—
“(A) the countries of the foreign officers
and officials for whom costs were paid; and
“(B) for each such country, the total
amount of the costs paid.
“(2) The training courses attended by the for-
eign officers and officials, including a specification
of which, if any, courses were conducted in foreign
countries.
“(3) An assessment of the effectiveness of the
Regional Defense Counterterrorism Fellowship Pro-
gram in increasing the cooperation of the govern-
ments of foreign countries with the United States in
the global war on terrorism.
“(4) A discussion of any actions being taken to
improve the program.”.

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

“2249c. Authority to use appropriated funds for costs of attendance of foreign
visitors under Regional Defense Counterterrorism Fellowship Program.”.

(b) NOTIFICATION OF CONGRESS.—Not later than
December 1, 2003, the Secretary of Defense shall—
(1) promulgate the final regulations for car-
ying out section 2249c of title 10, United States
Code, as added by subsection (a); and
(2) notify the congressional defense committees of the promulgation of such regulations.

SEC. 1202. AVAILABILITY OF FUNDS TO RECOGNIZE SUPERIOR NONCOMBAT ACHIEVEMENTS OR PERFORMANCE OF MEMBERS OF FRIENDLY FOREIGN FORCES AND OTHER FOREIGN NATIONALS.

(a) IN GENERAL.—Chapter 53 of title 10, United States Code, is amended by inserting the following new section:

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§ 1051a. Bilateral or regional cooperation programs: availability of funds to recognize superior noncombat achievements or performance

“(a) IN GENERAL.—The Secretary of Defense may expend amounts available to the Department of Defense or the military departments for operation and maintenance for the purpose of recognizing superior noncombat achievements or performance of members of friendly foreign forces, or other foreign nationals, that significantly enhance or support the national security strategy of the United States.

“(b) COVERED ACHIEVEMENTS OR PERFORMANCE.—The achievements or performance that may be recognized
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under subsection (a) include achievements or performance that—

“(1) play a crucial role in shaping the international security environment in a manner that protects and promotes the interests of the United States;

“(2) support or enhance the United States presence overseas or support or enhance United States peacetime engagement activities such as defense cooperation initiatives, security assistance training and programs, or training and exercises with the armed forces of the United States;

“(3) help deter aggression and coercion, build coalitions, or promote regional stability; or

“(4) serve as models for appropriate conduct for military forces in emerging democracies.

“(c) LIMITATION ON VALUE OF MEMENTOS.—The value of any memento procured or produced under subsection (a) may not exceed the minimal value in effect under section 7342(a)(5) of title 5.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051 the following new item:

“1051a. Bilateral or regional cooperation programs: availability of funds to recognize superior noncombat achievements or performance.”.
SEC. 1203. CHECK CASHING AND EXCHANGE TRANSACTIONS FOR FOREIGN PERSONNEL IN ALLIANCE OR COALITION FORCES.

Section 3342(b) of title 31, United States Code, is amended—

(1) by striking “or” at the end of paragraph (6); 

(2) by striking the period at the end of paragraph (7) and inserting “; or”; and 

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

“(8) a member of the armed forces of a foreign nation who is participating in a combined operation, combined exercise, or combined humanitarian or peacekeeping mission that is carried out with armed forces of the United States pursuant to an alliance or coalition of the foreign nation with the United States if—

“(A) the senior commander of the armed forces of the United States participating in the operation, exercise, or mission has authorized the action under paragraph (1) or (2) of subsection (a); 

“(B) the government of the foreign nation has guaranteed payment for any deficiency resulting from such action; and
“(C) in the case of an action on a negotiable instrument, the negotiable instrument is
drawn on a financial institution located in the
United States or on a foreign branch of such an
institution.”.

SEC. 1204. CLARIFICATION AND EXTENSION OF AUTHORITY

TO PROVIDE ASSISTANCE FOR INTERNATIONAL NONPROLIFERATION ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2004.—The total amount of the assistance for fiscal year 2004 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a), including funds used for activities of the Department of Defense in support of the United Nations Monitoring, Verification and Inspection Commission, shall not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking “fiscal year 2003” and inserting “fiscal year 2004”.

