

**[DRAFT AMENDMENT IN THE NA-
TURE OF A SUBSTITUTE TO
H.R. 4200, AS ORDERED RE-
PORTED ON MAY 12, 2004]**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Defense Au-
3 thorization Act for Fiscal Year 2005”.

4 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF**
5 **CONTENTS.**

6 (a) DIVISIONS.—This Act is organized into three divi-
7 sions as follows:

8 (1) Division A—Department of Defense Au-
9 thorizations.

10 (2) Division B—Military Construction Author-
11 izations.

12 (3) Division C—Department of Energy Na-
13 tional Security Authorizations and Other Authoriza-
14 tions.

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

Sec. 1. Short title; findings.

Sec. 2. Organization of Act into divisions; table of contents.

Sec. 3. Congressional defense committees.

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- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.

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- Sec. 113. Repeal of authority for pilot program for flexible funding of cruiser conversions and overhauls.
- Sec. 114. Force protection for asymmetric threat environment.
- Sec. 115. Allocation of equipment authorized by this title to be made on basis of units deployed or preparing to deploy.
- Sec. 116. Multiyear procurement authority for KC-767 tanker aircraft acquisition program.
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- Sec. 212. Collaborative program for research and development of vacuum electronics technologies.
- Sec. 213. Annual Comptroller General report on Joint Strike Fighter program.
- Sec. 214. Amounts for United States Joint Forces Command to be derived only from Defense-wide amounts.
- Sec. 215. Authority of Director of Defense Research and Engineering to award prizes for advanced technology achievements.
- Sec. 216. Space Based Radar.
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- Sec. 331. Preparation of Department of Defense plan for transition to Internet Protocol version 6.
- Sec. 332. Defense business enterprise architecture, system accountability, and conditions for obligation of funds for defense business system modernization.
- Sec. 333. Establishment of joint program office to improve interoperability of battlefield management command and control systems.

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- Sec. 342. Report on Department of Defense programs for prepositioning of material and equipment.

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- Sec. 352. Limitation on preparation or implementation of Mid-Range Financial Improvement Plan.
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- Sec. 585. Authority to accept donation of frequent traveler miles, credits, and tickets to facilitate rest and recuperation travel of deployed members of the Armed Forces and their families.
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- Sec. 3102. Defense environmental management.
- Sec. 3103. Other defense activities.
- Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3111. Extension of authority for appointment of certain scientific, engineering, and technical personnel.
- Sec. 3112. Requirements for baseline of projects under Facilities and Infrastructure Recapitalization Program.

Subtitle C—Other Matters

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

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

- Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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

TITLE XXXIV—NAVAL PETROLEUM RESERVES

- Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

- Sec. 3501. Authorization of appropriations for Maritime Administration.
- Sec. 3502. Extension of authority to provide war risk insurance for merchant marine vessels.

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

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

5 **DIVISION A—DEPARTMENT OF**
6 **DEFENSE AUTHORIZATIONS**
7 **TITLE I—PROCUREMENT**
8 **Subtitle A—Authorization of**
9 **Appropriations**

10 **SEC. 101. ARMY.**

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

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

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

15 (3) For weapons and tracked combat vehicles,
16 \$1,739,695,000.

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

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

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

20 (a) NAVY.—Funds are hereby authorized to be appro-
21 priated for fiscal year 2005 for procurement for the Navy
22 as follows:

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

24 (2) For weapons, including missiles and tor-
25 pedoes, \$2,253,454,000.

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

1 (4) For shipbuilding and conversion,
2 \$10,120,027,000.

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

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

7 **SEC. 103. AIR FORCE.**

8 Funds are hereby authorized to be appropriated for
9 fiscal year 2005 for procurement for the Air Force as fol-
10 lows:

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

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

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

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

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

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

19 **Subtitle B—Program Matters**

20 **SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR THE**
21 **LIGHT-WEIGHT 155-MILLIMETER HOWITZER**
22 **PROGRAM.**

23 The Secretary of the Navy may, in accordance with
24 section 2306b of title 10, United States Code, enter into
25 a multiyear contract, beginning with the fiscal year 2005

1 program year, for procurement of the light-weight 155-
2 millimeter howitzer.

3 **SEC. 112. DDG-51 MODERNIZATION PROGRAM.**

4 (a) ACCELERATION OF MODERNIZATION PRO-
5 GRAM.—The Secretary of the Navy shall accelerate the
6 program for in-service modernization of the DDG-51 class
7 of destroyers. As part of that modernization program, the
8 Secretary shall include additional emphasis on deter-
9 mining a means to reduce crew size from approximately
10 300 to about 200.

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

15 **SEC. 113. REPEAL OF AUTHORITY FOR PILOT PROGRAM**
16 **FOR FLEXIBLE FUNDING OF CRUISER CON-**
17 **VERSIONS AND OVERHAULS.**

18 Section 126 of the National Defense Authorization
19 Act for Fiscal Year 2004 (Public Law 108-136; 117 Stat.
20 1410; 10 U.S.C. 7291 note) is repealed.

21 **SEC. 114. FORCE PROTECTION FOR ASYMMETRIC THREAT**
22 **ENVIRONMENT.**

23 (a) REQUIREMENT FOR ASYMMETRIC THREAT AS-
24 SESSMENT.—(1) The Secretary of Defense shall require
25 the Secretary of each military department to perform an

1 assessment of the survivability and suitability against
2 asymmetrical threats of each of the following military sys-
3 tems under the jurisdiction of that Secretary:

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

7 (B) Each manned airborne system that may be
8 required to deploy in an asymmetrical threat envi-
9 ronment.

10 (2) For each system covered by paragraph (1), the
11 Secretary concerned shall establish the key performance
12 parameters for survivability and suitability against asym-
13 metric threats.

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

16 (4) The Secretary of each military department shall
17 review annually the assessments under paragraph (1) con-
18 ducted by that Secretary to ensure that the assessments
19 remains relevant to the asymmetric threat environment.

20 (b) REQUIREMENT FOR FORCE PROTECTION.—(1)
21 The Secretary of Defense shall require the Secretary of
22 each military department, for each system covered by sub-
23 section (a)(1) under that Secretary's jurisdiction, either
24 to—

1 (A) take each of the force protection or surviv-
2 ability steps specified in paragraph (2); or

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

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

7 (A) Development of force protection or surviv-
8 ability enhancements for the system that meet the
9 key performance parameters established for that sys-
10 tem under subsection (a)(2).

11 (B) Budgeting for in-service modification pro-
12 grams for the system to provide force protection and
13 survivability enhancements developed under subpara-
14 graph (A).

15 (C) Development of tactics, techniques, and
16 procedures for the system to maximize force protec-
17 tion and survivability.

18 (c) WAIVER.—The Secretary of Defense may waive
19 the applicability of subsection (b) to a system covered by
20 subsection (a)(1) if the Secretary determines that, but for
21 such a waiver, the Department would be unable to meet
22 national security objectives. Whenever the Secretary
23 makes such a determination and authorizes such a waiver,
24 the Secretary shall submit notice of such waiver and of

1 the Secretary’s determination and the reasons therefor in
2 writing to the congressional defense committees.

3 (d) REQUIREMENT FOR NEW DEVELOPMENT MILI-
4 TARY ACQUISITION PROGRAMS.—The Secretary of De-
5 fense shall require the Secretary of each military depart-
6 ment, for each military acquisition program that has not
7 entered low-rate initial production as of the date of the
8 enactment of this Act, to include in the development of
9 that program—

10 (1) as part of the system requirements develop-
11 ment, assessments of war-fighter survivability and of
12 system suitability against asymmetrical threats; and

13 (2) as part of the documentation of system re-
14 quirements, requirements for key performance pa-
15 rameters for force protection and survivability.

16 (e) ASYMMETRICAL THREAT ENVIRONMENT.—For
17 purposes of this section, the term “asymmetrical threat
18 environment”, with respect to a manned system, means
19 a security, stability, or peacekeeping operation in which
20 the system is deployed or any other such environment in
21 which an asymmetrical threat may exist (or, in the case
22 of a manned airborne system, another such environment
23 in which airborne operations would subject the system to
24 a ground-based asymmetrical threat).

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

4 The Secretary of Defense shall provide that, in the
5 allocation to operational units of equipment acquired using
6 funds authorized to be appropriated by this title, priority
7 shall be given to units that are deployed to, or preparing
8 to deploy to, Operation Iraqi Freedom or Operation En-
9 during Freedom, regardless of the status of those units
10 as active, Guard, or reserve component units.

11 **SEC. 116. MULTIYEAR PROCUREMENT AUTHORITY FOR KC-**
12 **767 TANKER AIRCRAFT ACQUISITION PRO-**
13 **GRAM.**

14 (a) MULTIYEAR PROCUREMENT AUTHORITY.—(1)
15 The Secretary of the Air Force may, in accordance with
16 section 2306b of title 10, United States Code, enter into
17 a multiyear contract, beginning with the fiscal year 2005
18 program year, for procurement of 80 KC-767 tanker air-
19 craft.

20 (2) Notwithstanding subsection (k) of section 2306b
21 of title 10, United States Code, a contract under this sub-
22 section may be for any period not in excess of eight pro-
23 gram years.

24 (b) LIMITATION.—Subsection (b) of section 135 of
25 the National Defense Authorization Act for Fiscal Year

1 2004 (Public Law 108–136; 117 Stat. 1413; 10 U.S.C.
2 2401a note) is repealed.

3 (c) RELATIONSHIP TO PREVIOUS LAW.—The
4 multiyear procurement authority in subsection (a) may
5 not be executed under section 135 of the National Defense
6 Authorization Act for Fiscal Year 2004 (Public Law 108–
7 136; 117 Stat. 1413; 10 U.S.C. 2401a note) or under sec-
8 tion 8159 of the Department of Defense Appropriations
9 Act, 2002 (division A of Public Law 107–117).

10 **SEC. 117. OTHER MATTERS RELATING TO KC-767 TANKER**
11 **AIRCRAFT ACQUISITION PROGRAM.**

12 (a) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that—

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

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

19 (3) in pursuing an aerial refueling tanker pro-
20 gram, the Department of Defense should take full
21 advantage of the United States commercial aircraft
22 production base; and

23 (4) anyone suspected of involvement in im-
24 proper or illegal activities associated with such a

1 program should be investigated and, if warranted,
2 prosecuted to the fullest extent of the law.

3 (b) REQUIREMENT FOR RENEGOTIATION OF CON-
4 TRACT.—The Secretary of the Air Force shall enter into
5 one or more contracts for the Air Force multiyear tanker
6 aircraft program, provided that any such contract is nego-
7 tiated after June 1, 2004.

8 (c) REVIEW BY OUTSIDE PANEL.—(1) The Secretary
9 of Defense shall establish a panel of experts from outside
10 the Department of Defense to review any proposed con-
11 tract for the multiyear tanker aircraft program. The panel
12 shall be comprised of individuals who, by reason of edu-
13 cation, training, or experience, have expertise relevant to
14 the evaluation of a proposed contract for the lease or pro-
15 curement of aircraft under that program.

16 (2) The panel shall review any proposed contract for
17 the multiyear tanker aircraft program to assess, and assist
18 the Secretary of the Air Force in determining, whether
19 the Air Force would under that contract obtain the best
20 value for funds expended. The panel shall serve in what-
21 ever manner the Secretary of Defense determines is appro-
22 priate to provide an independent review of any such pro-
23 posed contract. The Secretary shall provide for the panel
24 to make a determination of, and to advise the Secretary

1 of the Air Force on, what would constitute a fair and rea-
2 sonable contract for that program.

3 (d) REPORT.—The Secretary of Defense shall provide
4 for the panel established under subsection (c) to submit
5 a report providing the results of its review to the Secretary
6 of the Air Force and the congressional defense commit-
7 tees.

8 (e) MULTIYEAR TANKER AIRCRAFT PROGRAM DE-
9 FINED.—In this section, the term “multiyear tanker air-
10 craft program” means the program for—

11 (1) lease of no more than 20 aerial refueling
12 aircraft for the Air Force authorized under section
13 8159 of the Department of Defense Appropriations
14 Act, 2002 (division A of Public Law 107–117; 115
15 Stat. 2284), subject to section 135(a) of the Na-
16 tional Defense Authorization Act for Fiscal Year
17 2004 (Public Law 108–136; 117 Stat. 1413); and

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

21 (f) INTERPRETATION.—Section 134 of the National
22 Defense Authorization Act for Fiscal Year 2004 (Public
23 Law 108–136; 117 Stat. 1412) is amended by adding at
24 the end the following new subsection:

1 “(c) INTERPRETATION.—Nothing in subsection (b) or
2 section 1111 of the Emergency Supplemental Appropria-
3 tions Act for Defense and for the Reconstruction of Iraq
4 and Afghanistan, 2004 (Public Law 108–106; 117 Stat.
5 1215) is intended to prohibit the Secretary of the Air
6 Force from executing the program described in section
7 135(a) of this Act and section 116 of the National Defense
8 Authorization Act for Fiscal Year 2005.”.

9 **TITLE II—RESEARCH, DEVELOP-**
10 **MENT, TEST, AND EVALUA-**
11 **TION**

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

14 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

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

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

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

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

21 (4) For Defense-wide activities,
22 \$21,074,389,000, of which \$305,135,000 is author-
23 ized for the Director of Operational Test and Eval-
24 uation.

1 **SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECH-**
2 **NOLOGY.**

3 (a) FISCAL YEAR 2005.—Of the amounts authorized
4 to be appropriated by section 201, \$11,067,698,000 shall
5 be available for the Defense Science and Technology Pro-
6 gram, including basic research, applied research, and ad-
7 vanced technology development projects.

8 (b) BASIC RESEARCH, APPLIED RESEARCH, AND AD-
9 VANCED TECHNOLOGY DEVELOPMENT DEFINED.—For
10 purposes of this section, the term “basic research, applied
11 research, and advanced technology development” means
12 work funded in program elements for defense research and
13 development under Department of Defense category 6.1,
14 6.2, or 6.3.

15 **Subtitle B—Program Require-**
16 **ments, Restrictions, and Limita-**
17 **tions**

18 **SEC. 211. FUTURE COMBAT SYSTEMS PROGRAM STRATEGY.**

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

1 (b) ELEMENTS OF PROGRAM STRATEGY.—The pro-
2 gram strategy shall—

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

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

12 (3) require, before the initial production deci-
13 sion, that an acceptable demonstration be carried
14 out of the collective capability of each system to
15 meet system-of-systems requirements when inte-
16 grated with the information network.

17 (c) REQUIRED SUBMISSIONS TO CONGRESS.—Before
18 convening the Milestone B update for the Future Combat
19 Systems acquisition program required by the Future Com-
20 bat Systems acquisition decision memorandum, the Under
21 Secretary of Defense for Acquisition, Technology, and Lo-
22 gistics shall submit to Congress each of the following docu-
23 ments:

24 (1) The independent cost estimate with respect
25 to the program prepared by the cost analysis im-

1 provement group of the Office of the Secretary of
2 Defense.

