

Calendar No. 371

107TH CONGRESS
2^D SESSION**S. 2515**

To authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 15 (legislative day, MAY 9), 2002

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

A BILL

To authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 2003”.

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

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

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

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

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

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

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

9 **TITLE I—PROCUREMENT**
10 **Subtitle A—Authorization of**
11 **Appropriations**

12 **SEC. 101. ARMY.**

13 Funds are hereby authorized to be appropriated for
14 fiscal year 2003 for procurement for the Army as follows:

15 (1) For aircraft, \$2,146,386,000.

16 (2) For missiles, \$1,653,150,000.

17 (3) For weapons and tracked combat vehicles,
18 \$2,242,882,000.

19 (4) For ammunition, \$1,204,499,000.

20 (5) For other procurement, \$5,513,679,000.

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

22 (a) NAVY.—Funds are hereby authorized to be appro-
23 priated for fiscal year 2003 for procurement for the Navy
24 as follows:

1 (1) For aircraft, \$9,037,209,000.

2 (2) For weapons, including missiles and tor-
3 pedoes, \$2,505,820,000.

4 (3) For shipbuilding and conversion,
5 \$8,624,160,000.

6 (4) For other procurement, \$4,516,500,000.

7 (b) MARINE CORPS.—Funds are hereby authorized to
8 be appropriated for fiscal year 2003 for procurement for
9 the Marine Corps in the amount of \$1,341,219,000.

10 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
11 are hereby authorized to be appropriated for fiscal year
12 2003 for procurement of ammunition for the Navy and
13 the Marine Corps in the amount of \$1,173,157,000.

14 **SEC. 103. AIR FORCE.**

15 Funds are hereby authorized to be appropriated for
16 fiscal year 2003 for procurement for the Air Force as fol-
17 lows:

18 (1) For aircraft, \$12,613,605,000.

19 (2) For ammunition, \$1,275,864,000.

20 (3) For missiles, \$3,258,162,000.

21 (4) For other procurement, \$10,476,340,000.

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

23 Funds are hereby authorized to be appropriated for
24 fiscal year 2003 for Defense-wide procurement in the
25 amount of \$3,054,943,000.

1 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2003 for procurement for the Inspector General
4 of the Department of Defense in the amount of
5 \$2,000,000.

6 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
7 **TION, DEFENSE.**

8 There is hereby authorized to be appropriated for the
9 Office of the Secretary of Defense for fiscal year 2003
10 the amount of \$1,490,199,000 for—

11 (1) the destruction of lethal chemical agents
12 and munitions in accordance with section 1412 of
13 the Department of Defense Authorization Act, 1986
14 (50 U.S.C. 1521); and

15 (2) the destruction of chemical warfare materiel
16 of the United States that is not covered by section
17 1412 of such Act.

18 **SEC. 107. DEFENSE HEALTH PROGRAMS.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 2003 for the Department of Defense for pro-
21 curement for carrying out health care programs, projects,
22 and activities of the Department of Defense in the total
23 amount of \$278,742,000.

1 **Subtitle B—Army Programs**

2 **SEC. 111. PILOT PROGRAM ON SALES OF MANUFACTURED**
3 **ARTICLES AND SERVICES OF CERTAIN ARMY**
4 **INDUSTRIAL FACILITIES WITHOUT REGARD**
5 **TO AVAILABILITY FROM DOMESTIC SOURCES.**

6 (a) EXTENSION OF PROGRAM.—Subsection (a) of
7 section 141 of the National Defense Authorization Act for
8 Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543
9 note) is amended by striking “through 2002” in the first
10 sentence and inserting “through 2004”.

11 (b) USE OF OVERHEAD FUNDS MADE SURPLUS BY
12 SALES.—Such section is further amended—

13 (1) by redesignating subsection (c) as sub-
14 section (d); and

15 (2) by inserting after subsection (b) the fol-
16 lowing new subsection (c):

17 “(c) For each Army industrial facility participating
18 in the pilot program that sells manufactured articles and
19 services in a total amount in excess of \$20,000,000 in any
20 fiscal year, the amount equal to one-half of one percent
21 of such total amount shall be transferred from the sums
22 in the Army Working Capital Fund for unutilized plant
23 capacity to appropriations available for the following fiscal
24 year for the demilitarization of conventional ammunition
25 by the Army.”.

1 (c) UPDATE OF INSPECTOR GENERAL'S REVIEW.—
 2 The Inspector General of the Department of Defense shall
 3 review the experience under the pilot program carried out
 4 under section 141 of Public Law 105–85 and, not later
 5 than July 1, 2003, submit to Congress a report on the
 6 results of the review. The report shall contain the views,
 7 information, and recommendations called for under sub-
 8 section (d) of such section (as redesignated by subsection
 9 (b)(1)). In carrying out the review and preparing the re-
 10 port, the Inspector General shall take into consideration
 11 the report submitted to Congress under such subsection
 12 (as so redesignated).

13 **Subtitle C—Navy Programs**

14 (reserved)

15 **Subtitle D—Air Force Programs**

16 **SEC. 131. C-130J AIRCRAFT PROGRAM.**

17 (a) MULTIYEAR PROCUREMENT AUTHORITY.—Be-
 18 ginning with the fiscal year 2003 program year, the Sec-
 19 retary of the Air Force may, in accordance with section
 20 2306b of title 10, United States Code, enter into a
 21 multiyear contract for the procurement of C-130J aircraft
 22 and variants of the C-130J aircraft, subject to subsection
 23 (b).

24 (b) LIMITATION.—The Secretary of the Air Force
 25 may not enter into a multiyear contract authorized by sub-

1 section (a) until the C-130J aircraft has been cleared for
2 worldwide over-water capability.

3 **SEC. 132. PATHFINDER PROGRAMS.**

4 (a) SPIRAL DEVELOPMENT PLAN FOR SELECTED
5 PATHFINDER PROGRAMS.—Not later than February 1,
6 2003, the Secretary of the Air Force shall—

7 (1) identify among the pathfinder programs
8 listed in subsection (e) each pathfinder program that
9 the Secretary shall conduct as a spiral development
10 program; and

11 (2) submit to the Secretary of Defense for each
12 pathfinder program identified under paragraph (1) a
13 spiral development plan that meets the requirements
14 of section 803(c).

15 (b) APPROVAL OR DISAPPROVAL OF SPIRAL DEVEL-
16 OPMENT PLANS.—Not later than March 15, 2003, the
17 Secretary of Defense shall—

18 (1) review each spiral development plan sub-
19 mitted under subsection (a)(2);

20 (2) approve or disapprove the conduct as a spi-
21 ral development plan of the pathfinder program cov-
22 ered by each such spiral development plan; and

23 (3) submit to the congressional defense commit-
24 tees a copy of each spiral development plan approved
25 under paragraph (2).

1 (c) ASSESSMENT OF PATHFINDER PROGRAMS NOT
2 SELECTED OR APPROVED FOR SPIRAL DEVELOPMENT.—

3 Not later than March 15, 2003, each official of the De-
4 partment of Defense specified in subsection (d) shall sub-
5 mit to the congressional defense committees the assess-
6 ment required of such official under that subsection for
7 the acquisition plan for each pathfinder program as fol-
8 lows:

9 (1) Each pathfinder program that is not identi-
10 fied by the Secretary of the Air Force under sub-
11 section (a)(1) as a program that the Secretary shall
12 conduct as a spiral development program.

13 (2) Each pathfinder program that is dis-
14 approved by the Secretary of Defense for conduct as
15 a spiral development program under subsection
16 (b)(2).

17 (d) OFFICIALS AND REQUIRED ASSESSMENTS FOR
18 PROGRAMS OUTSIDE SPIRAL DEVELOPMENT.—The offi-
19 cials specified in this subsection, and the assessment re-
20 quired of such officials, are as follows:

21 (1) The Director of Operational Test and Eval-
22 uation, who shall assess the test contents of the ac-
23 quisition plan for each pathfinder program covered
24 by subsection (c).

1 (2) The Chairman of the Joint Requirements
2 Oversight Council, who shall assess the extent to
3 which the acquisition plan for each such pathfinder
4 program addresses validated military requirements.

5 (3) The Under Secretary of Defense (Comp-
6 troller), in coordination with the Under Secretary of
7 Defense for Acquisition, Technology, and Logistics,
8 who shall conduct an independent programmatic
9 evaluation of the acquisition plan for each such
10 pathfinder program, including an analysis of the
11 total cost, schedule, and technical risk associated
12 with development of such program.

13 (e) PATHFINDER PROGRAMS.—The pathfinder pro-
14 grams listed in this subsection are the program as follows:

- 15 (1) Space Based Radar.
- 16 (2) Global Positioning System.
- 17 (3) Global Hawk.
- 18 (4) Combat Search and Rescue.
- 19 (5) B-2 Radar.
- 20 (6) Predator B.
- 21 (7) B-1 Defensive System Upgrade.
- 22 (8) Multi Mission Command and Control Con-
23 stellation.
- 24 (9) Unmanned Combat Air Vehicle.
- 25 (10) Global Transportation Network.

1 (11) C-5 Avionics Modernization Program.

2 (12) Hunter/Killer.

3 (13) Tanker/Lease.

4 (14) Small Diameter Bomb.

5 (15) KC-767.

6 (16) AC-130 Gunship.

7 **SEC. 133. OVERSIGHT OF ACQUISITION FOR DEFENSE**
8 **SPACE PROGRAMS.**

9 (a) IN GENERAL.—The Office of the Secretary of De-
10 fense shall maintain oversight of acquisition for defense
11 space programs.

12 (b) REPORT ON OVERSIGHT.—(1) Not later than
13 March 15, 2003, the Secretary of Defense shall submit
14 to the congressional defense committees a detailed plan
15 on how the Office of the Secretary of Defense shall provide
16 oversight of acquisition for defense space programs.

17 (2) The plan shall set forth the following:

18 (A) The organizations in the Office of the Sec-
19 retary of Defense, and the Joint Staff organizations,
20 to be involved in oversight of acquisition for defense
21 space programs.

22 (B) The process for the review of defense space
23 programs by the organizations specified under sub-
24 paragraph (A).

1 (C) The process for the provision by such orga-
2 nizations of technical, programmatic, scheduling,
3 and budgetary advice on defense space programs to
4 the Deputy Secretary of Defense and the Under Sec-
5 retary of the Air Force.

6 (D) The process for the development of inde-
7 pendent cost estimates for defense space programs,
8 including the organization responsible for developing
9 such cost estimates and when such cost estimates
10 shall be required.

11 (E) The process for the development of the
12 budget for acquisition for defense space programs.

13 (F) The process for the resolution of issues re-
14 garding acquisition for defense space programs that
15 are raised by the organizations specified under sub-
16 paragraph (A).

17 (c) DEFENSE SPACE PROGRAM DEFINED.—In this
18 section, the term “defense space program” means any
19 major defense acquisition program (as that term is defined
20 in section 2430 of title 10, United States Code) for the
21 acquisition of—

22 (1) space-based assets, space launch assets, or
23 user equipment for such assets; or

1 (2) earth-based or spaced-based assets dedi-
2 cated primarily to space surveillance or space con-
3 trol.

4 **SEC. 134. LEASING OF TANKER AIRCRAFT.**

5 The Secretary of the Air Force shall not enter into
6 any lease for tanker aircraft until the Secretary submits
7 the report required by section 8159(c)(6) of the Depart-
8 ment of Defense Appropriations Act, 2002 (division A of
9 Public Law 107–117; 115 Stat. 2284) and obtains author-
10 ization and appropriation of funds necessary to enter into
11 a lease for such aircraft consistent with his publicly stated
12 commitments to the Congress to do so.

13 **TITLE II—RESEARCH, DEVELOP-**
14 **MENT, TEST, AND EVALUA-**
15 **TION**

16 **Subtitle A—Authorization of**
17 **Appropriations**

18 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 2003 for the use of the Department of Defense
21 for research, development, test, and evaluation as follows:

22 (1) For the Army, \$7,300,533,000.

23 (2) For the Navy, \$12,929,135,000.

24 (3) For the Air Force, \$18,603,684,000.

1 (4) For Defense-wide activities,
2 \$17,542,927,000, of which \$361,554,000 is author-
3 ized for the Director of Operational Test and Eval-
4 uation.

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

6 (a) AMOUNT FOR PROJECTS.—Of the total amount
7 authorized to be appropriated by section 201,
8 \$10,164,358,000 shall be available for science and tech-
9 nology projects.

10 (b) SCIENCE AND TECHNOLOGY DEFINED.—In this
11 section, the term “science and technology project” means
12 work funded in program elements for defense research, de-
13 velopment, test, and evaluation under Department of De-
14 fense budget activities 1, 2, or 3.

15 **SEC. 203. DEFENSE HEALTH PROGRAMS.**

16 Funds are hereby authorized to be appropriated for
17 fiscal year 2003 for the Department of Defense for re-
18 search, development, test, and evaluation for carrying out
19 health care programs, projects, and activities of the De-
20 partment of Defense in the total amount of \$67,214,000.

1 **Subtitle B—Program Require-**
2 **ments, Restrictions, and Limita-**
3 **tions**

4 **SEC. 211. BASIC SEISMIC RESEARCH PROGRAM FOR SUP-**
5 **PORT OF NATIONAL REQUIREMENTS FOR**
6 **MONITORING NUCLEAR EXPLOSIONS.**

7 (a) MANAGEMENT OF PROGRAM.—(1) The Secretary
8 of the Air Force shall manage the Department of Defense
9 program of basic seismic research in support of national
10 requirements for monitoring nuclear explosions. The Sec-
11 retary shall manage the program in the manner necessary
12 to support Air Force mission requirements relating to the
13 national requirements.

14 (2) The Secretary shall act through the Director of
15 the Air Force Research Laboratory in carrying out para-
16 graph (1).

17 (b) AMOUNT FOR PROGRAM.—Of the amount author-
18 ized to be appropriated by section 201(4), \$20,000,000
19 shall be available for the program referred to in subsection
20 (a).

21 **SEC. 212. ADVANCED SEAL DELIVERY SYSTEM.**

22 To the extent provided in appropriations Acts, the
23 Secretary of Defense may use for research, development,
24 test, and evaluation for the Advanced SEAL Delivery Sys-
25 tem any funds that were authorized to be appropriated

1 to the Department of Defense for fiscal year 2002 for the
2 procurement of that system, were appropriated pursuant
3 to such authorization of appropriations, and are no longer
4 needed for that purpose.

5 **SEC. 213. ARMY EXPERIMENTATION PROGRAM REGARDING**
6 **DESIGN OF THE OBJECTIVE FORCE.**

7 (a) REQUIREMENT FOR REPORT.—Not later than
8 March 30, 2003, the Secretary of the Army shall submit
9 to Congress a report on the experimentation program re-
10 garding design of the objective force that is required by
11 subsection (g) of section 113 of the Floyd D. Spence Na-
12 tional Defense Authorization Act for Fiscal Year 2001,
13 as added by section 113 of the National Defense Author-
14 ization Act for Fiscal Year 2002 (Public Law 107–107;
15 115 Stat. 1029).

16 (b) BUDGET DISPLAY.—Amounts provided for the
17 experimentation program in the budget for fiscal year
18 2004 that is submitted to Congress under section 1105(a)
19 of title 31, United States Code, shall be displayed as a
20 distinct program element in that budget and in the sup-
21 porting documentation submitted to Congress by the Sec-
22 retary of Defense.

Subtitle C—Missile Defense Programs

SEC. 221. ANNUAL OPERATIONAL ASSESSMENTS AND RE- VIEWS OF BALLISTIC MISSILE DEFENSE PRO- GRAM.

(a) ANNUAL OPERATIONAL ASSESSMENT.—(1)(A)

During the first quarter of each fiscal year, the Director of Operational Test and Evaluation shall conduct an operational assessment of the missile defense programs listed in paragraph (3).

(B) The annual assessment shall include—

(i) a detailed, quantitative evaluation of the potential operational effectiveness, reliability, and suitability of the system or systems under each program as the program exists during the fiscal year of the assessment;

(ii) an evaluation of the adequacy of testing through the end of the previous fiscal year to measure and predict the effectiveness of the systems; and

(iii) a determination of the threats, or type of threats, against which the systems would be expected to be effective and those against which the systems would not be expected to be effective.

(C) The first assessment under this paragraph shall be conducted during fiscal year 2003.

1 (2) Not later than January 15 of each year, the Di-
2 rector of Operational Test and Evaluation shall submit to
3 the Secretary of Defense and the congressional defense
4 committees a report on the assessment conducted during
5 the preceding quarter-year. The report shall include the
6 evaluation of the potential of the system or systems to-
7 gether with a discussion of the basis for the evaluation.

8 (3) The requirement for an annual operational as-
9 sessment under paragraph (1) shall apply to programs
10 under the United States Missile Defense Agency as fol-
11 lows:

12 (A) The Ground-based Midcourse Defense pro-
13 gram.

14 (B) The Sea-based Midcourse Defense program.

15 (C) The Theater High Altitude Area Defense
16 (THAAD) program.

17 (D) The Air-based Boost program (formerly
18 known as the Airborne Laser Defense program).

19 (b) ANNUAL REQUIREMENTS REVIEWS.—(1) During
20 the first quarter of each fiscal year, the Joint Require-
21 ments Oversight Council established under section 181 of
22 title 10, United States Code, shall review the cost, sched-
23 ule, and performance criteria for the missile defense pro-
24 grams under the United States Missile Defense Agency
25 and assess the validity of the criteria in relation to military

1 requirements. The first review shall be carried out in fiscal
2 year 2003.

3 (2) Not later than January 15 of each year, the
4 Chairman of the Joint Requirements Oversight Council
5 shall submit to the Secretary of Defense and the congres-
6 sional defense committees a report on the results of the
7 review carried out under paragraph (1) during the pre-
8 ceding quarter-year.

9 **SEC. 222. REPORT ON MIDCOURSE DEFENSE PROGRAM.**

10 (a) REQUIREMENT FOR REPORT.—Not later than
11 January 15, 2003, the Secretary of Defense shall submit
12 to the congressional defense committees a report on the
13 Midcourse Defense program of the United States Missile
14 Defense Agency. The report shall include the following in-
15 formation:

16 (1) The development schedule, together with an
17 estimate of the annual costs through the completion
18 of development.

19 (2) The planned procurement schedule, together
20 with the Secretary's best estimates of the annual
21 costs of, and number of units to be procured under,
22 the program through the completion of the procure-
23 ment.

24 (3) The current program acquisition unit cost
25 and the history of acquisition unit costs from the

1 date the program (including its antecedent program)
 2 was first included in a Selected Acquisition Report
 3 under section 2432 of title 10, United States Code.

4 (4) The current procurement unit cost, and the
 5 history of procurement unit costs from the date the
 6 program (including any antecedent program) was
 7 first included in a Selected Acquisition Report under
 8 such section 2432.

9 (5) The reasons for any changes in program ac-
 10 quisition cost, program acquisition unit cost, pro-
 11 curement cost, or procurement unit cost, and the
 12 reasons for any changes in program schedule.

13 (6) The major contracts under the program and
 14 the reasons for any changes in cost or schedule
 15 variances under the contracts.

16 (7) The Test and Evaluation Master Plan de-
 17 veloped for the program in accordance with the re-
 18 quirements and guidance of Department of Defense
 19 regulation 5000.2–R.

20 (b) SEGREGATION OF GROUND-BASED AND SEA-
 21 BASED EFFORTS.—The report under subsection (a) shall
 22 separately display the schedules, cost estimates, cost his-
 23 tories, contracts, and test plans for—

24 (1) the National Missile Defense/Ground-based
 25 Midcourse Defense program; and

1 (2) the Navy TheaterWide/Sea-based Midcourse
2 Defense program.

3 **SEC. 223. REPORT ON AIR-BASED BOOST PROGRAM.**

4 Not later than January 15, 2003, the Secretary of
5 Defense shall submit to the congressional defense commit-
6 tees a report on the Air-based Boost program (formerly
7 known as the Airborne Laser program). The report shall
8 contain the following information:

9 (1) The development schedule together with the
10 estimated annual costs of the program through the
11 completion of development.

12 (2) The planned procurement schedule, together
13 with the Secretary's best estimates of the annual
14 costs of, and number of units to be procured under,
15 the program through the completion of the procure-
16 ment.

17 (3) The current program acquisition unit cost,
18 and the history of program acquisition unit costs
19 from the date the program (including any ante-
20 cedent program) was first included in a Selected Ac-
21 quisition Report under section 2432 of title 10,
22 United States Code.

23 (4) The current procurement unit cost, and the
24 history of procurement unit costs from the date the
25 program (including any antecedent program) was

1 first included in a Selected Acquisition Report under
2 such section 2432.

3 (5) The reasons for any changes in program ac-
4 quisition cost, program acquisition unit cost, pro-
5 curement cost, or procurement unit cost, and the
6 reasons for any changes in program schedule.

7 (6) The major contracts under the program and
8 the reasons for any changes in cost or schedule
9 variances under the contracts.

10 (7) The Test and Evaluation Master Plan de-
11 veloped for the program in accordance with the re-
12 quirements and guidance of Department of Defense
13 regulation 5000.2–R.

14 **SEC. 224. REPORT ON THEATER HIGH ALTITUDE AREA DE-**
15 **FENSE PROGRAM.**

16 (a) REQUIREMENT FOR REPORT.—Not later than
17 January 15, 2003, the Secretary of Defense shall submit
18 to the congressional defense committees a report on the
19 Theater High Altitude Area Defense program. The report
20 shall contain the following information:

21 (1) The development schedule together with the
22 estimated annual costs of the program through the
23 completion of development.

24 (2) The planned procurement schedule, together
25 with the Secretary’s best estimates of the annual

1 costs of, and number of units to be procured under,
2 the program through the completion of the procure-
3 ment.

4 (3) The current program acquisition unit cost
5 and the history of program acquisition unit costs
6 from the date the program (including any ante-
7 cedent program) was first included in a Selected Ac-
8 quisition Report under section 2432 of title 10,
9 United States Code.

10 (4) The current procurement unit cost, and the
11 history of procurement unit costs from the date the
12 program (including any antecedent program) was
13 first included in a Selected Acquisition Report under
14 such section 2432.

15 (5) The reasons for any changes in program ac-
16 quisition cost, program acquisition unit cost, pro-
17 curement cost, or procurement unit cost, and the
18 reasons for any changes in program schedule.

19 (6) The major contracts under the program and
20 the reasons for any changes in cost or schedule
21 variances under the contracts.

22 (7) The Test and Evaluation Master Plan de-
23 veloped for the program in accordance with the re-
24 quirements and guidance of Department of Defense
25 regulation 5000.2-R.

1 (b) FUNDING LIMITATION.—Not more than 50 per-
 2 cent of the amount authorized to be appropriated by this
 3 Act for the United States Missile Defense Agency for the
 4 Theater High Altitude Area Defense program may be ex-
 5 pended until the submission of the report required under
 6 subsection (a).

7 **SEC. 225. REFERENCES TO NEW NAME FOR BALLISTIC MIS-**
 8 **SILE DEFENSE ORGANIZATION.**

9 (a) CONFORMING AMENDMENTS.—The following pro-
 10 visions of law are amended by striking “Ballistic Missile
 11 Defense Organization” each place it appears and inserting
 12 “United States Missile Defense Agency”:

13 (1) Sections 223 and 224 of title 10, United
 14 States Code.

15 (2) Sections 232, 233, and 235 of the National
 16 Defense Authorization Act for Fiscal Year 2002
 17 (Public Law 107–107).

18 (b) OTHER REFERENCES.—Any reference to the Bal-
 19 listic Missile Defense Organization in any other provision
 20 of law or in any regulation, map, document, record, or
 21 other paper of the United States shall be considered to
 22 be a reference to the United States Missile Defense Agen-
 23 cy.

1 **Subtitle D—Improved Management**
2 **of Department of Defense Test**
3 **and Evaluation Facilities**

4 **SEC. 231. DEPARTMENT OF DEFENSE TEST AND EVALUA-**
5 **TION RESOURCE ENTERPRISE.**

6 (a) ESTABLISHMENT.—Section 139 of title 10,
7 United States Code, is amended by adding at the end the
8 following new subsection:

9 “(k)(1) There is a Test and Evaluation Resource En-
10 terprise within the Department of Defense. The head of
11 the Test and Evaluation Resource Enterprise shall report
12 to the Director of Operational Test and Evaluation.

13 “(2)(A) The head of the Test and Evaluation Re-
14 source Enterprise shall manage all funds available to the
15 Department of Defense for the support of investment in,
16 operation and maintenance of, development of, and man-
17 agement of the test and evaluation facilities and resources
18 of the Major Range and Test Facility Base. All such funds
19 shall be transferred to and placed under the control of the
20 head of the Department of Defense Test and Evaluation
21 Resource Enterprise.

22 “(B) Subparagraph (A) shall not be construed to au-
23 thorize the head of the Test and Evaluation Enterprise,
24 nor to impair the authority of the Secretary of a military
25 department, to manage the funds available to that military

1 department for the support of investment in, operation
2 and maintenance of, development of, and management of
3 the training facilities and resources of the Major Range
4 and Test Facility Base.

5 “(3) The head of the Test and Evaluation Resource
6 Enterprise shall—

7 “(A) ensure that the planning for and execution
8 of the testing of a system within the Major Range
9 and Test Facility Base is performed by the activity
10 of a military department that is responsible for the
11 testing;

12 “(B) ensure that the military department oper-
13 ating a facility or resource within the Major Range
14 and Test Facility Base charges an organization
15 using the facility or resource for testing only the in-
16 cremental cost of the operation of the facility or re-
17 source that is attributable to the testing;

18 “(C) ensure that the military department oper-
19 ating a facility or resource within the Major Range
20 and Test Facility Base comprehensively and consist-
21 ently applies sound enterprise management practices
22 in the management of the facility or resource;

23 “(D) make investments that are prudent for en-
24 suring that Department of Defense test and evalua-
25 tion facilities and resources are adequate to meet the

1 current and future testing requirements of Depart-
2 ment of Defense programs;

3 “(E) ensure that there is in place a simplified
4 financial management and accounting system for
5 Department of Defense test and evaluation facilities
6 and resources and that the system is uniformly ap-
7 plied to the operation of such facilities and resources
8 throughout the Department; and

9 “(F) ensure that unnecessary costs of owning
10 and operating Department of Defense test and eval-
11 uation resources are not incurred.

12 “(4) In this section, the term ‘Major Range and Test
13 Facility Base’ means the test and evaluation facilities and
14 resources that are designated by the Under Secretary of
15 Defense for Acquisition, Logistics, and Technology as fa-
16 cilities and resources comprising the Major Range and
17 Test Facility Base.”.

18 (b) EFFECTIVE DATE AND TRANSITION REQUIRE-
19 MENTS.—(1) The amendment made by paragraph (1)
20 shall take effect one year after the date of the enactment
21 of this Act.

22 (2)(A) The Secretary of Defense shall develop a tran-
23 sition plan to ensure that the head of the Test and Evalua-
24 tion Resource Enterprise is prepared to assume the re-
25 sponsibilities under subsection (k) of section 139 of title

1 10, United States Code (as added by subsection (a)), on
 2 the effective date provided in paragraph (1).

3 (B) Until the Test and Evaluation Resource Enter-
 4 prise has been established, all investments of \$500,000 or
 5 more in the Major Range and Test Facility Base of the
 6 Department of Defense shall be subject to the approval
 7 of the Director of Operational Test and Evaluation.

8 (C) In this paragraph, the term “Major Range and
 9 Test Facility Base” has the meaning given that term in
 10 section 139(k)(4) of title 10, United States Code, as added
 11 by subsection (a).

12 **SEC. 232. TRANSFER OF TESTING FUNDS FROM PROGRAM**
 13 **ACCOUNTS TO INFRASTRUCTURE ACCOUNTS.**

14 (a) **TRANSFER OF FUNDS.**—Notwithstanding any
 15 other provision of this Act, amounts authorized to be ap-
 16 propriated by this title for demonstration and validation,
 17 engineering and manufacturing development, and oper-
 18 ational systems development shall be transferred to the
 19 major test and evaluation investment programs of the
 20 military departments and to the Central Test and Evalua-
 21 tion Investment Program of the Department of Defense,
 22 as follows:

23 (1) For transfer to the major test and evalua-
 24 tion investment program of the Army, the amount
 25 equal to 0.625 percent of the total amount author-

1 ized to be appropriated by this title for the Army for
2 demonstration and validation, engineering and man-
3 ufacturing development, and operational systems de-
4 velopment.

5 (2) For transfer to the major test and evalua-
6 tion investment program of the Navy, the amount
7 equal to 0.625 percent of the total amount author-
8 ized to be appropriated by this title for the Navy for
9 demonstration and validation, engineering and man-
10 ufacturing development, and operational systems de-
11 velopment.

12 (3) For transfer to the major test and evalua-
13 tion investment program of the Air Force, the
14 amount equal to 0.625 percent of the total amount
15 authorized to be appropriated by this title for the
16 Air Force for demonstration and validation, engi-
17 neering and manufacturing development, and oper-
18 ational systems development.

19 (4) For transfer to the Central Test and Eval-
20 uation Investment Program of the Department of
21 Defense, the amount equal to 0.625 percent of the
22 total amount authorized to be appropriated by this
23 title for Defense-wide demonstration and validation,
24 engineering and manufacturing development, and
25 operational systems development.

1 (b) INSTITUTIONAL FUNDING OF TEST AND EVALUA-
 2 TION FACILITIES.—(1)(A) Chapter 433 of title 10, United
 3 States Code, is amended by inserting after the table of
 4 sections at the beginning of such chapter the following new
 5 section:

6 **“§ 4531. Test and evaluation: use of facilities**

7 “(a) CHARGES FOR USE.—The Secretary of the
 8 Army may charge an entity for using a facility or resource
 9 of the Army within the Major Range and Test Facility
 10 Base for testing. The amount charged may not exceed the
 11 incremental cost to the Army of the use of the facility or
 12 resource by that user for the testing.

13 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
 14 institutional and overhead costs of a facility or resource
 15 of the Army that is within the Major Range and Test Fa-
 16 cility Base shall be paid out of the major test and evalua-
 17 tion investment accounts of the Army, the Central Test
 18 and Evaluation Investment Program of the Department
 19 of Defense, and other appropriate appropriations made di-
 20 rectly to the Army.

21 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
 22 FINED.—In this section:

23 “(1) The term ‘Major Range and Test Facility
 24 Base’ has the meaning given the term in section
 25 139(k)(4) of this title.

1 “(2) The term ‘institutional and overhead
2 costs’, with respect to a facility or resource within
3 the Major Range Test and Facility Base—

4 “(A) means the costs of maintaining, oper-
5 ating, upgrading, and modernizing the facility
6 or resource; and

7 “(B) does not include an incremental cost
8 of operating the facility or resource that is at-
9 tributable to the use of the facility or resource
10 for testing under a particular program.”.

11 (B) The table of section at the beginning of such
12 chapter is amended by inserting before the item relating
13 to section 7522 the following new item:

“4531. Test and evaluation: use of facilities.”.

14 (2)(A) Chapter 643 of title 10, United States Code,
15 is amended by inserting after the table of sections at the
16 beginning of such chapter the following new section:

17 **“§ 7521. Test and evaluation: use of facilities**

18 “(a) CHARGES FOR USE.—The Secretary of the Navy
19 may charge an entity for using a facility or resource of
20 the Navy within the Major Range and Test Facility Base
21 for testing. The amount charged may not exceed the incre-
22 mental cost to the Navy of the use of the facility or re-
23 source by that user for the testing.

24 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
25 institutional and overhead costs of a facility or resource

1 of the Navy that is within the Major Range and Test Fa-
 2 cility Base shall be paid out of the major test and evalua-
 3 tion investment accounts of the Navy, the Central Test
 4 and Evaluation Investment Program of the Department
 5 of Defense, and other appropriate appropriations made di-
 6 rectly to the Navy.

7 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
 8 FINED.—In this section:

9 “(1) The term ‘Major Range and Test Facility
 10 Base’ has the meaning given the term in section
 11 139(k)(4) of this title.

12 “(2) The term ‘institutional and overhead
 13 costs’, with respect to a facility or resource within
 14 the Major Range Test and Facility Base—

15 “(A) means the costs of maintaining, oper-
 16 ating, upgrading, and modernizing the facility
 17 or resource; and

18 “(B) does not include an incremental cost
 19 of operating the facility or resource that is at-
 20 tributable to the use of the facility or resource
 21 for testing under a particular program.”.

22 (B) The table of section at the beginning of such
 23 chapter is amended by inserting before the item relating
 24 to section 7522 the following new item:

“7521. Test and evaluation: use of facilities.”.

1 (3)(A) Chapter 933 of title 10, United States Code,
 2 is amended by inserting after the table of sections at the
 3 beginning of such chapter the following new section:

4 **“§ 9531. Test and evaluation: use of facilities**

5 “(a) CHARGES FOR USE.—The Secretary of the Air
 6 Force may charge an entity for using a facility or resource
 7 of the Air Force within the Major Range and Test Facility
 8 Base for testing. The amount charged may not exceed the
 9 incremental cost to the Air Force of the use of the facility
 10 or resource by that user for the testing.

11 “(b) INSTITUTIONAL AND OVERHEAD COSTS.—The
 12 institutional and overhead costs of a facility or resource
 13 of the Air Force that is within the Major Range and Test
 14 Facility Base shall be paid out of the major test and eval-
 15 uation investment accounts of the Air Force, the Central
 16 Test and Evaluation Investment Program of the Depart-
 17 ment of Defense, and other appropriate appropriations
 18 made directly to the Air Force.

19 “(c) MAJOR RANGE AND TEST FACILITY BASE DE-
 20 FINED.—In this section:

21 “(1) The term ‘Major Range and Test Facility
 22 Base’ has the meaning given the term in section
 23 139(k)(4) of this title.

1 “(2) The term ‘institutional and overhead
2 costs’, with respect to a facility or resource within
3 the Major Range Test and Facility Base—

4 “(A) means the costs of maintaining, oper-
5 ating, upgrading, and modernizing the facility
6 or resource; and

7 “(B) does not include an incremental cost
8 of operating the facility or resource that is at-
9 tributable to the use of the facility or resource
10 for testing under a particular program.”.

11 (B) The table of section at the beginning of such
12 chapter is amended by inserting before the item relating
13 to section 9532 the following new item:

 “9531. Test and evaluation: use of facilities.”.

14 (4) Not later than 30 days after the date of the enact-
15 ment of this Act, the Under Secretary of Defense (Comp-
16 troller) shall review the funding policies of each military
17 department to ensure that the Secretary of the military
18 department has in place the policies necessary to comply
19 with the Secretary’s responsibilities under section 4531,
20 7521, or 9531 of title 10, United States Code (as added
21 by this subsection), as the case may be. The Under Sec-
22 retary shall consult with the Director of Operational Test
23 and Evaluation in carrying out the review.

1 **SEC. 233. INCREASED INVESTMENT IN TEST AND EVALUA-**
2 **TION FACILITIES.**

3 (a) AMOUNT.—Of the amount authorized to be ap-
4 propriated under section 201(4), \$251,276,000 shall be
5 available for the Central Test and Evaluation Investment
6 Program of the Department of Defense.

7 (b) ADDITIONAL AVAILABLE FUNDING.—In addition
8 to the amount made available under subsection (a),
9 amounts transferred pursuant to section 232(a)(4) shall
10 be available for the Central Test and Evaluation Invest-
11 ment Program of the Department of Defense.

12 **SEC. 234. UNIFORM FINANCIAL MANAGEMENT SYSTEM FOR**
13 **DEPARTMENT OF DEFENSE TEST AND EVAL-**
14 **UATION FACILITIES.**

15 (a) REQUIREMENT FOR SYSTEM.—Not later than two
16 years after the date of the enactment of this Act, the Sec-
17 retary of Defense shall implement a single financial man-
18 agement and accounting system for all test and evaluation
19 facilities of the Department of Defense.

20 (b) SYSTEM FEATURES.—The financial management
21 and accounting system shall be designed to achieve, at a
22 minimum, the following functional objectives:

23 (1) Enable managers within the Department of
24 Defense to compare the costs of conducting test and
25 evaluation activities in the various facilities of the
26 military departments.

1 (2) Enable the Secretary of Defense—

2 (A) to make prudent investment decisions;

3 and

4 (B) to reduce the extent to which unneces-

5 sary costs of owning and operating Department

6 of Defense test and evaluation facilities are in-

7 curred.

8 (3) Enable the Department of Defense to track

9 the total cost of test and evaluation activities.