(c) REFERENCES TO UNITED NATIONS SPECIAL COMMISSION ON IRAQ.—Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is further amended—
(1) in subsection (b)(2), by striking “United Nations Special Commission on Iraq (or any successor organization)” and inserting “United Nations Monitoring, Verification and Inspection Commission”; and

(2) in subsection (d)(4)(A), by striking “United Nations Special Commission on Iraq (or any successor organization)” and inserting “United Nations Monitoring, Verification and Inspection Commission”.

SEC. 1205. REIMBURSABLE COSTS RELATING TO NATIONAL SECURITY CONTROLS ON SATELLITE EXPORT LICENSING.

(a) Direct Costs of Monitoring Foreign Launches of Satellites.—Section 1514(a)(1)(A) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 22 U.S.C. 2778 note) is amended by striking “The costs of such monitoring services” in the second sentence and inserting the following: “The Department of Defense costs that are directly related to monitoring the launch, including transportation and per diem costs,”.

(b) GAO Study.—(1) The Comptroller General shall conduct a study of the Department of Defense costs of
monitoring launches of satellites in a foreign country under section 1514 of Public Law 105–261.

(2) Not later than April 1, 2004, the Comptroller General shall submit a report on the study to the Committees on Armed Services of the Senate and the House of Representatives. The report shall include the following:

(A) An assessment of the Department of Defense costs of monitoring the satellite launches described in paragraph (1).

(B) A review of the costs reimbursed to the Department of Defense by each person or entity receiving the satellite launch monitoring services, including the extent to which indirect costs have been included.

SEC. 1206. ANNUAL REPORT ON THE NATO PRAGUE Capabilities Commitment AND THE NATO RESPONSE FORCE.

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

(1) At the meeting of the North Atlantic Council held in Prague in November 2002, the heads of states and governments of the North Atlantic Treaty Organization (NATO) launched a Prague Capabilities Commitment and decided to create a NATO Response Force.
(2) The Prague Capabilities Commitment is part of the continuing NATO effort to improve and develop new military capabilities for modern warfare in a high-threat environment. As part of this commitment, individual NATO allies have made firm and specific political commitments to improve their capabilities in the areas of—

(A) chemical, biological, radiological, and nuclear defense;

(B) intelligence, surveillance, and target acquisition;

(C) air-to-ground surveillance;

(D) command, control, and communications;

(E) combat effectiveness, including precision guided munitions and suppression of enemy air defenses;

(F) strategic air and sea lift;

(G) air-to-air refueling; and

(H) deployable combat support and combat service support units.

(3) The NATO Response Force is envisioned to be a technologically advanced, flexible, deployable, interoperable, and sustainable force that includes land, sea, and air elements ready to move quickly to
wherever needed, as determined by the North Atlan-
tic Council. The NATO Response Force is also in-
tended to be a catalyst for focusing and promoting
improvements in NATO’s military capabilities. It is
expected to have initial operational capability by Oc-
tober 2004, and full operational capability by Octo-
ber 2006.

(b) Annual Report.—(1) Not later than January
31 of each year, the Secretary of Defense shall submit
to the Committees on Armed Services and Foreign Rela-
tions of the Senate and the Committees on Armed Services
and International Relations of the House of Represen-
tatives a report, to be prepared in consultation with the Sec-
retary of State, on implementation of the Prague Capabili-
ties Commitment and development of the NATO Response
Force by the member nations of NATO. The report shall
include the following matters:

(A) A description of the actions taken by
NATO as a whole and by each member nation of
NATO other than the United States to further the
Prague Capabilities Commitment, including any ac-
tions taken to improve capability shortfalls in the
areas identified for improvement.

(B) A description of the actions taken by
NATO as a whole and by each member nation of
NATO, including the United States, to create the NATO Response Force.