3 (2) A report, prepared by an independent panel,
4 on the maturity levels of the critical technologies
5 with respect to the program, including an assess-
6 ment of those technologies that are likely to require
7 a decision to use an alternative approach.

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

10 (A) the status of the development and inte-
11 gration of the network and the command, con-
12 trol, computers, communications, intelligence,
13 surveillance, and reconnaissance components;
14 and

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

18 (4) A report identifying the key performance
19 parameters with respect to the program, with all ob-
20 jectives and thresholds quantified, together with the
21 supporting analytical rationale.

22 (d) LIMITATION ON FUNDING.—(1) Except as pro-
23 vided in paragraph (2), the Secretary of the Army may
24 not obligate, from amounts made available for fiscal year

1 2005, more than \$2,200,000,000 for the Future Combat
2 Systems acquisition program.

3 (2) The limitation in paragraph (1) shall not apply
4 after the Secretary of the Army submits to Congress the
5 Secretary's certification that the Secretary has established
6 and implemented the program strategy required by sub-
7 section (a).

8 **SEC. 212. COLLABORATIVE PROGRAM FOR RESEARCH AND**
9 **DEVELOPMENT OF VACUUM ELECTRONICS**
10 **TECHNOLOGIES.**

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

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

22 (1) Activities needed for development and matu-
23 ration of advanced vacuum electronics technologies
24 needed to meet the requirements of the Department
25 of Defense.

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

4 (c) REPORT.—Not later than January 31, 2005, the
5 Director of Defense Research and Engineering shall sub-
6 mit to the congressional defense committees a report on
7 the implementation of the program under subsection (a).

8 The report shall include the following:

9 (1) Identification of the officer to have lead re-
10 sponsibility for carrying out the program.

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

14 (3) A schedule for the program.

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

18 (5) A list of program capability goals and objec-
19 tives.

20 (d) FUNDING.—Of the funds authorized to be appro-
21 priated in section 201—

22 (1) \$13,500,000 shall be available in program
23 element 62771N for applied research in vacuum
24 electronics; and

1 (2) \$5,000,000 shall be available in program
2 element 63771N for advanced technology develop-
3 ment in vacuum electronics.

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

6 (a) ANNUAL GAO REVIEW.—The Comptroller Gen-
7 eral shall conduct an annual review of the Joint Strike
8 Fighter aircraft program and shall, not later than March
9 15 of each year, submit to Congress a report on the results
10 of the most recent review. With each such report, the
11 Comptroller General shall submit a certification as to
12 whether the Comptroller General has had access to suffi-
13 cient information to enable the Comptroller General to
14 make informed judgments on the matters covered by the
15 report.

16 (b) MATTERS TO BE INCLUDED.—Each report on the
17 Joint Strike Fighter aircraft program under subsection
18 (a) shall include the following with respect to system devel-
19 opment and demonstration under the program:

20 (1) The extent to which such system develop-
21 ment and demonstration is meeting established
22 goals, including the goals established for perform-
23 ance, cost, and schedule.

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

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

3 (3) The Comptroller General's conclusion re-
4 garding whether such system development and dem-
5 onstration (leading to production) is likely to be
6 completed at a total cost not in excess of the amount
7 specified (or to be specified) for such purpose in the
8 Selected Acquisition report for the Joint Strike
9 Fighter aircraft program under section 2432 of title
10 10, United States Code, for the first quarter of the
11 fiscal year during which the report of the Comp-
12 troller General is submitted.

13 (c) REQUIREMENT TO SUPPORT ANNUAL GAO RE-
14 VIEW.—The Secretary of Defense and the prime con-
15 tractor for the Joint Strike Fighter aircraft program shall
16 provide to the Comptroller General such information on
17 that program as the Comptroller General considers nec-
18 essary to carry out the responsibilities of the Comptroller
19 General under this section, including such information as
20 is necessary for the purposes of subsection (b)(3).

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

1 **SEC. 214. AMOUNTS FOR UNITED STATES JOINT FORCES**
2 **COMMAND TO BE DERIVED ONLY FROM DE-**
3 **FENSE-WIDE AMOUNTS.**

4 (a) IN GENERAL.—Chapter 9 of title 10, United
5 States Code, is amended by adding at the end the fol-
6 lowing new section:

7 **“§ 232. United States Joint Forces Command:**
8 **amounts for research, development, test,**
9 **and evaluation to be derived only from**
10 **Defense-wide amounts**

11 “(a) REQUIREMENT.—Amounts for research, devel-
12 opment, test, and evaluation for the United States Joint
13 Forces Command shall be derived only from amounts
14 made available to the Department of Defense for Defense-
15 wide research, development, test, and evaluation.

16 “(b) SEPARATE DISPLAY IN BUDGET.—Any amount
17 in the budget submitted to Congress under section 1105
18 of title 31 for any fiscal year for research, development,
19 test, and evaluation for the United States Joint Forces
20 Command shall be set forth under the account of the De-
21 partment of Defense for Defense-wide research, develop-
22 ment, test, and evaluation.”.

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

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

1 **SEC. 215. AUTHORITY OF DIRECTOR OF DEFENSE RE-**
2 **SEARCH AND ENGINEERING TO AWARD**
3 **PRIZES FOR ADVANCED TECHNOLOGY**
4 **ACHIEVEMENTS.**

5 Section 2374a(a) of title 10, United States Code, is
6 amended by striking “acting through the Director of the
7 Defense Advanced Research Projects Agency” and insert-
8 ing “acting through the Director of Defense Research and
9 Engineering”.

10 **SEC. 216. SPACE BASED RADAR.**

11 (a) LIMITATION.—In carrying out the Space Based
12 Radar program, the Secretary of Defense may not author-
13 ize that program to proceed into the system development
14 and procurement phase referred to as Milestone B until
15 the Secretary—

16 (1) submits to the congressional defense com-
17 mittees, the Permanent Select Committee on Intel-
18 ligence of the House of Representatives, and the Se-
19 lect Committee on Intelligence of the Senate a re-
20 port described in subsection (b); and

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

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

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

3 (1) A description of the technical system con-
4 cept selected.

5 (2) A description of the concept of operations
6 associated with the technical system concept se-
7 lected.

8 (3) An independent cost estimate for develop-
9 ment and procurement under the program.

10 (4) The acquisition strategy for the program.

11 **SEC. 217. MARK-54 TORPEDO PRODUCT IMPROVEMENT**
12 **PROGRAM.**

13 Of the amount provided in section 201 for research,
14 development, test, and evaluation for the Navy,
15 \$2,000,000 within the budget line designated as line 120
16 shall be available for the Mark-54 Torpedo Product Im-
17 provement Program.

18 **Subtitle C—Ballistic Missile**
19 **Defense**

20 **SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPA-**
21 **BILITIES.**

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

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

5 **TITLE III—OPERATION AND**
6 **MAINTENANCE**
7 **Subtitle A—Authorization of**
8 **Appropriations**

9 **SECTION 301. OPERATION AND MAINTENANCE FUNDING.**

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

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

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

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

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

19 (5) For Defense-wide activities,
20 \$17,317,406,000.

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

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

23 (8) For the Marine Corps Reserve,
24 \$188,696,000

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

1 (10) For the Army National Guard,
2 \$4,425,686,000.

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

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

7 (13) For Environmental Restoration, Army,
8 \$400,948,000.

9 (14) For Environmental Restoration, Navy,
10 \$266,820,000.

11 (15) For Environmental Restoration, Air Force,
12 \$397,368,000.

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

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

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

19 (19) For Cooperative Threat Reduction pro-
20 grams, \$409,200,000.

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

23 (21) For the Defense Industrial Base Capabili-
24 ties Fund, \$50,000,000

1 **SEC. 302. WORKING CAPITAL FUNDS.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2005 for the use of the Armed Forces and other
4 activities and agencies of the Department of Defense for
5 providing capital for working capital and revolving funds
6 in amounts as follows:

7 (1) For the Defense Working Capital Funds,
8 \$372,886,000.

9 (2) For the National Defense Sealift Fund,
10 \$1,219,252,000.

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

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

14 (a) DEFENSE HEALTH PROGRAM.—Funds are here-
15 by authorized to be appropriated for the Department of
16 Defense for fiscal year 2005 for expenses, not otherwise
17 provided for, for the Defense Health Program,
18 \$17,811,586,000, of which—

19 (1) \$17,374,544,000 is for Operation and
20 Maintenance;

21 (2) \$72,407,000 is for Research, Development,
22 Test, and Evaluation; and

23 (3) \$364,635,000 is for Procurement.

24 (b) CHEMICAL AGENTS AND MUNITIONS DESTRUC-
25 TION, DEFENSE.—(1) Funds are hereby authorized to be
26 appropriated for the Department of Defense for fiscal year

1 2005 for expenses, not otherwise provided for, for Chem-
2 ical Agents and Munitions Destruction, Defense,
3 \$1,371,990,000, of which—

4 (A) \$1,138,801,000 is for Operation and Main-
5 tenance;

6 (B) \$154,209,000 is for Research, Develop-
7 ment, Test, and Evaluation; and

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

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

11 (A) 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 (B) the destruction of chemical warfare mate-
16 rial of the United States that is not covered by sec-
17 tion 1412 of such Act.

18 (c) DRUG INTERDICTION AND COUNTER-DRUG AC-
19 TIVITIES, DEFENSE-WIDE.—Funds are hereby authorized
20 to be appropriated for the Department of Defense for fis-
21 cal year 2005 for expenses, not otherwise provided for, for
22 Drug Interdiction and Counter-Drug Activities, Defense-
23 wide, \$852,697,000.

24 (d) DEFENSE INSPECTOR GENERAL.—Funds are
25 hereby authorized to be appropriated for the Department

1 of Defense for fiscal year 2005 for expenses, not otherwise
2 provided for, for the Office of the Inspector General of
3 the Department of Defense, \$193,562,000, of which—

4 (1) \$191,362,000 is for Operation and Mainte-
5 nance;

6 (2) \$2,100,000 is for Research, Development,
7 Test, and Evaluation; and

8 (3) \$100,000 is for Procurement.

9 **SEC. 304. REIMBURSEMENT OF MEMBERS OF THE ARMED**
10 **FORCES WHO PURCHASED PROTECTIVE**
11 **BODY ARMOR DURING SHORTAGE OF DE-**
12 **FENSE STOCKS OF BODY ARMOR.**

13 (a) REIMBURSEMENT AUTHORIZED.—The Secretary
14 of Defense may reimburse a member of the Armed Forces
15 for the cost of protective body armor purchased by the
16 member, or by another person on behalf of the member,
17 for use by the member while deployed in connection with
18 Operation Noble Eagle, Operation Enduring Freedom, or
19 Operation Iraqi Freedom if the member was not issued
20 protective body armor before the member became engaged
21 in operations in areas or situations described in section
22 310(a)(2) of title 37, United States Code.

23 (b) DURATION OF AUTHORITY.—Reimbursement
24 may be provided under subsection (a) for protective body
25 armor purchased during the period beginning on Sep-

1 tember 11, 2001, and ending on December 31, 2003. Not
2 later than 60 days after the date of the enactment of this
3 Act, the Secretary shall implement regulations to expedite
4 the provision of such reimbursement.

5 **Subtitle B—Environmental**
6 **Provisions**

7 **SEC. 311. REPORT REGARDING ENCROACHMENT ISSUES**
8 **AFFECTING UTAH TEST AND TRAINING**
9 **RANGE, UTAH.**

10 (a) REPORT REQUIRED.—The Secretary of the Air
11 Force shall prepare a report that outlines current and an-
12 ticipated encroachments on the use and utility of the spe-
13 cial use airspace of the Utah Test and Training Range
14 in the State of Utah, including encroachments brought
15 about through actions of other Federal agencies. The Sec-
16 retary shall include such recommendations as the Sec-
17 retary considers appropriate regarding any legislative ini-
18 tiatives necessary to address encroachment problems iden-
19 tified by the Secretary in the report.

20 (b) SUBMISSION OF REPORT.—Not later than one
21 year after the date of the enactment of this Act, the Sec-
22 retary shall submit the report to the Committee on Armed
23 Services of the House of Representatives and the Com-
24 mittee on Armed Services of the Senate.

1 **Subtitle C—Workplace and Depot**
2 **Issues**

3 **SEC. 321. SIMPLIFICATION OF ANNUAL REPORTING RE-**
4 **QUIREMENTS CONCERNING FUNDS EX-**
5 **PENDED FOR DEPOT MAINTENANCE AND RE-**
6 **PAIR WORKLOADS.**

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

9 “(d) ANNUAL REPORT AND REVIEW.—(1) Not later
10 than April 1 of each year, the Secretary of Defense shall
11 submit to Congress a report identifying, for each of the
12 armed forces (other than the Coast Guard) and each De-
13 fense Agency, the percentage of the funds referred to in
14 subsection (a) that was expended during the preceding fis-
15 cal year, and are projected to be expended in the current
16 fiscal year and next fiscal year, for performance of depot-
17 level maintenance and repair workloads by the public and
18 private sectors.

19 “(2) Not later than 60 days after the date on which
20 the Secretary submits a report under paragraph (1), the
21 Comptroller General shall submit to Congress the Comp-
22 troller General’s views on whether—

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

1 “(B) the expenditure projections for the current
2 fiscal year and next fiscal year are reasonable.”.

3 **SEC. 322. REPEAL OF ANNUAL REPORTING REQUIREMENT**
4 **CONCERNING MANAGEMENT OF DEPOT EM-**
5 **PLOYEES.**

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

8 (1) by striking “(a) PROHIBITION ON MANAGE-
9 MENT BY END STRENGTH.—”; and

10 (2) by striking subsection (b).

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

13 **“§ 2472. Prohibition on management of depot employ-**
14 **ees by end strength”.**

15 (2) The table of sections at the beginning of chapter
16 146 of such title is amended by striking the item relating
17 to section 2472 and inserting the following new item:

 “2472. Prohibition on management of depot employees by end strength.”.

18 **SEC. 323. PUBLIC-PRIVATE COMPETITION FOR WORK PER-**
19 **FORMED BY CIVILIAN EMPLOYEES OF DE-**
20 **PARTMENT OF DEFENSE.**

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

24 “(5)(A) A function of the Department of Defense
25 performed by 10 or more civilian employees may not be

1 converted, in whole or in part, to performance by a con-
2 tractor unless, the conversion is based on the results of
3 a public-private competition process that—

4 “(i) formally compares the cost of civilian em-
5 ployee performance of the function with the costs of
6 performance by a contractor;

7 “(ii) creates an agency tender, including a most
8 efficient organization plan, in accordance with Office
9 of Management and Budget Circular A-76, as im-
10 plemented on May 29, 2003;

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

15 “(iv) requires continued performance of the
16 function by civilian employees if the cost of perform-
17 ance of the function by a contractor would, over all
18 performance periods required by the solicitation, cost
19 less than—

20 “(I) 10 percent of the personnel-related
21 costs for performance of that activity or func-
22 tion in the agency tender; or

23 “(II) \$10,000,000; and

1 “(v) provides no advantage to an offeror for a
2 proposal to reduce costs for the Department of De-
3 fense by—

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

8 “(II) offering to such workers an em-
9 ployer-sponsored health benefits plan that re-
10 quires the employer to contribute less towards
11 the premium or subscription share than that
12 which is paid by the Department of Defense for
13 health benefits for civilian employees under
14 chapter 89 of title 5.