10 (4) Comply with the financial management en-

11 terprise architecture developed by the Secretary of

12 Defense under section 1006.

13 **SEC. 235. TEST AND EVALUATION WORKFORCE IMPROVE-**

14 **MENTS.**

15 (a) REPORT ON CAPABILITIES.—Not later than

16 March 15, 2003, the Under Secretary of Defense for Ac-

17 quisition, Technology, and Logistics shall submit to Con-

18 gress a report on the capabilities of the test and evaluation

19 workforce of the Department of Defense. The Under Sec-

20 retary shall consult with the Director of Operational Test

21 and Evaluation in preparing the report.

22 (b) REQUIREMENT FOR PLAN.—(1) The report shall

23 contain a plan for taking the actions necessary to ensure

24 that the test and evaluation workforce of the Department

25 of Defense is of sufficient size and has the expertise nec-

1 essary to timely and accurately identify issues of military
2 suitability and effectiveness of Department of Defense sys-
3 tems through testing of the systems.

4 (2) The plan shall set forth objectives for the size,
5 composition, and qualifications of the workforce, and shall
6 specify the actions (including recruitment, retention, and
7 training) and milestones for achieving the objectives.

8 (c) ADDITIONAL MATTERS.—The report shall also in-
9 clude the following matters:

10 (1) An assessment of the changing size and de-
11 mographics of the test and evaluation workforce, in-
12 cluding the impact of anticipated retirements among
13 the most experienced personnel over the five-year pe-
14 riod beginning with 2003, together with a discussion
15 of the management actions necessary to address the
16 changes.

17 (2) An assessment of the anticipated workloads
18 and responsibilities of the test and evaluation work-
19 force over the ten-year period beginning with 2003,
20 together with the number and qualifications of mili-
21 tary and civilian personnel necessary to carry out
22 such workloads and responsibilities.

23 (3) The Secretary's specific plans for using the
24 demonstration authority provided in section 4308 of
25 the National Defense Authorization Act for Fiscal

1 Year 1996 (Public Law 104–106; 10 U.S.C. 1701
 2 note) and other special personnel management au-
 3 thorities of the Secretary to attract and retain quali-
 4 fied personnel in the test and evaluation workforce.

5 (4) Any recommended legislation or additional
 6 special authority that the Secretary considers appro-
 7 priate for facilitating the recruitment and retention
 8 of qualified personnel for the test and evaluation
 9 workforce.

10 (5) Any other matters that are relevant to the
 11 capabilities of the test and evaluation workforce.

12 **SEC. 236. COMPLIANCE WITH TEST AND EVALUATION MAS-**
 13 **TER PLAN REQUIREMENTS.**

14 (a) IN GENERAL.—Chapter 139 of title 10, United
 15 States Code, is amended by inserting after section 2364
 16 the following new section 2365:

17 **“§ 2365. Test and evaluation: general requirements**

18 **“(a) COMPLIANCE WITH TEST AND EVALUATION**
 19 **MASTER PLAN.**—The testing and evaluation of a system
 20 shall comply with the requirements of the test and evalua-
 21 tion master plan applicable to the system, except as pro-
 22 vided in subsection (b).

23 **“(b) DEVIATIONS.**—(1) The test and evaluation of a
 24 system may deviate from the requirements of an applicable
 25 test and evaluation master plan if—

1 “(A) the deviation is agreed upon in accordance
2 with the same procedures pursuant to which the
3 plan was established, including the procedure for ap-
4 proval by the Director of Operational Test and Eval-
5 uation; or

6 “(B) the Secretary of Defense approves the de-
7 viation.

8 “(2) The authority of the Secretary of Defense to ap-
9 prove a deviation for the purposes of paragraph (1)(B)
10 may not be delegated to any official other than the Deputy
11 Secretary of Defense.

12 “(c) NOTIFICATIONS OF CONGRESS.—(1) The Sec-
13 retary of Defense shall notify the Committees on Armed
14 Services and on Appropriations of the Senate and the
15 Committees on Armed Services and on Appropriations of
16 the House of Representatives of any decision to authorize
17 a deviation under subsection (b).

18 “(2) A notification of a deviation under paragraph
19 (1) shall be made not later than 30 days after the date
20 on which the deviation is authorized. The notification shall
21 include a description of each requirement covered by the
22 authorized deviation, together with the reasons for the de-
23 viation.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 at the beginning of such chapter is amended by inserting

1 after the item relating to section 2364 the following new
 2 item:

“2365. Test and evaluation: general requirements.”.

3 **SEC. 237. REPORT ON IMPLEMENTATION OF DEFENSE**
 4 **SCIENCE BOARD RECOMMENDATIONS.**

5 (a) REQUIREMENT.—Not later than March 1, 2003,
 6 the Secretary of Defense shall submit to the congressional
 7 defense committees a report on the extent of the imple-
 8 mentation of the recommendations set forth in the Decem-
 9 ber 2000 Report of the Defense Science Board Task Force
 10 on Test and Evaluation Capabilities.

11 (b) CONTENT.—The report shall include the fol-
 12 lowing:

13 (1) For each recommendation that is being im-
 14 plemented or that the Secretary plans to
 15 implement—

16 (A) a summary of all actions that have
 17 been taken to implement the recommendation;
 18 and

19 (B) a schedule, with specific milestones,
 20 for completing the implementation of the rec-
 21 ommendation.

22 (2) For each recommendation that the Sec-
 23 retary does not plan to implement—

24 (A) the reasons for the decision not to im-
 25 plement the recommendation; and

1 (B) a summary of any alternative actions
 2 the Secretary plans to take to address the pur-
 3 poses underlying the recommendation.

4 (3) A summary of any additional actions the
 5 Secretary plans to take to address concerns raised in
 6 the December 2000 Report of the Defense Science
 7 Board Task Force on Test and Evaluation Capabili-
 8 ties about the state of the test and evaluation infra-
 9 structure of the Department of Defense.

10 **Subtitle E—Other Matters**

11 **SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPART-** 12 **MENT OF DEFENSE LABORATORIES.**

13 (a) ADDITIONAL PILOT PROGRAM.—(1) The Sec-
 14 retary of Defense may carry out a pilot program to dem-
 15 onstrate improved efficiency in the performance of re-
 16 search, development, test, and evaluation functions of the
 17 Department of Defense.

18 (2) Under the pilot program, the Secretary of De-
 19 fense shall provide the director of one science and tech-
 20 nology laboratory, and the director of one test and evalua-
 21 tion laboratory, of each military department with author-
 22 ity for the following:

23 (A) To use innovative methods of personnel
 24 management appropriate for ensuring that the se-
 25 lected laboratories can—

1 (i) employ and retain a workforce appro-
2 priately balanced between permanent and tem-
3 porary personnel and among workers with ap-
4 propriate levels of skills and experience; and

5 (ii) effectively shape workforces to ensure
6 that the workforces have the necessary sets of
7 skills and experience to fulfill their organiza-
8 tional missions.

9 (B) To develop or expand innovative methods of
10 entering into and expanding cooperative relation-
11 ships and arrangements with private sector organi-
12 zations, educational institutions (including primary
13 and secondary schools), and State and local govern-
14 ments to facilitate the training of a future scientific
15 and technical workforce that will contribute signifi-
16 cantly to the accomplishment of organizational mis-
17 sions.

18 (C) To develop or expand innovative methods of
19 establishing cooperative relationships and arrange-
20 ments with private sector organizations and edu-
21 cational institutions to promote the establishment of
22 the technological industrial base in areas critical for
23 Department of Defense technological requirements.

24 (D) To waive any restrictions not required by
25 law that apply to the demonstration and implemen-

1 tation of methods for achieving the objectives set
2 forth in subparagraphs (A), (B), and (C).

3 (3) The Secretary may carry out the pilot program
4 under this subsection at each selected laboratory for a pe-
5 riod of three years beginning not later than March 1,
6 2003.

7 (b) RELATIONSHIP TO FISCAL YEARS 1999 AND
8 2000 REVITALIZATION PILOT PROGRAMS.—The pilot pro-
9 gram under this section is in addition to, but may be car-
10 ried out in conjunction with, the fiscal years 1999 and
11 2000 revitalization pilot programs.

12 (c) REPORTS.—(1) Not later than January 1, 2003,
13 the Secretary shall submit to Congress a report on the
14 experience under the fiscal years 1999 and 2000 revital-
15 ization pilot programs in exercising the authorities pro-
16 vided for the administration of those programs. The report
17 shall include a description of—

18 (A) barriers to the exercise of the authorities
19 that have been encountered;

20 (B) the proposed solutions for overcoming the
21 barriers; and

22 (C) the progress made in overcoming the bar-
23 riers.

24 (2) Not later than September 1, 2003, the Secretary
25 of Defense shall submit to Congress a report on the imple-

1 mentation of the pilot program under subsection (a) and
2 the fiscal years 1999 and 2000 revitalization pilot pro-
3 grams. The report shall include, for each such pilot pro-
4 gram, the following:

5 (A) Each laboratory selected for the pilot pro-
6 gram.

7 (B) To the extent practicable, a description of
8 the innovative methods that are to be tested at each
9 laboratory.

10 (C) The criteria to be used for measuring the
11 success of each method to be tested.

12 (3) Not later than 90 days after the expiration of the
13 period for the participation of a laboratory in a pilot pro-
14 gram referred to in paragraph (2), the Secretary of De-
15 fense shall submit to Congress a final report on the par-
16 ticipation of that laboratory in the pilot program. The re-
17 port shall include the following:

18 (A) A description of the methods tested.

19 (B) The results of the testing.

20 (C) The lessons learned.

21 (D) Any proposal for legislation that the Sec-
22 retary recommends on the basis of the experience at
23 that laboratory under the pilot program.

24 (d) EXTENSION OF AUTHORITY FOR OTHER REVI-
25 TALIZATION PILOT PROGRAMS.—(1) Section 246(a)(4) of

1 the Strom Thurmond National Defense Authorization Act
 2 for Fiscal Year 1999 (Public Law 105–261; 112 Stat.
 3 1956; 10 U.S.C. 2358 note) is amended by striking “a
 4 period of three years” and inserting “up to six years”.

5 (2) Section 245(a)(4) of the National Defense Au-
 6 thorization Act for Fiscal Year 2000 (Public Law 106–
 7 65; 113 Stat. 553; 10 U.S.C. 2358 note) is amended by
 8 striking “a period of three years” and inserting “up to
 9 five years”.

10 (e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1)
 11 The Secretary of Defense may authorize one or more lab-
 12 oratories and test centers participating in the pilot pro-
 13 gram under subsection (a) or in one of the fiscal years
 14 1999 and 2000 revitalization pilot programs to enter into
 15 a cooperative arrangement (in this subsection referred to
 16 as a “public-private partnership”) with entities in the pri-
 17 vate sector and institutions of higher education for the
 18 performance of work.

19 (2) A competitive process shall be used for the selec-
 20 tion of entities outside the Government to participate in
 21 a public-private partnership.

22 (3)(A) Not more than one public-private partnership
 23 may be established as a limited liability corporation.

24 (B) An entity participating in a limited liability cor-
 25 poration as a party to a public-private partnership under

1 the pilot program may contribute funds to the corporation,
2 accept contribution of funds for the corporation, and pro-
3 vide materials, services, and use of facilities for research,
4 technology, and infrastructure of the corporation, if it is
5 determined under regulations prescribed by the Secretary
6 of Defense that doing so will improve the efficiency of the
7 performance of research, test, and evaluation functions of
8 the Department of Defense.

9 (f) EXCEPTED SERVICE UNDER PILOT PROGRAM.—

10 (1) To facilitate recruitment of experts in science and en-
11 gineering to improve the performance of research, test,
12 and evaluation functions of the Department of Defense,
13 the Secretary of Defense may—

14 (A) designate a total of not more than 30 sci-
15 entific, engineering, and technology positions at the
16 laboratories and test centers participating in the
17 pilot program under subsection (a) or in any of the
18 fiscal years 1999 and 2000 revitalization pilot pro-
19 grams as positions in the excepted service (as de-
20 fined in section 2103(a) of title 5, United States
21 Code);

22 (B) appoint individuals to such positions; and

23 (C) fix the compensation of such individuals.

24 (2) The maximum rate of basic pay for a position
25 in the excepted service pursuant to a designation made

1 under paragraph (1) may not exceed the maximum rate
 2 of basic pay authorized for senior-level positions under
 3 section 5376 of title 5, United States Code, notwith-
 4 standing any provision of such title governing the rates
 5 of pay or classification of employees in the executive
 6 branch.

7 (g) FISCAL YEARS 1999 AND 2000 REVITALIZATION
 8 PILOT PROGRAMS DEFINED.—In this section, the term
 9 “fiscal years 1999 and 2000 revitalization pilot programs”
 10 means the pilot programs authorized by—

11 (1) section 246 of the Strom Thurmond Na-
 12 tional Defense Authorization Act for Fiscal Year
 13 1999 (Public Law 105–261; 112 Stat. 1955; 10
 14 U.S.C. 2358 note); and

15 (2) section 245 of the National Defense Author-
 16 ization Act for Fiscal Year 2000 (Public Law 106–
 17 65; 113 Stat. 552; 10 U.S.C. 2358 note).

18 **SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.**

19 (a) ESTABLISHMENT AND CONDUCT.—(1) Chapter
 20 139 of title 10, United States Code, is amended by insert-
 21 ing after section 2359 the following new section:

22 **“§ 2359a. Technology Transition Initiative**

23 “(a) REQUIREMENT FOR PROGRAM.—The Secretary
 24 of Defense shall carry out a Technology Transition Initia-
 25 tive to facilitate the rapid transition of new technologies

1 from science and technology programs of the Department
2 of Defense into acquisition programs for the production
3 of the technologies.

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

6 “(1) To accelerate the introduction of new tech-
7 nologies into Department of Defense acquisition pro-
8 grams appropriate for the technologies.

9 “(2) To successfully demonstrate new tech-
10 nologies in relevant environments.

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

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

16 “(2) In administering the Initiative, the Initiative
17 Manager shall—

18 “(A) report directly to the Under Secretary of
19 Defense for Acquisition, Technology, and Logistics;
20 and

21 “(B) obtain advice and other assistance from
22 the Technology Transition Council established under
23 subsection (e).

24 “(3) The Initiative Manager shall—

1 “(A) in consultation with the Technology Tran-
2 sition Council established under subsection (e), iden-
3 tify promising technologies that have been dem-
4 onstrated in science and technology programs of the
5 Department of Defense;

6 “(B) develop a list of those technologies that
7 have promising potential for transition into acquisi-
8 tion programs of the Department of Defense and
9 transmit the list to the acquisition executive of each
10 military department and to Congress;

11 “(C) identify potential sponsors in the Depart-
12 ment of Defense to undertake the transition of such
13 technologies into production;

14 “(D) work with the science and technology com-
15 munity and the acquisition community to develop
16 memoranda of agreement, joint funding agreements,
17 and other cooperative arrangements to provide for
18 the transition of the technologies into production;
19 and

20 “(E) provide funding support for selected
21 projects under subsection (d).

22 “(d) JOINTLY FUNDED PROJECTS.—(1) The acqui-
23 sition executive of each military department shall select
24 technology projects of the military department to rec-
25 ommend for funding support under the Initiative and shall

1 submit a list of the recommended projects, ranked in order
2 of priority, to the Initiative Manager. The projects shall
3 be selected, in a competitive process, on the basis of the
4 highest potential benefits in areas of interest identified by
5 the Secretary of that military department.

6 “(2) The Initiative Manager, in consultation with the
7 Technology Transition Council established under sub-
8 section (e), shall select projects for funding support from
9 among the projects on the lists submitted under paragraph
10 (1). The Initiative Manager shall provide funds for each
11 selected project. The total amount provided for a project
12 shall be determined by agreement between the Initiative
13 Manager and the acquisition executive of the military de-
14 partment concerned, but shall not be less than the amount
15 equal to 50 percent of the total cost of the project.

16 “(3) The Initiative Manager shall not fund any one
17 project under this subsection for more than 3 years.

18 “(4) The acquisition executive of the military depart-
19 ment shall manage each project selected under paragraph
20 (2) that is undertaken by the military department. Memo-
21 randa of agreement, joint funding agreements, and other
22 cooperative arrangements between the science and tech-
23 nology community and the acquisition community shall be
24 used in carrying out the project if the acquisition executive

1 determines that it is appropriate to do so to achieve the
2 objectives of the project.

3 “(e) TECHNOLOGY TRANSITION COUNCIL.—(1)
4 There is a Technology Transition Council in the Depart-
5 ment of Defense. The Council is composed of the following
6 members:

7 “(A) The science and technology executives of
8 the military departments and Defense Agencies.

9 “(B) The acquisition executives of the military
10 departments.

11 “(C) The members of the Joint Requirements
12 Oversight Council.

13 “(2) The Technology Transition Council shall provide
14 advice and assistance to the Initiative Manager under this
15 section.

16 “(f) DEFINITIONS.—In this section:

17 “(1) The term ‘acquisition executive’, with re-
18 spect to a military department, means the official
19 designated as the senior procurement executive for
20 that military department under section 16(3) of the
21 Office of Federal Procurement Policy Act (41 U.S.C.
22 414(3)).

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

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

4 (2) The table of sections at the beginning of such
5 chapter is amended by inserting after the item relating
6 to section 2395 the following new item:

 “2359a. Technology Transition Initiative.”.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—Of the
8 amount authorized to be appropriated under section
9 201(4), \$50,000,000 shall be available for the Technology
10 Transition Initiative under section 2359a of title 10,
11 United States Code (as added by subsection (a)), and for
12 other technology transition activities of the Department
13 of Defense.

14 **SEC. 243. ENCOURAGEMENT OF SMALL BUSINESSES AND**
15 **NONTRADITIONAL DEFENSE CONTRACTORS**
16 **TO SUBMIT PROPOSALS POTENTIALLY BENE-**
17 **FICIAL FOR COMBATING TERRORISM.**

18 (a) ESTABLISHMENT OF OUTREACH PROGRAM.—
19 During the 3-year period beginning on the date of the en-
20 actment of this Act, the Secretary of Defense shall carry
21 out a program of outreach to small businesses and non-
22 traditional defense contractors for the purpose set forth
23 in subsection (b).

24 (b) PURPOSE.—The purpose of the outreach program
25 is to provide a process for reviewing and evaluating re-

1 search activities of, and new technologies being developed
2 by, small businesses and nontraditional defense contrac-
3 tors that have the potential for meeting a defense require-
4 ment or technology development goal of the Department
5 of Defense that relates to the mission of the Department
6 of Defense to combat terrorism.

7 (c) GOALS.—The goals of the outreach program are
8 as follows:

9 (1) To increase efforts within the Department
10 of Defense to survey and identify technologies being
11 developed outside the Department that have the po-
12 tential described in subsection (b).

13 (2) To provide the Under Secretary of Defense
14 for Acquisition, Technology, and Logistics with a
15 source of expert advice on new technologies for com-
16 bating terrorism.

17 (3) To increase efforts to educate nontradi-
18 tional defense contractors on Department of Defense
19 acquisition processes, including regulations, proce-
20 dures, funding opportunities, military needs and re-
21 quirements, and technology transfer so as to encour-
22 age such contractors to submit proposals regarding
23 research activities and technologies described in sub-
24 section (b).

1 (4) To increase efforts to provide timely re-
2 sponse by the Department of Defense to acquisition
3 proposals (including unsolicited proposals) submitted
4 to the Department by small businesses and by non-
5 traditional defense contractors regarding research
6 activities and technologies described in subsection
7 (b), including through the use of electronic trans-
8 actions to facilitate the processing of proposals.

9 (d) REVIEW PANEL.—(1) The Secretary shall ap-
10 point, under the outreach program, a panel for the review
11 and evaluation of proposals described in subsection (c)(4).

12 (2) The panel shall be composed of qualified per-
13 sonnel from the military departments, relevant Defense
14 Agencies, industry, academia, and other private sector or-
15 ganizations.

16 (3) The panel shall review and evaluate proposals
17 that, as determined by the panel, may present a unique
18 and valuable approach for meeting a defense requirement
19 or technology development goal related to combating ter-
20 rorism. In carrying out duties under this paragraph, the
21 panel may act through representatives designated by the
22 panel.

23 (4) The panel shall—

24 (A) within 60 days after receiving such a pro-
25 posal, transmit to the source of the proposal a notifi-

1 cation regarding whether the proposal has been se-
2 lected for review by the panel;

3 (B) to the maximum extent practicable, com-
4 plete the review of each selected proposal within 120
5 days after the proposal is selected for review by the
6 panel; and

7 (C) after completing the review, transmit an
8 evaluation of the proposal to the source of the pro-
9 posal.

10 (5) The Secretary shall ensure that the panel, in re-
11 viewing and evaluating proposals under this subsection,
12 has the authority to obtain assistance, to a reasonable ex-
13 tent, from the appropriate technical resources of the lab-
14 oratories, research, development, and engineering centers,
15 test and evaluation activities, and other elements of the
16 Department of Defense.

17 (6) If, after completing the review of a proposal, the
18 panel determines that the proposal represents a unique
19 and valuable approach to meeting a defense requirement
20 or technology development goal related to combating ter-
21 rorism, the panel shall submit that determination to the
22 Under Secretary of Defense for Acquisition, Technology,
23 and Logistics together with any recommendations that the
24 panel considers appropriate regarding the proposal.

1 (7) The Secretary of Defense shall ensure that there
2 is no conflict of interest on the part of a member of the
3 panel with respect to the review and evaluation of a pro-
4 posal by the panel.

5 (e) DEFINITIONS.—In this section:

6 (1) The term “nontraditional defense con-
7 tractor” means an entity that has not, for at least
8 one year prior to the date of the enactment of this
9 Act, entered into, or performed with respect to, any
10 contract described in paragraph (1) or (2) of section
11 845(e) of the National Defense Authorization Act
12 for Fiscal Year 1994 (10 U.S.C. 2371 note).

13 (2) The term “small business” means a busi-
14 ness concern that meets the applicable size stand-
15 ards prescribed pursuant to section 3(a) of the
16 Small Business Act (15 U.S.C. 632(a)).

17 **SEC. 244. VEHICLE FUEL CELL PROGRAM.**

18 (a) PROGRAM.—The Secretary of Defense shall carry
19 out a vehicle fuel cell technology development program in
20 cooperation with the Secretary of Energy, the heads of
21 other Federal agencies appropriate for participation in the
22 program, and industry.

23 (b) GOALS AND OBJECTIVES.—The goals and objec-
24 tives of the program shall be as follows:

1 (1) To identify and support technological ad-
2 vances that are necessary for the development of fuel
3 cell technology for use in vehicles of types to be used
4 by the Department of Defense.

5 (2) To ensure that critical technology advances
6 are shared among the various fuel cell technology
7 programs within the Federal Government.

8 (3) To ensure maximum leverage of Federal
9 Government funding for fuel cell technology develop-
10 ment.

11 (c) CONTENT OF PROGRAM.—The program shall
12 include—

13 (1) development of vehicle propulsion tech-
14 nologies and fuel cell auxiliary power units, together
15 with pilot demonstrations of such technologies, as
16 appropriate; and

17 (2) development of technologies necessary to ad-
18 dress critical issues such as hydrogen storage and
19 the need for a hydrogen fuel infrastructure.

20 (d) COOPERATION WITH INDUSTRY.—(1) The Sec-
21 retary shall include the automobile and truck manufac-
22 turing industry and its systems and component suppliers
23 in the cooperative involvement of industry in the program.

24 (2) The Secretary of Defense shall consider whether,
25 in order to facilitate the cooperation of industry in the

1 program, the Secretary and one or more companies in in-
2 dustry should enter into a cooperative agreement that es-
3 tablishes an entity to carry out activities required under
4 subsection (c). An entity established by any such agree-
5 ment shall be known as a defense industry fuel cell part-
6 nership.

7 (3) The Secretary of Defense shall provide for indus-
8 try to bear, in cash or in kind, at least one-half of the
9 total cost of carrying out the program.

10 (e) AMOUNT FOR PROGRAM.—Of the amount author-
11 ized to be appropriated by section 201(4), \$10,000,000
12 shall be available for the program required by this section.

13 **SEC. 245. DEFENSE NANOTECHNOLOGY RESEARCH AND DE-**
14 **VELOPMENT PROGRAM.**

15 (a) ESTABLISHMENT.—The Secretary of Defense
16 shall carry out a defense nanotechnology research and de-
17 velopment program.

18 (b) PURPOSES.—The purposes of the program are as
19 follows:

20 (1) To ensure United States global superiority
21 in nanotechnology necessary for meeting national se-
22 curity requirements.

23 (2) To coordinate all nanoscale research and
24 development within the Department of Defense, and
25 to provide for interagency cooperation and collabora-

1 tion on nanoscale research and development between
2 the Department of Defense and other departments
3 and agencies of the United States that are involved
4 in nanoscale research and development.

5 (3) To develop and manage a portfolio of fun-
6 damental and applied nanoscience and engineering
7 research initiatives that is stable, consistent, and
8 balanced across scientific disciplines.

9 (4) To accelerate the transition and deployment
10 of technologies and concepts derived from nanoscale
11 research and development into the Armed Forces,
12 and to establish policies, procedures, and standards
13 for measuring the success of such efforts.

14 (5) To collect, synthesize, and disseminate crit-
15 ical information on nanoscale research and develop-
16 ment.

17 (c) ADMINISTRATION.—In carrying out the program,
18 the Secretary shall act through the Director of Defense
19 Research and Engineering, who shall supervise the plan-
20 ning, management, and coordination of the program. The
21 Director, in consultation with the Secretaries of the mili-
22 tary departments and the heads of participating Defense
23 Agencies and other departments and agencies of the
24 United States, shall—

1 (1) prescribe a set of long-term challenges and
2 a set of specific technical goals for the program;

3 (2) develop a coordinated and integrated re-
4 search and investment plan for meeting the long-
5 term challenges and achieving the specific technical
6 goals; and

7 (3) develop memoranda of agreement, joint
8 funding agreements, and other cooperative arrange-
9 ments necessary for meeting the long-term chal-
10 lenges and achieving the specific technical goals.

11 (d) ANNUAL REPORT.—Not later than March 1 of
12 each of 2004, 2005, 2006, and 2007, the Director of De-
13 fense Research and Engineering shall submit to the con-
14 gressional defense committees a report on the program.
15 The report shall contain the following matters:

16 (1) A review of—

17 (A) the long-term challenges and specific
18 goals of the program; and

19 (B) the progress made toward meeting the
20 challenges and achieving the goals.

21 (2) An assessment of current and proposed
22 funding levels, including the adequacy of such fund-
23 ing levels to support program activities.

1 (3) A review of the coordination of activities
2 within the Department of Defense and with other
3 departments and agencies.

4 (4) An assessment of the extent to which effective
5 technology transition paths have been established
6 as a result of activities under the program.

7 (5) Recommendations for additional program
8 activities to meet emerging national security requirements.
9

10 **TITLE III—OPERATION AND**
11 **MAINTENANCE**

12 **Subtitle A—Authorization of**
13 **Appropriations**

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

15 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
16 are hereby authorized to be appropriated for fiscal year
17 2003 for the use of the Armed Forces and other activities
18 and agencies of the Department of Defense for expenses,
19 not otherwise provided for, for operation and maintenance,
20 in amounts as follows:

21 (1) For the Army, \$24,195,242,000.

22 (2) For the Navy, \$29,368,961,000.

23 (3) For the Marine Corps, \$3,558,732,000.

24 (4) For the Air Force, \$27,448,764,000.

1 (5) For Defense-wide activities,
2 \$14,492,266,000.

3 (6) For the Army Reserve, \$1,962,610,000.

4 (7) For the Naval Reserve, \$1,233,759,000.

5 (8) For the Marine Corps Reserve,
6 \$190,532,000.

7 (9) For the Air Force Reserve, \$2,165,004,000.

8 (10) For the Army National Guard,
9 \$4,506,267,000.

10 (11) For the Air National Guard,
11 \$4,114,910,000.

12 (12) For the Defense Inspector General,
13 \$155,165,000.

14 (13) For the United States Court of Appeals
15 for the Armed Forces, \$9,614,000.

16 (14) For Environmental Restoration, Army,
17 \$395,900,000.

18 (15) For Environmental Restoration, Navy,
19 \$256,948,000.

20 (16) For Environmental Restoration, Air Force,
21 \$389,773,000.

22 (17) For Environmental Restoration, Defense-
23 wide, \$23,498,000.

24 (18) For Environmental Restoration, Formerly
25 Used Defense Sites, \$252,102,000.

1 (19) For Overseas Humanitarian, Disaster, and
2 Civic Aid programs, \$58,400,000.

3 (20) For Drug Interdiction and Counter-drug
4 Activities, Defense-wide, \$873,907,000.

5 (21) For the Kaho'olawe Island Conveyance,
6 Remediation, and Environmental Restoration Trust
7 Fund, \$25,000,000.

8 (22) For Defense Health Program,
9 \$14,202,441,000.

10 (23) For Cooperative Threat Reduction pro-
11 grams, \$416,700,000.

12 (24) For Overseas Contingency Operations
13 Transfer Fund, \$50,000,000.

14 (25) For Support for International Sporting
15 Competitions, Defense, \$19,000,000.

16 (b) ADJUSTMENT.—The total amount authorized to
17 be appropriated pursuant to subsection (a) is reduced
18 by—

19 (1) \$159,790,000, which represents savings re-
20 sulting from reduced travel; and

21 (2) \$615,200,000, which represents savings re-
22 sulting from foreign currency fluctuations.

23 **SEC. 302. WORKING CAPITAL FUNDS.**

24 Funds are hereby authorized to be appropriated for
25 fiscal year 2003 for the use of the Armed Forces and other

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

4 (1) For the Defense Working Capital Funds,
5 \$387,156,000.

6 (2) For the National Defense Sealift Fund,
7 \$934,129,000.

8 (3) For the Defense Commissary Agency Work-
9 ing Capital Fund, \$969,200,000.

10 (4) For the Pentagon Reservation Maintenance
11 Revolving Fund, \$328,000,000.

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

13 There is hereby authorized to be appropriated for fis-
14 cal year 2003 from the Armed Forces Retirement Home
15 Trust Fund the sum of \$69,921,000 for the operation of
16 the Armed Forces Retirement Home, including the Armed
17 Forces Retirement Home—Washington and the Armed
18 Forces Retirement Home—Gulfport.

19 **SEC. 304. RANGE ENHANCEMENT INITIATIVE FUND.**

20 (a) AVAILABILITY OF FUNDS.—Of the amount au-
21 thorized to be appropriated by section 301(a)(5) for oper-
22 ation and maintenance for defense-wide activities,
23 \$20,000,000 shall be available for the Range Enhance-
24 ment Initiative Fund for the purpose specified in sub-
25 section (b).

1 (b) PURPOSE.—Subject to subsection (c), amounts
2 authorized to be appropriated for the Range Enhancement
3 Initiative Fund shall be available to the Secretary of De-
4 fense and the Secretaries of the military departments to
5 purchase restrictive easements, including easements that
6 implement agreements entered into under section 2697 of
7 title 10, United States Code, as added by section 2811
8 of this Act.

9 (c) TRANSFER OF AMOUNTS.—(1) Amounts in the
10 Range Enhancement Initiative Fund shall, subject to ap-
11 plicable limitations in appropriations Acts, be made avail-
12 able to the Secretary of a military department under sub-
13 section (b) by transfer from the Fund to the applicable
14 operation and maintenance account of the military depart-
15 ment, including the operation and maintenance account
16 for the active component, or for a reserve component, of
17 the military department.

18 (2) Authority to transfer amounts under paragraph
19 (1) is in addition to any other authority to transfer funds
20 under this Act.

Subtitle B—Environmental Provisions

SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL PURPOSES.

Section 2701(d) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

“(2) CROSS-FISCAL YEAR AGREEMENTS.—An agreement with an agency under paragraph (1) may be for a period that begins in one fiscal year and ends in another fiscal year if (without regard to any option to extend the period of the agreement) the period of the agreement does not exceed two years.”.

SEC. 312. MODIFICATION OF AUTHORITY TO CARRY OUT CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSES.

(a) RESTATEMENT AND MODIFICATION OF AUTHORITY.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

1 **“§ 2711. Environmental restoration projects for envi-**
 2 **ronmental responses**

3 “(a) The Secretary of Defense or the Secretary of
 4 a military department may carry out an environmental
 5 restoration project if that Secretary determines that the
 6 project is necessary to carry out a response under this
 7 chapter or CERCLA.

8 “(b) Any construction, development, conversion, or
 9 extension of a structure or installation of equipment that
 10 is included in an environmental restoration project may
 11 not be considered military construction (as that term is
 12 defined in section 2801(a) of this title).

13 “(c) Funds authorized for deposit in an account es-
 14 tablished by section 2703(a) of this title shall be the only
 15 source of funds to conduct an environmental restoration
 16 project under this section.

17 “(d) In this section, the term ‘environmental restora-
 18 tion project’ includes construction, development, conver-
 19 sion, or extension of a structure or installation of equip-
 20 ment in direct support of a response.”.

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

“2711. Environmental restoration projects for environmental responses.”.

24 (b) REPEAL OF SUPERSEDED PROVISION.—(1) Sec-
 25 tion 2810 of title 10, United States Code, is repealed.

1 (2) The table of sections at the beginning of chapter
2 169 of that title is amended by striking the item relating
3 to section 2810.

4 **SEC. 313. INCREASED PROCUREMENT OF ENVIRON-**
5 **MENTALLY PREFERABLE PRODUCTS.**

6 (a) **PROCUREMENT GOALS.**—(1) The Secretary of
7 Defense shall establish goals for the increased procure-
8 ment by the Department of Defense of procurement items
9 that are environmentally preferable or are made with re-
10 covered materials.

11 (2) The goals established under paragraph (1) shall
12 be consistent with the requirements of section 6002 of the
13 Solid Waste Disposal Act (42 U.S.C. 6962).

14 (3) In establishing goals under paragraph (1), the
15 Secretary shall review the Comprehensive Procurement
16 Guidelines and Guidance on Acquisition of Environ-
17 mentally Preferable Products and Services developed pur-
18 suant to Executive Order 13101 and products identified
19 as environmentally preferable in the Federal Logistics In-
20 formation System.

21 (4) In establishing goals under paragraph (1), the
22 Secretary shall establish a procurement goal for each cat-
23 egory of procurement items that is environmentally pref-
24 erable or is made with recovered materials.

1 (5) The goals established under paragraph (1) shall
2 apply to Department purchases in each category of pro-
3 curement items designated by the Secretary for purposes
4 of paragraph (4), but shall not apply to—

5 (A) products or services purchased by Depart-
6 ment contractors and subcontractors, even if such
7 products or services are incorporated into procure-
8 ment items purchased by the Department; or

9 (B) credit card purchases or other local pur-
10 chases that are made outside the requisitioning proc-
11 ess of the Department.

12 (b) ASSESSMENT OF TRAINING AND EDUCATION.—
13 The Secretary shall assess the need to establish a pro-
14 gram, or enhance existing programs, for training and edu-
15 cating Department of Defense procurement officials and
16 contractors to ensure that they are aware of Department
17 requirements, preferences, and goals for the procurement
18 of items that are environmentally preferable or are made
19 with recovered materials.

20 (c) TRACKING SYSTEM.—The Secretary shall develop
21 a tracking system to identify the extent to which the De-
22 partment of Defense is procuring items that are environ-
23 mentally preferable or are made with recovered materials.
24 The tracking system shall separately track procurement

1 of each category of procurement items for which a goal
2 has been established under subsection (a)(4).

3 (d) INITIAL REPORT.—Not later than 120 days after
4 the date of the enactment of this Act, the Secretary shall
5 submit to the congressional defense committees a report
6 that sets forth—

7 (1) the initial goals the Secretary plans to es-
8 tablish under subsection (a); and

9 (2) the findings of the Secretary as a result of
10 the assessment under subsection (b), together with
11 any recommendations of the Secretary as a result of
12 the assessment.

13 (e) IMPLEMENTATION.—Not later than 180 days
14 after the date of the enactment of this Act, the Secretary
15 shall—

16 (1) establish an initial set of goals in accord-
17 ance subsection (a);

18 (2) begin the implementation of any rec-
19 ommendations of the Secretary under subsection
20 (d)(2) as a result of the assessment under subsection
21 (b); and

22 (3) implement the tracking system required by
23 subsection (c).

24 (f) ANNUAL REPORT.—Not later than March 1 of
25 each year from 2004 through 2007, the Secretary shall

1 submit to Congress a report on the progress made in the
2 implementation of this section. Each report shall—

3 (1) identify each category of procurement items
4 for which a goal has been established under sub-
5 section (a) as of the end of such year; and

6 (2) provide information from the tracking sys-
7 tem required by subsection (b) that indicates the ex-
8 tent to which the Department has met the goal for
9 the category of procurement items as of the end of
10 such year.