(C) A discussion of the relationship between NATO’s efforts to improve capabilities through the Prague Capabilities Commitment and those of the European Union to enhance European capabilities through the European Capabilities Action Plan, including the extent to which they are mutually reinforcing.

(2) The report shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

SEC. 1207. EXPANSION AND EXTENSION OF AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES.


(1) in subsection (a)—

(A) by inserting after “subsection (f),” the following: “during fiscal years 1998 through
2006 in the case of the foreign governments named in paragraphs (1) and (2) of subsection (b), and fiscal years 2004 through 2006 in the case of the foreign governments named in paragraphs (3) through (9) of subsection (b),”; and

(B) by striking “either or both” and inserting “any”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “, for fiscal years 1998 through 2002”; and

(B) in paragraph (2), by striking “, for fiscal years 1998 through 2006”.

(b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section 1033 is further amended by adding at the end the following new paragraphs:


“(9) The Government of Uzbekistan.”.

(c) TYPES OF SUPPORT.—Subsection (c) of such section 1033 is amended—
(1) in paragraph (2), by striking “riverine”; and
(2) in paragraph (3), by inserting “or upgrade” after “maintenance and repair”.

(d) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section 1033, as amended by such section 1021, is further amended by striking “$20,000,000 during any of the fiscal years 1999 through 2006” and inserting “$20,000,000 during any of fiscal years 1999 through 2003, or $40,000,000 during any of fiscal years 2004 through 2006”.

(e) COUNTER-DRUG PLAN.—(1) Subsection (h) of such section 1033 is amended—
(A) in the subsection caption, by striking “Riverine”;
(B) in the matter preceding paragraph (1)—
(i) by inserting “in the case of the governments named in paragraphs (1) and (2) of subsection (b) and for fiscal year 2004 in the case of the governments named in paragraphs (3) through (9) of subsection (b)”; and
(ii) by striking “riverine”; and
(C) by striking “riverine” each place it appears in paragraphs (2), (7), (8), and (9).
(2) Subsection (f)(2)(A) of such section 1033 is amended by striking “riverine”.

(f) CLERICAL AMENDMENT.—The heading for such section 1033 is amended by striking “PERU AND CO-
LOMBIA” and inserting “OTHER COUNTRIES”.

SEC. 1208. USE OF FUNDS FOR UNIFIED COUNTERDRUG
AND COUNTERTERRORISM CAMPAIGN IN CO-
LOMBIA.

(a) AUTHORITY.—(1) In fiscal years 2004 and 2005, the Secretary of Defense may use funds available for as-
sistance to the Government of Colombia to support a uni-
fied campaign against narcotics trafficking and against activities by organizations designated as terrorist organi-
zations such as the Revolutionary Armed Forces of Colom-
bia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC).

(2) The authority to provide assistance for a cam-
paign under this subsection includes authority to take ac-
tions to protect human health and welfare in emergency circumstances, including the undertaking of rescue oper-
ations.

(b) APPLICABILITY OF CERTAIN LAWS AND LIMITA-
TIONS.—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:


(e) Limitation on Participation of United States Personnel.—No United States Armed Forces personnel or United States civilian contractor personnel employed by the United States may participate in any combat operation in connection with assistance using funds pursuant to the authority in subsection (a), except for the purpose of acting in self defense or of rescuing any United States citizen (including any United States Armed Forces personnel, United States civilian employee, or civilian contractor employed by the United States).

(d) Construction with Other Authority.—The authority in subsection (a) to use funds to provide assistance to the Government of Colombia is in addition to any
other authority in law to provide assistance to the Govern-
ment of Colombia.

TITLE XIII—COOPERATIVE
THREAT REDUCTION WITH
STATES OF THE FORMER SO-
VIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT RE-
DUCTION PROGRAMS AND FUNDS.