15 “(B) Any modification, reorganization, division, or
16 other change in the organization of a function of the De-
17 partment of Defense so that is performed by less than 10
18 civilian employees of the Department of Defense and,
19 therefore, excluded from subparagraph (A), is prohibited.

20 “(C) Any function that is performed by civilian em-
21 ployees of the Department of Defense and is proposed to
22 be reengineered, reorganized, modernized, upgraded, ex-
23 panded, or changed in order to become more efficient, but
24 the civilian employees would still provide essentially the

1 same service, is subject to the competition requirement in
2 subparagraph (A).

3 “(D) The cost savings requirement specified in sub-
4 paragraph (A) does not apply to any contracts for special
5 studies and analyses, construction services, architectural
6 services, medical services, scientific and technical services
7 related to (but not in support of) research and develop-
8 ment, and depot-level maintenance and repair services.

9 “(E) The Secretary of Defense may waive the com-
10 petition requirement in specific instances if—

11 “(i) the written waiver is prepared by the Sec-
12 retary of Defense, or the relevant Assistant Sec-
13 retary or agency head;

14 “(ii) the written waiver is accompanied by a de-
15 tailed determination that national security interests
16 are so compelling as to preclude compliance with the
17 requirement for a public-private competition; and

18 “(iii) a copy of the waiver is published in the
19 Federal Register within 10 working days after the
20 date on which the waiver is invoked, although use of
21 the waiver need not be delayed until its publica-
22 tion.”.

23 (b) RELATION TO PILOT PROGRAM.—Paragraph (5)
24 of section 2461(b) of title 10, United States Code, as
25 added by subsection (a) shall not apply with respect to

1 the pilot program for best-value source selection for per-
2 formance of information technology services authorized by
3 section 336 of the National Defense Authorization Act for
4 Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1444;
5 10 U.S.C. 2461 note).

6 **SEC. 324. PUBLIC-PRIVATE COMPETITION PILOT PROGRAM.**

7 (a) PURPOSE.—The Secretary of Defense shall estab-
8 lish a pilot program to examine the use of the public-pri-
9 vate competition process of Office of Management and
10 Budget Circular A–76 on new requirements, as defined
11 by such Circular, and functions currently being performed
12 by contractors that could be performed by civilian employ-
13 ees.

14 (b) DURATION.—The Secretary of Defense shall
15 carry out the pilot program during fiscal years 2005 and
16 2006.

17 (c) REQUIREMENT FOR PUBLIC-PRIVATE COMPETI-
18 TION FOR NEW WORK.—(1) By the end of the pilot
19 project, the Secretary of Defense shall have allowed civil-
20 ian employees to compete through the standard competi-
21 tion process of Office of Management and Budget Circular
22 A–76 for new requirements, as defined by such Circular,
23 that are approximately one-tenth in value of the funds
24 spent by the Department of Defense during the two fiscal

1 years of the pilot project on all functions that are consid-
2 ered new requirements, as defined by such Circular.

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

6 (A) any contract to be awarded to small busi-
7 ness concerns that meet the requirements under sec-
8 tion 3(a) of the Small Business Act (15 U.S.C.
9 632(a)) and regulations under that section;

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

13 (C) any contract related to special studies and
14 analyses, construction services, architectural serv-
15 ices, medical services, scientific and technical serv-
16 ices related to (but not in support of) research and
17 development, and depot-level maintenance and repair
18 services.

19 (d) FUNCTIONS PERFORMED BY CONTRACTORS.—(1)
20 By the end of the pilot project, the Secretary of Defense
21 shall have subjected a number of contractor employees to
22 public-private competition through the standard competi-
23 tion process of Office of Management and Budget Circular
24 A-76 that is approximately one-tenth of the number of

1 civilian employees subject to public-private competition
2 during the two fiscal years of the pilot project.

3 (2) The Department of Defense shall, to the extent
4 possible, subject to public-private competition those posi-
5 tions held by contractor employees that are associated
6 with functions that are or have been performed at least
7 in part by Federal employees at any time on or after Octo-
8 ber 1, 1980; and

9 (3) Subsection (c)(2) shall also apply to this sub-
10 section.

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

13 (1) the written waiver is prepared by the Sec-
14 retary of Defense;

15 (2) the written waiver is accompanied by a de-
16 tailed determination that national security interests
17 are so compelling as to preclude compliance with the
18 competition requirement; and

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

23 (f) REPORT.—At the end of each fiscal year of the
24 pilot program, the Inspector General of the Department
25 of Defense shall submit to Congress a report on the results

1 of the pilot program, including the extent to which the
2 Department of Defense complied with the requirements of
3 this section.

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

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

17 **SEC. 326. COMPETITIVE SOURCING REPORTING REQUIRE-**
18 **MENT.**

19 (a) REPORT REQUIRED.—Not later than February 1,
20 2005, the Inspector General of the Department of Defense
21 shall submit to Congress a report addressing whether the
22 Department of Defense—

23 (1) employs a sufficient number of adequately
24 trained civilian employees to conduct satisfactorily,
25 taking into account equity, efficiency and expedi-

1 tiousness, all of the public-private competitions that
2 are scheduled to be undertaken by the Department
3 of Defense during the next fiscal year (including a
4 sufficient number of employees to formulate satisfac-
5 torily the performance work statements and most ef-
6 ficient organization plans for the purposes of such
7 competitions) and to administer any resulting con-
8 tracts; and

9 (2) has implemented a comprehensive and reli-
10 able system to track and assess the cost and quality
11 of the performance of functions of the Department
12 of Defense by service contractors, to update the
13 records of such costs and the assessments each fiscal
14 quarter, and to make such information available in
15 reports to Congress and the public, including
16 through the use of electronic means, except that pro-
17 prietary information and information to which sec-
18 tion 552(b)(1) of title 5, United States Code, applies
19 shall be excised from information published or re-
20 ports made available.

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

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

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

6 (3) The statutory, regulatory, or other author-
7 ity for entering into the service contract and, if a
8 public-private competition was not used in the deter-
9 mination of whether to provide for performance of
10 the activity or function by a contractor, an expla-
11 nation of the reasons for not doing so.

12 (4) The cost to the Department of Defense of
13 conducting the public-private competition under Of-
14 fice of Management and Budget Circular A-76, if
15 one was undertaken, including the cost of consult-
16 ants as well as civilian employees.

17 (5) In the case of a function formerly per-
18 formed by civilian employees, the actual cost of the
19 performance by such employees.

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

23 (7) The anticipated cost of contractor perform-
24 ance, based on the award.

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

3 (9) A description of the quality control process
4 used by the agency in connection with monitoring
5 the contract performance (including the applicable
6 quality control standards and the frequency of the
7 quality control reports), together with an assessment
8 of whether the contractor achieved, exceeded, or
9 failed to achieve the quality control standards.

10 (c) ASSESSMENT OF TRACKING SYSTEM.—The In-
11 spector General of the Department of Defense shall in-
12 clude in the report required by subsection (a) an assess-
13 ment of the comprehensiveness and reliability of the De-
14 partment of Defense system for tracking cost and quality
15 of performance of a function under a service contract, in-
16 cluding compliance with each of the requirements specified
17 in subsection (b). The Inspector General shall base the
18 assessment on an audit of a representative sample of serv-
19 ice contracts. The report shall also include recommenda-
20 tions by the Inspector General regarding how weaknesses
21 identified in the Department of Defense infrastructure for
22 competitive sourcing can be rectified, whether through the
23 use of different processes or the availability of additional
24 employees, additional training, or additional resources.

1 **Subtitle D—Information**
2 **Technology**

3 **SEC. 331. PREPARATION OF DEPARTMENT OF DEFENSE**
4 **PLAN FOR TRANSITION TO INTERNET PRO-**
5 **TOCOL VERSION 6.**

6 (a) **TRANSITION PLAN.**—The Secretary of Defense
7 shall prepare a plan to provide for the transition of De-
8 partment of Defense information technology systems to
9 Internet Protocol version 6 from the present use of Inter-
10 net Protocol version 4 and other network protocols. The
11 plan shall outline the networking and security system
12 equipment that will need to be replaced, including the tim-
13 ing and costs of such replacement, address how the cur-
14 rent and new networks and security systems will be man-
15 aged, and assess the potential impact of the transition,
16 include any proposed measures to alleviate any adverse af-
17 fects. In preparing the transition plan, the Secretary shall
18 compare private industry plans for the transition to Inter-
19 net Protocol version 6.

20 (b) **TESTING AND EVALUATION FOR INTERNET PRO-**
21 **TOCOL.**—To determine whether a change to the use of
22 Internet Protocol version 6 will support Department of
23 Defense requirements, the Secretary of Defense shall pro-
24 vide for a rigorous, real-world end-to-end testing of Inter-

1 net Protocol version 6, as proposed for use by the Depart-
2 ment, to evaluate the following:

3 (1) The ability of Internet Protocol version 6,
4 with its “best effort” quality of service, to satisfac-
5 tory support the Department’s multiple applications
6 and other information technology systems, including
7 the use of Internet Protocol version 6 over band-
8 width-constrained tactical circuits.

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

12 (c) SUBMISSION OF PLAN AND RESULTS.—Not later
13 than March 31, 2005, the Secretary of Defense shall sub-
14 mit to the congressional defense committees a report con-
15 taining the transition plan prepared under subsection (a)
16 and the results of the tests conducted under subsection
17 (b).

18 **SEC. 332. DEFENSE BUSINESS ENTERPRISE ARCHITEC-**
19 **TURE, SYSTEM ACCOUNTABILITY, AND CON-**
20 **DITIONS FOR OBLIGATION OF FUNDS FOR**
21 **DEFENSE BUSINESS SYSTEM MODERNIZA-**
22 **TION.**

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

1 **“§ 2222. Defense business systems: architecture, ac-**
2 **countability, and modernization**

3 “(a) CONDITIONS FOR OBLIGATION OF FUNDS FOR
4 DEFENSE BUSINESS SYSTEM MODERNIZATION.—Effec-
5 tive January 1, 2005, funds appropriated to the Depart-
6 ment of Defense may not be obligated for a defense busi-
7 ness system modernization that will have a total cost in
8 excess of \$1,000,000 unless—

9 “(1) the approval authority designated for the
10 defense business system certifies to the Defense
11 Business Systems Management Committee estab-
12 lished by section 186 of this title that the defense
13 business system modernization—

14 “(A) is in compliance with the enterprise
15 architecture developed under subsection (b), or
16 such compliance is waived in writing by the ap-
17 proval authority as a result of the investment
18 review process conducted under subsection (d)
19 for the defense business system modernization;
20 and

21 “(B) will be acquired or developed in a
22 manner consistent with the system acquisition
23 regulations and instructions of the Department
24 of Defense; and

1 “(2) the Defense Business Systems Manage-
2 ment Committee approves the certification by the
3 approval authority.

4 “(b) ENTERPRISE ARCHITECTURE FOR DEFENSE
5 BUSINESS SYSTEMS.—Not later than September 30,
6 2005, the Secretary of Defense, acting through the De-
7 fense Business Systems Management Committee, shall
8 develop—

9 “(1) an enterprise architecture to cover all de-
10 fense business systems, and the functions and activi-
11 ties supported by defense business systems, which
12 shall be sufficiently defined to effectively guide, con-
13 strain, and permit implementation of interoperable
14 defense business system solutions and consistent
15 with the policies and procedures established by the
16 Director of the Office of Management and Budget,
17 and

18 “(2) a transition plan for implementing the en-
19 terprise architecture for defense business systems.

20 “(c) APPROVAL AUTHORITIES AND ACCOUNTABILITY
21 FOR DEFENSE BUSINESS SYSTEMS.—The Secretary of
22 Defense shall delegate responsibility for the planning, de-
23 sign, acquisition, deployment, operation, maintenance,
24 modernization, and oversight of defense business systems
25 as follows:

1 “(1) The Under Secretary of Defense for Ac-
2 quisition, Technology and Logistics shall be respon-
3 sible and accountable for any defense business sys-
4 tem the primary purpose of which is to support ac-
5 quisition activities, logistics activities, or installa-
6 tions and environment activities of the Department
7 of Defense.

8 “(2) The Under Secretary of Defense (Comp-
9 troller) shall be responsible and accountable for any
10 defense business system the primary purpose of
11 which is to support financial management activities
12 or strategic planning and budgeting activities of the
13 Department of Defense.

14 “(3) The Under Secretary of Defense for Per-
15 sonnel and Readiness shall be responsible and ac-
16 countable for any defense business system the pri-
17 mary purpose of which is to support human resource
18 management activities of the Department of De-
19 fense.

20 “(4) The Assistant Secretary of Defense for
21 Networks and Information Integration and the Chief
22 Information Officer of the Department of Defense
23 shall be responsible and accountable for any defense
24 business system the primary purpose of which is to
25 support information technology infrastructure or in-

1 formation assurance activities of the Department of
2 Defense.

3 “(5) The Deputy Secretary of Defense or an
4 Under Secretary of Defense, as designated by the
5 Secretary of Defense, shall be responsible for any
6 defense business system the primary purpose of
7 which is to support any activity of the Department
8 of Defense not covered by paragraphs (1) through
9 (4).

10 “(d) DEFENSE BUSINESS SYSTEM INVESTMENT RE-
11 VIEW.—(1) The Secretary of Defense shall require each
12 approval authority designated under subsection (c) to es-
13 tablish, not later than March 15, 2005, an investment re-
14 view process, consistent with section 11312 of title 40, to
15 review the planning, design, acquisition, development, de-
16 ployment, operation, maintenance, modernization, and
17 project cost benefits and risks of all defense business sys-
18 tems for which the approval authority is responsible. The
19 investment review process so established shall specifically
20 address the responsibilities of approval authorities under
21 subsection (a).

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

24 “(A) Review and approval by an investment re-
25 view board of each defense business system as an in-

1 vestment before the obligation of funds on the sys-
2 tem.

3 “(B) Periodic review, but not less than annu-
4 ally, of every defense business system investment.

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

9 “(D) Use of threshold criteria to ensure an ap-
10 propriate level of review within the Department of
11 Defense of, and accountability for, defense business
12 system investments depending on scope, complexity,
13 and cost.

14 “(e) BUDGET INFORMATION.—In the materials that
15 the Secretary submits to Congress in support of the budg-
16 et submitted by the President to Congress under section
17 1105 of title 31 for fiscal year 2006 and fiscal years there-
18 after, the Secretary of Defense shall—

19 “(1) identify the approval authority for each de-
20 fense business system; and

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

23 “(A) certify that the defense business sys-
24 tem complies with the defense business enter-
25 prise architecture; or

1 “(B) explain why funds for such system
2 are necessary to maintain a mission critical or
3 mission essential system of the Department of
4 Defense, notwithstanding its noncompliance
5 with the defense business enterprise architec-
6 ture.