11 (g) DEFINITIONS.—In this section:

12 (1) ENVIRONMENTALLY PREFERABLE.—The
13 term “environmentally preferable”, in the case of a
14 procurement item, means that the item has a lesser
15 or reduced effect on human health and the environ-
16 ment when compared with competing procurement
17 items that serve the same purpose. The comparison
18 may be based upon consideration of raw materials
19 acquisition, production, manufacturing, packaging,
20 distribution, reuse, operation, maintenance, or dis-
21 posal of the procurement item, or other appropriate
22 matters.

23 (2) PROCUREMENT ITEM.—The term “procure-
24 ment item” has the meaning given that term in sec-

1 tion 1004(16) of the Solid Waste Disposal Act (40
2 U.S.C. 6903(16)).

3 (3) RECOVERED MATERIALS.—The term “re-
4 covered materials” means waste materials and by-
5 products that have been recovered or diverted from
6 solid waste, but does not include materials and by-
7 products generated from, and commonly used within,
8 an original manufacturing process.

9 **SEC. 314. CLEANUP OF UNEXPLODED ORDNANCE ON**
10 **KAHO’OLAWA ISLAND, HAWAII.**

11 (a) LEVEL OF CLEANUP REQUIRED.—The Secretary
12 of the Navy shall continue activities for the clearance and
13 removal of unexploded ordnance on the Island of
14 Kaho’olawe, Hawaii, and related remediation activities,
15 until the later of the following dates:

16 (1) The date on which the Kaho’olawe Island
17 access control period expires.

18 (2) The date on which the Secretary achieves
19 each of the following objectives:

20 (A) The inspection and assessment of all of
21 Kaho’olawe Island in accordance with current
22 procedures.

23 (B) The clearance of 75 percent of
24 Kaho’olawe Island to the degree specified in the

1 Tier One standards in the memorandum of un-
2 derstanding.

3 (C) The clearance of 25 percent of
4 Kaho’olawe Island to the degree specified in the
5 Tier Two standards in the memorandum of un-
6 derstanding.

7 (b) DEFINITIONS.—In this section:

8 (1) The term “Kaho’olawe Island access control
9 period” means the period for which the Secretary of
10 the Navy is authorized to retain the control of access
11 to the Island of Kaho’olawe, Hawaii, under title X
12 of the Department of Defense Appropriations Act,
13 1994 (Public Law 103–139; 107 Stat. 1480).

14 (2) The term “memorandum of understanding”
15 means the Memorandum of Understanding Between
16 the United States Department of the Navy and the
17 State of Hawaii Concerning the Island of
18 Kaho’olawe, Hawaii.

1 **Subtitle C—Defense Dependents’**
2 **Education**

3 **SEC. 331. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
4 **THAT BENEFIT DEPENDENTS OF MEMBERS**
5 **OF THE ARMED FORCES AND DEPARTMENT**
6 **OF DEFENSE CIVILIAN EMPLOYEES.**

7 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
8 PROGRAM FOR FISCAL YEAR 2003.—Of the amount au-
9 thorized to be appropriated pursuant to section 301(a)(5)
10 for operation and maintenance for Defense-wide activities,
11 \$30,000,000 shall be available only for the purpose of pro-
12 viding educational agencies assistance to local educational
13 agencies.

14 (b) NOTIFICATION.—Not later than June 30, 2003,
15 the Secretary of Defense shall notify each local edu-
16 cational agency that is eligible for assistance or a payment
17 under subsection (a) for fiscal year 2003 of—

18 (1) that agency’s eligibility for the assistance or
19 payment; and

20 (2) the amount of the assistance or payment for
21 which that agency is eligible.

22 (c) DISBURSEMENT OF FUNDS.—The Secretary of
23 Defense shall disburse funds made available under sub-
24 section (a) not later than 30 days after the date on which

1 notification to the eligible local educational agencies is
2 provided pursuant to subsection (b).

3 (d) DEFINITIONS.—In this section:

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

9 (2) The term “local educational agency” has
10 the meaning given that term in section 8013(9) of
11 the Elementary and Secondary Education Act of
12 1965 (20 U.S.C. 7713(9)).

13 **SEC. 332. IMPACT AID FOR CHILDREN WITH SEVERE DIS-**
14 **ABILITIES.**

15 Of the amount authorized to be appropriated pursu-
16 ant to section 301(a)(5) for operation and maintenance
17 for Defense-wide activities, \$5,000,000 shall be available
18 for payments under section 363 of the Floyd D. Spence
19 National Defense Authorization Act for Fiscal Year 2001
20 (as enacted into law by Public Law 106–398; 114 Stat.
21 1654A–77; 20 U.S.C. 7703a).

1 **SEC. 333. OPTIONS FOR FUNDING DEPENDENT SUMMER**
 2 **SCHOOL PROGRAMS.**

3 Section 1402(d)(2) of the Defense Dependents' Edu-
 4 cation Act of 1978 (20 U.S.C. 921(d)(2)) is amended to
 5 read as follows:

6 “(2) The Secretary shall provide any summer school
 7 program under this subsection on the same financial basis
 8 as programs offered during the regular school year, except
 9 that the Secretary may charge reasonable fees for all or
 10 portions of such summer school programs to the extent
 11 that the Secretary determines appropriate.”.

12 **SEC. 334. COMPTROLLER GENERAL STUDY OF ADEQUACY**
 13 **OF COMPENSATION PROVIDED FOR TEACH-**
 14 **ERS IN THE DEPARTMENT OF DEFENSE**
 15 **OVERSEAS DEPENDENTS' SCHOOLS.**

16 (a) ADDITIONAL CONSIDERATION FOR STUDY.—Sub-
 17 section (b) of section 354 of the National Defense Author-
 18 ization Act for Fiscal Year 2002 (Public Law 107–107;
 19 115 Stat. 1064) is amended by inserting after paragraph
 20 (2) the following new paragraph:

21 “(3) Whether the process for setting teacher
 22 compensation is efficient and cost effective.”.

23 (b) EXTENSION OF TIME FOR REPORTING.—Sub-
 24 section (c) of such section is amended by striking “May
 25 1, 2002” and inserting “December 12, 2002”.

1 **Subtitle D—Other Matters**

2 **SEC. 341. USE OF HUMANITARIAN AND CIVIC ASSISTANCE** 3 **FUNDS FOR RESERVE COMPONENT MEMBERS** 4 **OF SPECIAL OPERATIONS COMMAND EN-** 5 **GAGED IN ACTIVITIES RELATING TO CLEAR-** 6 **ANCE OF LANDMINES.**

7 Section 401(c) of title 10, United States Code, is
 8 amended by adding at the end the following new para-
 9 graph (5):

10 “(5) Up to 10 percent of the amount available for
 11 a fiscal year for activities described in subsection (e)(5)
 12 may be expended for the pay and allowances of reserve
 13 component members of the Special Operations Command
 14 performing duty in connection with training and activities
 15 related to the clearing of landmines for humanitarian pur-
 16 poses.”.

17 **SEC. 342. CALCULATION OF FIVE-YEAR PERIOD OF LIMITA-** 18 **TION FOR NAVY-MARINE CORPS INTRANET** 19 **CONTRACT.**

20 (a) COMMENCEMENT OF PERIOD.—The five-year pe-
 21 riod of limitation that is applicable to the multiyear Navy-
 22 Marine Corps Intranet contract under section 2306c of
 23 title 10, United States Code, shall be deemed to have
 24 begun on the date on which the Under Secretary of De-
 25 fense for Acquisition, Technology, and Logistics and the

1 Chief Information Officer of the Department of Defense
 2 approved the ordering of additional workstations under
 3 such contract in accordance with subsection (c) of section
 4 814 of the Floyd D. Spence National Defense Authoriza-
 5 tion Act for Fiscal Year 2001, as added by section 362(a)
 6 of the National Defense Authorization Act for Fiscal Year
 7 2002 (Public Law 107–107; 115 Stat. 1065).

8 (b) DEFINITION.—In this section, the term “Navy-
 9 Marine Corps Intranet contract” has the meaning given
 10 such term in section 814(i)(1) of the Floyd D. Spence Na-
 11 tional Defense Authorization Act for Fiscal Year 2001 (as
 12 amended by section 362(c) of Public Law 107–107 (115
 13 Stat. 1067)).

14 **SEC. 343. REIMBURSEMENT FOR RESERVE COMPONENT IN-**
 15 **TELLIGENCE SUPPORT.**

16 (a) SOURCE OF FUNDS.—Chapter 1003 of title 10,
 17 United States Code, is amended by adding at the end the
 18 following new section:

19 **“§ 10115. Reimbursement for reserve component in-**
 20 **telligence support**

21 “(a) AUTHORITY.—Funds appropriated or otherwise
 22 made available to a military department, Defense Agency,
 23 or combatant command for operation and maintenance
 24 shall be available for the pay, allowances, and other costs
 25 that would be charged to appropriations for a reserve com-

ponent for the performance of duties by members of that reserve component in providing intelligence or counter-intelligence support to—

“(1) such military department, Defense Agency, or combatant command; or

“(2) a joint intelligence activity, including any such activity for which funds are authorized to be appropriated within the National Foreign Intelligence Program, the Joint Military Intelligence Program, or the Tactical Intelligence and Related Activities aggregate (or any successor to such program or aggregate).

“(b) CONSTRUCTION OF PROVISION.—Nothing in this section shall be construed to authorize deviation from established reserve component personnel or training procedures.”.

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

“10115. Reimbursement for reserve component intelligence support.”.

SEC. 344. CLARIFICATION OF CORE LOGISTICS CAPABILITIES.

Section 2464(a)(3) of title 10, United States Code, is amended by striking “those capabilities” and all that follows through “four years” and inserting “those logistics capabilities (including acquisition logistics capabilities,

1 supply management capabilities, system engineering capa-
 2 bilities, maintenance capabilities, and modification man-
 3 agement capabilities) that are necessary to maintain, re-
 4 pair, and sustain the weapon systems and other military
 5 equipment (including mission-essential weapon systems or
 6 materiel not later than two years”.

7 **SEC. 345. REBATE AGREEMENTS UNDER THE SPECIAL SUP-**
 8 **PLEMENTAL FOOD PROGRAM.**

9 (a) **APPLICABILITY TO NAVY EXCHANGE MAR-**
 10 **KETS.**—Paragraph (1)(A) of section 1060a(e) of title 10,
 11 United States Code, is amended by inserting “or Navy Ex-
 12 change Markets” after “commissary stores”.

13 (b) **INCREASED MAXIMUM PERIOD OF AGREE-**
 14 **MENT.**—Paragraph (3) of such section 1060a(e) is amend-
 15 ed by striking “subsection may not exceed one year” in
 16 the first sentence and inserting “subsection, including any
 17 period of extension of the contract by modification of the
 18 contract, exercise of an option, or other cause, may not
 19 exceed three years”.

20 **TITLE IV—MILITARY**
 21 **PERSONNEL AUTHORIZATIONS**
 22 **Subtitle A—Active Forces**

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

24 The Armed Forces are authorized strengths for active
 25 duty personnel as of September 30, 2003, as follows:

- 1 (1) The Army, 480,000.
- 2 (2) The Navy, 375,700.
- 3 (3) The Marine Corps, 175,000.
- 4 (4) The Air Force, 359,000.

5 **SEC. 402. AUTHORITY TO INCREASE STRENGTH AND GRADE**
 6 **LIMITATIONS TO ACCOUNT FOR RESERVE**
 7 **COMPONENT MEMBERS ON ACTIVE DUTY IN**
 8 **SUPPORT OF A CONTINGENCY OPERATION.**

9 (a) ACTIVE DUTY STRENGTH.—Section 115(c)(1) of
 10 title 10, United States Code, is amended to read as fol-
 11 lows:

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

15 “(A) a number equal to not more than 2
 16 percent of that end strength;

17 “(B) a number equal to the number of
 18 members of the reserve components of that
 19 armed force on active duty under section
 20 12301(d) of this title in support of a contin-
 21 gency operation in that fiscal year; or

22 “(C) a number not greater than the sum
 23 of the numbers authorized by subparagraphs
 24 (A) and (B).”.

1 (b) AUTHORIZED DAILY AVERAGE FOR MEMBERS IN
 2 PAY GRADES E-8 AND E-9 ON ACTIVE DUTY.—Section
 3 517 of such title is amended by adding at the end the
 4 following new paragraph:

5 “(d) The Secretary of Defense may increase the au-
 6 thorized daily average number of enlisted members on ac-
 7 tive duty in an armed force in pay grades E-8 and E-
 8 9 in a fiscal year under subsection (a) by the number of
 9 enlisted members of reserve components of that armed
 10 force in pay grades E-8 and E-9, respectively, that are
 11 on active duty in that fiscal year under section 12301(d)
 12 of this title in support of a contingency operation.”.

13 (c) AUTHORIZED STRENGTHS FOR COMMISSIONED
 14 OFFICERS IN PAY GRADES O-4, O-5, AND O-6 ON AC-
 15 TIVE DUTY.—Section 523 of such title is amended—

16 (1) in subsection (a), by striking “subsection
 17 (c)” in paragraphs (1) and (2) and inserting “sub-
 18 sections (c) and (e)”;

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

21 “(e) The Secretary of Defense may increase the au-
 22 thorized total number of commissioned officers serving on
 23 active duty in the Army, Navy, Air Force, or Marine Corps
 24 in a grade referred to in subsection (c) at the end of any
 25 fiscal year under that subsection by the number of com-

1 missioned officers of reserve components of the Army,
 2 Navy, Air Force, or Marine Corps, respectively, that are
 3 then serving on active duty in that grade under section
 4 12301(d) of this title in support of a contingency oper-
 5 ation.”.

6 (d) AUTHORIZED STRENGTHS FOR GENERAL AND
 7 FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of
 8 such title is amended—

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

12 (2) by striking “LIMITATIONS.—The” and in-
 13 serting “LIMITATIONS.—(1) Except as provided in
 14 paragraph (2), the”; and

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

17 “(2) The Secretary of Defense may increase the num-
 18 ber of general and flag officers authorized to be on active
 19 duty in the Army, Navy, Air Force, or Marine Corps under
 20 paragraph (1) by the number of reserve general or flag
 21 officers of reserve components of the Army, Navy, Air
 22 Force, or Marine Corps, respectively, that are on active
 23 duty under section 12301(d) of this title in support of a
 24 contingency operation.”.

1 **SEC. 403. INCREASED ALLOWANCE FOR NUMBER OF MA-**
 2 **RINE CORPS GENERAL OFFICERS ON ACTIVE**
 3 **DUTY IN GRADES ABOVE MAJOR GENERAL.**

4 Section 525(b)(2)(B) of title 10, United States Code,
 5 is amended by striking “16.2 percent” and inserting “17.5
 6 percent”.

7 **SEC. 404. INCREASE IN AUTHORIZED STRENGTHS FOR MA-**
 8 **RINE CORPS OFFICERS ON ACTIVE DUTY IN**
 9 **THE GRADE OF COLONEL.**

10 The table in section 523(a)(1) of title 10, United
 11 States Code, is amended by striking the figures under the
 12 heading “Colonel” in the portion of the table relating to
 13 the Marine Corps and inserting the following:

“571
 632
 653
 673
 694
 715
 735”.

14 **Subtitle B—Reserve Forces**

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

16 (a) IN GENERAL.—The Armed Forces are authorized
 17 strengths for Selected Reserve personnel of the reserve
 18 components as of September 30, 2003, as follows:

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

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

22 (3) The Naval Reserve, 87,800.

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

2 (5) The Air National Guard of the United
3 States, 106,600.

4 (6) The Air Force Reserve, 75,600.

5 (7) The Coast Guard Reserve, 9,000.

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

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

13 (2) the total number of individual members not
14 in units organized to serve as units of the Selected
15 Reserve of such component who are on active duty
16 (other than for training or for unsatisfactory partici-
17 pation in training) without their consent at the end
18 of the fiscal year.

19 Whenever such units or such individual members are re-
20 leased from active duty during any fiscal year, the end
21 strength prescribed for such fiscal year for the Selected
22 Reserve of such reserve component shall be proportion-
23 ately increased by the total authorized strengths of such
24 units and by the total number of such individual members.

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

3 Within the end strengths prescribed in section
 4 411(a), the reserve components of the Armed Forces are
 5 authorized, as of September 30, 2003, the following num-
 6 ber of Reserves to be serving on full-time active duty or
 7 full-time duty, in the case of members of the National
 8 Guard, for the purpose of organizing, administering, re-
 9 cruiting, instructing, or training the reserve components:

10 (1) The Army National Guard of the United
 11 States, 24,492.

12 (2) The Army Reserve, 13,888.

13 (3) The Naval Reserve, 14,572.

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

15 (5) The Air National Guard of the United
 16 States, 11,727.

17 (6) The Air Force Reserve, 1,498.

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

20 The minimum number of military technicians (dual
 21 status) as of the last day of fiscal year 2003 for the re-
 22 serve components of the Army and the Air Force (notwith-
 23 standing section 129 of title 10, United States Code) shall
 24 be the following:

25 (1) For the Army Reserve, 6,599.

1 (2) For the Army National Guard of the United
2 States, 24,102.

3 (3) For the Air Force Reserve, 9,911.

4 (4) For the Air National Guard of the United
5 States, 22,495.

6 **SEC. 414. FISCAL YEAR 2003 LIMITATIONS ON NON-DUAL**
7 **STATUS TECHNICIANS.**

8 (a) LIMITATIONS.—(1) Within the limitation pro-
9 vided in section 10217(c)(2) of title 10, United States
10 Code, the number of non-dual status technicians employed
11 by the National Guard as of September 30, 2003, may
12 not exceed the following:

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

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

17 (2) The number of non-dual status technicians em-
18 ployed by the Army Reserve as of September 30, 2003,
19 may not exceed 995.

20 (3) The Air Force Reserve may not employ any per-
21 son as a non-dual status technician during fiscal year
22 2003.

23 (b) NON-DUAL STATUS TECHNICIANS DEFINED.—In
24 this section, the term “non-dual status technician” has the

1 meaning given the term in section 10217(a) of title 10,
 2 United States Code.

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

5 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-** 6 **TARY PERSONNEL.**

7 There is hereby authorized to be appropriated to the
 8 Department of Defense for military personnel for fiscal
 9 year 2003 a total of \$94,352,208,000. The authorization
 10 in the preceding sentence supersedes any other authoriza-
 11 tion of appropriations (definite or indefinite) for such pur-
 12 pose for fiscal year 2003.

13 **TITLE V—MILITARY PERSONNEL** 14 **POLICY**

15 **Subtitle A—Officer Personnel** 16 **Policy**

17 **SEC. 501. EXTENSION OF CERTAIN REQUIREMENTS AND EX-** 18 **CLUSIONS APPLICABLE TO SERVICE OF GEN-** 19 **ERAL AND FLAG OFFICERS ON ACTIVE DUTY** 20 **IN CERTAIN JOINT DUTY ASSIGNMENTS.**

21 (a) RECOMMENDATIONS FOR ASSIGNMENT TO SEN-
 22 IOR JOINT OFFICER POSITIONS.—Section 604(c) of title
 23 10, United States Code, is amended by striking “Sep-
 24 tember 30, 2003” and inserting “December 31, 2003”.

1 (b) INAPPLICABILITY OF GRADE DISTRIBUTION RE-
 2 QUIREMENTS.—Section 525(b)(5)(C) of such title is
 3 amended by striking “September 30, 2003” and inserting
 4 “December 31, 2003”.

5 (c) EXCLUSION FROM STRENGTH LIMITATION.—Sec-
 6 tion 526(b)(3) of such title is amended by striking “Octo-
 7 ber 1, 2002” and inserting “December 31, 2003”.

8 **SEC. 502. EXTENSION OF AUTHORITY TO WAIVE REQUIRE-**
 9 **MENT FOR SIGNIFICANT JOINT DUTY EXPERI-**
 10 **ENCE FOR APPOINTMENT AS A CHIEF OF A**
 11 **RESERVE COMPONENT OR A NATIONAL**
 12 **GUARD DIRECTOR.**

13 (a) CHIEF OF ARMY RESERVE.—Section 3038(b)(4)
 14 of title 10, United States Code, is amended by striking
 15 “October 1, 2003” and inserting “December 31, 2003”.

16 (b) CHIEF OF NAVAL RESERVE.—Section 5143(b)(4)
 17 of such title is amended by striking “October 1, 2003”
 18 and inserting “December 31, 2003”.

19 (c) COMMANDER, MARINE FORCES RESERVE.—Sec-
 20 tion 5144(b)(4) of such title is amended by striking “Octo-
 21 ber 1, 2003” and inserting “December 31, 2003”.

22 (d) CHIEF OF AIR FORCE RESERVE.—Section
 23 8038(b)(4) of such title 10, United States Code, is amend-
 24 ed by striking “October 1, 2003” and inserting “Decem-
 25 ber 31, 2003”.

1 (e) DIRECTORS OF THE NATIONAL GUARD.—Section
 2 10506(a)(3)(D) of such title is amended by striking “Oc-
 3 tober 1, 2003” and inserting “December 31, 2003”.

4 **Subtitle B—Reserve Component** 5 **Personnel Policy**

6 **SEC. 511. TIME FOR COMMENCEMENT OF INITIAL PERIOD** 7 **OF ACTIVE DUTY FOR TRAINING UPON EN-** 8 **LISTMENT IN RESERVE COMPONENT.**

9 Section 12103(d) of title 10, United States Code, is
 10 amended by striking “270 days” in the second sentence
 11 and inserting “one year”.

12 **SEC. 512. AUTHORITY FOR LIMITED EXTENSION OF MED-** 13 **ICAL DEFERMENT OF MANDATORY RETIRE-** 14 **MENT OR SEPARATION OF RESERVE COMPO-** 15 **NENT OFFICER.**

16 (a) AUTHORITY.—Chapter 1407 of title 10, United
 17 States Code, is amended by adding at the end the fol-
 18 lowing new section:

19 **“§ 14519. Deferment of retirement or separation for** 20 **medical reasons**

21 “(a) AUTHORITY.—If, in the case of an officer re-
 22 quired to be retired or separated under this chapter or
 23 chapter 1409 of this title, the Secretary concerned deter-
 24 mines that the evaluation of the physical condition of the
 25 officer and determination of the officer’s entitlement to

1 retirement or separation for physical disability require
 2 hospitalization or medical observation and that such hos-
 3 pitalization or medical observation cannot be completed
 4 with confidence in a manner consistent with the officer's
 5 well being before the date on which the officer would oth-
 6 erwise be required to retire or be separated, the Secretary
 7 may defer the retirement or separation of the officer.

8 “(b) PERIOD OF DEFERMENT.—A deferral of retire-
 9 ment or separation under subsection (a) may not extend
 10 for more than 30 days after the completion of the evalua-
 11 tion requiring hospitalization or medical observation.”.

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

“14519. Deferment of retirement or separation for medical reasons.”.

15 **Subtitle C—Education and** 16 **Training**

17 **SEC. 521. INCREASE IN AUTHORIZED STRENGTHS FOR THE** 18 **SERVICE ACADEMIES.**

19 (a) UNITED STATES MILITARY ACADEMY.—Section
 20 4342 of title 10, United States Code, is amended—

21 (1) in subsection (a), by striking “4,000” in the
 22 first sentence and inserting “4,400”; and

23 (2) in subsection (i), by striking “variance in
 24 that limitation” and inserting “variance above that
 25 limitation”.

1 (b) UNITED STATES NAVAL ACADEMY.—Section
2 6954 of title 10, United States Code, is amended—

3 (1) in subsection (a), by striking “4,000” in the
4 first sentence and inserting “4,400”; and

5 (2) in subsection (g), by striking “variance in
6 that limitation” and inserting “variance above that
7 limitation”.

8 (c) UNITED STATES AIR FORCE ACADEMY.—Section
9 9342 of title 10, United States Code, is amended—

10 (1) in subsection (a), by striking “4,000” in the
11 first sentence and inserting “4,400”; and

12 (2) in subsection (i), by striking “variance in
13 that limitation” and inserting “variance above that
14 limitation”.

15 **Subtitle D—Decorations, Awards,** 16 **and Commendations**

17 **SEC. 531. WAIVER OF TIME LIMITATIONS FOR AWARD OF** 18 **CERTAIN DECORATIONS TO CERTAIN PER-** 19 **SONS.**

20 (a) WAIVER.—Any limitation established by law or
21 policy for the time within which a recommendation for the
22 award of a military decoration or award must be sub-
23 mitted shall not apply to awards of decorations described
24 in this section, the award of each such decoration having
25 been determined by the Secretary concerned to be war-

1 ranted in accordance with section 1130 of title 10, United
2 States Code.

3 (b) DISTINGUISHED-SERVICE CROSS OF THE
4 ARMY.—Subsection (a) applies to the award of the Distin-
5 guished-Service Cross of the Army as follows:

6 (1) To Henry Johnson of Albany, New York,
7 for extraordinary heroism in France during the pe-
8 riod of May 13 to 15, 1918, while serving as a mem-
9 ber of the Army.

10 (2) To Hilliard Carter of Jackson, Mississippi,
11 for extraordinary heroism in actions near Troung
12 Loung, Republic of Vietnam, on September 28,
13 1966, while serving as a member of the Army.

14 (3) To Albert C. Welch of Highland Ranch,
15 Colorado, for extraordinary heroism in actions in
16 Ong Thanh, Binh Long Province, Republic of Viet-
17 nam, on October 17, 1967, while serving as a mem-
18 ber of the Army.

19 (c) DISTINGUISHED FLYING CROSS OF THE NAVY.—
20 Subsection (a) applies to the award of the Distinguished
21 Flying Cross of the Navy as follows:

22 (1) To Eduguardo Coppola of Falls Church,
23 Virginia, for extraordinary achievement while par-
24 ticipating in aerial flight during World War II, while
25 serving as a member of the Navy.

1 (2) To James Hoisington, Jr., of Stillman Val-
2 ley, Illinois, for extraordinary achievement while par-
3 ticipating in aerial flight during World War II, while
4 serving as a member of the Navy.

5 (3) To William M. Melvin of Lawrenceburg,
6 Tennessee, for extraordinary achievement while par-
7 ticipating in aerial flight during World War II, while
8 serving as a member of the Navy.

9 (4) To Vincent Urbank of Tom River, New Jer-
10 sey, for extraordinary achievement while partici-
11 pating in aerial flight during World War II, while
12 serving as a member of the Navy.

13 **SEC. 532. KOREA DEFENSE SERVICE MEDAL.**

14 (a) FINDINGS.—Congress makes the following find-
15 ings:

16 (1) More than 40,000 members of the United
17 States Armed Forces have served on the Korean Pe-
18 ninsula each year since the signing of the cease-fire
19 agreement in July 1953 ending the Korean War.

20 (2) An estimated 1,200 members of the United
21 States Armed Forces died as a direct result of their
22 service in Korea since the cease-fire agreement in
23 July 1953.

1 (b) ARMY.—(1) Chapter 357 of title 10, United
2 States Code, is amended by adding at the end the fol-
3 lowing new section:

4 **“§ 3755. Korea Defense Service Medal**

5 “(a) The Secretary of the Army shall issue a cam-
6 paign medal, to be known as the Korea Defense Service
7 Medal, to each person who while a member of the Army
8 served in the Republic of Korea or the waters adjacent
9 thereto during the KDSM eligibility period and met the
10 service requirements for the award of that medal pre-
11 scribed under subsection (c).

12 “(b) In this section, the term ‘KDSM eligibility pe-
13 riod’ means the period beginning on July 28, 1954, and
14 ending on such date after the date of the enactment of
15 this section as may be determined by the Secretary of De-
16 fense to be appropriate for terminating eligibility for the
17 Korea Defense Service Medal.

18 “(c) The Secretary of the Army shall prescribe service
19 requirements for eligibility for the Korea Defense Service
20 Medal. Those requirements shall not be more stringent
21 than the service requirements for award of the Armed
22 Forces Expeditionary Medal for instances in which the
23 award of that medal is authorized.”.

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

“3755. Korea Defense Service Medal.”.

4 (c) NAVY AND MARINE CORPS.—(1) Chapter 567 of
 5 title 10, United States Code, is amended by adding at the
 6 end the following new section:

7 **“§ 6257. Korea Defense Service Medal**

8 “(a) The Secretary of the Navy shall issue a cam-
 9 paign medal, to be known as the Korea Defense Service
 10 Medal, to each person who while a member of the Navy
 11 or Marine Corps served in the Republic of Korea or the
 12 waters adjacent thereto during the KDSM eligibility pe-
 13 riod and met the service requirements for the award of
 14 that medal prescribed under subsection (c).

15 “(b) In this section, the term ‘KDSM eligibility pe-
 16 riod’ means the period beginning on July 28, 1954, and
 17 ending on such date after the date of the enactment of
 18 this section as may be determined by the Secretary of De-
 19 fense to be appropriate for terminating eligibility for the
 20 Korea Defense Service Medal.

21 “(c) The Secretary of the Navy shall prescribe service
 22 requirements for eligibility for the Korea Defense Service
 23 Medal. Those requirements shall not be more stringent
 24 than the service requirements for award of the Armed

1 Forces Expeditionary Medal for instances in which the
2 award of that medal is authorized.”.

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

“6257. Korea Defense Service Medal.”.

6 (d) AIR FORCE.—(1) Chapter 857 of title 10, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

9 **“§ 8755. Korea Defense Service Medal**

10 “(a) The Secretary of the Air Force shall issue a
11 campaign medal, to be known as the Korea Defense Serv-
12 ice Medal, to each person who while a member of the Air
13 Force served in the Republic of Korea or the waters adja-
14 cent thereto during the KDSM eligibility period and met
15 the service requirements for the award of that medal pre-
16 scribed under subsection (c).

17 “(b) In this section, the term ‘KDSM eligibility pe-
18 riod’ means the period beginning on July 28, 1954, and
19 ending on such date after the date of the enactment of
20 this section as may be determined by the Secretary of De-
21 fense to be appropriate for terminating eligibility for the
22 Korea Defense Service Medal.

23 “(c) The Secretary of the Air Force shall prescribe
24 service requirements for eligibility for the Korea Defense
25 Service Medal. Those requirements shall not be more

1 stringent than the service requirements for award of the
 2 Armed Forces Expeditionary Medal for instances in which
 3 the award of that medal is authorized.”.

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

“8755. Korea Defense Service Medal.”.

7 (e) AWARD FOR SERVICE BEFORE DATE OF ENACT-
 8 MENT.—The Secretary of the military department con-
 9 cerned shall take appropriate steps to provide in a timely
 10 manner for the issuance of the Korea Defense Service
 11 Medal, upon application therefor, to persons whose eligi-
 12 bility for that medal is by reason of service in the Republic
 13 of Korea or the waters adjacent thereto before the date
 14 of the enactment of this Act.

15 **Subtitle E—National Call to** 16 **Service**

17 **SEC. 541. ENLISTMENT INCENTIVES FOR PURSUIT OF** 18 **SKILLS TO FACILITATE NATIONAL SERVICE.**

19 (a) AUTHORITY.—(1) Chapter 5 of title 37, United
 20 States Code, is amended by adding at the end the fol-
 21 lowing new section:

22 **“§ 326. Enlistment incentives for pursuit of skills to** 23 **facilitate national service**

24 “(a) INCENTIVES AUTHORIZED.—The Secretary of
 25 Defense may carry out a program in accordance with the

1 provisions of this section under which program a National
 2 Call to Service participant described in subsection (b) shall
 3 be entitled to an incentive specified in subsection (d).

4 “(b) NATIONAL CALL TO SERVICE PARTICIPANT.—

5 In this section, the term ‘National Call to Service partici-
 6 pant’ means a person who first enlists in the armed forces
 7 pursuant to a written agreement (prescribed by the Sec-
 8 retary of the military department concerned) under which
 9 agreement the person shall—

10 “(1) upon completion of initial entry training
 11 (as prescribed by the Secretary of Defense), serve on
 12 active duty in the armed forces in a military occupa-
 13 tional specialty designated by the Secretary of De-
 14 fense under subsection (c) for a period of 15
 15 months; and

16 “(2) upon completion of such service on active
 17 duty, and without a break in service, serve the min-
 18 imum period of obligated service specified in the
 19 agreement under this section—

20 “(A) on active duty in the armed forces;

21 “(B) in the Selected Reserve;

22 “(C) in the Individual Ready Reserve;

23 “(D) in the Peace Corps, Americorps, or
 24 another national service program jointly des-
 25 ignated by the Secretary of Defense and the

1 head of such program for purposes of this sec-
2 tion; or

3 “(E) in any combination of service referred
4 to in subparagraphs (A) through (D) that is ap-
5 proved by the Secretary of the military depart-
6 ment concerned pursuant to regulations pre-
7 scribed by the Secretary of Defense.

8 “(c) DESIGNATED MILITARY OCCUPATIONAL SPE-
9 CIALTIES.—The Secretary of Defense shall designate mili-
10 tary occupational specialties for purposes of subsection
11 (b)(1). Such military occupational specialties shall be mili-
12 tary occupational specialties that will facilitate, as deter-
13 mined by the Secretary, pursuit of national service by Na-
14 tional Call to Service participants during and after their
15 completion of duty or service under an agreement under
16 subsection (b).

17 “(d) INCENTIVES.—The incentives specified in this
18 subsection are as follows:

19 “(1) Payment of a bonus in the amount of
20 \$5,000.

21 “(2) Payment of outstanding principal and in-
22 terest on qualifying student loans of the National
23 Call to Service participant in an amount not to ex-
24 ceed \$18,000.

1 “(3) Entitlement to an allowance for edu-
2 cational assistance at the monthly rate equal to the
3 monthly rate payable for basic educational assist-
4 ance allowances under section 3015(a)(1) of title 38
5 for a total of 12 months.

6 “(4) Entitlement to an allowance for edu-
7 cational assistance at the monthly rate equal to $\frac{2}{3}$
8 of the monthly rate payable for basic educational as-
9 sistance allowances under section 3015(b)(1) of title
10 38 for a total of 36 months.

11 “(e) ELECTION OF INCENTIVES.—A National Call to
12 Service participant shall elect in the agreement under sub-
13 section (b) which incentive under subsection (d) to receive.
14 An election under this subsection is irrevocable.

15 “(f) PAYMENT OF BONUS AMOUNTS.—(1) Payment
16 to a National Call to Service participant of the bonus
17 elected by the National Call to Service participant under
18 subsection (d)(1) shall be made in such time and manner
19 as the Secretary of Defense shall prescribe.

20 “(2)(A) Payment of outstanding principal and inter-
21 est on the qualifying student loans of a National Call to
22 Service participant, as elected under subsection (d)(2),
23 shall be made in such time and manner as the Secretary
24 of Defense shall prescribe.

1 “(B) Payment under this paragraph of the out-
2 standing principal and interest on the qualifying student
3 loans of a National Call to Service participant shall be
4 made to the holder of such student loans, as identified
5 by the National Call to Service participant to the Sec-
6 retary of the military department concerned for purposes
7 of such payment.

8 “(3) Payment of a bonus or incentive in accordance
9 with this subsection shall be made by the Secretary of the
10 military department concerned.

11 “(g) COORDINATION WITH MONTGOMERY GI BILL
12 BENEFITS.—(1) A National Call to Service participant
13 who elects an incentive under paragraph (3) or (4) of sub-
14 section (d) is not entitled to educational assistance under
15 chapter 1606 of title 10 or basic educational assistance
16 under subchapter II of chapter 30 of title 38.

17 “(2)(A) The Secretary of Defense shall, to the max-
18 imum extent practicable, administer the receipt by Na-
19 tional Call to Service participants of incentives under
20 paragraph (3) or (4) of subsection (d) as if such National
21 Call to Service participants were, in receiving such incen-
22 tives, receiving educational assistance for members of the
23 Selected Reserve under chapter 1606 of title 10.

24 “(B) The Secretary of Defense shall, in consultation
25 with the Secretary of Veterans Affairs, prescribe regula-

1 tions for purposes of subparagraph (A). Such regulations
 2 shall, to the maximum extent practicable, take into ac-
 3 count the administrative provisions of chapters 30 and 36
 4 of title 38 that are specified in section 16136 of title 10.

5 “(3) Except as provided in paragraph (1), nothing
 6 in this section shall prohibit a National Call to Service
 7 participant who satisfies through service under subsection
 8 (b) the eligibility requirements for educational assistance
 9 under chapter 1606 of title 10 or basic educational assist-
 10 ance under chapter 30 of title 38 from an entitlement to
 11 such educational assistance under chapter 1606 of title 10
 12 or basic educational assistance under chapter 30 of title
 13 38, as the case may be.