(a) Specification of CTR Programs.—For pur-
poses of section 301 and other provisions of this Act, Co-
operative Threat Reduction programs are the programs
specified in section 1501(b) of the National Defense Au-
thorization Act for Fiscal Year 1997 (Public Law 104–

(b) Fiscal Year 2004 Cooperative Threat Re-
duction Funds Defined.—As used in this title, the
term “fiscal year 2004 Cooperative Threat Reduction
funds” means the funds appropriated pursuant to the au-
thorization of appropriations in section 301 for Coopera-
tive Threat Reduction programs.

(c) Availability of Funds.—Funds appropriated
pursuant to the authorization of appropriations in section
301 for Cooperative Threat Reduction programs shall be
available for obligation for three fiscal years.
SEC. 1302. FUNDING ALLOCATIONS.

(a) Funding for Specific Purposes.—Of the $450,800,000 authorized to be appropriated to the Department of Defense for fiscal year 2004 in section 301(22) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $57,600,000.

(2) For strategic nuclear arms elimination in Ukraine, $3,900,000.

(3) For nuclear weapons transportation security in Russia, $23,200,000.

(4) For weapons storage security in Russia, $48,000,000.

(5) For weapons of mass destruction proliferation prevention activities in the states of the former Soviet Union, $39,400,000.

(6) For chemical weapons destruction in Russia, $200,300,000.

(7) For biological weapons proliferation prevention activities in the former Soviet Union, $54,200,000.

(8) For defense and military contacts, $11,000,000.
(9) For activities designated as Other Assessments/Administrative Support, $13,100,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2004 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (9) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2004 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2004 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.
(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

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

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (9) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. ANNUAL CERTIFICATIONS ON USE OF FACILITIES BEING CONSTRUCTED FOR COOPERATIVE THREAT REDUCTION PROJECTS OR ACTIVITIES.

(a) Certification on Use of Facilities Being Constructed.—Not later than the first Monday of February each year, the Secretary of Defense shall submit to the congressional defense committees a certification for each facility for a Cooperative Threat Reduction project or activity for which construction occurred during the preceding fiscal year on matters as follows:
(1) Whether or not such facility will be used for its intended purpose by the country in which the facility is constructed.

(2) Whether or not the country remains committed to the use of such facility for its intended purpose.

(b) APPLICABILITY.—Subsection (a) shall apply to—

(1) any facility the construction of which commences on or after the date of the enactment of this Act; and

(2) any facility the construction of which is ongoing as of that date.

SEC. 1304. AUTHORITY TO USE COOPERATIVE THREAT REDUCTION FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) AUTHORITY.—The President may obligate and expend Cooperative Threat Reduction funds for a fiscal year, and any Cooperative Threat Reduction funds for a fiscal year before such fiscal year that remain available for obligation, for a proliferation threat reduction project or activity outside the states of the former Soviet Union if the President determines that such project or activity will—

(1) assist the United States in the resolution of a critical emerging proliferation threat; or
(2) permit the United States to take advantage of opportunities to achieve long-standing non-proliferation goals.

(b) Scope of Authority.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for the project or activity utilizing such funds, but does not include authority to provide cash directly to the project or activity.

(c) Limitation.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed $50,000,000.

(d) Additional Limitations and Requirements.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of Cooperative Threat Reduction funds or on Cooperative Threat Reduction projects or activities.

(2) Any limitation on the obligation or expenditure of Cooperative Threat Reduction funds.

(3) Any limitation on Cooperative Threat Reduction projects or activities.
SEC. 1305. ONE-YEAR EXTENSION OF INAPPLICABILITY OF CERTAIN CONDITIONS ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION.

Section 8144 of Public Law 107–248 (116 Stat. 1571) is amended—

(1) in subsection (a), by striking “and 2003” and inserting “2003, and 2004”; and

(2) in subsection (b), by striking “September 30, 2003” and inserting “September 30, 2004”.

S. 1047

A BILL

To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

MAY 13, 2003

Read twice and placed on the calendar