7 “(f) CONGRESSIONAL REPORTS.—Not later than
8 March 15 of each year from 2005 through 2009, the Sec-
9 retary of Defense shall submit to the congressional defense
10 committees a report on Department of Defense compliance
11 with the requirements of this section. The first report shall
12 define plans and commitments for meeting the require-
13 ments of subsection (a), including specific milestones and
14 performance measures. Subsequent reports shall—

15 “(1) describe actions taken and planned for
16 meeting the requirements of subsection (a),
17 including—

18 “(A) specific milestones and actual per-
19 formance against specified performance meas-
20 ures, and any revision of such milestones and
21 performance measures; and

22 “(B) specific actions on the defense busi-
23 ness system modernizations submitted for cer-
24 tification under such subsection;

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

3 “(3) identify any defense business system mod-
4 ernization with an obligation in excess of \$1,000,000
5 during the preceding fiscal year that was not cer-
6 tified under subsection (a), and the reasons for the
7 waiver; and

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

11 “(g) DEFINITIONS.—In this section:

12 “(1) The term ‘approval authority’, with respect
13 to a defense business system, means the Department
14 of Defense official responsible for the defense busi-
15 ness system, as designated by subsection (c).

16 “(2) The term ‘defense business system’ means
17 an information system, other than a national secu-
18 rity system, operated by, for, or on behalf of the De-
19 partment of Defense, including financial systems,
20 mixed systems, financial data feeder systems, and
21 information technology and information assurance
22 infrastructure, used to support business activities,
23 such as acquisition, financial management, logistics,
24 strategic planning and budgeting, installations and
25 environment, and human resource management.

1 “(3) The term ‘defense business system mod-
2 ernization’ means—

3 “(A) the acquisition or development of a
4 new defense business system; or

5 “(B) any significant modification or en-
6 hancement of an existing defense business sys-
7 tem (other than necessary to maintain current
8 services).

9 “(4) The term ‘enterprise architecture’ has the
10 meaning given that term in section 3601(4) of title
11 44.

12 “(5) The terms ‘information system’ and ‘infor-
13 mation technology’ have the meanings given those
14 terms in section 11101 of title 40.

15 “(6) The term ‘national security system’ has
16 the meaning given that term in section 2315 of this
17 title.”.

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

 “2222. Defense business systems: architecture, accountability, and moderniza-
 tion.”.

21 (b) DEFENSE BUSINESS SYSTEM MANAGEMENT
22 COMMITTEE.—Chapter 7 of such title is amended by add-
23 ing at the end the following new section:

1 **“§ 186. Defense business system management Com-**
2 **mittee**

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

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

8 “(2) The Under Secretary of Defense for Ac-
9 quisition, Logistics, and Technology.

10 “(3) The Under Secretary of Defense for Per-
11 sonnel and Readiness.

12 “(4) The Under Secretary of Defense (Comp-
13 troller).

14 “(5) The Assistant Secretary of Defense for
15 Networks and Information Integration.

16 “(6) The Secretaries of the military depart-
17 ments and the heads of the Defense Agencies.

18 “(7) Such additional personnel of the Depart-
19 ment of Defense (including personnel assigned to the
20 Joint Chiefs of Staff and combatant commands) as
21 are designated by the Secretary of Defense.

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

25 “(A) recommend to the Secretary of Defense
26 policies and procedures necessary to effectively inte-

1 grate the requirements of section 2222 of this title
2 into all business activities and any transformation,
3 reform, reorganization, or process improvement ini-
4 tiatives undertaken within the Department of De-
5 fense; and

6 “(B) review and approve any major update of
7 the defense business enterprise architecture devel-
8 oped under subsection (b) of section 2222 of this
9 title, including evolving the architecture, and of de-
10 fense business systems modernization plans.

11 “(2) The Committee shall be responsible for coordi-
12 nating defense business system modernization initiatives
13 to maximize benefits and minimize costs for the Depart-
14 ment of Defense and periodically report to the Secretary
15 on the status of defense business system modernization
16 efforts.

17 “(3) The Committee shall ensure that funds are obli-
18 gated for defense business system modernization in a man-
19 ner consistent with section 2222 of this title.

20 “(c) DEFINITIONS.—In this section, the terms ‘de-
21 fense business system’ and ‘defense business system mod-
22 ernization’ have the meanings given such terms in section
23 2222 of this title.”.

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:

 “186. Defense Business System Management Committee.”.

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

12 (d) RELATION TO ANNUAL REGISTRATION REQUIRE-
13 MENTS.—Nothing in sections 186 and 2222 of title 10,
14 United States Code, as added by this section, shall be con-
15 strued to alter the requirements of section 8084 of the
16 Department of Defense Appropriations Act, 2004 (Public
17 Law 108–87; 117 Stat. 1091), with regard to information
18 technology systems (as defined in subsection (d) of such
19 section).

20 (e) REPEAL OF OBSOLETE FINANCIAL MANAGEMENT
21 ENTERPRISE ARCHITECTURE REQUIREMENTS.—Section
22 1004 of the Bob Stump National Defense Authorization
23 Act for Fiscal Year 2003 (Public Law 107–314; 10 U.S.C.
24 113 note) is repealed.

1 **SEC. 333. ESTABLISHMENT OF JOINT PROGRAM OFFICE TO**
2 **IMPROVE INTEROPERABILITY OF BATTLE-**
3 **FIELD MANAGEMENT COMMAND AND CON-**
4 **TROL SYSTEMS.**

5 (a) OFFICE FOR FAMILY OF INTEROPERABLE PIC-
6 TURES.—The Secretary of Defense shall designate a single
7 joint program office in the Department of Defense for the
8 management of battlefield management command and
9 control systems of the Armed Forces, known as the “Fam-
10 ily of Interoperable Pictures”, to improve the interoper-
11 ability of such systems so that members of the Armed
12 Forces may access a common operational picture of the
13 battlefield. The office shall include at a minimum the Sin-
14 gle Integrated Air Picture, the Single Integrated Ground
15 Picture, the Single Integrated Maritime Picture, the Spe-
16 cial Operations Forces Picture, and the Single Integrated
17 Space Picture. The Secretary shall provide for the head
18 of the office to be selected on a rotating basis among re-
19 lated offices of the Army, Navy, Air Force, and Marine
20 Corps.

21 (b) COMMON SYSTEMS ARCHITECTURE.—The Sec-
22 retary of Defense shall develop, implement, and maintain
23 a common systems architecture for all battlefield manage-
24 ment command and control systems included in the Fam-
25 ily of Interoperable Pictures.

1 (c) CONSOLIDATED PROGRAM ELEMENTS.—All
2 funds for development and procurement related to the
3 Family of Interoperable Pictures shall be consolidated
4 under the office designated under subsection (a).

5 (d) PROGRAM DEVELOPMENT.—The head of the of-
6 fice designated under subsection (a), subject to the author-
7 ity, direction, and control of the Secretary of Defense,
8 shall—

9 (1) establish and control the performance speci-
10 fications for the battlefield management command
11 and control systems included in the Family of Inter-
12 operable Pictures;

13 (2) establish and control the standards for de-
14 velopment of the software and equipment for the
15 Family of Interoperable Pictures;

16 (3) establish and control the standards for op-
17 eration of the Family of Interoperable Pictures; and

18 (4) develop a single, unified concept of oper-
19 ations for all users of the Family of Interoperable
20 Pictures.

1 **Subtitle E—Readiness Reporting**
2 **Requirements**

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

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

9 **“§ 489. Annual report on Department of Defense oper-**
10 **ation and financial support for military**
11 **museums**

12 “(a) REPORT REQUIRED.—As part of the budget ma-
13 terials submitted to Congress in connection with the sub-
14 mission of the budget for a fiscal year pursuant to section
15 1105 of title 31, but in no case later than March 15 of
16 each year, the Secretary of Defense shall submit a report
17 identifying all museums that, during the preceding fiscal
18 year—

19 “(1) were operated by the Department of De-
20 fense or a military department; or

21 “(2) were otherwise supported using funds ap-
22 propriated to the Department of Defense.

23 “(b) CONTENT OF REPORT.—For each museum iden-
24 tified in a report under this section, the Secretary of De-
25 fense shall include in the report the following:

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

3 “(2) A description of the facilities dedicated to
4 the museum.

5 “(3) An itemized listing of the funds appro-
6 priated to the Department of Defense that were obli-
7 gated to support the museum during the fiscal year
8 covered by the report, as well as any other Federal
9 funds, funds from a nonappropriated fund instru-
10 mentality account of the Department of Defense,
11 and non-Federal funds obligated to support the mu-
12 seum.

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

16 “(5) The number of members of the armed
17 forces who serve full-time or part-time at the mu-
18 seum.”.

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

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

1 **SEC. 342. REPORT ON DEPARTMENT OF DEFENSE PRO-**
2 **GRAMS FOR PREPOSITIONING OF MATERIAL**
3 **AND EQUIPMENT.**

4 (a) SECRETARY OF DEFENSE ASSESSMENT AND RE-
5 PORT.—(1) The Secretary of Defense shall conduct an as-
6 sessment of the programs of the Department of Defense
7 for the repositioning of material and equipment. Such as-
8 sessment shall particularly focus on how those programs
9 will be incorporated into achievement of the goals of the
10 Secretary of Defense (referred to as the “10–30–30”
11 goals) for the Armed Forces to have the capability, from
12 the onset of a contingency situation, of deploying forces
13 to a distant theater within 10 days, defeating an enemy
14 within 30 days, and being ready for an additional conflict
15 within another 30 days.

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

18 (b) MATTERS TO BE INCLUDED.—The assessment
19 under subsection (a) shall include the repositioning pro-
20 grams of each of the Armed Forces and of the United
21 States Special Operations Command as well as assessment
22 of each of the following:

23 (1) Use of prepositioned equipment as part of
24 Operation Iraqi Freedom and Operation Enduring
25 Freedom and potential solutions to identified chal-
26 lenges.

1 (2) Changes to doctrine, strategy, and transpor-
2 tation plans to support the goals of the Secretary
3 described in subsection (a) and referred to as the
4 10–30–30 goals in light of the current lift con-
5 straints facing both land and sea components of lift
6 as well as the emerging mobility requirements.

7 (3) Modifications of the prepositioning pro-
8 grams of the Armed Forces in order to adapt to
9 pending modularity concepts, future force structure
10 changes, and new sea basing concepts in relation to
11 current and potential areas of instability.

12 (4) Joint operations and training that include
13 theater opening requirements at potential aerial and
14 sea ports of debarkation, joint force reception capa-
15 bilities, joint theater distribution operations, and use
16 of joint prepositioned stocks and systems.

17 **Subtitle F—Other Matters**

18 **SEC. 351. EXTENSION OF ARSENAL SUPPORT PROGRAM INI-** 19 **TIATIVE.**

20 (a) DURATION OF PROGRAM.—Subsection (a) of sec-
21 tion 343 of the Floyd D. Spence National Defense Author-
22 ization Act for Fiscal Year 2001 (as enacted into law by
23 Public Law 106–398; 10 U.S.C. 4551 note) is amended
24 by striking “2004” and inserting “2008”.

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

3 (1) in paragraph (1), by striking “2004” and
4 inserting “2008”; and

5 (2) in paragraph (2), by striking “2003” and
6 inserting “2007”.

7 **SEC. 352. LIMITATION ON PREPARATION OR IMPLEMENTA-**
8 **TION OF MID-RANGE FINANCIAL IMPROVE-**
9 **MENT PLAN.**

10 Amounts appropriated to the Department of Defense
11 for fiscal year 2005 for operation and maintenance may
12 not be obligated for the purpose of preparing or imple-
13 menting the Mid-Range Financial Improvement Plan until
14 the Secretary of Defense submits a report to the congres-
15 sional defense committees containing, for each of the mili-
16 tary departments and the Defense Agencies—

17 (1) an explanation of the manner in which
18 funds will be used for such purpose during that fis-
19 cal year; and

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

1 **SEC. 353. PROCUREMENT OF FOLLOW-ON CONTRACTS FOR**
2 **THE OPERATION OF FIVE CHAMPION-CLASS**
3 **T-5 TANK VESSELS.**

4 The Secretary of the Navy may consider bids or pro-
5 posals for the follow-on contracts for the Department of
6 the Navy contracts for the operation of five Champion-
7 class T-5 tank vessels only from an entity that is a citizen
8 under section 2 of the Shipping Act, 1916 (46 App. U.S.C.
9 802).

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

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

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

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

22 (3) The Liberty Memorial Museum is the only
23 public museum in the Nation that exists for the ex-
24 clusive purpose of interpreting the experiences of the
25 United States and its allies in the World War I

1 years (1914–1918), both on the battlefield and on
2 the home front.

3 (4) The Liberty Memorial Museum project
4 began after the 1918 Armistice through the efforts
5 of a large-scale, grass-roots civic and fundraising ef-
6 fort by the citizens and veterans of the Kansas City
7 metropolitan area. After the conclusion of a national
8 architectural design competition, ground was broken
9 in 1921, construction began in 1923, and the Lib-
10 erty Memorial Museum was opened to the public in
11 1926.

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

17 (6) Exhibits prepared for the original museum
18 buildings presaged the dramatic, underground ex-
19 pansion of core exhibition gallery space, with over
20 30,000 square feet of new interpretive and edu-
21 cational exhibits currently in development. The new
22 exhibits, along with an expanded research library
23 and archives, will more fully utilize the many thou-
24 sands of historical objects, books, maps, posters,
25 photographs, diaries, letters, and reminiscences of

1 World War I participants that are preserved for posterity in the Liberty Memorial Museum's collections.
2
3 The new core exhibition is scheduled to open on Veterans Day, 2006.
4

5 (7) The City of Kansas City, the State of Missouri, and thousands of private donors and philanthropic foundations have contributed millions of dollars to build and later to restore this national treasure. The Liberty Memorial Museum continues to receive the strong support of residents from the States of Missouri and Kansas and across the Nation.
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12 (8) Since the restoration and rededication of 2002, the Liberty Memorial Museum has attracted thousands of visitors from across the United States and many foreign countries.
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16 (9) There remains a need to preserve in a museum setting evidence of the honor, courage, patriotism, and sacrifice of those Americans who offered their services and who gave their lives in defense of liberty during World War I, evidence of the roles of women and African Americans during World War I, and evidence of other relevant subjects.
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23 (10) The Liberty Memorial Museum seeks to educate a diverse group of audiences through its comprehensive collection of historical materials, em-
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1 phasizing eyewitness accounts of the participants on
2 the battlefield and the home front and the impact of
3 World War I on individuals, then and now. The Lib-
4 erty Memorial Museum continues to actively acquire
5 and preserve such materials.

6 (11) A great opportunity exists to use the in-
7 valuable resources of the Liberty Memorial Museum
8 to teach the “Lessons of Liberty” to the Nation’s
9 schoolchildren through on-site visits, classroom cur-
10 riculum development, distance learning, and other
11 educational initiatives.