14 “(h) REPAYMENT.—(1) If a National Call to Service
 15 participant who has entered into an agreement under sub-
 16 section (b) and received or benefited from an incentive
 17 under subsection (d)(1) or (d)(2) fails to complete the
 18 total period of service specified in such agreement, the Na-
 19 tional Call to Service participant shall refund to the
 20 United States the amount that bears the same ratio to
 21 the amount of the incentive as the uncompleted part of
 22 such service bears to the total period of such service.

23 “(2) Subject to paragraph (3), an obligation to reim-
 24 burse the United States imposed under paragraph (1) is
 25 for all purposes a debt owed to the United States.

1 “(3) The Secretary concerned may waive, in whole
2 or in part, a reimbursement required under paragraph (1)
3 if the Secretary concerned determines that recovery would
4 be against equity and good conscience or would be con-
5 trary to the best interests of the United States.

6 “(4) A discharge in bankruptcy under title 11 that
7 is entered into less than 5 years after the termination of
8 an agreement entered into under subsection (b) does not
9 discharge the person signing the agreement from a debt
10 arising under the agreement or under paragraph (1).

11 “(i) FUNDING.—Amounts for payment of incentives
12 under subsection (d), including payment of allowances for
13 educational assistance under that subsection, shall be de-
14 rived from amounts available to the Secretary of the mili-
15 tary department concerned for payment of pay, allow-
16 ances, and other expenses of the members of the armed
17 force concerned.

18 “(j) REGULATIONS.—The Secretary of Defense and
19 the Secretaries of the military departments shall prescribe
20 regulations for purposes of the program under this sec-
21 tion.

22 “(k) DEFINITIONS.—In this section:

23 “(1) The term ‘Americorps’ means the
24 Americorps program carried out under subtitle C of

1 title I of the National and Community Service Act
2 of 1990 (42 U.S.C. 12571 et seq.).

3 “(2) The term ‘qualifying student loan’ means
4 a loan, the proceeds of which were used to pay the
5 cost of attendance (as defined in section 472 of the
6 Higher Education Act of 1965 (20 U.S.C. 1087ll) at
7 an institution of higher education (as defined in sec-
8 tion 101 of the Higher Education Act of 1965 (20
9 U.S.C. 1001).

10 “(3) The term ‘Secretary of a military depart-
11 ment’ includes the Secretary of Transportation, with
12 respect to matters concerning the Coast Guard when
13 it is not operating as a service in the Navy.”.

14 (2) The table of sections at the beginning of that
15 chapter is amended by inserting after the item relating
16 to section 325 the following new item:

“326. Enlistment incentives for pursuit of skills to facilitate national service.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 subsection (a) shall take effect on October 1, 2002. No
19 individual entering into an enlistment before that date
20 may participate in the program under section 326 of title
21 37, United States Code, as added by that subsection.

1 **SEC. 542. MILITARY RECRUITER ACCESS TO INSTITUTIONS**
2 **OF HIGHER EDUCATION.**

3 (a) ACCESS TO INSTITUTIONS OF HIGHER EDU-
4 CATION.—Section 503 of title 10, United States Code, is
5 amended—

6 (1) by redesignating subsection (d) as sub-
7 section (e); and

8 (2) by inserting after subsection (c) the fol-
9 lowing new subsection (d):

10 “(d) ACCESS TO INSTITUTIONS OF HIGHER EDU-
11 CATION.—(1) Each institution of higher education receiv-
12 ing assistance under the Higher Education Act of 1965
13 (20 U.S.C. 1001 et seq.)—

14 “(A) shall provide to military recruiters the
15 same access to students at the institution as is pro-
16 vided generally to prospective employers of those
17 students; and

18 “(B) shall, upon a request made by military re-
19 cruiters for military recruiting purposes, provide ac-
20 cess to the names, addresses, and telephone listings
21 of students at the institution, notwithstanding sec-
22 tion 444(a)(5)(B) of the General Education Provi-
23 sions Act (20 U.S.C. 1232g(a)(5)(B)).

24 “(2) An institution of higher education may not re-
25 lease a student’s name, address, and telephone listing
26 under paragraph (1)(B) without the prior written consent

1 of the student or the parent of the student (in the case
 2 of a student under the age of 18) if the student, or a par-
 3 ent of the student, as appropriate, has submitted a request
 4 to the institution of higher education that the student's
 5 information not be released for a purpose covered by that
 6 subparagraph without prior written consent. Each institu-
 7 tion of higher education shall notify students and parents
 8 of the rights provided under the preceding sentence.

9 “(3) In this subsection, the term ‘institution of higher
 10 education’ has the meaning given the term in section 101
 11 of the Higher Education Act of 1965 (20 U.S.C. 1001).”.

12 (b) NOTIFICATION.—The Secretary of Education
 13 shall provide to institutions of higher education notice of
 14 the provisions of subsection (d) of section 503 of title 10,
 15 United States Code, as amended by subsection (a) of this
 16 section. Such notice shall be provided not later than 120
 17 days after the date of the enactment of this Act, and shall
 18 be provided in consultation with the Secretary of Defense.

19 **Subtitle F—Other Matters**

20 **SEC. 551. BIENNIAL SURVEYS ON RACIAL, ETHNIC, AND** 21 **GENDER ISSUES.**

22 (a) DIVISION OF ANNUAL SURVEY INTO TWO BIEN-
 23 NIAL SURVEYS.—Section 481 of title 10, United States
 24 Code, is amended to read as follows:

1 **“§ 481. Racial, ethnic, and gender issues: biennial**
2 **surveys**

3 “(a) IN GENERAL.—The Secretary of Defense shall
4 carry out two separate biennial surveys in accordance with
5 this section to identify and assess racial, ethnic, and gen-
6 der issues and discrimination among members of the
7 armed forces serving on active duty and the extent (if any)
8 of activity among such members that may be seen as so-
9 called ‘hate group’ activity.

10 “(b) BIENNIAL SURVEY ON RACIAL AND ETHNIC
11 ISSUES.—One of the surveys conducted every two years
12 under this section shall solicit information on racial and
13 ethnic issues and the climate in the armed forces for form-
14 ing professional relationships among members of the
15 armed forces of the various racial and ethnic groups. The
16 information solicited shall include the following:

17 “(1) Indicators of positive and negative trends
18 for professional and personal relationships among
19 members of all racial and ethnic groups.

20 “(2) The effectiveness of Department of De-
21 fense policies designed to improve relationships
22 among all racial and ethnic groups.

23 “(3) The effectiveness of current processes for
24 complaints on and investigations into racial and eth-
25 nic discrimination.

1 “(c) BIENNIAL SURVEY ON GENDER ISSUES.—One
2 of the surveys conducted every two years under this sec-
3 tion shall solicit information on gender issues, including
4 issues relating to gender-based harassment and discrimi-
5 nation, and the climate in the armed forces for forming
6 professional relationships between male and female mem-
7 bers of the armed forces. The information solicited shall
8 include the following:

9 “(1) Indicators of positive and negative trends
10 for professional and personal relationships between
11 male and female members of the armed forces.

12 “(2) The effectiveness of Department of De-
13 fense policies designed to improve professional rela-
14 tionships between male and female members of the
15 armed forces.

16 “(3) The effectiveness of current processes for
17 complaints on and investigations into gender-based
18 discrimination.

19 “(d) SURVEYS TO ALTERNATE EVERY YEAR.—The
20 biennial survey under subsection (b) shall be conducted
21 in odd-numbered years. The biennial survey under sub-
22 section (c) shall be conducted in even-numbered years.

23 “(e) IMPLEMENTING ENTITY.—The Secretary shall
24 carry out the biennial surveys through entities in the De-
25 partment of Defense as follows:

1 “(1) The biennial review under subsection (b),
2 through the Armed Forces Survey on Racial and
3 Ethnic Issues.

4 “(2) The biennial review under subsection (c),
5 through the Armed Forces Survey on Gender Issues.

6 “(f) REPORTS TO CONGRESS.—Upon the completion
7 of a biennial survey under this section, the Secretary shall
8 submit to Congress a report containing the results of the
9 survey.

10 “(g) INAPPLICABILITY TO COAST GUARD.—The re-
11 quirements for surveys under this section do not apply to
12 the Coast Guard.”.

13 (b) CLERICAL AMENDMENT.—The item relating to
14 such section in the table of sections at the beginning of
15 chapter 23 of such title is amended to read as follows:

“481. Racial, ethnic, and gender issues: biennial surveys.”.

16 **SEC. 552. LEAVE REQUIRED TO BE TAKEN PENDING RE-**
17 **VIEW OF A RECOMMENDATION FOR RE-**
18 **MOVAL BY A BOARD OF INQUIRY.**

19 (a) REQUIREMENT.—Section 1182(c) of title 10,
20 United States Code, is amended—

21 (1) by inserting “(1)” after “(c)”; and

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

24 “(2) Under regulations prescribed by the Secretary
25 concerned, an officer referred to in paragraph (1) may be

1 required to take leave pending the completion of the action
 2 under this chapter in the case of that officer. The officer
 3 may be required to begin such leave at any time following
 4 the officer's receipt of the report of the board of inquiry,
 5 including the board's recommendation for removal from
 6 active duty, and the expiration of any period allowed for
 7 submission by the officer of a rebuttal to that report. The
 8 leave may be continued until the date on which action by
 9 the Secretary concerned under this chapter is completed
 10 in the case of the officer or may be terminated at any
 11 earlier time."

12 (b) PAYMENT FOR MANDATORY EXCESS LEAVE
 13 UPON DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARA-
 14 TION RECOMMENDATIONS.—Chapter 40 of such title is
 15 amended by inserting after section 707 the following new
 16 section:

17 **"§ 707a. Payment upon disapproval of certain board**
 18 **of inquiry recommendations for excess**
 19 **leave required to be taken**

20 "(a) An officer—

21 "(1) who is required to take leave under section
 22 1182(c)(2) of this title, any period of which is
 23 charged as excess leave under section 706(a) of this
 24 title, and

1 “(2) whose recommendation for removal from
2 active duty in a report of a board of inquiry is not
3 approved by the Secretary concerned under section
4 1184 of this title,
5 shall be paid, as provided in subsection (b), for the period
6 of leave charged as excess leave.

7 “(b)(1) An officer entitled to be paid under this sec-
8 tion shall be deemed, for purposes of this section, to have
9 accrued pay and allowances for each day of leave required
10 to be taken under section 1182(c)(2) of this title that is
11 charged as excess leave (except any day of accrued leave
12 for which the officer has been paid under section
13 706(b)(1) of this title and which has been charged as ex-
14 cess leave).

15 “(2) The officer shall be paid the amount of pay and
16 allowances that is deemed to have accrued to the officer
17 under paragraph (1), reduced by the total amount of his
18 income from wages, salaries, tips, other personal service
19 income, unemployment compensation, and public assist-
20 ance benefits from any Government agency during the pe-
21 riod the officer is deemed to have accrued pay and allow-
22 ances. Except as provided in paragraph (3), such payment
23 shall be made within 60 days after the date on which the
24 Secretary concerned decides not to remove the officer from
25 active duty.

1 “(3) If an officer is entitled to be paid under this
 2 section, but fails to provide sufficient information in a
 3 timely manner regarding the officer’s income when such
 4 information is requested under regulations prescribed
 5 under subsection (c), the period of time prescribed in para-
 6 graph (2) shall be extended until 30 days after the date
 7 on which the member provides the information requested.

8 “(c) This section shall be administered under uniform
 9 regulations prescribed by the Secretaries concerned. The
 10 regulations may provide for the method of determining an
 11 officer’s income during any period the officer is deemed
 12 to have accrued pay and allowances, including a require-
 13 ment that the officer provide income tax returns and other
 14 documentation to verify the amount of the officer’s in-
 15 come.”.

16 (c) CONFORMING AMENDMENTS.—(1) Section 706 of
 17 such title is amended by inserting “or 1182(c)(2)” after
 18 “section 876a” in subsections (a), (b), and (c).

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

21 **“§ 706. Administration of required leave”.**

22 (d) CLERICAL AMENDMENTS.—The table of sections
 23 at the beginning of chapter 40 of title 10, United States
 24 Code, is amended—

1 (1) by striking the item relating to section 706
 2 and inserting the following:

“706. Administration of required leave.”;

3 and

4 (2) by inserting after the item relating to sec-
 5 tion 707 the following new item:

“707a. Payment upon disapproval of certain board of inquiry recommendations
 for excess leave required to be taken.”.

6 **SEC. 553. STIPEND FOR PARTICIPATION IN FUNERAL HON-**
 7 **ORS DETAILS.**

8 Section 1491(d) of title 10, United States Code, is
 9 amended—

10 (1) by striking paragraph (1) and inserting the
 11 following:

12 “(A) For a participant in the funeral honors
 13 detail who is a member or former member of the
 14 armed forces in a retired status or is not a member
 15 of the armed forces (other than a former member in
 16 a retired status) and not an employee of the United
 17 States, either—

18 “(i) transportation; or

19 “(ii) a daily stipend prescribed annually by
 20 the Secretary of Defense at a single rate that
 21 is designed to defray the costs for transpor-
 22 tation and other expenses incurred by the par-

1 participant in connection with participation in the
 2 funeral honors detail.”;

3 (2) by inserting “(1)” after “(d) SUPPORT.—”;

4 (3) by redesignating paragraph (2) as subpara-
 5 graph (B);

6 (4) in subparagraph (B), as so redesignated, by
 7 inserting “members of the armed forces in a retired
 8 status and” after “training for”; and

9 (5) by adding at the end the following:

10 “(2) A stipend paid under paragraph (1)(A) to a
 11 member or former member of the armed forces in a retired
 12 status shall be in addition to any other compensation to
 13 which the retired member may be entitled.”.

14 **TITLE VI—COMPENSATION AND** 15 **OTHER PERSONNEL BENEFITS**

16 **Subtitle A—Pay and Allowances**

17 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.**

18 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
 19 adjustment to become effective during fiscal year 2003 re-
 20 quired by section 1009 of title 37, United States Code,
 21 in the rates of monthly basic pay authorized members of
 22 the uniformed services shall not be made.

23 (b) INCREASE IN BASIC PAY.—Effective on January
 24 1, 2003, the rates of monthly basic pay for members of

- 1 the uniformed services within each pay grade are as fol-
- 2 lows:

COMMISSIONED OFFICERS ¹

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
O-7 ...	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
O-6 ...	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60
O-5 ...	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
O-4 ...	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
O-3 ³	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
O-2 ³	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
O-1 ³	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
O-7 ...	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
O-6 ...	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
O-5 ...	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
O-4 ...	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
O-3 ³	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,077.70	\$12,137.10	\$12,389.40	\$12,829.20
O-9 ...	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O-8 ...	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O-7 ...	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O-6 ...	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O-5 ...	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O-4 ...	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O-3 ³	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is \$14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

**COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE
AS AN ENLISTED MEMBER OR WARRANT OFFICER**

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	3,883.50	4,069.50
O-2E	0.00	0.00	0.00	3,410.70	3,481.20
O-1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	4,273.50	4,405.80	4,623.30	4,806.30	4,911.00
O-2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O-1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	5,054.40	5,054.40	5,054.40	5,054.40	5,054.40
O-2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O-1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS ¹

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W-3 ..	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W-2 ..	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W-1 ..	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W-3 ..	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W-2 ..	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W-1 ..	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	5,169.30	5,346.60	5,524.50	5,703.30
W-4 ..	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W-3 ..	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W-2 ..	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W-1 ..	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

¹ Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS ¹

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8 ...	0.00	0.00	0.00	0.00	0.00
E-7 ...	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E-6 ...	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E-5 ...	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E-4 ...	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E-3 ...	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80

ENLISTED MEMBERS ¹—Continued

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

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,564.30	\$3,645.00	\$3,747.00	\$3,867.00
E-8 ...	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E-7 ...	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E-6 ...	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E-5 ...	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$3,987.30	\$4,180.80	\$4,344.30	\$4,506.30	\$4,757.40
E-8 ...	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E-7 ...	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E-6 ...	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E-5 ...	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ³	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

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, 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, the rate of basic pay for this grade is \$5,732.70, 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 \$1,064.70.

1 **SEC. 602. RATE OF BASIC ALLOWANCE FOR SUBSISTENCE**2 **FOR ENLISTED PERSONNEL OCCUPYING SIN-**3 **GLE GOVERNMENT QUARTERS WITHOUT**4 **ADEQUATE AVAILABILITY OF MEALS.**5 (a) **AUTHORITY TO PAY INCREASED RATE.**—Section

6 402(d) of title 37, United States Code, is amended to read

7 as follows:

8 “(d) **SPECIAL RATE FOR ENLISTED MEMBERS OCCU-**9 **PYING SINGLE QUARTERS WITHOUT ADEQUATE AVAIL-**10 **ABILITY OF MEALS.**—The Secretary of Defense, and the

1 Secretary of Transportation with respect to the Coast
 2 Guard when it is not operating as a service in the Navy,
 3 may pay an enlisted member the basic allowance for sub-
 4 sistence under this section at a monthly rate that is twice
 5 the amount in effect under subsection (b)(2) while—

6 “(1) the member is assigned to single Govern-
 7 ment quarters which have no adequate food storage
 8 or preparation facility in the quarters; and

9 “(2) there is no Government messing facility
 10 serving those quarters that is capable of making
 11 meals available to the occupants of the quarters.”.

12 (b) EFFECTIVE DATE.—Subsection (a) and the
 13 amendment made by such subsection shall take effect on
 14 October 1, 2002.

15 **SEC. 603. BASIC ALLOWANCE FOR HOUSING IN CASES OF**
 16 **LOW-COST OR NO-COST MOVES.**

17 Section 403 of title 37, United States Code, is
 18 amended—

19 (1) by transferring paragraph (7) of subsection

20 (b) to the end of the section; and

21 (2) in such paragraph—

22 (A) by striking “(7)” and all that follows
 23 through “circumstances of which make it nec-
 24 essary that the member be” and inserting “(o)

25 TREATMENT OF LOW-COST AND NO-COST

1 MOVES AS NOT BEING REASSIGNMENTS.—In
 2 the case of a member who is assigned to duty
 3 at a location or under circumstances that make
 4 it necessary for the member to be”; and

5 (B) by inserting “for the purposes of this
 6 section” after “may be treated”.

7 **Subtitle B—Bonuses and Special**
 8 **and Incentive Pays**

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

12 (a) SELECTED RESERVE REENLISTMENT BONUS.—
 13 Section 308b(f) of title 37, United States Code, is amend-
 14 ed by striking “December 31, 2002” and inserting “De-
 15 cember 31, 2003”.

16 (b) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
 17 tion 308c(e) of such title is amended by striking “Decem-
 18 ber 31, 2002” and inserting “December 31, 2003”.

19 (c) SPECIAL PAY FOR ENLISTED MEMBERS AS-
 20 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
 21 308d(c) of such title is amended by striking “December
 22 31, 2002” and inserting “December 31, 2003”.

23 (d) SELECTED RESERVE AFFILIATION BONUS.—Sec-
 24 tion 308e(e) of such title is amended by striking “Decem-
 25 ber 31, 2002” and inserting “December 31, 2003”.

1 (e) READY RESERVE ENLISTMENT AND REENLIST-
 2 MENT BONUS.—Section 308h(g) of such title is amended
 3 by striking “December 31, 2002” and inserting “Decem-
 4 ber 31, 2003”.

5 (f) PRIOR SERVICE ENLISTMENT BONUS.—Section
 6 308i(f) of such title is amended by striking “December
 7 31, 2002” and inserting “December 31, 2003”.

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

11 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
 12 GRAM.—Section 2130a(a)(1) of title 10, United States
 13 Code, is amended by striking “December 31, 2002” and
 14 inserting “December 31, 2003”.

15 (b) REPAYMENT OF EDUCATION LOANS FOR CER-
 16 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
 17 LECTED RESERVE.—Section 16302(d) of such title is
 18 amended by striking “January 1, 2003” and inserting
 19 “January 1, 2004”.

20 (c) ACCESSION BONUS FOR REGISTERED NURSES.—
 21 Section 302d(a)(1) of title 37, United States Code, is
 22 amended by striking “December 31, 2002” and inserting
 23 “December 31, 2003”.

24 (d) INCENTIVE SPECIAL PAY FOR NURSE ANES-
 25 THETISTS.—Section 302e(a)(1) of such title is amended

1 by striking “December 31, 2002” and inserting “Decem-
2 ber 31, 2003”.

3 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH
4 PROFESSIONALS IN CRITICALLY SHORT WARTIME SPE-
5 CIALTIES.—Section 302g(f) of such title is amended by
6 striking “December 31, 2002” and inserting “December
7 31, 2003”.

8 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
9 Section 302h(a)(1) of such title is amended by striking
10 “December 31, 2002” and inserting “December 31,
11 2003”.

12 **SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND**
13 **BONUS AUTHORITIES FOR NUCLEAR OFFI-**
14 **CERS.**

15 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
16 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
17 312(e) of title 37, United States Code, is amended by
18 striking “December 31, 2002” and inserting “December
19 31, 2003”.

20 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
21 312b(c) of such title is amended by striking “December
22 31, 2002” and inserting “December 31, 2003”.

23 (c) NUCLEAR CAREER ANNUAL INCENTIVE
24 BONUS.—Section 312c(d) of such title is amended by

1 striking “December 31, 2002” and inserting “December
2 31, 2003”.

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

5 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
6 tion 301b(a) of title 37, United States Code, is amended
7 by striking “December 31, 2002” and inserting “Decem-
8 ber 31, 2003”.

9 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
10 BERS.—Section 308(g) of such title is amended by strik-
11 ing “December 31, 2002” and inserting “December 31,
12 2003”.

13 (c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—
14 Section 309(e) of such title is amended by striking “De-
15 cember 31, 2002” and inserting “December 31, 2003”.

16 (d) RETENTION BONUS FOR MEMBERS WITH CRIT-
17 ICAL MILITARY SKILLS.—Section 323(i) of such title is
18 amended by striking “December 31, 2002” and inserting
19 “December 31, 2003”.

20 (e) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
21 ICAL SKILLS.—Section 324(g) of such title is amended by
22 striking “December 31, 2002” and inserting “December
23 31, 2003”.

1 **SEC. 615. INCREASED MAXIMUM AMOUNT PAYABLE AS**
 2 **MULTIYEAR RETENTION BONUS FOR MED-**
 3 **ICAL OFFICERS OF THE ARMED FORCES.**

4 Section 301d(a)(2) of title 37, United States Code,
 5 is amended by striking “\$14,000” and inserting
 6 “\$25,000”.

7 **SEC. 616. INCREASED MAXIMUM AMOUNT PAYABLE AS IN-**
 8 **CENTIVE SPECIAL PAY FOR MEDICAL OFFI-**
 9 **CERS OF THE ARMED FORCES.**

10 Section 302(b)(1) of title 37, United States Code, is
 11 amended—

12 (1) by striking “fiscal year 1992, and” in the
 13 second sentence and inserting “fiscal year 1992,”;
 14 and

15 (2) by inserting before the period at the end of
 16 such sentence the following: “and before fiscal year
 17 2003, and \$50,000 for any twelve-month period be-
 18 ginning after fiscal year 2002”.

19 **SEC. 617. ASSIGNMENT INCENTIVE PAY.**

20 (a) **AUTHORITY.**—(1) Chapter 5 of title 37, United
 21 States Code, is amended by inserting after section 305a
 22 the following new section:

23 **“§ 305b. Special pay: assignment incentive pay**

24 **“(a) AUTHORITY.**—The Secretary concerned, with
 25 the concurrence of the Secretary of Defense, may pay
 26 monthly incentive pay under this section to a member of

1 a uniformed service for a period that the member performs
2 service, while entitled to basic pay, in an assignment that
3 is designated by the Secretary concerned.

4 “(b) MAXIMUM RATE.—The maximum monthly rate
5 of incentive pay payable to a member under this section
6 is \$1,500.

7 “(c) RELATIONSHIP TO OTHER PAY AND ALLOW-
8 ANCES.—Incentive pay paid to a member under this sec-
9 tion is in addition to any other pay and allowances to
10 which the member is entitled.

11 “(d) STATUS NOT AFFECTED BY TEMPORARY DUTY
12 OR LEAVE.—The service of a member in an assignment
13 referred to in subsection (a) shall not be considered dis-
14 continued during any period that the member is not per-
15 forming service in such assignment by reason of tem-
16 porary duty performed by the member pursuant to orders
17 or absence of the member for authorized leave.

18 “(e) TERMINATION OF AUTHORITY.—No assignment
19 incentive pay may be paid under this section for months
20 beginning more than three years after the date of the en-
21 actment of the National Defense Authorization Act for
22 Fiscal Year 2003.”.

23 (2) The table of sections at the beginning of such
24 chapter is amended by inserting after the item relating
25 to section 305a the following new item:

“305b. Special pay: assignment incentive pay.”.

1 (b) ANNUAL REPORT.—Not later than February 28
 2 of each of 2004 and 2005, the Secretary of Defense shall
 3 submit to the Committees on Armed Services of the Sen-
 4 ate and the House of Representatives a report on the ad-
 5 ministration of the authority under section 305b of title
 6 37, United States Code, as added by subsection (a). The
 7 report shall include an assessment of the utility of that
 8 authority.

9 **SEC. 618. INCREASED MAXIMUM AMOUNTS FOR PRIOR**
 10 **SERVICE ENLISTMENT BONUS.**

11 Section 308i(b)(1) of title 37, United States Code,
 12 is amended—

13 (1) in subparagraph (A), by striking “\$5,000”
 14 and inserting “\$8,000”;

15 (2) in subparagraph (B), by striking “\$2,500”
 16 and inserting “\$4,000”; and

17 (3) in subparagraph (C), by striking “\$2,000”
 18 and inserting “\$3,500”.

19 **Subtitle C—Travel and**
 20 **Transportation Allowances**

21 **SEC. 631. DEFERRAL OF TRAVEL IN CONNECTION WITH**
 22 **LEAVE BETWEEN CONSECUTIVE OVERSEAS**
 23 **TOURS.**

24 (a) DATE TO WHICH TRAVEL MAY BE DEFERRED.—
 25 Section 411b(a)(2) of title 37, United States Code, is

1 amended by striking “not more than one year” in the first
 2 sentence and all that follows through “operation ends.”
 3 in the second sentence and inserting the following: “the
 4 date on which the member departs the duty station in ter-
 5 mination of the consecutive tour of duty at that duty sta-
 6 tion or reports to another duty station under the order
 7 involved, as the case may be.”.

8 (b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1)
 9 The amendment made by subsection (a) shall take effect
 10 on October 1, 2002.

11 (2) Section 411b(a) of title 37, United States Code,
 12 as in effect on September 30, 2002, shall continue to apply
 13 with respect to travel described in subsection (a)(2) of
 14 such title (as in effect on such date) that commences be-
 15 fore October 1, 2002.

16 **SEC. 632. TRANSPORTATION OF MOTOR VEHICLES FOR**
 17 **MEMBERS REPORTED MISSING.**

18 (a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—
 19 Subsection (a) of section 554 of title 37, United States
 20 Code, is amended by striking “one privately owned motor
 21 vehicle” both places it appears and inserting “two pri-
 22 vately owned motor vehicles”.

23 (b) PAYMENTS FOR LATE DELIVERY.—Subsection (i)
 24 of such section is amended by adding at the end the fol-
 25 lowing: “In a case in which two motor vehicles of a mem-

ber (or the dependent or dependents of a member) are transported at the expense of the United States, no reimbursement is payable under this subsection unless both motor vehicles do not arrive at the authorized destination of the vehicles by the designated delivery date.”.

(c) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to members whose eligibility for benefits under section 554 of title 37, United States Code, commences on or after the date of the enactment of this Act.

**SEC. 633. DESTINATIONS AUTHORIZED FOR GOVERNMENT
PAID TRANSPORTATION OF ENLISTED PERSONNEL FOR REST AND RECUPERATION
UPON EXTENDING DUTY AT DESIGNATED
OVERSEAS LOCATIONS.**

Section 705(b)(2) of title 10, United States Code, is amended by inserting before the period at the end the following: “, or to an alternative destination at a cost not to exceed the cost of the round-trip transportation from the location of the extended tour of duty to such nearest port and return”.

1 **SEC. 634. VEHICLE STORAGE IN LIEU OF TRANSPORTATION**
2 **TO CERTAIN AREAS OF THE UNITED STATES**
3 **OUTSIDE CONTINENTAL UNITED STATES.**

4 Section 2634(b) of title 10, United States Code, is
5 amended:

6 (1) by redesignating paragraphs (2), (3), and
7 (4) as paragraphs (3), (4), and (5), respectively; and
8 (2) by inserting after paragraph (1) the fol-
9 lowing new paragraph (2):

10 “(2) In lieu of transportation authorized by this sec-
11 tion, if a member is ordered to make a change of perma-
12 nent station to Alaska, Hawaii, Puerto Rico, the Northern
13 Mariana Islands, Guam, or any territory or possession of
14 the United States and laws, regulations, or other restric-
15 tions preclude transportation of a motor vehicle described
16 in subsection (a) to the new station, the member may elect
17 to have the vehicle stored at the expense of the United
18 States at a location approved by the Secretary con-
19 cerned.”.

1 **Subtitle D—Retirement and**
 2 **Survivor Benefit Matters**

3 **SEC. 641. PHASED-IN AUTHORITY FOR CONCURRENT RE-**
 4 **CEIPT OF MILITARY RETIRED PAY AND VET-**
 5 **ERANS’ DISABILITY COMPENSATION FOR**
 6 **CERTAIN SERVICE-CONNECTED DISABLED**
 7 **VETERANS.**

8 (a) IN GENERAL.—(1) Section 1414 of title 10,
 9 United States Code, is amended to read as follows:

10 **“§ 1414. Members eligible for retired pay who have**
 11 **service-connected disabilities: payment of**
 12 **retired pay and veterans’ disability com-**
 13 **pensation for disabilities rated at 60 per-**
 14 **cent or higher**

15 “(a) PAYMENT OF BOTH RETIRED PAY AND COM-
 16 PENSATION.—A member or former member of the uni-
 17 formed services described in subsection (b) is entitled to
 18 be paid retired pay, up to the amount determined for such
 19 member or former member under subsection (d), in addi-
 20 tion to any entitlement to veterans’ disability compensa-
 21 tion, without regard to sections 5304 and 5305 of title
 22 38.

23 “(b) COVERED MEMBERS.—A member or former
 24 member described in this subsection is any member or
 25 former member who is entitled to retired pay (other than

1 as specified in subsection (c)) and who is also entitled to
2 veterans' disability compensation for a service-connected
3 disability rated at 60 percent or higher, as determined
4 under laws administered by the Secretary of Veterans Af-
5 fairs.

6 “(c) EXCEPTION.—Subsection (a) does not apply to
7 a member retired under chapter 61 of this title with less
8 than 20 years of service otherwise creditable under section
9 1405 of this title at the time of the member's retirement.

10 “(d) MAXIMUM AMOUNT OF RETIRED PAY.—The
11 maximum amount of retired pay to which a member or
12 former member is entitled under subsection (a) is as fol-
13 lows:

14 “(1) For months beginning with January 2003
15 and ending with December 2003, the amount equal
16 to 30 percent of the amount of retired pay to which
17 the member or former member would be entitled if
18 the member or former member were paid retired pay
19 without regard to sections 5304 and 5305 of title 38
20 for such months.

21 “(2) For months beginning with January 2004
22 and ending with December 2004, the amount equal
23 to 45 percent of the amount of retired pay to which
24 the member or former member would be entitled if
25 the member or former member were paid retired pay

1 without regard to sections 5304 and 5305 of title 38
2 for such months.

3 “(3) For months beginning with January 2005
4 and ending with December 2005, the amount equal
5 to 60 percent of the amount of retired pay to which
6 the member or former member would be entitled if
7 the member or former member were paid retired pay
8 without regard to sections 5304 and 5305 of title 38
9 for such months.

10 “(4) For months beginning with January 2006
11 and ending with December 2006, the amount equal
12 to 80 percent of the amount of retired pay to which
13 the member or former member would be entitled if
14 the member or former member were paid retired pay
15 without regard to sections 5304 and 5305 of title 38
16 for such months.

17 “(5) For months beginning after December
18 2006, the amount equal to the full amount of retired
19 pay to which the member or former member would
20 be entitled if the member or former member were
21 paid retired pay without regard to sections 5304 and
22 5305 of title 38 for such months.

23 “(e) DEFINITIONS.—In this section:

1 “(1) The term ‘retired pay’ includes retainer
2 pay, emergency officers’ retirement pay, and naval
3 pension.

4 “(2) The term ‘service-connected’ has the
5 meaning given that term in section 101(16) of title
6 38.

7 “(3) The term ‘veterans’ disability compensa-
8 tion’ has the meaning given the term ‘compensation’
9 in section 101(12) of title 38.”.

10 (2) The table of sections at the beginning of chapter
11 71 of such title is amended by striking the item relating
12 to section 1414 and inserting the following new item:

“1414. Members eligible for retired pay who have service-connected disabilities:
 payment of retired pay and veterans’ disability compensation
 for disabilities rated at 60 percent or higher.”.

13 (b) COORDINATION WITH SPECIAL COMPENSATION
14 AUTHORITY.—Section 1413 of such title is amended—

15 (1) in subsection (a)—

16 (A) by inserting “, for months in 2002,”
17 after “Secretary concerned shall”; and

18 (B) by striking the last sentence; and

19 (2) in subsection (b), by striking “is the fol-
20 lowing:” and all that follows and inserting “is—

21 “(1) for any month in 2002 for which the re-
22 tiree has a qualifying service-connected disability
23 rated as total, \$300;

1 “(2) for any month in 2002 for which the re-
 2 tiree has a qualifying service-connected disability
 3 rated as 90 percent, \$200;

4 “(3) for any month in 2002 for which the re-
 5 tiree has a qualifying service-connected disability
 6 rated as 80 percent or 70 percent, \$100; or

7 “(4) for any month in 2002 for which the re-
 8 tiree has a qualifying service-connected disability
 9 rated as 60 percent, \$50.”.

10 (c) ADDITIONAL CONFORMING AMENDMENT.—Sub-
 11 section (d) of section 641 of the National Defense Author-
 12 ization Act for Fiscal Year 2002 (Public Law 107–107;
 13 115 Stat. 1150; 10 U.S.C. 1414 note) is repealed.

14 **SEC. 642. INCREASED RETIRED PAY FOR ENLISTED RE-**
 15 **SERVES CREDITED WITH EXTRAORDINARY**
 16 **HEROISM.**

17 (a) AUTHORITY.—Section 12739 of title 10, United
 18 States Code, is amended—

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

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

23 “(b) If an enlisted member retired under section
 24 12731 of this title has been credited by the Secretary con-
 25 cerned with extraordinary heroism in the line of duty, the

1 member's retired pay shall be increased by 10 percent of
 2 the amount determined under subsection (a). The Sec-
 3 retary's determination as to extraordinary heroism is con-
 4 clusive for all purposes.”; and

5 (3) in subsection (c), as redesignated by para-
 6 graph (1), by striking “amount computed under sub-
 7 section (a),” and inserting “total amount of the
 8 monthly retired pay computed under subsections (a)
 9 and (b)”.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 subsection (a) shall take effect on October 1, 2002, and
 12 shall apply with respect to retired pay for months begin-
 13 ning on or after that date.

14 **SEC. 643. EXPANDED SCOPE OF AUTHORITY TO WAIVE**
 15 **TIME LIMITATIONS ON CLAIMS FOR MILI-**
 16 **TARY PERSONNEL BENEFITS.**

17 (a) AUTHORITY.—Section 3702(e)(1) of title 31,
 18 United States Code, is amended by striking “a claim for
 19 pay, allowances, or payment for unused accrued leave
 20 under title 37 or a claim for retired pay under title 10”
 21 and inserting “a claim referred to in subsection
 22 (a)(1)(A)”.

23 (b) APPLICABILITY.—The amendment made by sub-
 24 section (a) shall apply with respect to claims presented
 25 to the Secretary of Defense under section 3702 of title

1 31, United States Code, on or after the date of the enact-
2 ment of this Act.

3 **Subtitle E—Other Matters**

4 **SEC. 651. ADDITIONAL AUTHORITY TO PROVIDE ASSIST-**
5 **ANCE FOR FAMILIES OF MEMBERS OF THE**
6 **ARMED FORCES.**

7 (a) **AUTHORITY.**—(1) Subchapter I of chapter 88 of
8 title 10, United States Code, is amended by adding at the
9 end the following new section:

10 **“§ 1788. Additional family assistance**

11 “(a) **AUTHORITY.**—The Secretary of Defense may
12 provide for the families of members of the armed forces
13 serving on active duty, in addition to any other assistance
14 available for such families, any assistance that the Sec-
15 retary considers appropriate to ensure that the children
16 of such members obtain needed child care, education, and
17 other youth services.

18 “(b) **PRIMARY PURPOSE OF ASSISTANCE.**—The as-
19 sistance authorized by this section should be directed pri-
20 marily toward providing needed family support, including
21 child care, education, and other youth services, for chil-
22 dren of members of the Armed Forces who are deployed,
23 assigned to duty, or ordered to active duty in connection
24 with a contingency operation.”.

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

“1788. Additional family assistance.”.

4 (b) **EFFECTIVE DATE.**—Section 1788 of title 10,
 5 United States Code, as added by subsection (a), shall take
 6 effect on October 1, 2002.

7 **SEC. 652. TIME LIMITATION FOR USE OF MONTGOMERY GI**
 8 **BILL ENTITLEMENT BY MEMBERS OF THE SE-**
 9 **LECTED RESERVE.**

10 (a) **EXTENSION OF LIMITATION PERIOD.**—Section
 11 16133(a)(1) of title 10, United States Code, is amended
 12 by striking “10-year” and inserting “14-year”.

13 (b) **EFFECTIVE DATE AND APPLICABILITY.**—The
 14 amendment made by subsection (a) shall take effect on
 15 October 1, 2002, and shall apply with respect to periods
 16 of entitlement to educational assistance under chapter
 17 1606 of title 10, United States Code, that begin on or
 18 after October 1, 1992.

19 **SEC. 653. STATUS OF OBLIGATION TO REFUND EDU-**
 20 **CATIONAL ASSISTANCE UPON FAILURE TO**
 21 **PARTICIPATE SATISFACTORILY IN SELECTED**
 22 **RESERVE.**

23 Section 16135 of title 10, United States Code, is
 24 amended by adding at the end the following new sub-
 25 section:

1 “(c)(1) An obligation to pay a refund to the United
 2 States under subsection (a)(1)(B) in an amount deter-
 3 mined under subsection (b) is, for all purposes, a debt
 4 owed to the United States.

5 “(2) A discharge in bankruptcy under title 11 that
 6 is entered for a person less than five years after the termi-
 7 nation of the person’s enlistment or other service described
 8 in subsection (a) does not discharge the person from a
 9 debt arising under this section with respect to that enlist-
 10 ment or other service.”.

11 **SEC. 654. PROHIBITION ON ACCEPTANCE OF HONORARIA**
 12 **BY PERSONNEL AT CERTAIN DEPARTMENT**
 13 **OF DEFENSE SCHOOLS.**

14 (a) **REPEAL OF EXEMPTION.**—Section 542 of the Na-
 15 tional Defense Authorization Act for Fiscal Year 1993
 16 (Public Law 102–484; 106 Stat. 2413; 10 U.S.C. prec.
 17 2161 note) is repealed.

18 (b) **EFFECTIVE DATE AND APPLICABILITY.**—The
 19 amendment made by subsection (a) shall take effect on
 20 October 1, 2002, and shall apply with respect to appear-
 21 ances made, speeches presented, and articles published on
 22 or after that date.

1 **TITLE VII—HEALTH CARE**

2 **SEC. 701. ELIGIBILITY OF SURVIVING DEPENDENTS FOR**
3 **TRICARE DENTAL PROGRAM BENEFITS**
4 **AFTER DISCONTINUANCE OF FORMER EN-**
5 **ROLLMENT.**

6 Section 1076a(k)(2) of title 10, United States Code,
7 is amended by striking “if the dependent is enrolled on
8 the date of the death of the members in a dental benefits
9 plan established under subsection (a)” and inserting “if,
10 on the date of the death of the member, the dependent
11 is enrolled in a dental benefits plan established under sub-
12 section (a) or is not enrolled in such a plan by reason of
13 a discontinuance of a former enrollment under subsection
14 (f)”.

15 **SEC. 702. ADVANCE AUTHORIZATION FOR INPATIENT MEN-**
16 **TAL HEALTH SERVICES.**

17 Section 1079(i)(3) of title 10, United States Code,
18 is amended—

19 (1) by inserting “(A)” after “(3)”;

20 (2) by striking “Except in the case of an emer-
21 gency,” and inserting “Except as provided in sub-
22 paragraphs (B) and (C),”; and

23 (3) by adding at the end the following new sub-
24 paragraph:

1 “(B) Preadmission authorization for inpatient mental
2 health services is not required under subparagraph (A) in
3 the case of an emergency.

4 “(C) Preadmission authorization for inpatient mental
5 health services is not required under subparagraph (A) in
6 a case in which any benefits are payable for such services
7 under part A of title XVIII of the Social Security Act (42
8 U.S.C. 1395c et seq.). The Secretary shall require, how-
9 ever, advance authorization for the continued provision of
10 the inpatient mental health services after benefits cease
11 to be payable for such services under part A of such title
12 in such case.”.

13 **SEC. 703. CONTINUED TRICARE ELIGIBILITY OF DEPEND-**
14 **ENTS RESIDING AT REMOTE LOCATIONS**
15 **AFTER DEPARTURE OF SPONSORS FOR UN-**
16 **ACCOMPANIED ASSIGNMENTS.**

17 Section 1079(p) of title 10, United States Code, is
18 amended—

19 (1) in paragraph (1), by striking “dependents
20 referred to in subsection (a) of a member of the uni-
21 formed services referred to in section 1074(c)(3) of
22 this title who are residing with the member” and in-
23 serting “dependents described in paragraph (3)”;

24 (2) by redesignating paragraph (3) as para-
25 graph (4); and

1 (3) by inserting after paragraph (2), the fol-
 2 lowing new paragraph (3):

3 “(3) This subsection applies with respect to a depend-
 4 ent referred to in subsection (a) who—

5 “(A) is a dependent of a member of the uni-
 6 formed services referred to in section 1074(c)(3) of
 7 this title and is residing with the member; or

8 “(B) is a dependent of a member who, after
 9 having served in a duty assignment described in sec-
 10 tion 1074(c)(3) of this title, has relocated without
 11 the dependent pursuant to orders for a permanent
 12 change of duty station from a remote location de-
 13 scribed in subparagraph (B)(ii) of such section
 14 where the member and the dependent resided to-
 15 gether while the member served in such assignment,
 16 if the orders do not authorize dependents to accom-
 17 pany the member to the new duty station at the ex-
 18 pense of the United States and the dependent con-
 19 tinues to reside at the same remote location.”.

20 **SEC. 704. APPROVAL OF MEDICARE PROVIDERS AS**
 21 **TRICARE PROVIDERS.**

22 Section 1079 of title 10, United States Code, is
 23 amended by adding at the end the following new sub-
 24 section:

1 “(q) A physician or other health care practitioner who
2 is eligible to receive reimbursement for services provided
3 under the Medicare Program under title XVIII of the So-
4 cial Security Act (42 U.S.C. 1395 et seq.) shall be consid-
5 ered approved to provide medical care under this section
6 and section 1086 of this title.”.

7 **SEC. 705. CLAIMS INFORMATION.**

8 (a) CORRESPONDENCE TO MEDICARE CLAIMS INFOR-
9 MATION REQUIREMENTS.—Section 1095c of title 10,
10 United States Code, is amended by adding at the end the
11 following new subsection:

12 “(d) CORRESPONDENCE TO MEDICARE CLAIMS IN-
13 FORMATION REQUIREMENTS.—The Secretary of Defense,
14 in consultation with the other administering Secretaries,
15 shall limit the requirements for information in support of
16 claims for payment for health care items and services pro-
17 vided under the TRICARE program so that the informa-
18 tion required under the program is substantially the same
19 as the information that would be required for claims for
20 reimbursement for those items and services under title
21 XVIII of the Social Security Act (42 U.S.C. 1395 et
22 seq.).”.

23 (b) APPLICABILITY.—The Secretary of Defense, in
24 consultation with the other administering Secretaries re-
25 ferred to in section 1072(3) of title 10, United States

1 Code, shall apply the limitations required under subsection
 2 (d) of section 1095c of such title (as added by subsection
 3 (a)) with respect to contracts entered into under the
 4 TRICARE program on or after October 1, 2002.

5 **SEC. 706. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE**
 6 **RETIREE HEALTH CARE FUND.**

7 (a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL
 8 PAYMENTS INTO THE FUND.—Section 1116(c) of title 10,
 9 United States Code, is amended by striking “health care
 10 programs” and inserting “pay of members”.

11 (b) MANDATORY PARTICIPATION OF OTHER UNI-
 12 FORMED SERVICES.—Section 1111(c) of such title is
 13 amended—

14 (1) in the first sentence, by striking “may enter
 15 into an agreement with any other administering Sec-
 16 retary” and inserting “shall enter into an agreement
 17 with each other administering Secretary”; and

18 (2) in the second sentence, by striking “Any
 19 such” and inserting “The”.

20 **SEC. 707. TECHNICAL CORRECTIONS RELATING TO TRANSI-**
 21 **TIONAL HEALTH CARE FOR MEMBERS SEPA-**
 22 **RATED FROM ACTIVE DUTY.**

23 (a) CONTINUED APPLICABILITY TO DEPENDENTS.—
 24 Subsection (a)(1) of section 736 of the National Defense

1 Authorization Act for Fiscal Year 2002 (Public Law 107–
2 107; 115 Stat. 1172) is amended to read as follows:

3 “(1) in paragraph (1), by striking ‘paragraph
4 (2), a member’ and all that follows through ‘of the
5 member),’ and inserting ‘paragraph (3), a member
6 of the armed forces who is separated from active
7 duty as described in paragraph (2) (and the depend-
8 ents of the member)’;”.

9 (b) CLARIFICATION REGARDING THE COAST
10 GUARD.—Subsection (b)(2) of such section is amended to
11 read as follows:

12 “(2) in subsection (e)—

13 “(A) by striking the first sentence; and

14 “(B) by striking ‘the Coast Guard’ in the
15 second sentence and inserting ‘the members of
16 the Coast Guard and their dependents’.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect as of December 28, 2001,
19 and as if included in the National Defense Authorization
20 Act for Fiscal Year 2002 as enacted.

1 **TITLE VIII—ACQUISITION POL-**
 2 **ICY, ACQUISITION MANAGE-**
 3 **MENT, AND RELATED MAT-**
 4 **TERS**

5 **Subtitle A—Major Defense**
 6 **Acquisition Programs**

7 **SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.**

8 (a) AUTHORITY.—(1) Chapter 131 of title 10, United
 9 States Code, is amended by adding at the end the fol-
 10 lowing new section:

11 **“§ 2228. Buy-to-budget acquisition: end items**

12 “(a) AUTHORITY TO ACQUIRE ADDITIONAL END
 13 ITEMS.—Using funds available to the Department of De-
 14 fense for the acquisition of an end item, the head of agen-
 15 cy making the acquisition may acquire a higher quantity
 16 of the end item than the quantity specified for the end
 17 item in a law providing for the funding of that acquisition
 18 if that head of an agency makes each of the following find-
 19 ings:

20 “(1) The agency has an established requirement
 21 for the end item that is expected to remain substan-
 22 tially unchanged throughout the period of the acqui-
 23 sition.

24 “(2) It is possible to acquire the higher quan-
 25 tity of the end item without additional funding be-

1 cause of production efficiencies or other cost reduc-
2 tions.

3 “(3) The amount of the funds used for the ac-
4 quisition of the higher quantity of the end item will
5 not exceed the amount provided under that law for
6 the acquisition of the end item.

7 “(4) The amount so provided is sufficient to en-
8 sure that each unit of the end item acquired within
9 the higher quantity is fully funded as a complete end
10 item.

11 “(b) REGULATIONS.—The Secretary of Defense shall
12 prescribe regulations for the administration of this section.
13 The regulations shall include, at a minimum, the fol-
14 lowing:

15 “(1) The level of approval within the Depart-
16 ment of Defense that is required for a decision to
17 acquire a higher quantity of an end item under sub-
18 section (a).

19 “(2) Authority to exceed by up to 10 percent
20 the quantity of an end item approved in a justifica-
21 tion and approval of the use of procedures other
22 than competitive procedures for the acquisition of
23 the end item under section 2304 of this title, but
24 only to the extent necessary to acquire a quantity of

1 the end item permitted in the exercise of authority
2 under subsection (a).

3 “(c) NOTIFICATION OF CONGRESS.—The head of an
4 agency is not required to notify Congress in advance re-
5 garding a decision under the authority of this section to
6 acquire a higher quantity of an end item than is specified
7 in a law described in subsection (a), but shall notify the
8 congressional defense committees of the decision not later
9 than 30 days after the date of the decision.

10 “(d) WAIVER BY OTHER LAW.—A provision of law
11 may not be construed as prohibiting the acquisition of a
12 higher quantity of an end item under this section unless
13 that provision of law—

14 “(1) specifically refers to this section; and

15 “(2) specifically states that the acquisition of
16 the higher quantity of the end item is prohibited
17 notwithstanding the authority provided in this sec-
18 tion.

19 “(e) DEFINITIONS.—(1) For the purposes of this sec-
20 tion, a quantity of an end item shall be considered speci-
21 fied in a law if the quantity is specified either in a provi-
22 sion of that law or in any related representation that is
23 set forth separately in a table, chart, or explanatory text
24 included in a joint explanatory statement or governing
25 committee report accompanying the law.

1 “(2) In this section:

2 “(A) The term ‘congressional defense com-
3 mittees’ means—

4 “(i) the Committee on Armed Services
5 and the Committee on Appropriations of
6 the Senate; and

7 “(ii) the Committee on Armed Serv-
8 ices and the Committee on Appropriations
9 of the House of Representatives.

10 “(B) The term ‘head of an agency’ means
11 the Secretary of Defense, the Secretary of the
12 Army, the Secretary of the Navy, and the Sec-
13 retary of the Air Force.”.

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

“2228. Buy-to-budget acquisition: end items.”.

17 (b) TIME FOR ISSUANCE OF FINAL REGULATIONS.—
18 The Secretary of Defense shall issue the final regulations
19 under section 2228(b) of title 10, United States Code (as
20 added by subsection (a)), not later than 120 days after
21 the date of the enactment of this Act.

22 **SEC. 802. REPORT TO CONGRESS ON INCREMENTAL ACQUI-**
23 **SITION OF MAJOR SYSTEMS.**

24 (a) REPORT REQUIRED.—Not later than 120 days
25 after the date of the enactment of this Act, the Secretary

1 of Defense shall submit to the congressional defense com-
2 mittees a report on the approach that the Secretary plans
3 to take to applying the requirements of chapter 144 of
4 title 10, United States Code, sections 139, 181, 2366,
5 2399, and 2400 of such title, Department of Defense Di-
6 rective 5000.1, Department of Defense Instruction
7 5000.2, and Chairman of the Joint Chiefs of Staff In-
8 struction 3170.01B, and other provisions of law and regu-
9 lations applicable to incremental acquisition programs.

10 (b) CONTENT OF REPORT.—The report shall, at a
11 minimum, address the following matters:

12 (1) The manner in which the Secretary plans to
13 establish and approve, for each increment of an in-
14 cremental acquisition program—

15 (A) operational requirements; and

16 (B) cost and schedule goals.

17 (2) The manner in which the Secretary plans,
18 for each increment of an incremental acquisition
19 program—

20 (A) to meet requirements for operational
21 testing and live fire testing;

22 (B) to monitor cost and schedule perform-
23 ance; and

1 (C) to comply with laws requiring reports
2 to Congress on results testing and on cost and
3 schedule performance.

4 (3) The manner in which the Secretary plans to
5 ensure that each increment of an incremental acqui-
6 sition program is designed—

7 (A) to achieve interoperability within and
8 among United States forces and United States
9 coalition partners; and

10 (B) to optimize total system performance
11 and minimize total ownership costs by giving
12 appropriate consideration to—

13 (i) logistics planning;

14 (ii) manpower, personnel, and train-
15 ing;

16 (iii) human, environmental, safety, oc-
17 cupational health, accessibility, surviv-
18 ability, operational continuity, and security
19 factors;

20 (iv) protection of critical program in-
21 formation; and

22 (v) spectrum management.

23 (c) DEFINITIONS.—In this section:

24 (1) The term “incremental acquisition pro-
25 gram” means an acquisition program that is to be

1 conducted in discrete phases or blocks, with each
2 phase or block consisting of the planned production
3 and acquisition of one or more units of a major sys-
4 tem.

5 (2) The term “increment” refers to one of the
6 discrete phases or blocks of an incremental acquisi-
7 tion program.

8 (3) The term “major system” has the meaning
9 given such term in section 2302(5) of title 10,
10 United States Code.

11 **SEC. 803. PILOT PROGRAM FOR SPIRAL DEVELOPMENT OF**
12 **MAJOR SYSTEMS.**

13 (a) **AUTHORITY.**—The Secretary of Defense is au-
14 thorized to conduct a pilot program for the spiral develop-
15 ment of major systems and to designate research and de-
16 velopment programs of the military departments and De-
17 fense Agencies to participate in the pilot program.

18 (b) **DESIGNATION OF PARTICIPATING PROGRAMS.**—

19 (1) A research and development program for a major sys-
20 tem of a military department or Defense Agency may be
21 conducted as a spiral development program only if the
22 Secretary of Defense approves a spiral development plan
23 submitted by the Secretary of that military department
24 or head of that Defense Agency, as the case may be, and

1 designates the program as a participant in the pilot pro-
2 gram under this section.

3 (2) The Secretary of Defense shall submit a copy of
4 each spiral development plan approved under this section
5 to the congressional defense committees.

6 (c) SPIRAL DEVELOPMENT PLANS.—A spiral devel-
7 opment plan for a participating program shall, at a min-
8 imum, include the following matters:

9 (1) A rationale for dividing the program into
10 separate spirals, together with a preliminary identi-
11 fication of the spirals to be included.

12 (2) A program strategy, including overall cost,
13 schedule, and performance goals for the total pro-
14 gram.

15 (3) Specific cost, schedule, and performance pa-
16 rameters, including measurable exit criteria, for the
17 first spiral to be conducted.

18 (4) A testing plan to ensure that performance
19 goals, parameters, and exit criteria are met.

20 (5) An appropriate limitation on the number of
21 prototype units that may be produced under the pro-
22 gram.

23 (6) Specific performance parameters, including
24 measurable exit criteria, that must be met before the

1 program proceeds into production of units in excess
2 of the limitation on the number of prototype units.

3 (d) GUIDANCE.—Not later than 120 days after the
4 date of the enactment of this Act, the Secretary of Defense
5 shall issue guidance for the implementation of the spiral
6 development pilot program authorized by this section. The
7 guidance shall, at a minimum, include the following mat-
8 ters:

9 (1) A process for the development, review, and
10 approval of each spiral development plan submitted
11 by the Secretary of a military department or head
12 of a Defense Agency.

13 (2) A process for establishing and approving
14 specific cost, schedule, and performance parameters,
15 including measurable exit criteria, for spirals to be
16 conducted after the first spiral.

17 (3) Appropriate planning, testing, reporting,
18 oversight, and other requirements to ensure that the
19 spiral development program—

20 (A) satisfies realistic and clearly-defined
21 performance standards, cost objectives, and
22 schedule parameters (including measurable exit
23 criteria for each spiral);

1 (B) achieve interoperability within and
2 among United States forces and United States
3 coalition partners; and

4 (C) optimize total system performance and
5 minimize total ownership costs by giving appro-
6 priate consideration to—

7 (i) logistics planning;

8 (ii) manpower, personnel, and train-
9 ing;

10 (iii) human, environmental, safety, oc-
11 cupational health, accessibility, surviv-
12 ability, operational continuity, and security
13 factors;

14 (iv) protection of critical program in-
15 formation; and

16 (v) spectrum management.

17 (4) A process for independent validation of the
18 satisfaction of exit criteria and other relevant re-
19 quirements.

20 (5) A process for operational testing of fieldable
21 prototypes to be conducted before or in conjunction
22 with the fielding of the prototypes.

23 (e) REPORTING REQUIREMENT.—The Secretary shall
24 submit to Congress at the end of each quarter of a fiscal
25 year a status report on each research and development

1 program that is a participant in the pilot program. The
2 report shall contain information on unit costs that is simi-
3 lar to the information on unit costs under major defense
4 acquisition programs that is required to be provided to
5 Congress under chapter 144 of title 10, United States
6 Code, except that the information on unit costs shall ad-
7 dress projected prototype costs instead of production
8 costs.

9 (f) APPLICABILITY OF EXISTING LAW.—Nothing in
10 this section shall be construed to exempt any program of
11 the Department of Defense from the application of any
12 provision of chapter 144 of title 10, United States Code,
13 section 139, 181, 2366, 2399, or 2400 of such title, or
14 any requirement under Department of Defense Directive
15 5000.1, Department of Defense Instruction 5000.2, or
16 Chairman of the Joint Chiefs of Staff Instruction
17 3170.01B in accordance with the terms of such provision
18 or requirement.

19 (g) TERMINATION OF PROGRAM PARTICIPATION.—
20 The conduct of a participating program as a spiral devel-
21 opment program under the pilot program shall terminate
22 when the decision is made for the participating program
23 to proceed into the production of units in excess of the
24 number of prototype units permitted under the limitation

1 provided in spiral development plan for the program pur-
2 suant to subsection (c)(5).

3 (h) TERMINATION OF PILOT PROGRAM.—(1) The au-
4 thority to conduct a pilot program under this section shall
5 terminate three years after the date of the enactment of
6 this Act.

7 (2) The termination of the pilot program shall not
8 terminate the authority of the Secretary of a military de-
9 partment or head of a Defense Agency to continue to con-
10 duct, as a spiral development program, any research and
11 development program that was designated to participate
12 in the pilot program before the date on which the pilot
13 program terminates. In the continued conduct of such a
14 research and development program as a spiral develop-
15 ment program on and after such date, the spiral develop-
16 ment plan approved for the program, the guidance issued
17 under subsection (d), and subsections (e), (f), and (g) shall
18 continue to apply.

19 (i) DEFINITIONS.—In this section:

20 (1) The term “spiral development program”
21 means a research and development program that—

22 (A) is conducted in discrete phases or
23 blocks, each of which will result in the develop-
24 ment of fieldable prototypes; and

1 (B) will not proceed into acquisition until
 2 specific performance parameters, including
 3 measurable exit criteria, have been met.

4 (2) The term “spiral” means one of the discrete
 5 phases or blocks of a spiral development program.

6 (3) The term “major system” has the meaning
 7 given such term in section 2302(5) of title 10,
 8 United States Code.

9 (4) The term “participating program” means a
 10 research and development program that is des-
 11 ignated to participate in the pilot program under
 12 subsection (b).

13 **SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION**
 14 **PROCESSES.**

15 (a) ESTABLISHMENT OF PROGRAMS.—(1) The Sec-
 16 retary of each military department shall establish a pro-
 17 gram to improve the software acquisition processes of that
 18 military department.

19 (2) The head of each Defense Agency that manages
 20 a major defense acquisition program with a substantial
 21 software component shall establish a program to improve
 22 the software acquisition processes of that Defense Agency.

23 (3) The programs required by this subsection shall
 24 be established not later than 120 days after the date of
 25 the enactment of this Act.

1 (b) PROGRAM REQUIREMENTS.—A program to im-
2 prove software acquisition processes under this section
3 shall, at a minimum, include the following:

4 (1) A documented process for software acquisi-
5 tion planning, requirements development and man-
6 agement, project management and oversight, and
7 risk management.

8 (2) Efforts to develop systems for performance
9 measurement and continual process improvement.

10 (3) A system for ensuring that each program
11 office with substantial software responsibilities im-
12 plements and adheres to established processes and
13 requirements.

14 (c) DEPARTMENT OF DEFENSE GUIDANCE.—The
15 Assistant Secretary of Defense for Command, Control,
16 Communications, and Intelligence, in consultation with
17 the Under Secretary of Defense for Acquisition, Tech-
18 nology, and Logistics, shall—

19 (1) prescribe uniformly applicable guidance for
20 the administration of all of the programs established
21 under subsection (a) and take such actions as are
22 necessary to ensure that the military departments
23 and Defense Agencies comply with the guidance; and

24 (2) assist the Secretaries of the military depart-
25 ments and the heads of the Defense Agencies to

1 carry out such programs effectively by identifying,
2 and serving as a clearinghouse for information re-
3 garding, best practices in software acquisition proc-
4 esses in both the public and private sectors.

5 (d) DEFINITIONS.—In this section:

6 (1) The term “Defense Agency” has the mean-
7 ing given the term in section 101(a)(11) of title 10,
8 United States Code.

9 (2) The term “major defense acquisition pro-
10 gram” has the meaning given the term in section
11 2430 of title 10, United States Code.

12 **SEC. 805. INDEPENDENT TECHNOLOGY READINESS ASSESS-**
13 **MENTS.**

14 Section 804(b) of the National Defense Authorization
15 Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat.
16 1180) is amended—

17 (1) by striking “and” at the end of paragraph
18 (1);

19 (2) by striking the period at the end of para-
20 graph (2) and inserting “; and”; and

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

23 “(3) identify each case in which an authori-
24 tative decision has been made within the Depart-
25 ment of Defense not to conduct an independent

1 technology readiness assessment for a critical tech-
 2 nology on a major defense acquisition program and
 3 explain the reasons for the decision.”.

4 **SEC. 806. TIMING OF CERTIFICATION IN CONNECTION WITH**
 5 **WAIVER OF SURVIVABILITY AND LETHALITY**
 6 **TESTING REQUIREMENTS.**

7 (a) CERTIFICATION FOR EXPEDITED PROGRAMS.—
 8 Paragraph (1) of subsection (c) of section 2366 of title
 9 10, United States Code, is amended to read as follows:

10 “(1) The Secretary of Defense may waive the applica-
 11 tion of the survivability and lethality tests of this section
 12 to a covered system, munitions program, missile program,
 13 or covered product improvement program if the Secretary
 14 determines that live-fire testing of such system or program
 15 would be unreasonably expensive and impractical and sub-
 16 mits a certification of that determination to Congress—

17 “(A) before Milestone B approval for the sys-
 18 tem or program; or

19 “(B) in the case of a system or program initi-
 20 ated at—

21 “(i) Milestone B, as soon as is practicable
 22 after the Milestone B approval; or

23 “(ii) Milestone C, as soon as is practicable
 24 after the Milestone C approval.”.

1 (b) DEFINITIONS.—Subsection (e) of such section is
 2 amended by adding at the end the following new para-
 3 graphs:

4 “(8) The term ‘Milestone B approval’ means a
 5 decision to enter into system development and dem-
 6 onstration pursuant to guidance prescribed by the
 7 Secretary of Defense for the management of Depart-
 8 ment of Defense acquisition programs.

9 “(9) The term ‘Milestone C approval’ means a
 10 decision to enter into production and deployment
 11 pursuant to guidance prescribed by the Secretary of
 12 Defense for the management of Department of De-
 13 fense acquisition programs.”.

14 **Subtitle B—Procurement Policy** 15 **Improvements**

16 **SEC. 811. PERFORMANCE GOALS FOR CONTRACTING FOR** 17 **SERVICES.**

18 (a) INDIVIDUAL PURCHASES OF SERVICES.—Sub-
 19 section (a) of section 802 of the National Defense Author-
 20 ization Act for Fiscal Year 2002 (Public Law 107–107;
 21 10 U.S.C. 2330 note) is amended by adding at the end
 22 the following new paragraphs:

23 “(3) To support the attainment of the goals estab-
 24 lished in paragraph (2), the Department of Defense shall
 25 have the following goals:

1 “(A) To increase, as a percentage of all of the
2 individual purchases of services made by or for the
3 Department of Defense under multiple award con-
4 tracts for a fiscal year (calculated on the basis of
5 dollar value), the volume of the individual purchases
6 of services that are made on a competitive basis and
7 involve the receipt of two or more offers from quali-
8 fied contractors to a percentage as follows:

9 “(i) For fiscal year 2003, a percentage not
10 less than 50 percent.

11 “(ii) For fiscal year 2004, a percentage
12 not less than 60 percent.

13 “(iii) For fiscal year 2011, a percentage
14 not less than 80 percent.

15 “(B) To increase, as a percentage of all of the
16 individual purchases of services made by or for the
17 Department of Defense under multiple award con-
18 tracts for a fiscal year (calculated on the basis of
19 dollar value), the use of performance-based pur-
20 chasing specifying firm fixed prices for the specific
21 tasks to be performed to a percentage as follows:

22 “(i) For fiscal year 2003, a percentage not
23 less than 30 percent.

24 “(ii) For fiscal year 2004, a percentage
25 not less than 40 percent.

1 “(iii) For fiscal year 2005, a percentage
2 not less than 50 percent.

3 “(iv) For fiscal year 2011, a percentage
4 not less than 80 percent.”.

5 (b) EXTENSION AND REVISION OF REPORTING RE-
6 QUIREMENT.—Subsection (b) of such section is
7 amended—

8 (1) by striking “March 1, 2006”, and inserting
9 “March 1, 2011”; and

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

12 “(6) Regarding the individual purchases of
13 services that were made by or for the Department
14 of Defense under multiple award contracts in the fis-
15 cal year preceding the fiscal year in which the report
16 is required to be submitted, information (determined
17 using the data collection system established under
18 section 2330a of title 10, United States Code) as
19 follows:

20 “(A) The percentage (calculated on the
21 basis of dollar value) of such purchases that are
22 purchases that were made on a competitive
23 basis and involved receipt of two or more offers
24 from qualified contractors.

1 “(B) The percentage (calculated on the
 2 basis of dollar value) of such purchases that are
 3 performance-based purchases specifying firm
 4 fixed prices for the specific tasks to be per-
 5 formed.”.

6 (c) DEFINITIONS.—Such section is further amended
 7 by adding at the end the following new subsection:

8 “(c) DEFINITIONS.—In this section:

9 “(1) The term ‘individual purchase’ means a
 10 task order, delivery order, or other purchase.

11 “(2) The term ‘multiple award contract’
 12 means—

13 “(A) a contract that is entered into by the
 14 Administrator of General Services under the
 15 multiple award schedule program referred to in
 16 section 2302(2)(C) of title 10, United States
 17 Code;

18 “(B) a multiple award task order contract
 19 that is entered into under the authority of sec-
 20 tions 2304a through 2304d of title 10, United
 21 States Code, or sections 303H through 303K of
 22 the Federal Property and Administrative Serv-
 23 ices Act of 1949 (41 U.S.C. 253h through
 24 253k); and

1 “(C) any other indefinite delivery, indefi-
 2 nite quantity contract that is entered into by
 3 the head of a Federal agency with two or more
 4 sources pursuant to the same solicitation.”.

5 **SEC. 812. GRANTS OF EXCEPTIONS TO COST OR PRICING**
 6 **DATA CERTIFICATION REQUIREMENTS AND**
 7 **WAIVERS OF COST ACCOUNTING STANDARDS.**

8 (a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL
 9 CIRCUMSTANCES.—(1) Not later than 60 days after the
 10 date of the enactment of this Act, the Secretary of Defense
 11 shall issue guidance on the circumstances under which it
 12 is appropriate to grant—

13 (A) an exception pursuant to section
 14 2306a(b)(1)(C) of title 10, United States Code, re-
 15 lating to submittal of certified contract cost and
 16 pricing data; or

17 (B) a waiver pursuant to section 26(f)(5)(B) of
 18 the Office of Federal Procurement Policy Act (41
 19 U.S.C. 422(f)(5)(B)), relating to the applicability of
 20 cost accounting standards to contracts and sub-
 21 contracts.

22 (2) The guidance shall, at a minimum, include a limi-
 23 tation that a grant of an exception or waiver referred to
 24 in paragraph (1) is appropriate with respect to a contract
 25 or subcontract, or (in the case of submittal of certified

1 cost and pricing data) a modification, only upon a deter-
2 mination that the property or services cannot be obtained
3 under the contract, subcontract, or modification, as the
4 case may be, without the grant of the exception or waiver.

5 (b) SEMIANNUAL REPORT.—(1) The Secretary of De-
6 fense shall transmit to the congressional defense commit-
7 tees promptly after the end of each half of a fiscal year
8 a report on the exceptions to cost or pricing data certifi-
9 cation requirements and the waivers of applicability of cost
10 accounting standards that, in cases described in para-
11 graph (2), were granted during that half of the fiscal year.

12 (2) The report for a half of a fiscal year shall include
13 an explanation of—

14 (A) each decision by the head of a procuring ac-
15 tivity within the Department of Defense to exercise
16 the authority under subparagraph (B) or (C) of sub-
17 section (b)(1) of section 2306a of title 10, United
18 States Code, to grant an exception to the require-
19 ments of such section in the case of a contract, sub-
20 contract, or contract or subcontract modification
21 that is expected to have a price of \$15,000,000 or
22 more; and

23 (B) each decision by the Secretary of Defense
24 or the head of an agency within the Department of
25 Defense to exercise the authority under subsection

1 (f)(5)(B) of section 26 of the Office of Federal Pro-
2 curement Policy Act to waive the applicability of the
3 cost accounting standards under such section in the
4 case of a contract or subcontract that is expected to
5 have a value of \$15,000,000 or more.

6 (c) ADVANCE NOTIFICATION OF CONGRESS.—(1)
7 The Secretary of Defense shall transmit to the congres-
8 sional defense committees an advance notification of—

9 (A) any decision by the head of a procuring ac-
10 tivity within the Department of Defense to exercise
11 the authority under subsection (b)(1)(C) of section
12 2306a of title 10, United States Code, to grant an
13 exception to the requirements of such section in the
14 case of a contract, subcontract, or contract or sub-
15 contract modification that is expected to have a
16 price of \$75,000,000 or more; or

17 (B) any decision by the Secretary of Defense or
18 the head of an agency within the Department of De-
19 fense to exercise the authority under subsection
20 (f)(5)(B) of section 26 of the Office of Federal Pro-
21 curement Policy Act to waive the applicability of the
22 cost accounting standards under such section to a
23 contract or subcontract that is expected to have a
24 value of \$75,000,000 or more.

1 (2) The notification under paragraph (1) regarding
 2 a decision to grant an exception or waiver shall be trans-
 3 mitted not later than 10 days before the exception or waiv-
 4 er is granted.

5 (d) CONTENTS OF REPORTS AND NOTIFICATIONS.—
 6 A report pursuant to subsection (b) and a notification pur-
 7 suant to subsection (c) shall include, for each grant of an
 8 exception or waiver, the following matters:

9 (1) A discussion of the justification for the
 10 grant of the exception or waiver, including at a
 11 minimum—

12 (A) in the case of an exception granted
 13 pursuant to section 2306a(b)(1)(B) of title 10,
 14 United States Code, an explanation of the basis
 15 for the determination that the products or serv-
 16 ices to be purchased are commercial items; and

17 (B) in the case of an exception granted
 18 pursuant to section 2306a(b)(1)(C) of such
 19 title, or a waiver granted pursuant to section
 20 26(f)(5)(B) of the Office of Federal Procure-
 21 ment Policy Act, an explanation of the basis for
 22 the determination that it would not have been
 23 possible to obtain the products or services from
 24 the offeror without the grant of the exception or
 25 waiver.

1 (2) A description of the specific steps taken or
 2 to be taken within the Department of Defense to en-
 3 sure that the price of each contract, subcontract, or
 4 modification covered by the report or notification, as
 5 the case may be, is fair and reasonable.

6 (e) **EFFECTIVE DATE.**—The requirements of this sec-
 7 tion shall apply to each exception or waiver that is granted
 8 under a provision of law referred to in subsection (a) on
 9 or after the date on which the guidance required by that
 10 subsection (a) is issued.

11 **SEC. 813. EXTENSION OF REQUIREMENT FOR ANNUAL RE-**
 12 **PORT ON DEFENSE COMMERCIAL PRICING**
 13 **MANAGEMENT IMPROVEMENT.**

14 Section 803(c)(4) of the Strom Thurmond National
 15 Defense Authorization Act for Fiscal Year 1999 (Public
 16 Law 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is
 17 amended by striking “2000, 2001, and 2002,” and insert-
 18 ing “2000 through 2006,”.

19 **SEC. 814. INTERNAL CONTROLS ON THE USE OF PURCHASE**
 20 **CARDS.**

21 (a) **REQUIREMENT FOR ENHANCED INTERNAL CON-**
 22 **TROLS.**—Not later than 120 days after the date of the
 23 enactment of this Act, the Secretary of Defense shall take
 24 action to ensure that appropriate internal controls for the
 25 use of purchase cards issued by the Federal Government

1 to Department of Defense personnel are in place through-
2 out the Department of Defense. At a minimum, the inter-
3 nal controls shall include the following:

4 (1) A requirement that the receipt and accept-
5 ance, and the documentation of the receipt and ac-
6 ceptance, of the property or services purchased on a
7 purchase card be verified by a Department of De-
8 fense official who is independent of the purchaser.

9 (2) A requirement that the monthly purchase
10 card statements of purchases on a purchase card be
11 reviewed and certified for accuracy by an official of
12 the Department of Defense who is independent of
13 the purchaser.