12 (12) The Liberty Memorial Museum should al-
13 ways be the Nation’s museum of the national experi-
14 ence in the World War I years (1914–1918), where
15 people go to learn about this critical period and
16 where the Nation’s history of this monumental
17 struggle will be preserved so that generations of the
18 21st century may understand the role played by the
19 United States in the preservation and advancement
20 of democracy, freedom, and liberty in the early 20th
21 century.

22 (13) This initiative to recognize and preserve
23 the history of the Nation’s sacrifices in World War
24 I will take on added significance as the Nation ap-
25 proaches the centennial observance of this event.

1 (14) It is fitting and proper to refer to the Lib-
2 erty Memorial Museum as “America’s National
3 World War I Museum”.

4 (b) SENSE OF CONGRESS.—The Congress—

5 (1) recognizes the Liberty Memorial Museum in
6 Kansas City, Missouri, including the museum’s fu-
7 ture and expanded exhibits, collections, library, ar-
8 chives, and educational programs, as “America’s Na-
9 tional World War I Museum”;

10 (2) recognizes that the continuing collection,
11 preservation, and interpretation of the historical ob-
12 jects and other historical materials held by the Lib-
13 erty Memorial Museum enhance the knowledge and
14 understanding of the Nation’s people of the Amer-
15 ican and allied experience during the World War I
16 years (1914–1918), both on the battlefield and on
17 the home front;

18 (3) commends the ongoing development and vis-
19 ibility of “Lessons of Liberty” educational outreach
20 programs for teachers and students throughout the
21 Nation; and

22 (4) encourages the need for present generations
23 to understand the magnitude of World War I, how
24 it shaped the Nation, other countries, and later
25 world events, and how the sacrifices made then

1 helped preserve liberty, democracy, and other found-
2 ing principles for generations to come.

3 **TITLE IV—MILITARY**
4 **PERSONNEL AUTHORIZATIONS**

5 **Subtitle A—Active Forces**

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

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

- 9 (1) The Army, 482,400.
10 (2) The Navy, 365,900.
11 (3) The Marine Corps, 175,000.
12 (4) The Air Force, 359,700.

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

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

- 17 (1) NAVY.—Paragraph (2) is amended by strik-
18 ing “373,800” and inserting “365,900”.
19 (2) AIR FORCE.—Paragraph (4) is amended by
20 striking “359,300” and inserting “359,700”.

21 **SEC. 403. MAXIMUM NUMBER OF RESERVE PERSONNEL AU-**
22 **THORIZED TO BE ON ACTIVE DUTY FOR**
23 **OPERATIONAL SUPPORT.**

24 During fiscal year 2005, the maximum number of
25 members of the reserve components of the Armed Forces

1 who may be serving at any time on full-time operational
2 support duty under section 115(b) of title 10, United
3 States Code, is the following:

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

6 (2) The Army Reserve, 5,000.

7 (3) The Naval Reserve, 6,200.

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

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

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

12 **SEC. 404. ACCOUNTING AND MANAGEMENT OF RESERVE**
13 **COMPONENT PERSONNEL PERFORMING AC-**
14 **TIVE DUTY OR FULL-TIME NATIONAL GUARD**
15 **DUTY FOR OPERATIONAL SUPPORT.**

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

18 (1) in subsection (a)(1)(A), by inserting “unless
19 on active duty pursuant to subsection (b)” after “ac-
20 tive-duty personnel”;

21 (2) in subsection (a)(1)(B), by inserting “unless
22 on active duty or full-time National Guard duty pur-
23 suant to subsection (b)” after “reserve personnel”;

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

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

6 “(b) CERTAIN RESERVES ON ACTIVE DUTY TO BE
7 AUTHORIZED BY LAW.—(1) Congress shall annually au-
8 thorize the maximum number of members of a reserve
9 component permitted to be on active duty or full-time Na-
10 tional Guard duty at any given time who are called or or-
11 dered to—

12 “(A) active duty under section 12301(d) of this
13 title for the purpose of providing operational sup-
14 port, as prescribed in regulation issued by the Sec-
15 retary of Defense;

16 “(B) full-time National Guard duty under sec-
17 tion 502(f)(2) of title 32 for the purpose of pro-
18 viding operational support when authorized by the
19 Secretary of Defense;

20 “(C) active duty under section 12301(d) of this
21 title or full-time National Guard duty under section
22 502(f) of title 32 for the purpose of preparing for
23 and performing funeral honors functions for funerals
24 of veterans under section 1491 of this title;

1 “(D) active duty or retained on active duty
2 under sections 12301(g) of this title while in a cap-
3 tive status; or

4 “(E) active duty or retained on active duty
5 under 12301(h) or 12322 of this title for the pur-
6 pose of medical evaluation or treatment.

7 “(2) A member of a reserve component who exceeds
8 either of the following limits shall be included in the
9 strength authorized under subparagraph (A) or subpara-
10 graph (B), as appropriate, of subsection (a)(1):

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

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

18 “(3) In determining the period of active service under
19 paragraph (2), the following periods of active service per-
20 formed by a member shall not be included:

21 “(A) All periods of active duty performed by a
22 member who has not previously served in the Se-
23 lected Reserve of the Ready Reserve.

24 “(B) All periods of active duty or full-time Na-
25 tional Guard duty for which the member is exempt

1 from strength accounting under paragraphs (1)
2 through (7) of subsection (i).”.

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

6 (1) by striking “or” at the end of paragraph
7 (1);

8 (2) by striking the period at the end of para-
9 graph (2) and inserting “; or”; and

10 (3) by inserting after paragraph (2) the fol-
11 lowing new paragraph:

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

17 (c) AUTHORITY FOR SECRETARY OF DEFENSE
18 VARIANCES IN MAXIMUM STRENGTHS.—Subsection (f) of
19 such section (as redesignated by subsection (a)(2)) is
20 amended—

21 (1) by striking “END” in the heading;

22 (2) by striking “and” at the end of paragraph
23 (2);

24 (3) by striking the period at the end of para-
25 graph (3) and inserting “; and”; and

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

3 “(4) increase the maximum strength authorized pur-
4 suant to subsection (b)(1) for a fiscal year for certain re-
5 serves on active duty for any of the reserve components
6 by a number equal to not more than 10 percent of that
7 strength.”.

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

10 (1) Subsection (e) (as redesignated by sub-
11 section (a)(3)) is amended—

12 (A) in paragraph (1), by striking “sub-
13 section (a) or (c)” and inserting “subsection (a)
14 or (d)”; and

15 (B) in paragraph (2)—

16 (i) by striking “subsections (a) and
17 (c)”; and inserting “subsections (a) and
18 (d)”; and

19 (ii) by striking “pursuant to sub-
20 section (e)) and subsection (c)” and insert-
21 ing “pursuant to subsection (f)) and sub-
22 section (d)” each place it appears.

23 (2) Subsection (g) (as redesignated by sub-
24 section (a)(3)) is amended by striking “subsection

1 (e)(1)” in paragraph (2) and inserting “subsection
2 (f)(1)”.

3 (3) Subsection (i) (as redesignated by sub-
4 section (a)(3)) is amended to read as follows:

5 “(i) CERTAIN PERSONNEL EXCLUDED FROM COUNT-
6 ING FOR ACTIVE-DUTY END STRENGTHS.—In counting
7 personnel for the purpose of the end strengths authorized
8 pursuant to subsection (a)(1), persons in the following cat-
9 egories shall be excluded:

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

12 “(2) Members of a reserve component in an ac-
13 tive status ordered to active duty under section
14 12301(b) of this title.

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

17 “(4) Members of the Selected Reserve of the
18 Ready Reserve or members of the Individual Ready
19 Reserve mobilization category described in section
20 10144(b) of this title ordered to active duty under
21 section 12304 of this title.

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

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

1 “(7) Members of reserve components on active
2 duty for training.

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

7 “(9) Members of the National Guard on active
8 duty or full-time National Guard duty for the pur-
9 pose of carrying out drug interdiction and counter-
10 drug activities under section 112 of title 32.

11 “(10) Members of a reserve component on ac-
12 tive duty under section 10(b)(2) of the Military Se-
13 lective Service Act (50 U.S.C. App. 460(b)(2)) for
14 the administration of the Selective Service System.

15 “(11) Members of the National Guard on full-
16 time National Guard duty for the purpose of pro-
17 viding command, administrative, training, or support
18 services for the National Guard Challenge Program
19 authorized by section 509 of title 32.”.

20 (e) MILITARY TO MILITARY CONTACT STRENGTH AC-
21 COUNTING.—Subsection (f) of section 168 of such title is
22 amended to read as follows:

23 “(f) ACTIVE DUTY END STRENGTHS.—A member of
24 a reserve component who is engaged in activities author-

1 ized under this section shall not be counted for purposes
2 of the following personnel strength limitations:

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

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

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

14 (f) E–8 AND E–9 STRENGTH ACCOUNTING.—Sub-
15 section (a) of section 517 of such title is amended by strik-
16 ing “(other than for training) in connection with orga-
17 nizing, administering, recruiting, instructing, or training
18 the reserve component of an armed force.” and inserting
19 “as authorized under section 115(a)(1)(B) or 115(b) of
20 this title, or excluded from counting for active duty end
21 strengths under section 115(i) of this title.”.

22 (g) FIELD GRADE OFFICER STRENGTH ACCOUNT-
23 ING.—(1) Paragraph (1) of section 523(b) of such title
24 is amended to read as follows:

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

5 “(B) on active duty under section 10211,
6 10302 through 10305, or 12402 of this title or
7 under section 708 of title 32; or

8 “(C) on full-time National Guard duty.”;
9 and

10 (2) Paragraph (7) of section 523(b) is amended by
11 striking “Reserve or retired officers” and inserting “Re-
12 tired officers”.

13 (h) ACTIVE GUARD AND RESERVE FIELD GRADE OF-
14 FICER STRENGTH ACCOUNTING.—Paragraph (2) of sec-
15 tion 12011(e) of such title is amended to read as follows:

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

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

23 “(1) Reserve warrant officers—

24 “(A) on active duty as authorized under
25 section 115(a)(1)(B) or 115(b)(1) of this title,

1 or excluded from counting for active duty end
2 strengths under section 115(i) of this title; or
3 “(B) on full-time National Guard duty.”.

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

7 “(1) Reserve officers—

8 “(A) on active duty authorized under sec-
9 tion 115(a)(1)(B) or 115(b)(1) of this title, or
10 excluded from counting for active duty end
11 strengths under section 115(i) of this title;

12 “(B) on active duty under section 3038,
13 5143, 5144, 8038, 10211, 10301 through
14 10305, 10502, 10505, 10506(a), 10506(b),
15 10507, or 12402 of this title or section 708 of
16 title 32; or

17 “(C) on full-time National Guard duty.”.

18 (k) STRENGTH ACCOUNTING FOR MEMBERS PER-
19 FORMING DRUG INTERDICTION AND COUNTER-DRUG AC-
20 TIVITIES.—Section 112 of title 32, United States Code,
21 is amended—

22 (1) by striking subsection (e);

23 (2) by redesignating subsections (f), (g), (h)
24 and (i) as subsections (e), (f), (g) and (h) respec-
25 tively; and

1 (3) in paragraph (1) of subsection (e), as reded-
2 ignated by paragraph (2), by striking “for a period
3 of more than 180 days” each place it appears.

4 (l) REPORT.—Not later than June 1, 2005, the Sec-
5 retary of Defense shall report to the Committee on Armed
6 Services of the Senate and the Committee on Armed Serv-
7 ices of the House of Representatives the Secretary’s rec-
8 ommendations regarding the exemptions provided in para-
9 graphs (8) through (11) by section 115(i) of title 10,
10 United States Code, as amended by this section. The rec-
11 ommendations shall address the manner in personnel cov-
12 ered by those exemptions shall be accounted for in author-
13 izations provided by section 115 of such title. The objec-
14 tive of the analysis should be to terminate the need for
15 such exemptions after September 30, 2006.

16 (m) REGULATIONS.—The Secretary of Defense shall
17 prescribe by regulation the meaning of the term “oper-
18 ational support” for purposes of paragraph (1) of sub-
19 section (b) of section 115 of title 10, United States Code,
20 as added by subsection (a).

21 **Subtitle B—Reserve Forces**

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

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

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

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

4 (3) The Naval Reserve, 83,400.

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

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

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

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

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

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

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

23 Whenever such units or such individual members are re-
24 leased from active duty during any fiscal year, the end
25 strength prescribed for such fiscal year for the Selected

1 Reserve of such reserve component shall be increased pro-
2 portionately by the total authorized strengths of such
3 units and by the total number of such individual members.

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

6 Within the end strengths prescribed in section
7 411(a), the reserve components of the Armed Forces are
8 authorized, as of September 30, 2005, the following num-
9 ber of Reserves to be serving on full-time active duty or
10 full-time duty, in the case of members of the National
11 Guard, for the purpose of organizing, administering, re-
12 cruiting, instructing, or training the reserve components:

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

15 (2) The Army Reserve, 14,970.

16 (3) The Naval Reserve, 14,152.

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

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

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

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

23 The minimum number of military technicians (dual
24 status) as of the last day of fiscal year 2005 for the re-
25 serve components of the Army and the Air Force (notwith-

1 standing section 129 of title 10, United States Code) shall
2 be the following:

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

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

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

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

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

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

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

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

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

23 (3) The number of non-dual status technicians em-
24 ployed by the Air Force Reserve as of September 30,
25 2005, may not exceed 90.

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

5 **Subtitle C—Authorizations of**
6 **Appropriations**

7 **SEC. 421. MILITARY PERSONNEL.**

8 There is hereby authorized to be appropriated to the
9 Department of Defense for military personnel for fiscal
10 year 2005 a total of \$104,647,558,000. The authorization
11 in the preceding sentence supersedes any other authoriza-
12 tion of appropriations (definite or indefinite) for such pur-
13 pose for fiscal year 2005.

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

15 There is hereby authorized to be appropriated for fis-
16 cal year 2005 from the Armed Forces Retirement Home
17 Trust Fund the sum of \$61,195,000 for the operation of
18 the Armed Forces Retirement Home.

1 **TITLE V—MILITARY PERSONNEL**
2 **POLICY**
3 **Subtitle A—General and Flag**
4 **Officer Matters**

5 **SEC. 501. LENGTH OF SERVICE FOR SERVICE CHIEFS.**

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

9 (1) by striking “for a period of four years” in
10 the first sentence; and

11 (2) by striking the second and third sentences
12 and inserting the following: “The Chief of Staff
13 serves at the pleasure of the President for a term of
14 four years. The President may extend the service of
15 an officer as Chief of Staff for an additional period
16 of not to exceed two years. In time of war or during
17 a national emergency declared by Congress, the
18 President may extend the service of an officer as
19 Chief of Staff for such additional periods as the
20 President determines necessary, except that the total
21 period of an officer’s service as Chief of Staff may
22 not exceed eight years.”.

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

1 “The Chief of Naval Operations serves at the pleasure of
2 the President. The President may extend the service of
3 an officer as Chief of Naval Operations for an additional
4 period of not to exceed two years. In time of war or during
5 a national emergency declared by Congress, the President
6 may extend the service of an officer as Chief of Naval Op-
7 erations for such additional periods as the President deter-
8 mines necessary, except that the total period of an officer’s
9 service as Chief of Naval Operations may not exceed eight
10 years.”.