14 (3) Specific policies limiting the number of pur-
15 chase cards issued, with the objective of significantly
16 reducing the number of cardholders.

17 (4) Specific policies on credit limits authorized
18 for cardholders, with the objective of minimizing fi-
19 nancial risk to the Federal Government.

20 (5) Specific criteria for identifying employees el-
21 igible to be issued purchase cards, with the objective
22 of ensuring the integrity of cardholders.

23 (6) Accounting procedures that ensure that
24 purchase card transactions are properly recorded in
25 Department of Defense accounting records.

1 (7) Requirements for regular internal review of
2 purchase card statements to identify—

3 (A) potentially fraudulent, improper, and
4 abusive purchases;

5 (B) any patterns of improper cardholder
6 transactions, such as purchases of prohibited
7 items; and

8 (C) categories of purchases that should be
9 made through other mechanisms to better ag-
10 gregate purchases and negotiate lower prices.

11 (b) TRAINING.—The Secretary of Defense shall en-
12 sure that all Department of Defense purchase cardholders
13 are aware of the enhanced internal controls instituted pur-
14 suant to subsection (a).

15 (c) COMPTROLLER GENERAL REVIEW.—Not later
16 than March 1, 2003, the Comptroller General shall—

17 (1) review the actions that have been taken
18 within the Department of Defense to comply with
19 the requirements of this section; and

20 (2) submit a report on the actions reviewed to
21 the congressional defense committees.

1 **SEC. 815. ASSESSMENT REGARDING FEES PAID FOR ACQUI-**
2 **SITIONS UNDER OTHER AGENCIES' CON-**
3 **TRACTS.**

4 (a) REQUIREMENT FOR ASSESSMENT AND RE-
5 PORT.—Not later than March 1, 2003, the Secretary of
6 Defense shall carry out an assessment to determine the
7 total amount paid by the Department of Defense as fees
8 for the acquisition of property and services by the Depart-
9 ment of Defense under contracts between other depart-
10 ments and agencies of the Federal Government and the
11 sources of the property and services in each of fiscal years
12 2000, 2001, and 2002, and submit a report on the results
13 of the assessment to Congress.

14 (b) CONTENT OF REPORT.—The report shall include
15 the Secretary's views on what, if any, actions should be
16 taken within the Department of Defense to reduce the
17 total amount of the annual expenditures on fees described
18 in subsection (a) and to use the amounts saved for other
19 authorized purposes.

20 **SEC. 816. PILOT PROGRAM FOR TRANSITION TO FOLLOW-**
21 **ON CONTRACTS FOR CERTAIN PROTOTYPE**
22 **PROJECTS.**

23 Section 845 of the National Defense Authorization
24 Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amend-
25 ed by—

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

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

5 “(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-
6 ON CONTRACTS.—(1) The Secretary of Defense is author-
7 ized to carry out a pilot program for follow-on contracting
8 for the production of items or processes that are developed
9 by nontraditional defense contractors under prototype
10 projects carried out under this section.

11 “(2) Under the pilot program—

12 “(A) a qualifying contract for the procurement
13 of such an item or process, or a qualifying sub-
14 contract under a contract for the procurement of
15 such an item or process, may be treated as a con-
16 tract or subcontract, respectively, for the procure-
17 ment of commercial items, as defined in section
18 4(12) of the Office of Federal Procurement Policy
19 Act (41 U.S.C. 403(12)); and

20 “(B) the item or process may be treated as an
21 item or process, respectively, that is developed in
22 part with Federal funds and in part at private ex-
23 pense for the purposes of section 2320 of title 10,
24 United States Code.

1 “(3) For the purposes of the pilot program, a quali-
 2 fying contract or subcontract is a contract or subcontract,
 3 respectively, with a nontraditional defense contractor
 4 that—

5 “(A) does not exceed \$20,000,000; and

6 “(B) is either—

7 “(i) a firm, fixed-price contract or sub-
 8 contract; or

9 “(ii) a fixed-price contract or subcontract
 10 with economic price adjustment.

11 “(4) The authority to conduct a pilot program under
 12 this subsection shall terminate on September 30, 2005.
 13 The termination of the authority shall not affect the valid-
 14 ity of contracts or subcontracts that are awarded or modi-
 15 fied during the period of the pilot program, without regard
 16 to whether the contracts or subcontracts are performed
 17 during the period.”.

18 **SEC. 817. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR**
 19 **CONTENT REQUIREMENTS.**

20 (a) **AUTHORITY.**—Subchapter V of chapter 148 of
 21 title 10, United States Code, is amended by adding at the
 22 end the following new section:

1 **“§ 2539c. Waiver of domestic source or content re-**
2 **quirements**

3 “(a) AUTHORITY.—Except as provided in subsection
4 (f), the Secretary of Defense may waive the application
5 of any domestic source requirement or domestic content
6 requirement referred to in subsection (b) and thereby au-
7 thorize the procurement of items that are grown, repro-
8 cessed, reused, produced, or manufactured—

9 “(1) in a foreign country that has a reciprocal
10 defense procurement memorandum of understanding
11 or agreement with the United States;

12 “(2) in a foreign country that has a reciprocal
13 defense procurement memorandum of understanding
14 or agreement with the United States substantially
15 from components and materials grown, reprocessed,
16 reused, produced, or manufactured in the United
17 States or any foreign country that has a reciprocal
18 defense procurement memorandum of understanding
19 or agreement with the United States; or

20 “(3) in the United States substantially from
21 components and materials grown, reprocessed, re-
22 used, produced, or manufactured in the United
23 States or any foreign country that has a reciprocal
24 defense procurement memorandum of understanding
25 or agreement with the United States.

1 “(b) COVERED REQUIREMENTS.—For purposes of
2 this section:

3 “(1) A domestic source requirement is any re-
4 quirement under law that the Department of De-
5 fense satisfy its requirements for an item by pro-
6 curing an item that is grown, reprocessed, reused,
7 produced, or manufactured in the United States or
8 by a manufacturer that is a part of the national
9 technology and industrial base (as defined in section
10 2500(1) of this title).

11 “(2) A domestic content requirement is any re-
12 quirement under law that the Department of De-
13 fense satisfy its requirements for an item by pro-
14 curing an item produced or manufactured partly or
15 wholly from components and materials grown, re-
16 processed, reused, produced, or manufactured in the
17 United States.

18 “(c) APPLICABILITY.—The authority of the Secretary
19 to waive the application of a domestic source or content
20 requirements under subsection (a) applies to the procure-
21 ment of items for which the Secretary of Defense deter-
22 mines that—

23 “(1) application of the requirement would im-
24 pede the reciprocal procurement of defense items
25 under a memorandum of understanding providing

1 for reciprocal procurement of defense items between
2 a foreign country and the United States in accord-
3 ance with section 2531 of this title; and

4 “(2) such country does not discriminate against
5 defense items produced in the United States to a
6 greater degree than the United States discriminates
7 against defense items produced in that country.

8 “(d) LIMITATION ON DELEGATION.—The authority
9 of the Secretary to waive the application of domestic
10 source or content requirements under subsection (a) may
11 not be delegated to any officer or employee other than the
12 Under Secretary of Defense for Acquisition, Technology
13 and Logistics.

14 “(e) CONSULTATIONS.—The Secretary may grant a
15 waiver of the application of a domestic source or content
16 requirement under subsection (a) only after consultation
17 with the United States Trade Representative, the Sec-
18 retary of Commerce, and the Secretary of State.

19 “(f) LAWS NOT WAIVABLE.—The Secretary of De-
20 fense may not exercise the authority under subsection (a)
21 to waive any domestic source or content requirement con-
22 tained in any of the following laws:

23 “(1) The Small Business Act (15 U.S.C. 631 et
24 seq.).

1 “(2) The Javits-Wagner-O’Day Act (41 U.S.C.
2 et seq.).

3 “(3) Sections 7309 and 7310 of this title.

4 “(4) Section 2533a of this title.

5 “(g) RELATIONSHIP TO OTHER WAIVER AUTHOR-
6 ITY.—The authority under subsection (a) to waive a do-
7 mestic source requirement or domestic content require-
8 ment is in addition to any other authority to waive such
9 requirement.

10 “(h) CONSTRUCTION WITH RESPECT TO LATER EN-
11 ACTED LAWS.—This section may not be construed as
12 being inapplicable to a domestic source requirement or do-
13 mestic content requirement that is set forth in a law en-
14 acted after the enactment of this section solely on the
15 basis of the later enactment.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of such subchapter is amended by insert-
18 ing after the item relating to section 2539b the following
19 new item:

 “2539c. Waiver of domestic source or content requirements.”.

Subtitle C—Other Matters

**SEC. 821. EXTENSION OF THE APPLICABILITY OF CERTAIN
PERSONNEL DEMONSTRATION PROJECT EX-
CEPTIONS TO AN ACQUISITION WORKFORCE
DEMONSTRATION PROJECT.**

Section 4308(b)(3)(B) of the National Defense Au-
thorization Act for Fiscal Year 1996 (Public Law 104–
106; 10 U.S.C. 1701 note) is amended to read as follows:

“(B) commences before November 18,
2007.”.

**SEC. 822. MORATORIUM ON REDUCTION OF THE DEFENSE
ACQUISITION AND SUPPORT WORKFORCE.**

(a) PROHIBITION.—Notwithstanding any other provi-
sion of law, the defense acquisition and support workforce
may not be reduced, during fiscal years 2003, 2004, and
2005, below the level of that workforce as of September
30, 2002, determined on the basis of full-time equivalent
positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense
may waive the prohibition in subsection (a) and reduce
the level of the defense acquisition and support workforce
upon submitting to Congress the Secretary’s certification
that the defense acquisition and support workforce, at the
level to which reduced, will be able efficiently and effec-
tively to perform the workloads that are required of that

1 workforce consistent with the cost-effective management
 2 of the defense acquisition system to obtain best value
 3 equipment and with ensuring military readiness.

4 (c) DEFENSE ACQUISITION AND SUPPORT WORK-
 5 FORCE DEFINED.—In this section, the term “defense ac-
 6 quisition and support workforce” means Armed Forces
 7 and civilian personnel who are assigned to, or are em-
 8 ployed in, an organization of the Department of Defense
 9 that is—

10 (1) an acquisition organization specified in De-
 11 partment of Defense Instruction 5000.58, dated
 12 January 14, 1992; or

13 (2) an organization not so specified that has ac-
 14 quisition as its predominant mission, as determined
 15 by the Secretary of Defense.

16 **SEC. 823. EXTENSION OF CONTRACT GOAL FOR SMALL DIS-**
 17 **ADVANTAGED BUSINESSES AND CERTAIN IN-**
 18 **STITUTIONS OF HIGHER EDUCATION.**

19 Section 2323(k) of title 10, United States Code, is
 20 amended by striking “2003” both places it appears and
 21 inserting “2006”.

1 **SEC. 824. MENTOR-PROTEGE PROGRAM ELIGIBILITY FOR**
 2 **HUBZONE SMALL BUSINESS CONCERNS AND**
 3 **SMALL BUSINESS CONCERNS OWNED AND**
 4 **CONTROLLED BY SERVICE-DISABLED VET-**
 5 **ERANS.**

6 Section 831(m)(2) of the National Defense Author-
 7 ization Act for Fiscal Year 1991 (10 U.S.C. 2302 note),
 8 is amended—

9 (1) by striking “or” at the end of subparagraph
 10 (D);

11 (2) by striking the period at the end of sub-
 12 paragraph (E) and inserting a semicolon; and

13 (3) by adding at the end the following new sub-
 14 paragraphs:

15 “(F) a qualified HUBZone small business
 16 concern, within the meaning of section 3(p)(5)
 17 of the Small Business Act (15 U.S.C.
 18 632(p)(5)); or

19 “(G) a small business concern owned and
 20 controlled by service-disabled veterans, as de-
 21 fined in section 3(q)(2) of the Small Business
 22 Act (15 U.S.C. 632(q)(2)).”.

1 **SEC. 825. REPEAL OF REQUIREMENTS FOR CERTAIN RE-**
 2 **VIEWS BY THE COMPTROLLER GENERAL.**

3 The following provisions of the National Defense Au-
 4 thorization Act for Fiscal Year 1996 (Public Law 104–
 5 106) are repealed:

6 (1) Section 912(d) (110 Stat. 410; 10 U.S.C.
 7 2216 note), relating to Comptroller General reviews
 8 of the administration of the Defense Modernization
 9 Account.

10 (2) Section 5312(e) (110 Stat. 695; 40 U.S.C.
 11 1492), relating to Comptroller General monitoring of
 12 a pilot program for solutions-based contracting for
 13 acquisition of information technology.

14 (3) Section 5401(c)(3) (110 Stat. 697; 40
 15 U.S.C. 1501), relating to a Comptroller General re-
 16 view and report regarding a pilot program to test
 17 streamlined procedures for the procurement of infor-
 18 mation technology products and services available
 19 for ordering through multiple award schedules.

20 **SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR**
 21 **PURCHASE OF DINITROGEN TETROXIDE, HY-**
 22 **DRAZINE, AND HYDRAZINE-RELATED PROD-**
 23 **UCTS.**

24 (a) IN GENERAL.—Chapter 141 of title 10, United
 25 States Code, is amended by inserting after section 2410n
 26 the following new section:

1 **“§ 2410o. Multiyear procurement authority: purchase**
 2 **of dinitrogen tetroxide, hydrazine, and**
 3 **hydrazine-related products**

4 “(a) TEN-YEAR CONTRACT PERIOD.—The Secretary
 5 of Defense may enter into a contract for a period of up
 6 to 10 years for the purchase of dinitrogen tetroxide, hy-
 7 drazine, and hydrazine-related products for the support of
 8 a United States national security program or a United
 9 States space program.

10 “(b) EXTENSIONS.—A contract entered into for more
 11 than one year under the authority of subsection (a) may
 12 be extended for a total of not more than 10 years pursuant
 13 to any option or options set forth in the contract.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 141 is amended by adding at
 16 the end the following item:

“2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hy-
 drazine, and hydrazine-related products.”.

17 **SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR EN-**
 18 **VIRONMENTAL SERVICES FOR MILITARY IN-**
 19 **STALLATIONS.**

20 (a) AUTHORITY.—Subsection (b) of section 2306c of
 21 title 10, United States Code, is amended by adding at the
 22 end the following new paragraph:

23 “(5) Environmental remediation services for—
 24 “(A) an active military installation;

1 “(B) a military installation being closed or
2 realigned under a base closure law; or

3 “(C) a site formerly used by the Depart-
4 ment of Defense.”.

5 (b) DEFINITIONS.—Such section is further amended
6 by adding at the end the following new subsection:

7 “(g) ADDITIONAL DEFINITIONS.—In this section:

8 “(1) The term ‘base closure law’ has the mean-
9 ing given such term in section 2667(h)(2) of this
10 title.

11 “(2) The term ‘military installation’ has the
12 meaning given such term in section 2801(c)(2) of
13 this title.”.

14 **TITLE IX—DEPARTMENT OF DE-**
15 **FENSE ORGANIZATION AND**
16 **MANAGEMENT**

17 **SEC. 901. TIME FOR SUBMITTAL OF REPORT ON QUADREN-**
18 **NIAL DEFENSE REVIEW.**

19 Section 118(d) of title 10, United States Code, is
20 amended by striking “not later than September 30 of the
21 year in which the review is conducted” in the second sen-
22 tence and inserting “in the year following the year in
23 which the review is conducted, but not later than the date
24 on which the President submits the budget for the next
25 fiscal year to Congress under section 1105(a) of title 31”.

1 **SEC. 902. INCREASED NUMBER OF DEPUTY COMMANDANTS**

2 **AUTHORIZED FOR THE MARINE CORPS.**

3 Section 5045 of title 10, United States Code, is
4 amended by striking “five” and inserting “six”.

5 **SEC. 903. BASE OPERATING SUPPORT FOR FISHER HOUSES.**

6 (a) EXPANSION OF REQUIREMENT TO INCLUDE
7 ARMY AND AIR FORCE.—Section 2493(f) of title 10,
8 United States Code, is amended to read as follows:

9 “(f) BASE OPERATING SUPPORT.—The Secretary of
10 the military department concerned shall provide base oper-
11 ating support for Fisher Houses associated with health
12 care facilities of that military department.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall take effect on October 1, 2002.

15 **SEC. 904. PREVENTION AND MITIGATION OF CORROSION.**

16 (a) ESTABLISHMENT.—Not later than 120 days after
17 the date of the enactment of this Act, the Secretary of
18 Defense shall designate an officer or employee of the De-
19 partment of Defense as the senior official responsible
20 (after the Secretary of Defense and the Under Secretary
21 of Defense for Acquisition, Technology, and Logistics) for
22 the prevention and mitigation of corrosion of the military
23 equipment and infrastructure of the Department. The des-
24 ignated official shall report directly to the Under Sec-
25 retary of Defense for Acquisition, Technology, and Logis-
26 tics.

1 (b) DUTIES.—The official designated under sub-
2 section (a) shall direct and coordinate initiatives through-
3 out the Department of Defense to prevent and mitigate
4 corrosion of the military equipment and infrastructure of
5 the Department, including efforts to facilitate the preven-
6 tion and mitigation of corrosion through—

7 (1) development and recommendation of policy
8 guidance on the prevention and mitigation of corro-
9 sion which the Secretary of Defense shall issue;

10 (2) review of the annual budget proposed for
11 the prevention and mitigation of corrosion by the
12 Secretary of each military department and submittal
13 of recommendations regarding the proposed budget
14 to the Secretary of Defense;

15 (3) direction and coordination of the efforts
16 within the Department of Defense to prevent or
17 mitigate corrosion during—

18 (A) the design, acquisition, and mainte-
19 nance of military equipment; and

20 (B) the design, construction, and mainte-
21 nance of infrastructure; and

22 (4) monitoring of acquisition practices—

23 (A) to ensure that the use of corrosion pre-
24 vention technologies and the application of cor-
25 rosion prevention treatments are fully consid-

1 ered during research and development in the
2 acquisition process; and

3 (B) to ensure that, to the extent deter-
4 mined appropriate in each acquisition program,
5 such technologies and treatments are incor-
6 porated into the program, particularly during
7 the engineering and design phases of the acqui-
8 sition process.

9 (c) INTERIM REPORT.—When the President submits
10 the budget for fiscal year 2004 to Congress pursuant to
11 section 1105(a) of title 31, United States Code, the Sec-
12 retary of Defense shall submit to Congress a report re-
13 garding the actions taken under this section. The report
14 shall include the following matters:

15 (1) The organizational structure for the per-
16 sonnel carrying out the responsibilities of the official
17 designated under subsection (a) with respect to the
18 prevention and mitigation of corrosion.

19 (2) An outline and milestones for developing a
20 long-term corrosion prevention and mitigation strat-
21 egy.

22 (d) LONG-TERM STRATEGY.—(1) Not later than one
23 year after the date of the enactment of this Act, the Sec-
24 retary of Defense shall submit to Congress a long-term
25 strategy to reduce corrosion and the effects of corrosion

1 on the military equipment and infrastructure of the De-
2 partment of Defense.

3 (2) The strategy shall provide for the following ac-
4 tions:

5 (A) Expanding the emphasis on corrosion pre-
6 vention and mitigation to include coverage of infra-
7 structure.

8 (B) Applying uniformly throughout the Depart-
9 ment of Defense requirements and criteria for the
10 testing and certification of new technologies for the
11 prevention of corrosion.

12 (C) Implementing programs, including pro-
13 grams supporting databases, to foster the collection
14 and analysis of—

15 (i) data useful for determining the extent
16 of the effects of corrosion on the maintenance
17 and readiness of military equipment and infra-
18 structure; and

19 (ii) data on the costs associated with the
20 prevention and mitigation of corrosion.

21 (D) Implementing programs, including sup-
22 porting databases, to ensure that a focused and co-
23 ordinated approach is taken throughout the Depart-
24 ment of Defense to collect, review, validate, and dis-
25 tribute information on proven methods and products

1 that are relevant to the prevention of corrosion of
2 military equipment and infrastructure.

3 (E) Implementing a program to identify specific
4 funding in future budgets for the total life cycle
5 costs of the prevention and mitigation of corrosion.

6 (F) Establishing a coordinated research and de-
7 velopment program for the prevention and mitiga-
8 tion of corrosion for new and existing military equip-
9 ment and infrastructure that includes a plan to
10 transition new corrosion prevention technologies into
11 operational systems.

12 (3) The strategy shall also include, for the actions
13 provided for pursuant to paragraph (2), the following:

14 (A) Policy guidance.

15 (B) Performance measures and milestones.

16 (C) An assessment of the necessary program
17 management resources and necessary financial re-
18 sources.

19 (e) GAO REVIEWS.—The Comptroller General shall
20 monitor the implementation of the long-term strategy re-
21 quired under subsection (d) and, not later than 18 months
22 after the date of the enactment of this Act, submit to Con-
23 gress an assessment of the extent to which the strategy
24 has been implemented.

25 (f) DEFINITIONS.—In this section:

1 (1) The term “corrosion” means the deteriora-
 2 tion of a substance or its properties due to a reac-
 3 tion with its environment.

4 (2) The term “military equipment” includes all
 5 air, land, and sea weapon systems, weapon plat-
 6 forms, vehicles, and munitions of the Department of
 7 Defense, and the components of such items.

8 (3) The term “infrastructure” includes all
 9 buildings, structures, airfields, port facilities, surface
 10 and subterranean utility systems, heating and cool-
 11 ing systems, fuel tanks, pavements, and bridges.

12 (g) TERMINATION.—This section shall cease to be ef-
 13 fective on the date that is five years after the date of the
 14 enactment of this Act.

15 **TITLE X—GENERAL PROVISIONS**

16 **Subtitle A—Financial Matters**

17 **SEC. 1001. TRANSFER AUTHORITY.**

18 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

19 (1) Upon determination by the Secretary of Defense that
 20 such action is necessary in the national interest, the Sec-
 21 retary may transfer amounts of authorizations made avail-
 22 able to the Department of Defense in this division for fis-
 23 cal year 2003 between any such authorizations for that
 24 fiscal year (or any subdivisions thereof). Amounts of au-
 25 thorizations so transferred shall be merged with and be

1 available for the same purposes as the authorization to
2 which transferred.

3 (2) The total amount of authorizations that the Sec-
4 retary may transfer under the authority of this section
5 may not exceed \$2,500,000,000.

6 (b) LIMITATIONS.—The authority provided by this
7 section to transfer authorizations—

8 (1) may only be used to provide authority for
9 items that have a higher priority than the items
10 from which authority is transferred; and

11 (2) may not be used to provide authority for an
12 item that has been denied authorization by Con-
13 gress.

14 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
15 transfer made from one account to another under the au-
16 thority of this section shall be deemed to increase the
17 amount authorized for the account to which the amount
18 is transferred by an amount equal to the amount trans-
19 ferred.

20 (d) NOTICE TO CONGRESS.—The Secretary shall
21 promptly notify Congress of each transfer made under
22 subsection (a).

1 **SEC. 1002. REALLOCATION OF AUTHORIZATIONS OF APPRO-**
2 **PRIATIONS FROM BALLISTIC MISSILE DE-**
3 **FENSE TO SHIPBUILDING.**

4 (a) AMOUNT.—Notwithstanding any other provision
5 of this Act, the total amount authorized to be appropriated
6 under section 201(4) is hereby reduced by \$690,000,000,
7 and the amount authorized to be appropriated under sec-
8 tion 102(a)(3) is hereby increased by \$690,000,000.

9 (b) SOURCE OF REDUCTION.—The total amount of
10 the reduction in the amount authorized to be appropriated
11 under section 201(4) shall be derived from the amount
12 provided under that section for ballistic missile defense for
13 research, development, test, and evaluation.

14 (c) ALLOCATION OF INCREASE.—Of the additional
15 amount authorized to be appropriated under section
16 102(a)(3) pursuant to subsection (a)—

17 (1) \$415,000,000 shall be available for advance
18 procurement of a Virginia class submarine;

19 (2) \$125,000,000 shall be available for advance
20 procurement of a DDG–51 class destroyer; and

21 (3) \$150,000,000 shall be available for advance
22 procurement of an LPD–17 class amphibious trans-
23 port dock.

1 **SEC. 1003. AUTHORIZATION OF APPROPRIATIONS FOR CON-**
2 **TINUED OPERATIONS FOR THE WAR ON TER-**
3 **RORISM.**

4 (a) AMOUNT.—(1) In addition to the amounts au-
5 thorized to be appropriated under divisions A and B,
6 funds are hereby authorized to be appropriated for fiscal
7 year 2003 (subject to subsection (b)) in the total amount
8 of \$10,000,000,000 for the conduct of operations in con-
9 tinuation of the war on terrorism in accordance with the
10 Authorization for Use of Military Force (Public Law 107–
11 40; 50 U.S.C. 1541 note).

12 (2) The amount authorized to be appropriated under
13 paragraph (1) shall be available for increased operating
14 costs, transportation costs, costs of humanitarian efforts,
15 costs of special pays, costs of enhanced intelligence efforts,
16 increased personnel costs for members of the reserve com-
17 ponents ordered to active duty under a provision of law
18 referred to in section 101(a)(13)(B) of title 10, United
19 States Code, and other costs related to operations referred
20 to in paragraph (1).

21 (b) AUTHORIZATION CONTINGENT ON BUDGET RE-
22 QUEST.—The authorization of appropriations in sub-
23 section (a) shall be effective only to the extent of the
24 amount provided in a budget request for the appropriation
25 of funds for purposes set forth in subsection (a) that is

1 submitted by the President to Congress after the date of
2 the enactment of this Act and—

3 (1) includes a designation of the requested
4 amount as being essential to respond to or protect
5 against acts or threatened acts of terrorism; and

6 (2) specifies a proposed allocation and plan for
7 the use of the appropriation for purposes set forth
8 in subsection (a).

9 **SEC. 1004. AUTHORIZATION OF EMERGENCY SUPPLE-**
10 **MENTAL APPROPRIATIONS FOR FISCAL YEAR**
11 **2002.**

12 Amounts authorized to be appropriated to the De-
13 partment of Defense for fiscal year 2002 in the National
14 Defense Authorization Act for Fiscal Year 2002 (Public
15 Law 107–107) are hereby adjusted, with respect to any
16 such authorized amount, by the amount by which appro-
17 priations pursuant to such authorization were increased
18 (by a supplemental appropriation) or decreased (by a re-
19 scission), or both, in any law making supplemental appro-
20 priations for fiscal year 2002 that is enacted during the
21 107th Congress, second session.

22 **SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COM-**
23 **MON-FUNDED BUDGETS IN FISCAL YEAR 2003.**

24 (a) **FISCAL YEAR 2003 LIMITATION.**—The total
25 amount contributed by the Secretary of Defense in fiscal

1 year 2003 for the common-funded budgets of NATO may
 2 be any amount up to, but not in excess of, the amount
 3 specified in subsection (b) (rather than the maximum
 4 amount that would otherwise be applicable to those con-
 5 tributions under the fiscal year 1998 baseline limitation).

6 (b) TOTAL AMOUNT.—The amount of the limitation
 7 applicable under subsection (a) is the sum of the following:

8 (1) The amounts of unexpended balances, as of
 9 the end of fiscal year 2002, of funds appropriated
 10 for fiscal years before fiscal year 2003 for payments
 11 for those budgets.

12 (2) The amount specified in subsection (c)(1).

13 (3) The amount specified in subsection (c)(2).

14 (4) The total amount of the contributions au-
 15 thorized to be made under section 2501.

16 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
 17 be appropriated by titles II and III of this Act are avail-
 18 able for contributions for the common-funded budgets of
 19 NATO as follows:

20 (1) Of the amount provided in section 201(1),
 21 \$750,000 for the Civil Budget.

22 (2) Of the amount provided in section
 23 301(a)(1), \$205,623,000 for the Military Budget.

24 (d) DEFINITIONS.—For purposes of this section:

1 (1) COMMON-FUNDED BUDGETS OF NATO.—

2 The term “common-funded budgets of NATO”
 3 means the Military Budget, the Security Investment
 4 Program, and the Civil Budget of the North Atlantic
 5 Treaty Organization (and any successor or addi-
 6 tional account or program of NATO).

7 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—

8 The term “fiscal year 1998 baseline limitation”
 9 means the maximum annual amount of Department
 10 of Defense contributions for common-funded budgets
 11 of NATO that is set forth as the annual limitation
 12 in section 3(2)(C)(ii) of the resolution of the Senate
 13 giving the advice and consent of the Senate to the
 14 ratification of the Protocols to the North Atlantic
 15 Treaty of 1949 on the Accession of Poland, Hun-
 16 gary, and the Czech Republic (as defined in section
 17 4(7) of that resolution), approved by the Senate on
 18 April 30, 1998.

19 **SEC. 1006. DEVELOPMENT AND IMPLEMENTATION OF FI-**
 20 **NANCIAL MANAGEMENT ENTERPRISE ARCHI-**
 21 **TECTURE.**

22 (a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE
 23 AND TRANSITION PLAN.—Not later than March 15, 2003,
 24 the Secretary of Defense shall develop a proposed financial
 25 management enterprise architecture for all budgetary, ac-

1 counting, finance, and data feeder systems of the Depart-
2 ment of Defense, together with a transition plan for imple-
3 menting the proposed enterprise architecture.

4 (b) COMPOSITION OF ARCHITECTURE.—The pro-
5 posed financial management enterprise architecture devel-
6 oped under subsection (a) shall describe a system that,
7 at a minimum—

8 (1) includes data standards and system inter-
9 face requirements that are to apply uniformly
10 throughout the Department of Defense;

11 (2) enables the Department of Defense—

12 (A) to comply with Federal accounting, fi-
13 nancial management, and reporting require-
14 ments;

15 (B) to routinely produce timely, accurate,
16 and useful financial information for manage-
17 ment purposes;

18 (C) to integrate budget, accounting, and
19 program information and systems; and

20 (D) to provide for the systematic measure-
21 ment of performance, including the ability to
22 produce timely, relevant, and reliable cost infor-
23 mation.

24 (c) COMPOSITION OF TRANSITION PLAN.—The tran-
25 sition plan developed under subsection (a) shall contain

1 specific time-phased milestones for modifying or elimi-
2 nating existing systems and for acquiring new systems
3 necessary to implement the proposed enterprise architec-
4 ture.

5 (d) EXPENDITURES FOR IMPLEMENTATION.—The
6 Secretary of Defense may not obligate more than
7 \$1,000,000 for a defense financial system improvement on
8 or after the enterprise architecture approval date unless
9 the Financial Management Modernization Executive Com-
10 mittee determines that the defense financial system im-
11 provement is consistent with the proposed enterprise ar-
12 chitecture and transition plan.

13 (e) EXPENDITURES PENDING ARCHITECTURE AP-
14 PROVAL.—The Secretary of Defense may not obligate
15 more than \$1,000,000 for a defense financial system im-
16 provement during the enterprise architecture pre-approval
17 period unless the Financial Management Modernization
18 Executive Committee determines that the defense finan-
19 cial system improvement is necessary—

20 (1) to achieve a critical national security capa-
21 bility or address a critical requirement in an area
22 such as safety or security; or

23 (2) to prevent a significant adverse effect (in
24 terms of a technical matter, cost, or schedule) on a
25 project that is needed to achieve an essential capa-

1 bility, taking into consideration in the determination
2 the alternative solutions for preventing the adverse
3 effect.

4 (f) COMPTROLLER GENERAL REVIEW.—Not later
5 than March 1 of each of 2003, 2004, and 2005, the Comp-
6 troller General shall submit to the congressional defense
7 committees a report on defense financial management sys-
8 tem improvements that have been undertaken during the
9 previous year. The report shall include the Comptroller
10 General’s assessment of the extent to which the improve-
11 ments comply with the requirements of this section.

12 (g) DEFINITIONS.—In this section:

13 (1) The term “defense financial system
14 improvement”—

15 (A) means the acquisition of a new budg-
16 etary, accounting, finance, or data feeder sys-
17 tem for the Department of Defense, or a modi-
18 fication of an existing budgetary, accounting, fi-
19 nance, or data feeder system of the Department
20 of Defense; and

21 (B) does not include routine maintenance
22 and operation of any such system.

23 (2) The term “enterprise architecture approval
24 date” means the date on which the Secretary of De-
25 fense approves a proposed financial management en-

1 enterprise architecture and a transition plan that sat-
2 isfy the requirements of this section.

3 (3) The term “enterprise architecture pre-ap-
4 proval period” means the period beginning on the
5 date of the enactment of this Act and ending on the
6 day before the enterprise architecture approval date.

7 (4) The term “feeder system” means a data
8 feeder system within the meaning of section
9 2222(c)(2) of title 10, United States Code.

10 (5) The term “Financial Management Mod-
11 ernization Executive Committee” means the Finan-
12 cial Management Modernization Executive Com-
13 mittee established pursuant to section 185 of title
14 10, United States Code.

15 **SEC. 1007. DEPARTMENTAL ACCOUNTABLE OFFICIALS IN**
16 **THE DEPARTMENT OF DEFENSE.**

17 (a) DESIGNATION AND ACCOUNTABILITY.—Chapter
18 165 of title 10, United States Code, is amended by insert-
19 ing after section 2773 the following new section:

20 **“§ 2773a. Departmental accountable officials**

21 “(a) DESIGNATION.—The Secretary of Defense may
22 designate, in writing, as a departmental accountable offi-
23 cial any employee of the Department of Defense or any
24 member of the armed forces who—

1 “(1) has a duty to provide a certifying official
2 of the Department of Defense with information,
3 data, or services directly relied upon by the certi-
4 fying official in the certification of vouchers for pay-
5 ment; and

6 “(2) is not otherwise accountable under subtitle
7 III of title 31 or any other provision of law for pay-
8 ments made on the basis of the vouchers.

9 “(b) PECUNIARY LIABILITY.—(1) The Secretary of
10 Defense may, in a designation of a departmental account-
11 able official under subsection (a), subject that official to
12 pecuniary liability, in the same manner and to the same
13 extent as an official accountable under subtitle III of title
14 31, for an illegal, improper, or incorrect payment made
15 pursuant to a voucher certified by a certifying official of
16 the Department of Defense on the basis of information,
17 data, or services that—

18 “(A) the departmental accountable official pro-
19 vides to the certifying official in the performance of
20 a duty described in subsection (a)(1); and

21 “(B) the certifying official directly relies upon
22 in certifying the voucher.

23 “(2) Any pecuniary liability imposed on a depart-
24 mental accountable official under this subsection for a loss
25 to the United States resulting from an illegal, improper,

1 or incorrect payment shall be joint and several with that
 2 of any other employee or employees of the United States
 3 or member or members of the uniformed services who are
 4 pecuniarily liable for the loss.

5 “(c) RELIEF FROM PECUNIARY LIABILITY.—The
 6 Secretary of Defense shall relieve a departmental account-
 7 able official from pecuniary liability imposed under sub-
 8 section (b) in the case of a payment if the Secretary deter-
 9 mines that the payment was not a result of fault or neg-
 10 ligence on the part of the departmental accountable offi-
 11 cial.

12 “(d) CERTIFYING OFFICIAL DEFINED.—In this sec-
 13 tion, the term ‘certifying official’ means an employee who
 14 has the responsibilities specified in section 3528(a) of title
 15 31.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
 17 at the beginning of such chapter is amended by inserting
 18 after the item relating to section 2773 the following new
 19 item:

“2773a. Departmental accountable officials.”.

20 **SEC. 1008. DEPARTMENT-WIDE PROCEDURES FOR ESTAB-**
 21 **LISHING AND LIQUIDATING PERSONAL PECU-**
 22 **NIARY LIABILITY.**

23 (a) REPORT OF SURVEY PROCEDURES.—(1) Chapter
 24 165 of title 10, United States Code, is amended by insert-
 25 ing after section 2786 the following new section:

1 **“§ 2787. Reports of survey**

2 “(a) REGULATIONS.—Under regulations prescribed
3 pursuant to subsection (c), any officer of the armed forces
4 or any civilian employee of the Department of Defense
5 designated in accordance with the regulations may act
6 upon reports of survey and vouchers pertaining to the loss,
7 spoilage, unserviceability, unsuitability, or destruction of,
8 or damage to, property of the United States under the
9 control of the Department of Defense.

10 “(b) FINALITY OF ACTION.—(1) Action taken under
11 subsection (a) is final except as provided in paragraph (2).

12 “(2) An action holding a person pecuniarily liable for
13 loss, spoilage, destruction, or damage is not final until ap-
14 proved by a person designated to do so by the Secretary
15 of a military department, commander of a combatant com-
16 mand, or Director of a Defense Agency, as the case may
17 be, who has jurisdiction of the person held pecuniarily lia-
18 ble. The person designated to provide final approval shall
19 be an officer of an armed force, or a civilian employee,
20 under the jurisdiction of the official making the designa-
21 tion.

22 “(c) REGULATIONS.—The Secretary of Defense shall
23 prescribe regulations to carry out this section.”.

1 (2) The table of sections at the beginning of chapter
 2 165 of such title is amended by inserting after the item
 3 relating to section 2786 the following new item:

“2787. Reports of survey.”.

4 (b) DAMAGE OR REPAIR OF ARMS AND EQUIP-
 5 MENT.—Section 1007(e) of title 37, United States Code,
 6 is amended by striking “Army or the Air Force” and in-
 7 serting “Army, Navy, Air Force, or Marine Corps”.

8 (c) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sec-
 9 tions 4835 and 9835 of title 10, United States Code, are
 10 repealed.

11 (2) The tables of sections at the beginning of chap-
 12 ters 453 and 953 of such title are amended by striking
 13 the items relating to sections 4835 and 9835, respectively.

14 **SEC. 1009. TRAVEL CARD PROGRAM INTEGRITY.**

15 (a) AUTHORITY.—Section 2784 of title 10, United
 16 States Code, is amended by adding at the end the fol-
 17 lowing new subsections:

18 “(d) DISBURSEMENT OF ALLOWANCES DIRECTLY TO
 19 CREDITORS.—(1) The Secretary of Defense may require
 20 that any part of the travel or transportation allowances
 21 of an employee of the Department of Defense or a member
 22 of the armed forces be disbursed directly to the issuer of
 23 a Defense travel card if the amount is disbursed to the
 24 issuer in payment of amounts of expenses of official travel

1 that are charged by the employee or member on the De-
2 fense travel card.

3 “(2) For the purposes of this subsection, the travel
4 and transportation allowances referred to in paragraph (1)
5 are amounts to which an employee of the Department of
6 Defense is entitled under section 5702 of title 5 and or
7 a member of the armed forces is entitled section 404 of
8 title 37.

9 “(e) OFFSETS FOR DELINQUENT TRAVEL CARD
10 CHARGES.—(1) The Secretary of Defense may require
11 that there be deducted and withheld from any pay payable
12 to an employee of the Department of Defense or a member
13 of the armed forces any amount that is owed by the em-
14 ployee or member to a creditor by reason of one or more
15 charges of expenses of official travel of the employee or
16 member on a Defense travel card issued by the creditor
17 if the employee or member—

18 “(A) is delinquent in the payment of such
19 amount under the terms of the contract under which
20 the card is issued; and

21 “(B) does not dispute the amount of the delin-
22 quency.

23 “(2) The amount deducted and withheld from pay
24 under paragraph (1) with respect to a debt owed a creditor

1 as described in that paragraph shall be disbursed to the
 2 creditor to reduce the amount of the debt.

3 “(3) The amount of pay deducted and withheld from
 4 the pay owed to an employee or member with respect to
 5 a pay period under paragraph (1) may not exceed 15 per-
 6 cent of the disposable pay of the employee or member for
 7 that pay period, except that a higher amount may be de-
 8 ducted and withheld with the written consent of the em-
 9 ployee or member.

10 “(4) The Secretary of Defense shall prescribe proce-
 11 dures for deducting and withholding amounts from pay
 12 under this subsection. The procedures shall be substan-
 13 tially equivalent to the procedures under section 3716 of
 14 title 31.

15 “(f) UNDER SECRETARY OF DEFENSE (COMP-
 16 TROLLER).—The Secretary of Defense shall act through
 17 the Under Secretary of Defense (Comptroller) in carrying
 18 out this section.

19 “(g) DEFINITIONS.—In this section:

20 “(1) The term ‘Defense travel card’ means a
 21 charge or credit card that—

22 “(A) is issued to an employee of the De-
 23 partment of Defense or a member of the armed
 24 forces under a contract entered into by the De-

1 partment of Defense and the issuer of the card;
2 and

3 “(B) is to be used for charging expenses
4 incurred by the employee or member in connec-
5 tion with official travel.

6 “(2) The term ‘disposable pay’, with respect to
7 a pay period, means the amount equal to the excess
8 of the amount of basic pay payable for the pay pe-
9 riod over the total of the amounts deducted and
10 withheld from such pay.”.

11 (b) CONFORMING AMENDMENT.—Subsection (a) of
12 such section is amended by striking “, acting through the
13 Under Secretary of Defense (Comptroller),”.

14 **Subtitle B—Naval Vessels and** 15 **Shipyards**

16 **SEC. 1021. NUMBER OF NAVY SURFACE COMBATANTS IN** 17 **ACTIVE AND RESERVE SERVICE.**

18 (a) CONTINGENT REQUIREMENT FOR REPORT.—If,
19 on the date of the enactment of this Act, the total number
20 of Navy ships comprising the force of surface combatants
21 is less than 116, the Secretary of the Navy shall submit
22 a report on the size of that force to the Committees on
23 Armed Services of the Senate and the House of Represent-
24 atives. The report shall be submitted not later than 90
25 days after such date and shall include a risk assessment

1 for such force that is based on the same assumptions as
2 those that were applied in the QDR 2001 current force
3 risk assessment.

4 (b) LIMITATION ON REDUCTION.—The force of sur-
5 face combatants may not be reduced at any time after the
6 date of the enactment of this Act from a number of ships
7 (whether above, equal to, or below 116) to a number of
8 ships below 116 before the date that is 90 days after the
9 date on which the Secretary of the Navy submits to the
10 committees referred to in subsection (a) a written notifica-
11 tion of the reduction. The notification shall include the
12 following information:

13 (1) The schedule for the reduction.

14 (2) The number of ships that are to comprise
15 the reduced force of surface combatants.

16 (3) A risk assessment for the reduced force that
17 is based on the same assumptions as those that were
18 applied in the QDR 2001 current force risk assess-
19 ment.

20 (c) PRESERVATION OF SURGE CAPABILITY.—When-
21 ever the total number of Navy ships comprising the force
22 of surface combatants is less than 116, the Secretary of
23 the Navy shall maintain on the Naval Vessel Register a
24 sufficient number of surface combatant ships to enable the
25 Navy to regain a total force of 116 surface combatant

1 ships in active and reserve service in the Navy within 120
2 days after the President decides to increase the force of
3 surface combatants.

4 (d) DEFINITIONS.—In this section:

5 (1) The term “force of surface combatants”
6 means the surface combatant ships in active and re-
7 serve service in the Navy.

8 (2) The term “QDR 2001 current force risk as-
9 sessment” means the risk assessment associated
10 with a force of 116 surface combatant ships in ac-
11 tive and reserve service in the Navy that is set forth
12 in the report on the quadrennial defense review sub-
13 mitted to Congress on September 30, 2001, under
14 section 118 of title 10, United States Code.

15 **SEC. 1022. PLAN FOR FIELDING THE 155-MILLIMETER GUN**
16 **ON A SURFACE COMBATANT.**

17 (a) REQUIREMENT FOR PLAN.—The Secretary of the
18 Navy shall submit to Congress a plan for fielding the 155-
19 millimeter gun on one surface combatant ship in active
20 service in the Navy. The Secretary shall submit the plan
21 at the same time that the President submits the budget
22 for fiscal year 2004 to Congress under section 1105(a)
23 of title 31, United States Code.

24 (b) FIELDING ON EXPEDITED SCHEDULE.—The plan
25 shall provide for fielding the 155-millimeter gun on an ex-

1 pedited schedule that is consistent with the achievement
2 of safety of operation and fire support capabilities meeting
3 the fire support requirements of the Marine Corps, but
4 not later than October 1, 2006.

5 **SEC. 1023. REPORT ON INITIATIVES TO INCREASE OPER-**
6 **ATIONAL DAYS OF NAVY SHIPS.**

7 (a) REQUIREMENT FOR REPORT ON INITIATIVES.—

8 (1) The Under Secretary of Defense for Acquisition, Tech-
9 nology, and Logistics shall submit to the Committees on
10 Armed Services of the Senate and the House of Represent-
11 atives a report on Department of Defense initiatives to
12 increase the number of operational days of Navy ships as
13 described in subsection (b).

14 (2) The report shall cover the ongoing Department
15 of Defense initiatives as well as potential initiatives that
16 are under consideration within the Department of De-
17 fense.

18 (b) INITIATIVES WITHIN LIMITS OF EXISTING
19 FLEET AND DEPLOYMENT POLICY.—The Under Sec-
20 retary shall, in the report, assess the feasibility and iden-
21 tify the projected effects of conducting initiatives that
22 have the potential to increase the number of operational
23 days of Navy ships available to the commanders-in-chief
24 of the regional unified combatant commands without in-
25 creasing the number of Navy ships and without increasing

1 the routine lengths of deployments of Navy ships above
2 six months.

3 (c) REQUIRED FOCUS AREAS.—The report shall, at
4 a minimum, address the following four focus areas:

5 (1) Assignment of additional ships, including
6 submarines, to home ports closer to the areas of op-
7 eration for the ships (known as “forward home-
8 porting”).

9 (2) Assignment of ships to remain in a forward
10 area of operations, together with rotation of crews
11 for each ship so assigned.

12 (3) Retention of ships for use until the end of
13 the full service life, together with investment of the
14 funds necessary to support retention to that extent.

15 (4) Prepositioning of additional ships with,
16 under normal circumstances, small crews in a for-
17 ward area of operations.

18 (d) TIME FOR SUBMITTAL.—The report shall be sub-
19 mitted at the same time that the President submits the
20 budget for fiscal year 2004 to Congress under section
21 1105(a) of title 31, United States Code.

Subtitle C—Reporting Requirements

SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS RE- PORTING REQUIREMENTS APPLICABLE WITH RESPECT TO THE DEPARTMENT OF DEFENSE.

(a) PROVISIONS OF TITLE 10.—Title 10, United States Code, is amended as follows:

(1)(A) Section 183 is repealed.

(B) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 183.

(2)(A) Sections 226 and 230 are repealed.

(B) The table of sections at the beginning of chapter 9 is amended by striking the items relating to sections 226 and 230.

(3) Effective two years after the date of the enactment of this Act—

(A) section 483 is repealed; and

(B) the table of sections at the beginning of chapter 23 is amended by striking the item relating to section 483.

(4) Section 526 is amended by striking subsection (c).

(5) Section 721(d) is amended—

(A) by striking paragraph (2); and

1 (B) by striking “(1)” before “If an offi-
2 cer”.

3 (6) Section 1095(g) is amended—

4 (A) by striking paragraph (2); and

5 (B) by striking “(1)” after “(g)”.

6 (7) Section 1798 is amended by striking sub-
7 section (d).

8 (8) Section 1799 is amended by striking sub-
9 section (d).

10 (9) Section 2220 is amended—

11 (A) by striking subsections (b) and (c);

12 (B) by striking “(1)” after “ESTABLISH-
13 MENT OF GOALS.—”; and

14 (C) by striking “(2) The” and inserting
15 “(b) EVALUATION OF COST GOALS.—The”.

16 (10) Section 2350a(g) is amended by striking
17 paragraph (4).

18 (11) Section 2350f is amended by striking sub-
19 section (c).

20 (12) Section 2350k is amended by striking sub-
21 section (d).

22 (13) Section 2367(d) is amended by striking
23 “EFFORT.—(1) In the” and all that follows through
24 “(2) After the close of” and inserting “EFFORT.—
25 After the close of”.

1 (14) Section 2391 is amended by striking sub-
2 section (c).

3 (15) Section 2486(b)(12) is amended by strik-
4 ing “, except that” and all that follows and inserting
5 the following: “, except that the Secretary shall no-
6 tify Congress of any addition of, or change in, a
7 merchandise category under this paragraph.”.

8 (16) Section 2492 is amended by striking sub-
9 section (c) and inserting the following:

10 “(c) NOTIFICATION OF CONDITIONS NECESSITATING
11 RESTRICTIONS.—The Secretary of Defense shall notify
12 Congress of any change proposed or made to any of the
13 host nation laws or any of the treaty obligations of the
14 United States, and any changed conditions within host na-
15 tions, if the change would necessitate the use of quantity
16 or other restrictions on purchases in commissary and ex-
17 change stores located outside the United States.”.

18 (17)(A) Section 2504 is repealed.

19 (B) The table of sections at the beginning of
20 subchapter II of chapter 148 is amended by striking
21 the item relating to section 2504.

22 (18) Section 2506—

23 (A) is amended by striking subsection (b);
24 and

1 (B) by striking “(a) DEPARTMENTAL
2 GUIDANCE.—”.

3 (19) Section 2537(a) is amended by striking
4 “\$100,000” and inserting “\$10,000,000”.

5 (20) Section 2611 is amended by striking sub-
6 section (e).

7 (21) Section 2667(d) is amended by striking
8 paragraph (3).

9 (22) Section 2813 is amended by striking sub-
10 section (c).

11 (23) Section 2827 is amended—

12 (A) by striking subsection (b); and

13 (B) by striking “(a) Subject to subsection
14 (b), the Secretary” and inserting “The Sec-
15 retary”.

16 (24) Section 2867 is amended by striking sub-
17 section (c).

18 (25) Section 4416 is amended by striking sub-
19 section (f).

20 (26) Section 5721(f) is amended—

21 (A) by striking paragraph (2); and

22 (B) by striking “(1)” after the subsection
23 heading.

24 (b) NATIONAL DEFENSE AUTHORIZATION ACT FOR
25 FISCAL YEAR 1995.—Section 553(b) of the National De-

1 fense Authorization Act for Fiscal Year 1995 (Public Law
 2 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amend-
 3 ed by striking the last sentence.

4 (c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—
 5 Section 234 of the Ballistic Missile Defense Act of 1995
 6 (subtitle C of title II of Public Law 104–106; 10 U.S.C.
 7 2431 note) is amended by striking subsection (f).

8 **SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT**
 9 **HARDENED AND DEEPLY BURIED TARGETS.**

10 (a) ANNUAL REPORT.—Not later than April 1, 2003,
 11 and each year thereafter, the Secretary of Defense, Sec-
 12 retary of Energy, and Director of Central Intelligence
 13 shall jointly submit to the congressional defense commit-
 14 tees a report on the research and development activities
 15 undertaken by their respective agencies during the pre-
 16 ceding fiscal year to develop a weapon to defeat hardened
 17 and deeply buried targets.

18 (b) REPORT ELEMENTS.—The report for a fiscal
 19 year under subsection (a) shall—

20 (1) include a discussion of the integration and
 21 interoperability of the various programs to develop a
 22 weapon referred to in that subsection that were un-
 23 dertaken during such fiscal year, including a discus-
 24 sion of the relevance of such programs to applicable

1 decisions of the Joint Requirements Oversight Coun-
 2 cil; and

3 (2) set forth separately a description of the re-
 4 search and development activities, if any, to develop
 5 a weapon referred to in that subsection that were
 6 undertaken during such fiscal year by each military
 7 department, the Department of Energy, and the
 8 Central Intelligence Agency.

9 **SEC. 1033. REVISION OF DATE OF ANNUAL REPORT ON**
 10 **COUNTERPROLIFERATION ACTIVITIES AND**
 11 **PROGRAMS.**

12 Section 1503(a) of the National Defense Authoriza-
 13 tion Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is
 14 amended by striking “February 1 of each year” and in-
 15 serting “May 1 each year”.

16 **SEC. 1034. QUADRENNIAL QUALITY OF LIFE REVIEW.**

17 (a) REQUIREMENT FOR REVIEW.—Chapter 23 of title
 18 10, United States Code, is amended by adding at the end
 19 the following new section:

20 **“§ 488. Quadrennial quality of life review**

21 **“(a) REVIEW REQUIRED.—(1) The Secretary of De-**
 22 **fense shall every four years, two years after the submission**
 23 **of the quadrennial defense review to Congress under sec-**
 24 **tion 118 of this title, conduct a comprehensive examina-**
 25 **tion of the quality of life of the members of the armed**

1 forces (to be known as the ‘quadrennial quality of life re-
2 view’). The review shall include examination of the pro-
3 grams, projects, and activities of the Department of De-
4 fense, including the morale, welfare, and recreation activi-
5 ties.

6 “(2) The quadrennial review shall be designed to re-
7 sult in determinations, and to foster policies and actions,
8 that reflect the priority given the quality of life of mem-
9 bers of the armed forces as a primary concern of the De-
10 partment of Defense leadership.

11 “(b) CONDUCT OF REVIEW.—Each quadrennial qual-
12 ity of life review shall be conducted so as—

13 “(1) to assess quality of life priorities and
14 issues consistent with the most recent National Se-
15 curity Strategy prescribed by the President pursuant
16 to section 108 of the National Security Act of 1947
17 (50 U.S.C. 404a);

18 “(2) to identify actions that are needed in order
19 to provide members of the armed forces with the
20 quality of life reasonably necessary to encourage the
21 successful execution of the full range of missions
22 that the members are called on to perform under the
23 national security strategy;

24 “(3) to provide a full accounting of the backlog
25 of installations in need of maintenance and repair,

1 to determine how the disrepair affects performance
2 and quality of life of members and their families,
3 and to identify the budget plan that would be re-
4 quired to provide the resources necessary to remedy
5 the backlog of maintenance and repair; and

6 “(4) to identify other actions that have the po-
7 tential for improving the quality of life of the mem-
8 bers of the armed forces.

9 “(c) CONSIDERATIONS.—Among the matters consid-
10 ered by the Secretary in conducting the quadrennial re-
11 view, the Secretary shall include the following matters:

12 “(1) Infrastructure.

13 “(2) Military construction.

14 “(3) Physical conditions at military installations
15 and other Department of Defense facilities.

16 “(4) Budget plans.

17 “(5) Adequacy of medical care for members of
18 the armed forces and their dependents.

19 “(6) Adequacy of housing and the basic allow-
20 ance for housing and basic allowance for subsistence.

21 “(7) Housing-related utility costs.

22 “(8) Educational opportunities and costs.

23 “(9) Length of deployments.

24 “(10) Rates of pay, and pay differentials be-
25 tween the pay of members and the pay of civilians.

1 “(11) Retention and recruiting efforts.

2 “(12) Workplace safety.

3 “(13) Support services for spouses and chil-
4 dren.

5 “(14) Other elements of Department of Defense
6 programs and Federal Government policies and pro-
7 grams that affect the quality of life of members.

8 “(d) SUBMISSION OF QQLR TO CONGRESSIONAL
9 COMMITTEES.—The Secretary shall submit a report on
10 each quadrennial quality of life review to the Committees
11 on Armed Services of the Senate and the House of Rep-
12 resentatives. The report shall be submitted not later than
13 September 30 of the year in which the review is conducted.
14 The report shall include the following:

15 “(1) The results of the review, including a com-
16 prehensive discussion of how the quality of life of
17 members of the armed forces affects the national se-
18 curity strategy of the United States.

19 “(2) The long-term quality of life problems of
20 the armed forces, together with proposed solutions.

21 “(3) The short-term quality of life problems of
22 the armed forces, together with proposed solutions.

23 “(4) The assumptions used in the review.

24 “(5) The effects of quality of life problems on
25 the morale of the members of the armed forces.

1 “(6) The quality of life problems that affect the
2 morale of members of the reserve components in
3 particular, together with solutions.

4 “(7) The effects of quality of life problems on
5 military preparedness and readiness.

6 “(8) The appropriate ratio of—

7 “(A) the total amount expended by the De-
8 partment of Defense in a fiscal year for pro-
9 grams, projects, and activities designed to im-
10 prove the quality of life of members of the
11 armed forces, to

12 “(B) the total amount expended by the De-
13 partment of Defense in the fiscal year.”.

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

“488. Quadrennial quality of life review.”.

17 **Subtitle D—Homeland Defense**

18 **SEC. 1041. HOMELAND SECURITY ACTIVITIES OF THE NA-** 19 **TIONAL GUARD.**

20 (a) AUTHORITY.—Chapter 1 of title 32, United
21 States Code, is amended by adding at the end the fol-
22 lowing new section:

23 **“§ 116. Homeland security activities**

24 “(a) USE OF PERSONNEL PERFORMING FULL-TIME
25 NATIONAL GUARD DUTY.—The Governor of a State may,

1 upon the request by the head of a Federal law enforcement
2 agency and with the concurrence of the Secretary of De-
3 fense, order any personnel of the National Guard of the
4 State to perform full-time National Guard duty under sec-
5 tion 502(f) of this title for the purpose of carrying out
6 homeland security activities, as described in subsection
7 (b).

8 “(b) PURPOSE AND DURATION.—(1) The purpose for
9 the use of personnel of the National Guard of a State
10 under this section is to temporarily provide trained and
11 disciplined personnel to a Federal law enforcement agency
12 to assist that agency in carrying out homeland security
13 activities until that agency is able to recruit and train a
14 sufficient force of Federal employees to perform the home-
15 land security activities.

16 “(2) The duration of the use of the National Guard
17 of a State under this section shall be limited to a period
18 of 179 days. The Governor of the State may, with the con-
19 currence of the Secretary of Defense, extend the period
20 one time for an additional 90 days to meet extraordinary
21 circumstances.

22 “(c) RELATIONSHIP TO REQUIRED TRAINING.— A
23 member of the National Guard serving on full-time Na-
24 tional Guard duty under orders authorized under sub-
25 section (a) shall participate in the training required under

1 section 502(a) of this title in addition to the duty per-
2 formed for the purpose authorized under that subsection.
3 The pay, allowances, and other benefits of the member
4 while participating in the training shall be the same as
5 those to which the member is entitled while performing
6 duty for the purpose of carrying out homeland security
7 activities. The member is not entitled to additional pay,
8 allowances, or other benefits for participation in training
9 required under section 502(a)(1) of this title.

10 “(d) READINESS.—To ensure that the use of units
11 and personnel of the National Guard of a State for home-
12 land security activities does not degrade the training and
13 readiness of such units and personnel, the following re-
14 quirements shall apply in determining the homeland secu-
15 rity activities that units and personnel of the National
16 Guard of a State may perform:

17 “(1) The performance of the activities may not
18 adversely affect the quality of that training or other-
19 wise interfere with the ability of a member or unit
20 of the National Guard to perform the military func-
21 tions of the member or unit.

22 “(2) National Guard personnel will not degrade
23 their military skills as a result of performing the ac-
24 tivities.

1 “(3) The performance of the activities will not
2 result in a significant increase in the cost of train-
3 ing.

4 “(4) In the case of homeland security per-
5 formed by a unit organized to serve as a unit, the
6 activities will support valid unit training require-
7 ments.

8 “(e) PAYMENT OF COSTS.—(1) The Secretary of De-
9 fense shall provide funds to the Governor of a State to
10 pay costs of the use of personnel of the National Guard
11 of the State for the performance of homeland security ac-
12 tivities under this section. Such funds shall be used for
13 the following costs:

14 “(A) The pay, allowances, clothing, subsistence,
15 gratuities, travel, and related expenses (including all
16 associated training expenses, as determined by the
17 Secretary), as authorized by State law, of personnel
18 of the National Guard of that State used, while not
19 in Federal service, for the purpose of homeland secu-
20 rity activities.

21 “(B) The operation and maintenance of the
22 equipment and facilities of the National Guard of
23 that State used for the purpose of homeland security
24 activities.

1 “(2) The Secretary of Defense shall require the head
2 of a law enforcement agency receiving support from the
3 National Guard of a State in the performance of homeland
4 security activities under this section to reimburse the De-
5 partment of Defense for the payments made to the State
6 for such support under paragraph (1).

7 “(f) MEMORANDUM OF AGREEMENT.—The Secretary
8 of Defense and the Governor of a State shall enter into
9 a memorandum of agreement with the head of each Fed-
10 eral law enforcement agency to which the personnel of the
11 National Guard of that State are to provide support in
12 the performance of homeland security activities under this
13 section. The memorandum of agreement shall—

14 “(1) specify how personnel of the National
15 Guard are to be used in homeland security activities;

16 “(2) include a certification by the Adjutant
17 General of the State that those activities are to be
18 performed at a time when the personnel are not in
19 Federal service;

20 “(3) include a certification by the Adjutant
21 General of the State that—

22 “(A) participation by National Guard per-
23 sonnel in those activities is service in addition
24 to training required under section 502 of this
25 title; and

1 “(B) the requirements of subsection (d) of
2 this section will be satisfied;

3 “(4) include a certification by the Attorney
4 General of the State (or, in the case of a State with
5 no position of Attorney General, a civilian official of
6 the State equivalent to a State attorney general),
7 that the use of the National Guard of the State for
8 the activities provided for under the memorandum of
9 agreement is authorized by, and is consistent with,
10 State law;

11 “(5) include a certification by the Governor of
12 the State or a civilian law enforcement official of the
13 State designated by the Governor that the activities
14 provided for under the memorandum of agreement
15 serve a State law enforcement purpose; and

16 “(6) include a certification by the head of the
17 Federal law enforcement agency that the agency will
18 have a plan to ensure that the agency’s requirement
19 for National Guard support ends not later than 179
20 days after the commencement of the support.

21 “(g) EXCLUSION FROM END-STRENGTH COMPUTA-
22 TION.—Notwithstanding any other provision of law, mem-
23 bers of the National Guard on active duty or full-time Na-
24 tional Guard duty for the purposes of administering (or
25 during fiscal year 2003 otherwise implementing) this sec-

1 tion shall not be counted toward the annual end strength
2 authorized for reserves on active duty in support of the
3 reserve components of the armed forces or toward the
4 strengths authorized in sections 12011 and 12012 of title
5 10.

6 “(h) ANNUAL REPORT.—The Secretary of Defense
7 shall submit to Congress an annual report regarding any
8 assistance provided and activities carried out under this
9 section during the preceding fiscal year. The report shall
10 include the following:

11 “(1) The number of members of the National
12 Guard excluded under subsection (g) from the com-
13 putation of end strengths.

14 “(2) A description of the homeland security ac-
15 tivities conducted with funds provided under this
16 section.

17 “(3) An accounting of the amount of funds pro-
18 vided to each State.

19 “(4) A description of the effect on military
20 training and readiness of using units and personnel
21 of the National Guard to perform homeland security
22 activities under this section.

23 “(i) STATUTORY CONSTRUCTION.—Nothing in this
24 section shall be construed as a limitation on the authority
25 of any unit of the National Guard of a State, when such

1 unit is not in Federal service, to perform law enforcement
 2 functions authorized to be performed by the National
 3 Guard by the laws of the State concerned.

4 “(j) DEFINITIONS.—For purposes of this section:

5 “(1) The term ‘Governor of a State’ means, in
 6 the case of the District of Columbia, the Com-
 7 manding General of the National Guard of the Dis-
 8 trict of Columbia.

9 “(2) The term ‘State’ means each of the several
 10 States, the District of Columbia, the Commonwealth
 11 of Puerto Rico, or a territory or possession of the
 12 United States.”.

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

“116. Homeland security activities.”.

16 **SEC. 1042. CONDITIONS FOR USE OF FULL-TIME RESERVES**
 17 **TO PERFORM DUTIES RELATING TO DEFENSE**
 18 **AGAINST WEAPONS OF MASS DESTRUCTION.**

19 Section 12310(c)(3) of title 10, United States Code,
 20 is amended by striking “only—” and all that follows
 21 through “(B) while assigned” and inserting “only while
 22 assigned”.

1 **SEC. 1043. WEAPON OF MASS DESTRUCTION DEFINED FOR**
 2 **PURPOSES OF THE AUTHORITY FOR USE OF**
 3 **RESERVES TO PERFORM DUTIES RELATING**
 4 **TO DEFENSE AGAINST WEAPONS OF MASS**
 5 **DESTRUCTION.**

6 (a) WEAPON OF MASS DESTRUCTION REDEFINED.—
 7 Section 12304(i)(2) of title 10, United States Code, is
 8 amended to read as follows:

9 “(2) The term ‘weapon of mass destruction’
 10 means—

11 “(A) any weapon that is designed or,
 12 through its use, is intended to cause death or
 13 serious bodily injury through the release, dis-
 14 semination, or impact of toxic or poisonous
 15 chemicals or their precursors;

16 “(B) any weapon that involves a disease
 17 organism;

18 “(C) any weapon that is designed to re-
 19 lease radiation or radioactivity at a level dan-
 20 gerous to human life; and

21 “(D) any large conventional explosive that
 22 is designed to produce catastrophic loss of life
 23 or property.”.

24 (b) CONFORMING AMENDMENT.—Section
 25 12310(c)(1) of such title is amended by striking “section
 26 1403 of the Defense Against Weapons of Mass Destruc-

tion Act of 1996 (50 U.S.C. 2302(1))” and inserting “section 12304(i)(2) of this title”.

SEC. 1044. REPORT ON DEPARTMENT OF DEFENSE HOMELAND DEFENSE ACTIVITIES.

(a) REPORT REQUIRED.—Not later than February 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on what actions of the Department of Defense would be necessary to carry out the Secretary’s expressed intent—

(1) to place new emphasis on the unique operational demands associated with the defense of the United States homeland; and

(2) to restore the mission of defense of the United States to the position of being the primary mission of the Department of Defense.

(b) CONTENT OF THE REPORT.—The report shall contain, in accordance with the other provisions of this section, the following matters:

(1) HOMELAND DEFENSE CAMPAIGN PLAN.—A homeland defense campaign plan.

(2) INTELLIGENCE.—A discussion of the relationship between—

(A) the intelligence capabilities of—

(i) the Department of Defense; and

1 (ii) other departments and agencies of
2 the United States; and

3 (B) the performance of the homeland de-
4 fense mission.

5 (3) THREAT AND VULNERABILITY ASSESS-
6 MENT.—A compliance-based national threat and vul-
7 nerability assessment.

8 (4) TRAINING AND EXERCISING.—A discussion
9 of the Department of Defense plans for training and
10 exercising for the performance of the homeland de-
11 fense mission.

12 (5) BIOTERRORISM INITIATIVE.—An evaluation
13 of the need for a Department of Defense bioter-
14 rorism initiative to improve the ability of the depart-
15 ment to counter bioterror threats and to assist other
16 agencies to improve the national ability to counter
17 bioterror threats.

18 (6) CHEMICAL BIOLOGICAL INCIDENT RE-
19 SPONSE TEAMS.—An evaluation of the need for and
20 feasibility of developing and fielding Department of
21 Defense regional chemical biological incident re-
22 sponse teams.

23 (7) OTHER MATTERS.—Any other matters that
24 the Secretary of Defense considers relevant regard-

1 ing the efforts necessary to carry out the intent re-
2 ferred to in subsection (a).

3 (c) HOMELAND DEFENSE CAMPAIGN PLAN.—

4 (1) ORGANIZATION, PLANNING, AND INTER-
5 OPERABILITY.—

6 (A) IN GENERAL.—The homeland defense
7 campaign plan under subsection (b)(1) shall
8 contain a discussion of the organization and
9 planning of the Department of Defense for
10 homeland defense, including the expectations
11 for interoperability of the Department of De-
12 fense with other departments and agencies of
13 the Federal Government and with State and
14 local governments.

15 (B) CONTENT.—The plan shall include the
16 following matters:

17 (i) The duties, definitions, missions,
18 goals, and objectives of organizations in
19 the Department of Defense that apply
20 homeland defense, together with an organi-
21 zational assessment with respect to the
22 performance of the homeland defense mis-
23 sion and a discussion of any plans for
24 making functional realignments of organi-

1 zations, authorities, and responsibilities for
2 carrying out that mission.

3 (ii) The relationships among the lead-
4 ers of the organizations (including the Sec-
5 retary of Defense, the Joint Chiefs of
6 Staff, the Commander in Chief of United
7 States Northern Command, the Com-
8 manders in Chief of the other regional uni-
9 fied combatant commands, and the reserve
10 components) in the performance of such
11 duties.

12 (iii) The reviews, evaluations, and
13 standards that are established or are to be
14 established for determining and ensuring
15 the readiness of the organizations to per-
16 form such duties.

17 (2) RESPONSE TO ATTACK ON CRITICAL INFRA-
18 STRUCTURE.—

19 (A) IN GENERAL.—The homeland defense
20 campaign plan shall contain an outline of the
21 duties and capabilities of the Department of
22 Defense for responding to an attack on critical
23 infrastructure of the United States, including
24 responding to an attack on critical infrastruc-
25 ture of the department, by means of a weapon

1 of mass destruction or a CBRNE weapon or by
2 a cyber means.

3 (B) VARIOUS ATTACK SCENARIOS.—The
4 outline shall specify, for each major category of
5 attack by a means described in subparagraph
6 (A), the variations in the duties, responses, and
7 capabilities of the various Department of De-
8 fense organizations that result from the vari-
9 ations in the means of the attack.

10 (C) DEFICIENCIES.—The outline shall
11 identify any deficiencies in capabilities and set
12 forth a plan for rectifying any such deficiencies.

13 (D) LEGAL IMPEDIMENTS.—The outline
14 shall identify and discuss each impediment in
15 law to the effective performance of the home-
16 land defense mission.

17 (3) ROLES AND RESPONSIBILITIES IN INTER-
18 AGENCY PROCESS.—

19 (A) IN GENERAL.—The homeland defense
20 campaign plan shall contain a discussion of the
21 roles and responsibilities of the Department of
22 Defense in the interagency process of policy-
23 making and planning for homeland defense.

24 (B) INTEGRATION WITH STATE AND LOCAL
25 ACTIVITIES.—The homeland defense campaign

1 plan shall include a discussion of Department of
2 Defense plans to integrate Department of De-
3 fense homeland defense activities with the
4 homeland defense activities of other depart-
5 ments and agencies of the United States and
6 the homeland defense activities of State and
7 local governments, particularly with regard to
8 issues relating to CBRNE and cyber attacks.

9 (d) INTELLIGENCE CAPABILITIES.—The discussion
10 of the relationship between the intelligence capabilities and
11 the performance of the homeland defense mission under
12 subsection (b)(2) shall include the following matters:

13 (1) ROLES AND MISSIONS.—The roles and mis-
14 sions of the Department of Defense for the employ-
15 ment of the intelligence capabilities of the depart-
16 ment in homeland defense.

17 (2) INTERAGENCY RELATIONSHIPS.—A discus-
18 sion of the relationship between the Department of
19 Defense and the other departments and agencies of
20 the United States that have duties for collecting or
21 analyzing intelligence in relation to homeland de-
22 fense, particularly in light of the conflicting demands
23 of duties relating to the collection and analysis of
24 domestic intelligence and duties relating to the col-
25 lection and analysis of foreign intelligence.

1 (3) INTELLIGENCE-RELATED CHANGES.—Any
2 changes that are necessary in the Department of
3 Defense in order to provide effective intelligence sup-
4 port for the performance of homeland defense mis-
5 sions, with respect to—

6 (A) the preparation of threat assessments
7 and other warning products by the Department
8 of Defense;

9 (B) collection of terrorism-related intel-
10 ligence through human intelligence sources, sig-
11 nals intelligence sources, and other intelligence
12 sources; and

13 (C) intelligence policy, capabilities, and
14 practices.

15 (4) LEGAL IMPEDIMENTS.—Any impediments
16 in law to the effective performance of intelligence
17 missions in support of homeland defense.

18 (e) THREAT AND VULNERABILITY ASSESSMENT.—

19 (1) CONTENT.—The compliance-based national
20 threat and vulnerability assessment under subsection
21 (b)(3) shall include a discussion of the following
22 matters:

23 (A) CRITICAL FACILITIES.—The threat of
24 terrorist attack on critical facilities, programs,
25 and systems of the United States, together with

1 the capabilities of the Department of Defense
2 to deter and respond to any such attack.

3 (B) DoD VULNERABILITY.—The vulner-
4 ability of installations, facilities, and personnel
5 of the Department of Defense to attack by per-
6 sons using weapons of mass destruction,
7 CBRNE weapons, or cyber means.

8 (C) BALANCED SURVIVABILITY ASSESS-
9 MENT.—Plans to conduct a balanced surviv-
10 ability assessment for use in determining the
11 vulnerabilities of targets referred to in subpara-
12 graphs (A) and (B).

13 (D) PROCESS.—Plans, including timelines
14 and milestones, necessary to develop a process
15 for conducting compliance-based vulnerability
16 assessments for critical infrastructure, together
17 with the standards to be used for ensuring that
18 the process is executable.

19 (2) DEFINITION OF COMPLIANCE-BASED.—In
20 subsection (b)(3) and paragraph (1)(D) of this sub-
21 section, the term “compliance-based”, with respect
22 to an assessment, means that the assessment is con-
23 ducted under policies and procedures that require
24 correction of each deficiency identified in the assess-
25 ment to a standard set forth in Department of De-

1 fense Instruction 2000.16 or another applicable De-
2 partment of Defense instruction, directive, or policy.