11 (c) COMMANDANT OF THE MARINE CORPS.—Para-
12 graph (1) of section 5043(a) of such title is amended by
13 striking the third and fourth sentences and inserting the
14 following: “The Commandant serves at the pleasure of the
15 President. The President may extend the service of an of-
16 ficer as Commandant for an additional period of not to
17 exceed two years. In time of war or during a national
18 emergency declared by Congress, the President may ex-
19 tend the service of an officer as Commandant for such
20 additional periods as the President determines necessary,
21 except that the total period of an officer’s service as Com-
22 mandant may not exceed eight years.”.

23 (d) CHIEF OF STAFF OF THE AIR FORCE.—Para-
24 graph (1) of section 8033(a) of such title is amended to
25 read as follows:

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

3 (2) by striking the second and third sentences
4 and inserting the following: “The Chief of Staff
5 serves at the pleasure of the President for a period
6 of four years. The President may extend the service
7 of an officer as Chief of Staff for an additional pe-
8 riod of not to exceed two years. In time of war or
9 during a national emergency declared by Congress,
10 the President may extend the service of an officer as
11 Chief of Staff for such additional periods as the
12 President determines necessary, except that the total
13 period of an officer’s service as Chief of Staff may
14 not exceed eight years.”.

15 **SEC. 502. REPEAL OF REQUIREMENT THAT DEPUTY CHIEFS**
16 **AND ASSISTANT CHIEFS OF NAVAL OPER-**
17 **ATIONS BE SELECTED FROM OFFICERS IN**
18 **THE LINE OF THE NAVY.**

19 (a) DEPUTY CHIEFS OF NAVAL OPERATIONS.—Sec-
20 tion 5036(a) of title 10, United States Code, is amended
21 by striking “in the line”.

22 (b) ASSISTANT CHIEFS OF NAVAL OPERATIONS.—
23 Section 5037(a) of such title is amended by striking “in
24 the line”.

1 **SEC. 503. INCREASE IN AGE LIMIT FOR DEFERRAL OF MAN-**
2 **DATORY RETIREMENT FOR UP TO 10 SENIOR**
3 **GENERAL AND FLAG OFFICERS.**

4 Section 1251(b) of title 10, United States Code, is
5 amended by striking “64 years of age” and inserting “66
6 years of age”.

7 **SEC. 504. INCREASED FLEXIBILITY FOR VOLUNTARY RE-**
8 **TIREMENT FOR MILITARY OFFICERS.**

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

11 (1) in subsection (a)—

12 (A) in paragraph (1)—

13 (i) by striking “except as provided in
14 paragraph (2)” and inserting “subject to
15 paragraphs (2) and (3)”; and

16 (ii) by striking “, for not less than six
17 months”;

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

20 (C) by striking paragraph (2) and insert-
21 ing the following:

22 “(2) In order to be eligible for voluntary retirement
23 under this title in a grade below the grade of lieutenant
24 colonel or commander, a commissioned officer of the
25 Army, Navy, Air Force, or Marine Corps covered by para-

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

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

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

18 “(C) An officer in a grade above major general or
19 rear admiral may be retired in the highest grade in which
20 the officer served on active duty satisfactorily for not less
21 than one year, upon approval by the Secretary of the mili-
22 tary department concerned and concurrence by the Sec-
23 retary of Defense. The function of the Secretary of De-
24 fense under the preceding sentence may only be delegated
25 to a civilian official in the Office of the Secretary of De-

1 fense appointed by the President, by and with the advice
2 and consent of the Senate.

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

8 (2) in subsection (b), by inserting “or whose
9 service on active duty in that grade was not deter-
10 mined to be satisfactory by the Secretary of the mili-
11 tary department concerned” after “specified in sub-
12 section (a)”;

13 (3) by striking subsection (c); and

14 (4) by redesignating subsection (d) as sub-
15 section (c) and in that subsection—

16 (A) in paragraph (3)—

17 (i) in subparagraph (A)—

18 (I) by inserting “(i)” after
19 “(3)(A)”;

20 (II) by inserting “and below brig-
21 adier general or rear admiral (lower
22 half)” after “lieutenant commander”;

23 (III) by inserting “, except that
24 the Secretary of Defense may author-
25 ize the Secretary of the military de-

1 partment concerned to reduce such
2 period to a period not less than two
3 years” after “three years”; and

4 (IV) by adding at the end the fol-
5 lowing new clauses:

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

13 “(iii) An officer covered by paragraph (1) who is in
14 a grade above the grade of major general or rear admiral
15 may be retired in the highest grade in which the officer
16 served satisfactorily for not less than one year, upon ap-
17 proval by the Secretary of the military department con-
18 cerned and concurrence by the Secretary of Defense. The
19 function of the Secretary of Defense under the preceding
20 sentence may only be delegated to a civilian official in the
21 Office of the Secretary of Defense appointed by the presi-
22 dent, by and with the advice and consent of the Senate.”;

23 (ii) in subparagraphs (D) and (E), by
24 striking subparagraph (A)” and inserting
25 “subparagraph (A)(i)”; and

1 (iii) by striking subparagraph (F);

2 and

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

4 and

5 (5) by striking subsection (e).

6 (b) CONFORMING AMENDMENTS.—Section

7 1406(i)(2) of such title is amended—

8 (1) in the paragraph heading, by striking

9 “MEMBERS” and all that follows through “SATISFAC-

10 TORILY” and inserting “ENLISTED MEMBERS RE-

11 DUCED IN GRADE”;

12 (2) by striking “a member” and inserting “an

13 enlisted member”;

14 (3) by striking “1998—” and all that follows

15 through “is reduced in” and inserting “1998, is re-

16 duced in”;

17 (4) by striking “; or” and inserting a period;

18 and

19 (5) by striking subparagraph (B).

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

21 this section shall apply with respect to the determination

22 of the retired grade of members of the Armed Forces retir-

23 ing on or after the date of the enactment of this Act.

1 **SEC. 505. REPEAL OF REQUIREMENT THAT NO MORE THAN**
2 **50 PERCENT OF ACTIVE DUTY GENERAL AND**
3 **FLAG OFFICERS BE IN GRADES ABOVE BRIG-**
4 **ADIER GENERAL AND REAR ADMIRAL**
5 **(LOWER HALF).**

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

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

11 (1) by striking “(b)(1) No appointment” and
12 inserting “(a) LIMITATION ON NUMBER OF GEN-
13 ERAL AND FLAG OFFICERS IN SENIOR GRADES.—
14 (1) No appointment”; and

15 (2) by striking “(3) An officer” and inserting
16 “(b) SPECIAL RULES AND EXCEPTIONS.—(1) An of-
17 ficer”; and

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

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

24 (A) Paragraph (1) (as redesignated by sub-
25 section (a)(2)), paragraph (2)(A) (as redesignated
26 by subsection (a)(3)), and paragraph (6) (as redesi-

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

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

8 (C) Paragraph (4) (as so redesignated) and the
9 first and third sentences of paragraph (5) (as so re-
10 designated) are amended by striking “paragraph
11 (1)” and inserting “subsection (a)(1)”.

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

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

16 (A) by striking “(c)(1)” and inserting “(c) ‘RE-
17 ALLOCATION AUTHORITY.—(1)’”;

18 (B) in paragraph (1)(A), by striking “sub-
19 section (b)(1)” and inserting “subsection (a)(1)”;

20 (C) in paragraph (1)(B), by striking “sub-
21 section (b)(2)” and inserting “subsection (a)(2)”;

22 and

23 (D) in paragraph (3)(A), by striking “sub-
24 section (b)” and inserting “subsections (a) and (b)”.

1 fense Authorization Act for Fiscal Year 1998 (10
2 U.S.C. 155 note), revised—

3 (A) in subsection (c), by deleting “two
4 years” and inserting “four years”; and

5 (B) in subsection (f), by deleting “(1)”.

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

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

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

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

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

18 “(e) SUCCESSION.—(1) Unless otherwise directed by
19 the President or Secretary of Defense, when there is a
20 vacancy in the office of the Chief of the National Guard
21 Bureau or in the event the Chief of the National Guard
22 Bureau is unable to perform the duties of that office, the
23 senior of the officers specified in paragraph (2) shall serve
24 as the acting Chief until a successor is appointed or the

1 Chief once again is able to perform the duties of that of-
2 fice.

3 “(2) The officers specified in this paragraph are the
4 following:

5 “(A) The senior officer of the Army National
6 Guard of the United States on duty with the Na-
7 tional Guard Bureau.

8 “(B) The senior officer of the Air National
9 Guard of the United States on duty with the Na-
10 tional Guard Bureau.”.

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

13 **“§ 10502. Chief of the National Guard Bureau: ap-
14 pointment; adviser on National Guard
15 matters; grade; succession”.**

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

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

19 (c) REPEALER.—Subsections (d) and (e) of section
20 10505 of such title are repealed.

1 **SEC. 508. TITLE OF VICE CHIEF OF THE NATIONAL GUARD**
2 **BUREAU CHANGED TO DIRECTOR OF THE**
3 **JOINT STAFF OF THE NATIONAL GUARD BU-**
4 **REAU.**

5 (a) IN GENERAL.—Section 10505 of title 10, United
6 States Code, as amended by section 507(c), is amended
7 by striking “Vice Chief of the National Guard Bureau”
8 each place it appears in subsections (a), (b), and (c) and
9 inserting “Director of the Joint Staff of the National
10 Guard Bureau”.

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

13 **“§ 10505. Director of the Joint Staff of the National**
14 **Guard Bureau”.**

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

“10505. Director of the Joint Staff of the National Guard Bureau.”.

18 **SEC. 509. TWO-YEAR EXTENSION OF AUTHORITY TO WAIVE**
19 **REQUIREMENT THAT RESERVE CHIEFS AND**
20 **NATIONAL GUARD DIRECTORS HAVE SIGNIFI-**
21 **CANT JOINT DUTY EXPERIENCE.**

22 (a) EXTENSION.—Sections 3038(b)(4), 5143(b)(4),
23 5144(b)(4), 8038(b)(4), and 10506(a)(3)(D) of title 10,
24 United States Code, are amended by striking “December
25 31, 2004,” and inserting “December 31, 2006,”.

1 (b) FUTURE COMPLIANCE.—Not later than one year
2 after the date of the enactment of this Act, the Secretary
3 of Defense shall submit to the Committee on Armed Serv-
4 ices of the House of Representatives and the Committee
5 on Armed Services of the Senate a plan for ensuring that
6 all officers selected after December 31, 2006, for rec-
7 ommendation for appointment as a Reserve chief or Na-
8 tional Guard director have significant joint duty experi-
9 ence, as required by law, and may be so recommended
10 without requirement for a waiver of such requirement.
11 Such plan shall be developed in coordination with the
12 Chairman of the Joint Chiefs of Staff.

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

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

17 (1) by striking “(1)” after “(c)”; and

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

20 **Subtitle B—Other Officer**
21 **Personnel Policy Matters**

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

24 (a) REPEAL OF REQUIREMENT THAT ACTIVE-DUTY
25 OFFICERS SERVE IN A RESERVE COMPONENT FOR AT

1 LEAST ONE YEAR BEFORE RECEIVING A REGULAR COM-
2 MISSION.—Section 532 of title 10, United States Code, is
3 amended by striking subsection (e).

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

8 “(f) The Secretary of Defense may waive the require-
9 ment of paragraph (1) of subsection (a) with respect to
10 a person who has been lawfully admitted to the United
11 States for permanent residence when the Secretary deter-
12 mines that the national security so requires, but only for
13 an original appointment in a grade below the grade of
14 major or lieutenant commander.”.

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

17 “(5) An officer of the Army, Air Force, or Ma-
18 rine Corps in the grade of captain, or of the Navy
19 in the grade of lieutenant, who is not a citizen of the
20 United States.”.

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

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

5 “(a)(1) Original appointments in the grades of sec-
6 ond lieutenant, first lieutenant, and captain in the Regular
7 Army, Regular Air Force, and Regular Marine Corps and
8 in the grades of ensign, lieutenant (junior grade), and lieu-
9 tenant in the Regular Navy shall be made by the President
10 alone.

11 “(2) Original appointments in the grades of major,
12 lieutenant colonel, and colonel in the Regular Army, Reg-
13 ular Air Force, and Regular Marine Corps and in the
14 grades of lieutenant commander, commander, and captain
15 in the Regular Navy shall be made by the President, by
16 and with the advice and consent of the Senate.”.

17 (e) TERMINATION OF REQUIREMENT OF 6 YEARS
18 SERVICE IN A RESERVE COMPONENT FOR NONREGULAR
19 SERVICE RETIREMENT ELIGIBILITY.—(1) Section
20 12731(a)(3) of such title is amended by inserting after
21 “(3)” the following: “in the case of a person who com-
22 pleted the service requirements of paragraph (2) before
23 the date of the enactment of the National Defense Author-
24 ization Act for Fiscal Year 2005,”.

1 (f) ALL REGULAR OFFICER APPOINTMENTS FOR
2 STUDENTS ATTENDING UNIVERSITY OF HEALTH
3 SCIENCES.—Section 2114(b) of such title is amended by
4 striking the first two sentences and inserting the following:
5 “They shall be appointed in a regular component of the
6 uniformed services and shall serve on active duty as a sec-
7 ond lieutenant or ensign (or the equivalent).”.

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

10 Section 12686(a) of title 10, United States Code, is
11 amended by inserting “(other than the retirement system
12 under chapter 1223 of this title)” after “retirement sys-
13 tem”.

14 **SEC. 513. DISTRIBUTION IN GRADE OF MARINE CORPS RE-**
15 **SERVE OFFICERS IN AN ACTIVE STATUS IN**
16 **GRADES BELOW BRIGADIER GENERAL**

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

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

19 **SEC. 514. TUITION ASSISTANCE FOR OFFICERS.**

20 (a) AUTHORITY TO REDUCE OR WAIVE ACTIVE
21 DUTY SERVICE OBLIGATION.—Subsection (b) of section
22 2007 of title 10, United States Code, is amended—

1 (1) by inserting “(1)” after “(b)”;

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

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

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

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

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

14 “(C) in other exigent circumstances as deter-
15 mined by the Secretary.’.

16 (b). INCREASE IN TUITION ASSISTANCE AUTHOR-
17 IZED FOR ARMY OFFICERS IN THE SELECTED RE-
18 SERVE.—Paragraph (1) of section 2007(c) of title 10,
19 United States Code, is amended to read as follows:

20 “(1) Subject to paragraphs (2) and (3), the Secretary
21 of the Army may pay the charges of an educational insti-
22 tution for the tuition or expenses of an officer in the Se-
23 lected Reserve of the Army National Guard or the Army
24 Reserve for education or training of such officer.”.

1 (c) EFFECTIVE DATE.—The amendment made by
2 subsection (a) may, at the discretion of the Secretary con-
3 cerned, be applied to a service obligation incurred by an
4 officer serving on active duty as of the date of the enact-
5 ment of this Act.

6 **Subtitle C—Reserve Component**
7 **Matters**

8 **SEC. 521. REVISION TO STATUTORY PURPOSE OF THE RE-**
9 **SERVE COMPONENTS.**

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

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

15 (a) RESERVE COMPONENTS GENERALLY.— Section
16 12301 of title 10, United States Code, is amended—

17 (1) in subsection (a), by striking “(other than
18 for training)”;

19 (2) in subsection (c)—

20 (A) in the first sentence, by striking
21 “(other than for training)” and inserting “as
22 provided in subsection (a)”;

23 (B) in the second sentence, by striking
24 “ordered to active duty (other than for train-

1 ing)” and inserting “so ordered to active duty”;

2 and

3 (3) in subsection (e), by striking “(other than
4 for training)” and inserting “as provided in sub-
5 section (a)”.

6 (b) READY RESERVE.—Section 12302 of such title
7 is amended by striking “(other than for training)” in sub-
8 sections (a) and (c).

9 (c) ORDER TO ACTIVE DUTY OTHER THAN DURING
10 WAR OR NATIONAL EMERGENCY.—Section 12304(a) of
11 such title is amended by striking “(other than for train-
12 ing)”.

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

15 (1) in subsection (a), by striking “(other than
16 for training) only”; and

17 (2) in subsection (b), by striking “(other than
18 for training)” in paragraphs (1) and (2) and insert-
19 ing “as provided in section 12301(a) of this title”.

20 (d) STANDBY RESERVE.—Section 12306 of such title
21 is amended by striking “(other than for training)” each
22 place it appears and inserting “as provided in section
23 12301(a)”.

1 **SEC. 523. STATUS UNDER DISABILITY RETIREMENT SYSTEM**
2 **FOR RESERVE MEMBERS RELEASED FROM**
3 **ACTIVE DUTY DUE TO INABILITY TO PER-**
4 **FORM WITHIN 30 DAYS OF CALL TO ACTIVE**
5 **DUTY.**

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

9 **“§ 1206a. Reserve component members unable to per-**
10 **form duties when ordered to active duty:**
11 **disability system processing**

12 “(a) MEMBERS RELEASED FROM ACTIVE DUTY
13 WITHIN 30 DAYS.—A member of a reserve component
14 who is ordered to active duty for a period of more than
15 30 days and is released from active duty within 30 days
16 of commencing such period of active duty for a reason
17 stated in subsection (b) shall be considered for all pur-
18 poses under this chapter to have been serving under an
19 order to active duty for a period of 30 days or less.

20 “(b) APPLICABLE REASONS FOR RELEASE.—Sub-
21 section (a) applies in the case of a member released from
22 active duty because of a failure to meet—

23 “(1) physical standards for retention; or

24 “(2) medical or dental standards for deploy-
25 ment due to a preexisting condition not aggravated
26 during the period of active duty.

1 “(c) SAVINGS PROVISION FOR MEDICAL CARE PRO-
2 VIDED WHILE ON ACTIVE DUTY.—Notwithstanding sub-
3 section (a), any benefit under chapter 55 of this title re-
4 ceived by a member described in subsection (a) or a de-
5 pendent of such member before or during the period of
6 active duty shall not be subject to recoupment or otherwise
7 affected.”.

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

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

12 **SEC. 524. FEDERAL CIVIL SERVICE MILITARY LEAVE FOR**
13 **RESERVE AND NATIONAL GUARD CIVILIAN**
14 **TECHNICIANS.**

15 Section 6323(d)(1) of title 5, United States Code is
16 amended by striking “(other than active duty during a war
17 or national emergency declared by the President or Con-
18 gress)”.

19 **SEC. 525. EXPANDED EDUCATIONAL ASSISTANCE AUTHOR-**
20 **ITY FOR OFFICERS COMMISSIONED**
21 **THROUGH ROTC PROGRAM AT MILITARY**
22 **JUNIOR COLLEGES.**

23 (a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE
24 ON ACTIVE DUTY.—Section 2107(c) of title 10, United

1 States Code, is amended by adding at the end the fol-
2 lowing new paragraphs:

3 “(5)(A) The Secretary of the Army may provide an
4 individual who received a commission as a Reserve officer
5 in the Army from a military junior college through a pro-
6 gram under this chapter and who does not have a bacca-
7 laureate degree with financial assistance for pursuit of a
8 baccalaureate degree.

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

11 “(C) The agreement and reimbursement require-
12 ments established in section 2005 of this title are applica-
13 ble to financial assistance under this paragraph.

14 “(D) An officer receiving financial assistance under
15 this paragraph shall be attached to the unit of the Army
16 at the educational institution at which the officer is pur-
17 suing a baccalaureate degree and shall be considered to
18 be a member of the Senior Reserve Officers’ Training
19 Corps on inactive duty for training, as defined in section
20 101(23) of title 38.

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

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

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

8 “(H) The amount obligated during any fiscal year
9 under this paragraph and paragraph (4) of section
10 2107a(c) of this title may not exceed a total of
11 \$1,500,000.”.

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

16 “(4)(A) The Secretary of the Army may provide an
17 individual who received a commission as a Reserve officer
18 in the Army from a military junior college through a pro-
19 gram under this chapter and who does not have a bacca-
20 laurate degree with financial assistance for pursuit of a
21 baccalaureate degree.

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

1 “(C) The agreement and reimbursement require-
2 ments established in section 2005 of this title are applica-
3 ble to financial assistance under this paragraph.

4 “(D) An officer receiving financial assistance under
5 this paragraph shall be attached to the unit of the Army
6 at the educational institution at which the officer is pur-
7 suing a baccalaureate degree and shall be considered to
8 be a member of the Senior Reserve Officers’ Training
9 Corps on inactive duty for training, as defined in section
10 101(23) of title 38.

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

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

17 “(G) Any service obligation incurred by an officer
18 under an agreement entered into under this paragraph
19 shall be in addition to any service obligation incurred by
20 that officer under any other provision of law or agree-
21 ment.”.

22 “(H) As provided in subparagraph (H) of section
23 2107(c)(5) of this title, the amount obligated during any
24 fiscal year under this paragraph and paragraph (5) of sec-

1 tion 2107(c) of this title may not exceed a total of
2 \$1,500,000.”.

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

7 (d) ANNUAL IMPLEMENTATION REPORT.—The Sec-
8 retary of the Army shall submit to the Committees on
9 Armed Services of the Senate and House of Representa-
10 tives an annual report, for each of the next six years after
11 the enactment of this Act, providing information on the
12 experience of the Department of Defense during the pre-
13 ceding year under paragraph (5) of section 2107(c) of title
14 10, United States Code, as added by subsection (a), and
15 under paragraph (4) of section 2107a(c) of title 10,
16 United States Code, as added by subsection (b). The re-
17 port for with respect to any year shall be submitted not
18 later March 31 of the following year.

19 **SEC. 526. EFFECT OF APPOINTMENT OR COMMISSION AS**
20 **OFFICER ON ELIGIBILITY FOR SELECTED RE-**
21 **SERVE EDUCATION LOAN REPAYMENT PRO-**
22 **GRAM FOR ENLISTED MEMBERS.**

23 (a) CONTINUATION OF LOAN REPAYMENT.—Section
24 16301(a) of title 10, United States Code, is amended—

1 (1) in paragraph (2), by striking “The Sec-
2 retary” in the first sentence and inserting “Except
3 as provided in paragraph (3), the Secretary of De-
4 fense”; and

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

7 “(3) In the case of a commitment made by the Sec-
8 retary of Defense after the date of the enactment of this
9 paragraph to repay a loan under paragraph (1) condi-
10 tioned upon the performance by the borrower of service
11 as an enlisted member under paragraph (2), the Secretary
12 shall repay the loan for service performed by the borrower
13 as an officer (rather than as an enlisted member) in the
14 case of a borrower who, after such commitment is entered
15 into and while performing service as an enlisted member,
16 accepts an appointment or commission as a warrant offi-
17 cer or commissioned officer of the Selected Reserve.”.

18 (b) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
19 TIONS.—During fiscal year 2005, obligations incurred
20 under section 16301 of title 10, United States Code, as
21 amended by subsection (a), to make loan repayments on
22 behalf of members of the reserve components who accept
23 an appointment or commission as a warrant officer or
24 commissioned officer of the Selected Reserve may not ex-
25 ceed \$1,000,000.

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

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

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

7 “(B) The Secretary may waive the limitation in sub-
8 paragraph (A). Any such waiver shall be made under cri-
9 teria to be prescribed by the Secretary.”.

10 **SEC. 528. COMPTROLLER GENERAL ASSESSMENT OF INTE-**
11 **GRATION OF ACTIVE AND RESERVE COMPO-**
12 **NENTS OF THE NAVY.**

13 (a) ASSESSMENT.—The Comptroller General shall re-
14 view the plan of the Secretary of the Navy for, and imple-
15 mentation by the Secretary of, initiatives undertaken with-
16 in the Navy to improve the integration of the active and
17 reserve components of the Navy in peacetime and wartime
18 operations resulting from—

19 (1) the Naval Reserve Redesign Study carried
20 out by the Navy; and

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

25 (b) REPORT.—No later than March 31, 2005, the
26 Comptroller General shall submit to the Committees on

1 Armed Services of the Senate and House of Representa-
2 tives a report on the results of the review under subsection
3 (a). The Comptroller General shall include in the report
4 recommendations for improved active and reserve compo-
5 nent integration in the Navy.

6 (c) LIMITATION.—No funds appropriated or other-
7 wise made available by this Act may be obligated or ex-
8 pended to decommission a Naval Reserve or Marine Corps
9 Reserve aviation squadron until 90 days after the date on
10 which the report required by subsection (b) is submitted
11 to the Committees on Armed Services of the Senate and
12 House of Representatives.

13 (d) MATTERS TO BE EXAMINED.—In conducting the
14 review, the Comptroller General shall examine the fol-
15 lowing:

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

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

21 (B) Organization of command and control
22 elements.

23 (C) Manpower levels.

24 (D) Basing changes.

1 (2) The extent to which the plans of the Navy
2 for improving the integration of the active and re-
3 serve components of the Navy considered each of the
4 following:

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

7 (B) The flexible deployment concept.

8 (C) Global operations.

9 (D) Emerging mission requirements.

10 (E) Other evolving initiatives.

11 (3) The manner in which the timing of the exe-
12 cution of planned active and reserve integration ini-
13 tiatives will correlate with the funding of those ini-
14 tiatives, including consideration of an evaluation of
15 the adequacy of the funding allocated to those inte-
16 gration initiatives.

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

20 (A) common training and readiness stand-
21 ards for active and reserve forces;

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

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

4 (D) trends in the use by the Navy of units
5 referred to as “associate” units or “blended”
6 units.

7 (E) Basing of future aviation forces.

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

11 **SEC. 529. OPERATIONAL ACTIVITIES CONDUCTED BY THE**
12 **NATIONAL GUARD UNDER AUTHORITY OF**
13 **TITLE 32.**

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

16 **“CHAPTER 9—OPERATIONS OF A**
17 **NATIONAL OR FEDERAL INTEREST**

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

18 **“§ 901. Operational activities**

19 “The Secretary of Defense may provide funds in ad-
20 vance or on a reimbursable basis to a Governor to employ
21 National Guard units and individuals to conduct oper-
22 ational activities that the Secretary determines to be in

1 the national interest. The Secretary of Defense shall pre-
2 scribe regulations to implement this chapter.

3 **“§ 902. Operational duty**

4 “All duty performed under this chapter shall be con-
5 sidered to be full-time National Guard duty under section
6 502(f) of this title. Members of the National Guard per-
7 forming full-time National Guard duty in the Active
8 Guard and Reserve Program may support or execute oper-
9 ational activities performed by the National Guard under
10 this chapter.

11 **“§ 903. Funding assistance**

12 “When the Secretary of Defense determines that cer-
13 tain operational activities of the National Guard are in
14 the national interest under section 901 of this title, the
15 Secretary shall provide funds to a State in an amount that
16 the Secretary determines is appropriate for the following
17 costs of the operational activities from funds available to
18 the Department for related purposes:

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

22 “(2) The operation and maintenance of the
23 equipment and facilities of the National Guard of
24 that State.

1 “(3) The procurement of services and equip-
2 ment, and the leasing of equipment, for the National
3 Guard of that State.

4 **“§ 904. Operations requests**

5 “(a) REQUESTS.—A Governor of a State may request
6 funding assistance for the operational activities of the Na-
7 tional Guard of that State from the Secretary of Defense.
8 Any such request shall include the following:

9 “(1) The specific intended operational activities
10 of the National Guard of that State.

11 “(2) An explanation of why the operational ac-
12 tivities are in the national interest.

13 “(3) A certification that operational activities
14 are to be conducted at a time when the personnel in-
15 volved are not in Federal service.

16 “(4) A certification that participation by Na-
17 tional Guard personnel in the operational activities
18 is service in addition to training required under sec-
19 tion 502 of this title.”.

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

“9. Operations of a National or Federal Interest 901”.

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

1 “(i) CERTAIN FULL-TIME NATIONAL GUARD DUTY
2 PERSONNEL EXCLUDED FROM COUNTING FOR FULL-
3 TIME NATIONAL GUARD DUTY END STRENGTHS.—In
4 counting full-time National Guard duty personnel for the
5 purpose of end-strengths authorized pursuant to sub-
6 section (a)(1), persons involuntarily performing oper-
7 ational activities under chapter 9 of title 32 shall be ex-
8 cluded.”.

9 **SEC. 530. ARMY PROGRAM FOR ASSIGNMENT OF ACTIVE**
10 **COMPONENT ADVISERS TO UNITS OF THE SE-**
11 **LECTED RESERVE.**

12 (a) CHANGE IN MINIMUM NUMBER REQUIRED TO BE
13 ASSIGNED.—Section 414(c)(1) of the National Defense
14 Authorization Act for Fiscal Year 2002 (Public Law 107–
15 107; 10 U.S.C. 12001 note) is amended by striking
16 “5,000” and inserting “3,500”.

17 (b) LIMITATION ON REDUCTIONS.—Notwithstanding
18 the amendment made by subsection (a), the Secretary of
19 the Army may not reduce the number of active component
20 Reserve support personnel below the number of such per-
21 sonnel as of the date of the enactment of this Act until
22 the report required by subsection (c) has been submitted.

23 (c) REPORT.—Not later than March 31, 2005, the
24 Secretary of the Army shall submit to the Committees on
25 Armed Services of the Senate and House of Representa-

1 tives a report on the support by active components of the
2 Army for training and readiness of the Army National
3 Guard and Army Reserve. The report shall include an
4 evaluation and determination of each of the following:

5 (1) The effect on the ability of the Army to im-
6 prove such training and readiness resulting from the
7 reduction under the amendment made by subsection
8 (a) in the minimum number of active component Re-
9 serve support personnel.