3 (f) TRAINING AND EXERCISING.—The discussion of
4 the Department of Defense plans for training and exer-
5 cising for the performance of the homeland defense mis-
6 sion under subsection (b)(4) shall contain the following
7 matters:

8 (1) MILITARY EDUCATION.—The plans for the
9 training and education of members of the Armed
10 Forces specifically for performance of homeland de-
11 fense missions, including any anticipated changes in
12 the curriculum in—

13 (A) the National Defense University, the
14 war colleges of the Armed Forces, graduate
15 education programs, and other senior military
16 schools and education programs; and

17 (B) the Reserve Officers' Training Corps
18 program, officer candidate schools, enlisted and
19 officer basic and advanced individual training
20 programs, and other entry level military edu-
21 cation and training programs.

22 (2) EXERCISES.—The plans for using exercises
23 and simulation in the training of all components of
24 the Armed Forces, including—

1 (A) plans for integrated training with de-
2 partments and agencies of the United States
3 outside the Department of Defense and with
4 agencies of State and local governments; and

5 (B) plans for developing an opposing force
6 that, for the purpose of developing potential
7 scenarios of terrorist attacks on targets inside
8 the United States, simulates a terrorist group
9 having the capability to engage in such attacks.

10 (g) BIOTERRORISM INITIATIVE.—The evaluation of
11 the need for a Department of Defense bioterrorism initia-
12 tive under subsection (b)(5) shall include a discussion that
13 identifies and evaluates options for potential action in
14 such an initiative, as follows:

15 (1) PLANNING, TRAINING, EXERCISE, EVALUA-
16 TION, AND FUNDING.—Options for—

17 (A) refining the plans of the Department
18 of Defense for biodefense to include participa-
19 tion of other departments and agencies of the
20 United States and State and local governments;

21 (B) increasing biodefense training, exer-
22 cises, and readiness evaluations by the Depart-
23 ment of Defense, including training, exercises,
24 and evaluations that include participation of

1 other departments and agencies of the United
2 States and State and local governments;

3 (C) increasing Department of Defense
4 funding for biodefense; and

5 (D) integrating other departments and
6 agencies of the United States and State and
7 local governments into the plans, training, exer-
8 cises, evaluations, and resourcing.

9 (2) DISEASE SURVEILLANCE.—Options for the
10 Department of Defense to develop an integrated dis-
11 ease surveillance detection system and to improve
12 systems for communicating information and warn-
13 ings of the incidence of disease to recipients within
14 the Department of Defense and to other depart-
15 ments and agencies of the United States and State
16 and local governments.

17 (3) EMERGENCY MANAGEMENT STANDARD.—
18 Options for broadening the scope of the Revised
19 Emergency Management Standard of the Joint
20 Commission on Accreditation of Healthcare Organi-
21 zations by including the broad and active participa-
22 tion of Federal, State, and local governmental agen-
23 cies that are expected to respond in any event of a
24 CBRNE or cyber attack.

1 (4) LABORATORY RESPONSE NETWORK.—Op-
2 tions for the Department of Defense—

3 (A) to participate in the laboratory re-
4 sponse network for bioterrorism; and

5 (B) to increase the capacity of Department
6 of Defense laboratories rated by the Secretary
7 of Defense as level D laboratories to facilitate
8 participation in the network.

9 (h) CHEMICAL BIOLOGICAL INCIDENT RESPONSE
10 TEAMS.—The evaluation of the need for and feasibility of
11 developing and fielding Department of Defense regional
12 chemical biological incident response teams under sub-
13 section (b)(6) shall include a discussion and evaluation of
14 the following options:

15 (1) REGIONAL TEAMS.—Options for the De-
16 partment of Defense, using the chemical biological
17 incident response force as a model, to develop, equip,
18 train, and provide transportation for five United
19 States based, strategically located, regional chemical
20 biological incident response teams.

21 (2) RESOURCING.—Options and preferred
22 methods for providing the resources and personnel
23 necessary for developing and fielding any such
24 teams.

25 (i) DEFINITIONS.—In this section:

1 (1) CBRNE.—The term “CBRNE” means
2 chemical, biological, radiological, nuclear, or explo-
3 sive.

4 (2) WEAPON OF MASS DESTRUCTION.—The
5 term “weapon of mass destruction” has the meaning
6 given such term in section 1403 of the Defense
7 Against Weapons of Mass Destruction Act of 1996
8 (50 U.S.C. 2302).

9 **SEC. 1045. STRATEGY FOR IMPROVING PREPAREDNESS OF**
10 **MILITARY INSTALLATIONS FOR INCIDENTS**
11 **INVOLVING WEAPONS OF MASS DESTRUC-**
12 **TION.**

13 (a) COMPREHENSIVE PLAN.—The Secretary of De-
14 fense shall develop a comprehensive plan for improving the
15 preparedness of military installations for preventing and
16 responding to incidents involving use or threat of use of
17 weapons of mass destruction.

18 (b) CONTENT.—The comprehensive plan shall set
19 forth the following:

20 (1) A strategy that—

21 (A) identifies—

22 (i) long-term goals and objectives;

23 (ii) resource requirements; and

1 (iii) factors beyond the control of the
2 Secretary that could impede the achieve-
3 ment of the goals and objectives; and

4 (B) includes a discussion of—

5 (i) the extent to which local, regional,
6 or national military response capabilities
7 are to be developed and used; and

8 (ii) how the Secretary will coordinate
9 these capabilities with local, regional, or
10 national civilian capabilities.

11 (2) A performance plan that—

12 (A) provides a reasonable schedule, with
13 milestones, for achieving the goals and objec-
14 tives of the strategy;

15 (B) performance criteria for measuring
16 progress in achieving the goals and objectives;

17 (C) a description of the process, together
18 with a discussion of the resources, necessary to
19 achieve the goals and objectives;

20 (D) a description of the process for evalu-
21 ating results.

22 (c) SUBMITTAL TO CONGRESS.—The Secretary shall
23 submit the comprehensive plan to the Committees on
24 Armed Services of the Senate and the House of Represent-

1 atives not later than 180 days after the date of the enact-
2 ment of this Act.

3 (d) COMPTROLLER GENERAL REVIEW AND RE-
4 PORT.—Not later than 60 days after the Secretary sub-
5 mits the comprehensive plan to Congress under subsection
6 (c), the Comptroller General shall review the plan and sub-
7 mit an assessment of the plan to the committees referred
8 to in that subsection.

9 (e) ANNUAL REPORT.—(1) In each of 2004, 2005,
10 and 2006, the Secretary of Defense shall include a report
11 on the comprehensive plan in the materials that the Sec-
12 retary submits to Congress in support of the budget sub-
13 mitted by the President such year pursuant to section
14 1105(a) of title 31, United States Code.

15 (2) The report shall include—

16 (A) a discussion of any revision that the Sec-
17 retary has made in the comprehensive plan since the
18 last report; and

19 (B) an assessment of the progress made in
20 achieving the goals and objectives of the strategy set
21 forth in the plan.

22 (3) No report is required under this subsection after
23 the Secretary submits under this subsection a report con-
24 taining a declaration that the goals and objectives set
25 forth in the strategy have been achieved.

Subtitle E—Other Matters

SEC. 1061. CONTINUED APPLICABILITY OF EXPIRING GOVERNMENTWIDE INFORMATION SECURITY REQUIREMENTS TO THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by inserting after section 2224 the following new section:

“§ 2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense

“(a) IN GENERAL.—The provisions of subchapter II of chapter 35 of title 44 shall continue to apply with respect to the Department of Defense, notwithstanding the expiration of authority under section 3536 of such title.

“(b) RESPONSIBILITIES.—In administering the provisions of subchapter II of chapter 35 of title 44 with respect to the Department of Defense after the expiration of authority under section 3536 of such title, the Secretary of Defense shall perform the duties set forth in that subchapter for the Director of the Office of Management and Budget.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting

1 after the item relating to section 2224 the following new
2 item:

“2224a. Information security: continued applicability of expiring Government-wide requirements to the Department of Defense.”.

3 **SEC. 1062. ACCEPTANCE OF VOLUNTARY SERVICES OF**
4 **PROCTORS FOR ADMINISTRATION OF ARMED**
5 **SERVICES VOCATIONAL APTITUDE BATTERY.**

6 Section 1588(a) of title 10, United States Code, is
7 amended by adding at the end the following new para-
8 graph:

9 “(6) Voluntary services as a proctor for the ad-
10 ministration of the Armed Services Vocational Apti-
11 tude Battery.”.

12 **SEC. 1063. EXTENSION OF AUTHORITY FOR SECRETARY OF**
13 **DEFENSE TO SELL AIRCRAFT AND AIRCRAFT**
14 **PARTS FOR USE IN RESPONDING TO OIL**
15 **SPILLS.**

16 (a) **FOUR-YEAR EXTENSION.**—Subsection (a)(1) of
17 section 740 of the Wendell H. Ford Aviation Investment
18 and Reform Act for the 21st Century (Public Law 106–
19 181; 114 Stat. 173; 10 U.S.C. 2576 note) is amended by
20 striking “September 30, 2002” and inserting “September
21 30, 2006”.

22 (b) **ADDITIONAL REPORT.**—Subsection (f) of such
23 section is amended by striking “March 31, 2002” and in-
24 serting “March 31, 2006”.

1 **SEC. 1064. AMENDMENTS TO IMPACT AID PROGRAM.**

2 (a) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL
3 EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION
4 OF MILITARY HOUSING.—Section 8003(b)(2) of the Ele-
5 mentary and Secondary Education Act of 1965 (20 U.S.C.
6 7703(b)(2)) is amended by adding at the end the fol-
7 lowing:

8 “(H) ELIGIBILITY FOR HEAVILY IMPACTED
9 LOCAL EDUCATIONAL AGENCIES AFFECTED BY
10 PRIVATIZATION OF MILITARY HOUSING.—

11 “(i) IN GENERAL.—For any fiscal
12 year beginning with fiscal year 2003, a
13 heavily impacted local educational agency
14 that received a basic support payment
15 under subparagraph (A) for the prior fiscal
16 year, but is ineligible for such payment for
17 the current fiscal year under subparagraph
18 (B) or (C), as the case may be, by reason
19 of the conversion of military housing units
20 to private housing described in clause (ii),
21 shall be deemed to meet the eligibility re-
22 quirements under subparagraph (B) or
23 (C), as the case may be, for the period
24 during which the housing units are under-
25 going such conversion, and shall be paid
26 under the same provisions of subparagraph

(D) or (E) as the agency was paid in the prior fiscal year.

“(ii) CONVERSION OF MILITARY HOUSING UNITS TO PRIVATE HOUSING DESCRIBED.—For purposes of clause (i), ‘conversion of military housing units to private housing’ means the conversion of military housing units to private housing units pursuant to subchapter IV of chapter 169 of title 10, United States Code, or pursuant to any other related provision of law.”.

(b) COTERMINOUS MILITARY SCHOOL DISTRICTS.—

Section 8003(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)) is amended by adding at the end the following:

“(6) COTERMINOUS MILITARY SCHOOL DISTRICTS.—For purposes of computing the amount of a payment for a local educational agency for children described in paragraph (1)(D)(i), the Secretary shall consider such children to be children described in paragraph (1)(B) if the agency is a local educational agency whose boundaries are the same as a Federal military installation.”.

1 **TITLE XI—DEPARTMENT OF DE-**
2 **FENSE CIVILIAN PERSONNEL**
3 **POLICY**

4 **SEC. 1101. EXTENSION OF AUTHORITY TO PAY SEVERANCE**
5 **PAY IN A LUMP SUM.**

6 Section 5595(i)(4) of title 5, United States Code, is
7 amended by striking “October 1, 2003” and inserting
8 “October 1, 2006”.

9 **SEC. 1102. EXTENSION OF VOLUNTARY SEPARATION INCEN-**
10 **TIVE PAY AUTHORITY.**

11 Section 5597(e) of title 5, United States Code, is
12 amended by striking “September 30, 2003” and inserting
13 “September 30, 2006”.

14 **SEC. 1103. EXTENSION OF COST-SHARING AUTHORITY FOR**
15 **CONTINUED FEHBP COVERAGE OF CERTAIN**
16 **PERSONS AFTER SEPARATION FROM EM-**
17 **PLOYMENT.**

18 Section 8905a(d)(4)(B) of title 5, United States
19 Code, is amended—

20 (1) by striking “October 1, 2003” both places
21 it appears and inserting “October 1, 2006”; and

22 (2) by striking “February 1, 2004” in clause
23 (ii) and inserting “February 1, 2007”.

1 **SEC. 1104. ELIGIBILITY OF NONAPPROPRIATED FUNDS EM-**
2 **PLOYEES TO PARTICIPATE IN THE FEDERAL**
3 **EMPLOYEES LONG-TERM CARE INSURANCE**
4 **PROGRAM.**

5 Section 9001(1) of title 5, United States Code, is
6 amended—

7 (1) by striking “and” at the end of subpara-
8 graph (B);

9 (2) by striking the comma at the end of sub-
10 paragraph (C) and inserting “; and”; and

11 (3) by inserting after subparagraph (C) the fol-
12 lowing new subparagraph:

13 “(D) an employee paid from non-
14 appropriated funds referred to in section
15 2105(c) of this title;”.

16 **SEC. 1105. INCREASED MAXIMUM PERIOD OF APPOINT-**
17 **MENT UNDER THE EXPERIMENTAL PER-**
18 **SONNEL PROGRAM FOR SCIENTIFIC AND**
19 **TECHNICAL PERSONNEL.**

20 Section 1101(c)(1) of the Strom Thurmond National
21 Defense Authorization Act for Fiscal Year 1999 (Public
22 Law 105–261; 112 Stat. 2140; 5 U.S.C. 3104 note) is
23 amended by striking “4 years” and inserting “5 years”.

1 **SEC. 1106. QUALIFICATION REQUIREMENTS FOR EMPLOY-**
2 **MENT IN DEPARTMENT OF DEFENSE PROFES-**
3 **SIONAL ACCOUNTING POSITIONS.**

4 (a) PROFESSIONAL CERTIFICATION.—The Secretary
5 of Defense may prescribe regulations that require a person
6 employed in a professional accounting position within the
7 Department of Defense to be a certified public accountant
8 and that apply the requirement to all such positions or
9 to selected positions, as the Secretary considers appro-
10 priate.

11 (b) WAIVERS AND EXEMPTIONS.—(1) The Secretary
12 may include in the regulations imposing a requirement
13 under subsection (a), as the Secretary considers
14 appropriate—

15 (A) any exemption from the requirement; and

16 (B) authority to waive the requirement.

17 (2) The Secretary shall include in the regulations an
18 exemption for persons employed in positions covered by
19 the requirement before the date of the enactment of this
20 Act.

21 (c) EXCLUSIVE AUTHORITY.—No requirement im-
22 posed under subsection (a), and no waiver or exemption
23 provided in the regulations pursuant to subsection (b),
24 shall be subject to review or approval by the Office of Per-
25 sonnel Management.

1 (d) DEFINITION.—For the purposes of this section,
 2 the term “professional accounting position” means a posi-
 3 tion in the GS–510, GS–511, or GS–505 series for which
 4 professional accounting duties are prescribed.

5 (e) EFFECTIVE DATE.—This section shall take effect
 6 120 days after the date of the enactment of this Act.

7 **SEC. 1107. HOUSING BENEFITS FOR UNACCOMPANIED**
 8 **TEACHERS REQUIRED TO LIVE AT GUANTA-**
 9 **NAMO BAY NAVAL STATION, CUBA.**

10 Section 7(b) of the Defense Department Overseas
 11 Teachers Pay and Personnel Practices Act (20 U.S.C.
 12 905(b)) is amended—

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

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

16 “(2)(A) A teacher assigned to teach at Guantanamo
 17 Bay Naval Station, Cuba, who is not accompanied at such
 18 station by any dependent—

19 “(i) shall be offered for lease any available mili-
 20 tary family housing at such station that is suitable
 21 for occupancy by the teacher and is not needed to
 22 house members of the armed forces and dependents
 23 accompanying them or other civilian personnel and
 24 any dependents accompanying them; and

1 “(ii) for any period for which such housing is
2 leased to the teacher, shall receive a quarters allow-
3 ance in the amount determined under paragraph (1).

4 “(B) A teacher is entitled to the quarters allowance
5 in accordance with subparagraph (A)(ii) without regard
6 to whether other Government furnished quarters are avail-
7 able for occupancy by the teacher without charge to the
8 teacher.”.

9 **TITLE XII—MATTERS RELATING**
10 **TO OTHER NATIONS**
11 **Subtitle A—Cooperative Threat Re-**
12 **duction With States of the**
13 **Former Soviet Union**

14 **SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT RE-**
15 **DUCTION PROGRAMS AND FUNDS.**

16 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
17 poses of section 301 and other provisions of this Act, Co-
18 operative Threat Reduction programs are the programs
19 specified in section 1501(b) of the National Defense Au-
20 thorization Act for Fiscal Year 1997 (Public Law 104–
21 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

22 (b) FISCAL YEAR 2003 COOPERATIVE THREAT RE-
23 DUCTION FUNDS DEFINED.—As used in this title, the
24 term “fiscal year 2003 Cooperative Threat Reduction
25 funds” means the funds appropriated pursuant to the au-

1 thorization of appropriations in section 301 for Coopera-
2 tive Threat Reduction programs.

3 (c) AVAILABILITY OF FUNDS.—Funds appropriated
4 pursuant to the authorization of appropriations in section
5 301 for Cooperative Threat Reduction programs shall be
6 available for obligation for three fiscal years.

7 **SEC. 1202. FUNDING ALLOCATIONS.**

8 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
9 \$416,700,000 authorized to be appropriated to the De-
10 partment of Defense for fiscal year 2003 in section
11 301(a)(23) for Cooperative Threat Reduction programs,
12 not more than the following amounts may be obligated for
13 the purposes specified:

14 (1) For strategic offensive arms elimination in
15 Russia, \$70,500,000.

16 (2) For strategic nuclear arms elimination in
17 Ukraine, \$6,500,000.

18 (3) For weapons of mass destruction infrastruc-
19 ture elimination in Ukraine, \$8,800,000.

20 (4) For weapons of mass destruction infrastruc-
21 ture elimination in Kazakhstan, \$9,000,000.

22 (5) For weapons transportation security in Rus-
23 sia, \$19,700,000.

24 (6) For weapons storage security in Russia,
25 \$40,000,000.

1 (7) For weapons of mass destruction prolifera-
2 tion prevention in the former Soviet Union,
3 \$40,000,000.

4 (8) For biological weapons proliferation preven-
5 tion activities in the former Soviet Union,
6 \$55,000,000.

7 (9) For chemical weapons destruction in Rus-
8 sia, \$133,600,000.

9 (10) For activities designated as Other Assess-
10 ments/Administrative Support, \$14,700,000.

11 (11) For defense and military contacts,
12 \$18,900,000.

13 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
14 FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Co-
15 operative Threat Reduction funds may be obligated or ex-
16 pended for a purpose other than a purpose listed in para-
17 graphs (1) through (11) of subsection (a) until 30 days
18 after the date that the Secretary of Defense submits to
19 Congress a report on the purpose for which the funds will
20 be obligated or expended and the amount of funds to be
21 obligated or expended. Nothing in the preceding sentence
22 shall be construed as authorizing the obligation or expend-
23 iture of fiscal year 2003 Cooperative Threat Reduction
24 funds for a purpose for which the obligation or expendi-

1 ture of such funds is specifically prohibited under this title
 2 or any other provision of law.

3 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
 4 AMOUNTS.—(1) Subject to paragraph (2), in any case in
 5 which the Secretary of Defense determines that it is nec-
 6 essary to do so in the national interest, the Secretary may
 7 obligate amounts appropriated for fiscal year 2003 for a
 8 purpose listed in any of the paragraphs in subsection (a)
 9 in excess of the amount specifically authorized for such
 10 purpose.

11 (2) An obligation of funds for a purpose stated in
 12 any of the paragraphs in subsection (a) in excess of the
 13 specific amount authorized for such purpose may be made
 14 using the authority provided in paragraph (1) only after—

15 (A) the Secretary submits to Congress notifica-
 16 tion of the intent to do so together with a complete
 17 discussion of the justification for doing so; and

18 (B) 15 days have elapsed following the date of
 19 the notification.

20 **SEC. 1203. AUTHORIZATION OF USE OF COOPERATIVE**
 21 **THREAT REDUCTION FUNDS FOR PROJECTS**
 22 **AND ACTIVITIES OUTSIDE THE FORMER SO-**
 23 **VIET UNION.**

24 (a) COOPERATIVE THREAT REDUCTION PROGRAMS
 25 AND FUNDS.—For purposes of this section:

1 (1) Cooperative Threat Reduction programs
2 are—

3 (A) the programs specified in section
4 1501(b) of the National Defense Authorization
5 Act for Fiscal Year 1997 (Public Law 104–201;
6 110 Stat. 2731; 50 U.S.C. 2362 note); and

7 (B) any other similar programs, as des-
8 ignated by the Secretary of Defense, to address
9 critical emerging proliferation threats in the
10 states of the former Soviet Union that jeop-
11 ardize United States national security.

12 (2) Cooperative Threat Reduction funds, for a
13 fiscal year, are the funds authorized to be appro-
14 priated for Cooperative Threat Reduction programs
15 for that fiscal year.

16 (b) AUTHORIZATION OF USE OF CTR FUNDS FOR
17 THREAT REDUCTION ACTIVITIES OUTSIDE THE FORMER
18 SOVIET UNION.—(1) Notwithstanding any other provision
19 of law and subject to the succeeding provisions of this sec-
20 tion, the Secretary of Defense may obligate and expend
21 Cooperative Threat Reduction funds for fiscal year 2003,
22 or Cooperative Threat Reduction funds for a fiscal year
23 before fiscal year 2003 that remain available for obligation
24 as of the date of the enactment of this Act, for prolifera-
25 tion threat reduction projects and activities outside the

1 states of the former Soviet Union if the Secretary deter-
2 mines that such projects and activities will—

3 (A) assist the United States in the resolution of
4 critical emerging proliferation threats; or

5 (B) permit the United States to take advantage
6 of opportunities to achieve long-standing United
7 States nonproliferation goals.

8 (2) The amount that may be obligated under para-
9 graph (1) in any fiscal year for projects and activities de-
10 scribed in that paragraph may not exceed \$50,000,000.

11 (c) AUTHORIZED USES OF FUNDS.—The authority
12 under subsection (b) to obligate and expend Cooperative
13 Threat Reduction funds for a project or activity includes
14 authority to provide equipment, goods, and services for the
15 project or activity, but does not include authority to pro-
16 vide cash directly to the project or activity.

17 (d) SOURCE AND REPLACEMENT OF FUNDS USED.—

18 (1) The Secretary shall, to the maximum extent prac-
19 ticable, ensure that funds for projects and activities under
20 subsection (b) are derived from funds that would otherwise
21 be obligated for a range of Cooperative Threat Reduction
22 programs, so that no particular Cooperative Threat Re-
23 duction program is the exclusive or predominant source
24 of funds for such projects and activities.

1 (2) If the Secretary obligates Cooperative Threat Re-
2 duction funds under subsection (b) in a fiscal year, the
3 first budget of the President that is submitted under sec-
4 tion 1105(a) of title 31, United States Code, after such
5 fiscal year shall set forth, in addition to any other amounts
6 requested for Cooperative Threat Reduction programs in
7 the fiscal year covered by such budget, a request for Coop-
8 erative Threat Reduction funds in the fiscal year covered
9 by such budget in an amount equal to the amount so obli-
10 gated. The request shall also set forth the Cooperative
11 Threat Reduction program or programs for which such
12 funds would otherwise have been obligated, but for obliga-
13 tion under subsection (b).

14 (3) Amounts authorized to be appropriated pursuant
15 to a request under paragraph (2) shall be available for
16 the Cooperative Threat Reduction program or programs
17 set forth in the request under the second sentence of that
18 paragraph.

19 (e) LIMITATION ON OBLIGATION OF FUNDS.—Except
20 as provided in subsection (f), the Secretary may not obli-
21 gate and expend Cooperative Threat Reduction funds for
22 a project or activity under subsection (b) until 30 days
23 after the date on which the Secretary submits to the con-
24 gressional defense committees a report on the purpose for

1 which the funds will be obligated and expended, and the
2 amount of the funds to be obligated and expended.

3 (f) EXCEPTION.—(1) The Secretary may obligate and
4 expend Cooperative Threat Reduction funds for a project
5 or activity under subsection (b) without regard to sub-
6 section (e) if the Secretary determines that a critical
7 emerging proliferation threat warrants immediate obliga-
8 tion and expenditure of such funds.

9 (2) Not later than 72 hours after first obligating
10 funds for a project or activity under paragraph (1), the
11 Secretary shall submit to the congressional defense com-
12 mittees a report containing a detailed justification for the
13 obligation of funds. The report on a project or activity
14 shall include the following:

15 (A) A description of the critical emerging pro-
16 liferation threat to be addressed, or the long-stand-
17 ing United States nonproliferation goal to be
18 achieved, by the project or activity.

19 (B) A description of the agreement, if any,
20 under which the funds will be used, including wheth-
21 er or not the agreement provides that the funds will
22 not be used for purposes contrary to the national se-
23 curity interests of the United States.

1 (C) A description of the contracting process, if
2 any, that will be used in the implementation of the
3 project or activity.

4 (D) An analysis of the effect of the obligation
5 of funds for the project or activity on ongoing Coop-
6 erative Threat Reduction programs.

7 (E) An analysis of the need for additional or
8 follow-up threat reduction assistance, including
9 whether or not the need for such assistance justifies
10 the establishment of a new cooperative threat reduc-
11 tion program or programs to account for such assist-
12 ance.

13 (F) A description of the mechanisms to be used
14 by the Secretary to assure that proper audits and
15 examinations of the project or activity are carried
16 out.

17 (g) REPORT ON ESTABLISHMENT OF NEW COOPERA-
18 TIVE THREAT REDUCTION PROGRAMS.—(1) If the Sec-
19 retary employs the authority in subsection (b) in any two
20 fiscal years, the Secretary shall submit to Congress a re-
21 port on the advisability of establishing one or more new
22 cooperative threat reduction programs to account for
23 projects and activities funded using such authority.

24 (2) The report required by paragraph (1) shall be
25 submitted along with the budget justification materials in

1 support of the Department of Defense budget (as sub-
 2 mitted with the budget of the President under section
 3 1105(a) of title 31, United States Code) in the first budg-
 4 et submitted after the end of the two consecutive fiscal
 5 years referred to in that paragraph.

6 **SEC. 1204. WAIVER OF LIMITATIONS ON ASSISTANCE**
 7 **UNDER PROGRAMS TO FACILITATE COOPER-**
 8 **ATIVE THREAT REDUCTION AND NON-**
 9 **PROLIFERATION.**

10 (a) ASSISTANCE UNDER COOPERATIVE THREAT RE-
 11 Duction Act of 1993.—Section 1203 of the Cooperative
 12 Threat Reduction Act of 1993 (title XII of Public Law
 13 103–160; 107 Stat. 1778; 22 U.S.C. 5952) is amended
 14 by adding at the end the following new subsection:

15 “(e) WAIVER OF RESTRICTIONS.—(1) The restric-
 16 tions in subsection (d) shall cease to apply to a state for
 17 a year if the President submits to the Speaker of the
 18 House of Representative and the President pro tempore
 19 of the Senate a written certification that the waiver of
 20 such restrictions in such year is important to the national
 21 security interests of the United States, together with a re-
 22 port containing the following:

23 “(A) A description of the activity or activities
 24 that prevent the President from certifying that the
 25 state is committed to the matters set forth in sub-

1 section (d) in such year as otherwise provided for in
2 that subsection.

3 “(B) A description of the strategy, plan, or pol-
4 icy of the President for promoting the commitment
5 of the state to such matters, notwithstanding the
6 waiver.

7 “(2) The matter included in the report under para-
8 graph (1) shall be submitted in unclassified form, but may
9 include a classified annex.”.

10 (b) ADMINISTRATION OF RESTRICTIONS ON ASSIST-
11 ANCE.—Subsection (d) of that section is amended—

12 (1) by striking “any year” and inserting “any
13 fiscal year”; and

14 (2) by striking “that year” and inserting “such
15 fiscal year”.

16 (c) ELIGIBILITY REQUIREMENTS UNDER FREE-
17 DOM SUPPORT ACT.—Section 502 of the FREEDOM
18 Support Act (Public Law 102–511; 106 Stat. 3338; 22
19 U.S.C. 5852) is amended—

20 (1) by striking “Funds” and inserting “(a)
21 ELIGIBILITY.—Except as provided in subsection (b),
22 funds”; and

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

1 “(b) WAIVER OF ELIGIBILITY REQUIREMENTS.—(1)
2 Funds may be obligated for a fiscal year under subsection
3 (a) for assistance or other programs and activities for an
4 independent state of the former Soviet Union that does
5 not meet one or more of the requirements for eligibility
6 under paragraphs (1) through (4) of that subsection if the
7 President certifies in writing to the Congress that the
8 waiver of such requirements in such fiscal year is impor-
9 tant to the national security interests of the United States.

10 “(2) At the time of the exercise of the authority in
11 paragraph (1) with respect to an independent state of the
12 former Soviet Union for a fiscal year, the President shall
13 submit to the congressional defense committees a report
14 on the following:

15 “(A) A description of the activity or activities
16 that prevent the President from certifying that the
17 state is committed to each matter in subsection (a)
18 in such fiscal year to which the waiver under para-
19 graph (1) applies.

20 “(B) A description of the strategy, plan, or pol-
21 icy of the President for promoting the commitment
22 of the state to each such matter, notwithstanding
23 the waiver.

24 “(3) In this subsection, the term ‘congressional de-
25 fense committees’ means—

1 “(A) the Committee on Armed Services and the
2 Committee on Appropriations of the Senate; and

3 “(B) the Committee on Armed Services and the
4 Committee on Appropriations of the House of Rep-
5 resentatives.”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on October 1, 2002.

8 **Subtitle B—Other Matters**

9 **SEC. 1211. ADMINISTRATIVE SUPPORT AND SERVICES FOR** 10 **COALITION LIAISON OFFICERS.**

11 (a) AUTHORITY.—Chapter 6 of title 10, United
12 States Code, is amended by adding at the end the fol-
13 lowing new section:

14 **“§ 169. Administrative support and services for coal-** 15 **tion liaison officers**

16 “(a) AUTHORITY.—The Secretary of Defense may
17 provide administrative services and support for the per-
18 formance of duties by any liaison officer of another nation
19 involved in a coalition while the liaison officer is assigned
20 temporarily to the headquarters of a combatant command,
21 component command, or subordinate operational com-
22 mand of the United States in connection with the planning
23 for or conduct of a coalition operation.

24 “(b) TRAVEL, SUBSISTENCE, AND OTHER EX-
25 PENSES.—The Secretary may pay the travel, subsistence,

1 and similar personal expenses of a liaison officer of a de-
 2 veloping country in connection with the assignment of that
 3 liaison officer to the headquarters of a combatant com-
 4 mand as described in subsection (a) if the assignment is
 5 requested by the commander of the combatant command.

6 “(c) REIMBURSEMENT.— To the extent that the Sec-
 7 retary determines appropriate, the Secretary may provide
 8 the services and support authorized under subsections (a)
 9 and (b) with or without reimbursement from (or on behalf
 10 of) the recipients.

11 “(d) DEFINITIONS.—In this section:

12 “(1) The term ‘administrative services and sup-
 13 port’ includes base or installation support services,
 14 office space, utilities, copying services, fire and po-
 15 lice protection, and computer support.

16 “(2) The term ‘coalition’ means an ad hoc ar-
 17 rangement between or among the United States and
 18 one or more other nations for common action.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
 20 at the beginning of such chapter 6 is amended by adding
 21 at the end the following new item:

“169. Administrative support and services for coalition liaison officers.”.

22 **SEC. 1212. USE OF WARSAW INITIATIVE FUNDS FOR TRAVEL**
 23 **OF OFFICIALS FROM PARTNER COUNTRIES.**

24 Section 1051(b) of title 10, United States Code, is
 25 amended—

1 (1) in paragraph (1), by striking “paragraph
2 (2)” and inserting “paragraphs (2) and (3)”;

3 (2) by redesignating paragraph (3) as para-
4 graph (4); and

5 (3) by inserting after paragraph (2) the fol-
6 lowing new paragraph (3):

7 “(3) In the case of defense personnel of a country
8 that is participating in the Partnership for Peace program
9 of the North Atlantic Treaty Organization (NATO), ex-
10 penses authorized to be paid under subsection (a) may be
11 paid in connection with travel of personnel to the territory
12 of any of the countries participating in the Partnership
13 for Peace program or of any of the NATO member coun-
14 tries.”.

15 **SEC. 1213. SUPPORT OF UNITED NATIONS-SPONSORED EF-**
16 **FORTS TO INSPECT AND MONITOR IRAQI**
17 **WEAPONS ACTIVITIES.**

18 (a) LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-
19 CAL YEAR 2003.—The total amount of the assistance for
20 fiscal year 2003 that is provided by the Secretary of De-
21 fense under section 1505 of the Weapons of Mass Destruc-
22 tion Control Act of 1992 (22 U.S.C. 5859a) as activities
23 of the Department of Defense in support of activities
24 under that Act may not exceed \$15,000,000.

1 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
 2 ANCE.—Subsection (f) of section 1505 of the Weapons of
 3 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
 4 is amended by striking “2002” and inserting “2003”.

5 **SEC. 1214. ARCTIC AND WESTERN PACIFIC ENVIRON-**
 6 **MENTAL COOPERATION PROGRAM.**

7 (a) IN GENERAL.—(1) Subchapter II of chapter 138
 8 of title 10, United States Code, is amended by adding at
 9 the end the following new section:

10 **“§ 2350m. Arctic and Western Pacific Environmental**
 11 **Cooperation Program**

12 “(a) AUTHORITY TO CONDUCT PROGRAM.—The Sec-
 13 retary of Defense may, with the concurrence of the Sec-
 14 retary of State, conduct on a cooperative basis with coun-
 15 tries located in the Arctic and Western Pacific regions a
 16 program of environmental activities provided for in sub-
 17 section (b) in such regions. The program shall be known
 18 as the ‘Arctic and Western Pacific Environmental Co-
 19 operation Program’.

20 “(b) PROGRAM ACTIVITIES.—(1) Except as provided
 21 in paragraph (2), activities under the program under sub-
 22 section (a) may include cooperation and assistance on en-
 23 vironmental matters in the Arctic and Western Pacific re-
 24 gions among elements of the Department of Defense and

1 the military departments or agencies of countries located
2 in such regions.

3 “(2) Activities under the program may not include
4 activities relating to the following:

5 “(A) The conduct of any peacekeeping exercise
6 or other peacekeeping-related activity with the Rus-
7 sian Federation.

8 “(B) The provision of housing.

9 “(C) The provision of assistance to promote en-
10 vironmental restoration.

11 “(D) The provision of assistance to promote job
12 retraining.

13 “(c) LIMITATION ON FUNDING FOR PROJECTS
14 OTHER THAN RADIOLOGICAL PROJECTS.—Not more than
15 20 percent of the amount made available for the program
16 under subsection (a) in any fiscal year may be available
17 for projects under the program other than projects on ra-
18 diological matters.

19 “(d) ANNUAL REPORT.—(1) Not later than March
20 1, 2003, and each year thereafter, the Secretary of De-
21 fense shall submit to Congress a report on activities under
22 the program under subsection (a) during the preceding fis-
23 cal year.

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

1 “(A) A description of the activities carried out
2 under the program during that fiscal year, including
3 a separate description of each project under the pro-
4 gram.

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

8 “(C) A statement of the life cycle costs of each
9 project, including the life cycle costs of such project
10 as of the end of that fiscal year and an estimate of
11 the total life cycle costs of such project upon comple-
12 tion of such project.

13 “(D) A statement of the participants in the ac-
14 tivities carried out under the program during that
15 fiscal year, including the elements of the Depart-
16 ment of Defense and the military departments or
17 agencies of other countries.

18 “(E) A description of the contributions of the
19 military departments and agencies of other countries
20 to the activities carried out under the program dur-
21 ing that fiscal year, including any financial or other
22 contributions to such activities.”.

23 (2) The table of sections at the beginning of that sub-
24 chapter is amended by adding at the end the following
25 new item:

“2350m. Arctic and Western Pacific Environmental Cooperation Program.”.

1 (b) REPEAL OF SUPERSEDED AUTHORITY ON ARCTIC
2 MILITARY COOPERATION PROGRAM.—Section 327 of the
3 Strom Thurmond National Defense Authorization Act for
4 Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1965)
5 is repealed.

Calendar No. 371

107TH CONGRESS
2D SESSION

S. 2515

A BILL

To authorize appropriations for fiscal year 2003 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 15 (legislative day, MAY 9), 2002

Read twice and placed on the calendar