10 (2) The adequacy of having 3,500 members of
11 the Army (the minimum number required under the
12 law as so amended) assigned as active component
13 Reserve support personnel in order to meet emerging
14 training requirements in the Army reserve compo-
15 nents in connection with unit and force structure
16 conversions and preparations for wartime deploy-
17 ment

18 (3) The nature and effectiveness of efforts by
19 the Army to reallocate the 3,500 personnel assigned
20 as active component Reserve support personnel to
21 higher priority requirements and to expand the use
22 of reservists on active duty to meet reserve compo-
23 nent training needs.

24 (4) Whether the Army is planning further re-
25 ductions in the number of active component Reserve

1 support personnel and, if so, the scope and rationale
2 for those reductions.

3 (5) Whether an increase in Army reserve com-
4 ponent full-time support personnel will be required
5 to replace the loss of active component Reserve sup-
6 port personnel.

7 (d) DEFINITION.—In this section, the term “active
8 component Reserve support personnel” means the active
9 component Army personnel assigned as advisers to units
10 of the Selected Reserve of the Ready Reserve of the Army
11 pursuant to section 414 of the National Defense Author-
12 ization Act for Fiscal Year 2002 (Public Law 107–107;
13 10 U.S.C. 12001 note).

14 **Subtitle D—Joint Officer**
15 **Management**

16 **SEC. 531. STRATEGIC PLAN TO LINK JOINT OFFICER DE-**
17 **VELOPMENT TO OVERALL MISSIONS AND**
18 **GOALS OF DEPARTMENT OF DEFENSE.**

19 (a) PLAN REQUIRED.—(1) The Secretary of Defense
20 shall develop a strategic plan for joint officer management
21 and joint professional military education that links joint
22 officer development to the accomplishment of the overall
23 missions and goals of the Department of Defense, as set
24 forth in the most recent national military strategy under
25 section 153(d) of title 10, United States Code. Such plan

1 shall be developed for the purpose of ensuring that suffi-
2 cient numbers of qualified officers are available as nec-
3 essary to meet the needs of the Department for qualified
4 officers who are operationally effective in the joint environ-
5 ment.

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

9 (b) MATTERS TO BE INCLUDED.—As part of the stra-
10 tegic plan under subsection (a), the Secretary shall include
11 the following:

12 (1) A statement of the levels of joint officer re-
13 sources needed to be available to properly support
14 the overall missions of the Department of Defense,
15 with such resources to be specified by the number of
16 officers with the joint specialty, the number of offi-
17 cers required for service in joint duty assignment po-
18 sitions, and the training and education resources re-
19 quired.

20 (2) An assessment of the available and pro-
21 jected joint officer development resources (including
22 officers, educational and training resources, and
23 availability of joint duty assignment positions and
24 tours of duty) necessary to achieve the levels speci-
25 fied under paragraph (1).

1 (3) Identification of any problems or issues
2 arising from linking resources for joint officer devel-
3 opment to accomplishment of the objective of meet-
4 ing the levels specified under paragraph (1) to re-
5 solve those problems and issues and plans.

6 (4) A description of the process for identifica-
7 tion of the requirement for joint specialty officers.

8 (5) A description of the career development and
9 management of joint specialty officers and of any
10 changes to be made to facilitate achievement of the
11 levels of resources specified in paragraph (1), includ-
12 ing additional education requirements, promotion op-
13 portunities, and assignments to fill joint assign-
14 ments.

15 (c) INCLUSION OF RESERVE COMPONENT OFFI-
16 CERS.—In developing the strategic plan required by sub-
17 section (a), the Secretary shall include joint officer devel-
18 opment for officers on the reserve active-status list in the
19 plan.

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

24 (e) ADDITIONAL ASSESSMENT.—Not later than Jan-
25 uary 15, 2007, the Secretary of Defense shall submit to

1 the Committees on Armed Services of the Senate and
2 House of Representatives, as a follow-on to the report
3 under subsection (d), a report providing an assessment of,
4 and initiatives to improve, the performance in joint mat-
5 ters of the following:

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

9 (2) Senior noncommissioned officers.

10 (3) Senior leadership in the reserve compo-
11 nents.

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

14 (a) **EFFECTIVE DATE FOR JOINT SPECIALTY OFFI-**
15 **CER REQUIREMENT.**—Subsection (a)(2) of section 619a of
16 title 10, United States Code, is amended by striking “Sep-
17 tember 30, 2007” and inserting “September 30, 2008”.

18 (b) **EXCEPTION TO JOINT DUTY REQUIREMENT FOR**
19 **OFFICERS SERVING IN JOINT DUTY ASSIGNMENT WHEN**
20 **CONSIDERED FOR PROMOTION.**—Subsection (b)(4) of
21 such section is amended by striking “if—” and all that
22 follows through “(B) the officer’s” and inserting “if the
23 officer’s”.

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

3 (a) CONSECUTIVE TOURS OF DUTY IN JOINT DUTY
4 ASSIGNMENTS.—Section 668(c) of title 10, United States
5 Code, is amended by striking “within the same organiza-
6 tion”.

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

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

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

19 (b) NOMINATIONS FOR SELECTION.—Subsection (b)
20 of such section is amended in the second sentence—

21 (1) by striking “and” after “military depart-
22 ment,”; and

23 (2) by inserting after “such date,” the fol-
24 lowing: “, and each reserve component officer in an
25 active status who is not on the active-duty list,”.

1 (c) CONFORMING AMENDMENTS.—(1) Section 662 of
2 such title is amended—

3 (A) in subsection (a), by inserting “on the ac-
4 tive-duty list” after “qualifications of officers” in the
5 matter preceding paragraph (1); and

6 (B) in subsection (b), by inserting “on the ac-
7 tive-duty list” after “preceding fiscal year of offi-
8 cers” in the first sentence.

9 (2)(A) The heading of such section is amended to
10 read as follows:

11 **“§ 662. Promotion policy objectives for joint officers**
12 **on the active-duty list”.**

13 (B) The item relating to such section in the table of
14 sections at the beginning of chapter 38 of such title is
15 amended to read as follows:

“662. Promotion policy objectives for joint officers on the active-duty list.”.

16 (d) ANNUAL REPORT TO CONGRESS.—(1) Section
17 667 of such title is amended—

18 (A) by redesignating paragraph (18) as para-
19 graph (19); and

20 (B) by inserting after paragraph (17) the fol-
21 lowing new paragraph (18):

22 “(18) The implementation of authority under
23 section 661 of this title to certify reserve component
24 officers as joint specialty officers, together with the

1 number of reserve component officers who were so
2 certified during the reporting period.”.

3 (2) The Secretary of Defense shall include in the an-
4 nual report of the Secretary to Congress for fiscal year
5 2005, as part of the material included in that report pur-
6 suant to paragraph (18) of section 667 of title 10, United
7 States Code, a summary of the joint officer management
8 policies adopted for reserve component officers pursuant
9 to the amendments made by subsections (a) and (b).

10 **Subtitle E—Professional Military** 11 **Education**

12 **SEC. 541. IMPROVEMENT TO PROFESSIONAL MILITARY** 13 **EDUCATION IN THE DEPARTMENT OF DE-** 14 **FENSE.**

15 (a) IN GENERAL.—Part III of subtitle A of title 10,
16 United States Code, is amended—

17 (1) by redesignating chapter 107 as chapter
18 106A; and

19 (2) by inserting before chapter 108 the fol-
20 lowing new chapter:

21 **“CHAPTER 107—PROFESSIONAL MILITARY** 22 **EDUCATION**

“Sec.

“2151. Definitions

“2152. Professional military education: general requirements.

“2153. Capstone course: newly selected general and flag officers.

“2154. Joint professional military education: three-phase approach.

“2155. Intermediate level service colleges: written examination for selection for
attendance.

- “2156. Joint professional military education phase II program of instruction.
“2157. Intermediate and senior level service colleges; Joint Forces Staff College:
duration of principle course of instruction.
“2158. Annual report to Congress.

1 **“§ 2151. Definitions**

2 (a) JOINT PROFESSIONAL MILITARY EDUCATION.—

3 Joint professional military education consists of the rig-
4 orous and thorough instruction and examination of offi-
5 cers of the armed forces in an environment designed to
6 promote a theoretical and practical in-depth under-
7 standing of joint matters and, specifically, of the subject
8 matter covered. The subject matter to be covered by joint
9 professional military education shall include at least the
10 following:

11 “(1) Integrated employment of land, sea,
12 and air forces.

13 “(2) National military strategy.

14 “(3) Strategic planning.

15 “(4) Contingency planning.

16 “(5) Command and control of combat op-
17 erations under unified command.

18 “(6) Joint and combined operations.

19 “(7) Joint doctrine.

20 “(8) Joint logistics.

21 “(9) Joint communications.

22 “(10) Joint intelligence.

23 “(11) Campaign planning.

1 “(12) Joint military command and control
2 systems and the interface of those systems with
3 national command systems.

4 “(13) Joint force development, including
5 mobilization.

6 “(14) Joint requirements development.

7 “(15) Military history.

8 “(16) Awareness of cultures in areas out-
9 side of the United States where United States
10 forces may operate or of forces of foreign coun-
11 tries with whom United States forces may oper-
12 ate.

13 “(b) OTHER DEFINITIONS.—In this chapter:

14 “(1) The term ‘senior level service school’
15 means any of the following:

16 “(A) The Army War College.

17 “(B) The College of Naval Warfare.

18 “(C) The Air War College.

19 “(D) The Marine Corps University.

20 “(2) The term ‘intermediate level service school’
21 means any of the following:

22 “(A) The United States Army Command
23 and General Staff College.

24 “(B) The College of Naval Command and
25 Staff.

1 “(C) The Air Command and Staff College.

2 “(D) The Marine Corps Command and
3 Staff College.

4 **“§ 2152. Joint professional military education: gen-**
5 **eral requirements**

6 “(a) IN GENERAL.—The Secretary of Defense shall
7 implement a coherent and comprehensive framework for
8 the joint professional military education of officers, includ-
9 ing officers nominated under section 661 of this title for
10 the joint specialty.

11 **“§ 2153. Capstone course: newly selected general and**
12 **flag officers**

13 “(a) REQUIREMENT.—Each officer selected for pro-
14 motion to the grade of brigadier general or, in the case
15 of the Navy, rear admiral (lower half) shall be required,
16 after such selection, to attend a military education course
17 designed specifically to prepare new general and flag offi-
18 cers to work with the other armed forces.

19 “(b) WAIVER AUTHORITY.—(1) Subject to paragraph
20 (2), the Secretary of Defense may waive subsection (a)—

21 “(A) in the case of an officer whose imme-
22 diately previous assignment was in a joint duty as-
23 signment and who is thoroughly familiar with joint
24 matters;

25 “(B) when necessary for the good of the service;

1 ciproal curriculum taught to all officers at an inter-
2 mediate level service school.

3 “(2) There shall be a course of instruction, des-
4 igned and certified by the Secretary of Defense as
5 Phase II instruction, consisting of a joint profes-
6 sional military education curriculum taught in resi-
7 dence at—

8 “(A) the Joint Forces Staff College; or

9 “(B) a senior level service school that has
10 been designated and certified by the Secretary
11 of Defense as a joint professional military edu-
12 cation institution.

13 “(3) There shall be a course of instruction, des-
14 igned and certified by the Secretary of Defense as
15 the Capstone course, for officers selected for pro-
16 motion to the grade of brigadier general or, in the
17 case of the Navy, rear admiral (lower half) and of-
18 fered in accordance with section 2153 of this title.

19 “(b) SEQUENCED APPROACH.—The Secretary shall
20 require the sequencing of joint professional military edu-
21 cation so that the standard sequence of assignments for
22 such education requires an officer to complete Phase I in-
23 struction before proceeding to Phase II instruction, as
24 provided in section 2156(a) of this title.

1 **“§ 2155. Intermediate level service school: written ex-**
2 **amination for selection for attendance**

3 “(a) REQUIREMENT.—The Secretary of each military
4 department shall require that performance on a com-
5 prehensive written examination shall constitute not less
6 than 20 percent of the evaluation criteria for selection of
7 any officer for full-time attendance at an intermediate
8 level service school under the jurisdiction of the Secretary.
9 Such an examination shall be designed so as to require
10 substantive knowledge of military history, national mili-
11 tary strategy, service and joint doctrine, and such other
12 subjects as the Secretary may require. Such an examina-
13 tion shall be required for each class entering an inter-
14 mediate level service school after September 30, 2007.

15 “(b) SELECTION FROM DIFFERENT SERVICE.—The
16 Secretary of a military department, in considering can-
17 didates for full-time attendance at an intermediate level
18 service school under the jurisdiction of the Secretary who
19 are officers of an armed force other than the armed force
20 that administers that service school, shall consider such
21 an officer to be qualified for selection for such attendance
22 if the officer has met all the requirements for attendance
23 at the equivalent intermediate level service school of that
24 officer’s own armed force.

1 **“§ 2156. Joint professional military education phase**
2 **II program of instruction**

3 “(a) PREREQUISITE OF COMPLETION OF JOINT PRO-
4 FESSIONAL MILITARY EDUCATION I PROGRAM OF IN-
5 STRUCTION.—(1) After September 30, 2009, an officer of
6 the armed forces may not be accepted for, or assigned to,
7 a program of instruction designated by the Secretary of
8 Defense as joint professional military education Phase II
9 unless the officer has successfully completed a program
10 of instruction designated by the Secretary of Defense as
11 joint professional military education Phase I.

12 “(2) The Chairman of the Joint Chiefs of Staff may
13 grant exceptions to the requirement under paragraph (1).
14 Such an exception may be granted only on a case-by-case
15 basis for compelling cause, as determined by the Chair-
16 man. An officer selected to receive such an exception shall
17 be required to demonstrate a knowledge of joint matters
18 and other aspects of the Phase I curriculum that, to the
19 satisfaction of the Chairman, qualifies the officer to meet
20 the minimum requirements established for entry into
21 Phase II instruction without first completing Phase I in-
22 struction. The number of officers selected to attend an of-
23 fering of the principal course of instruction at the Joint
24 Forces Staff College or a senior level service school des-
25 igned by the Secretary of Defense as a joint professional
26 military education institution who have not completed

1 Phase I instruction should comprise no more than 10 per-
2 cent of the total number of officers selected.

3 “(b) PHASE II REQUIREMENTS.—The Secretary shall
4 require that the curriculum for Phase II joint professional
5 military education at any school—

6 “(1) focus on developing joint attitudes and
7 perspectives and honing joint warfighting skills; and

8 “(2) be structured —

9 “(A) so as to adequately prepare students
10 to perform effectively in an assignment to a
11 joint, multiservice organization; and

12 “(B) so that students progress from a
13 basic knowledge of joint matters learned in
14 Phase I instruction to the level of expertise nec-
15 essary for successful performance in the joint
16 arena.

17 “(c) CURRICULUM CONTENT.—In addition to the
18 subjects specified in section 2151(a) of this title, the cur-
19 riculum for Phase II joint professional military education
20 shall include the following:

21 “(1) National security strategy.

22 “(2) Theater strategy and campaigning.

23 “(3) Joint planning processes and systems.

24 “(4) Joint, interagency, and multinational capa-
25 bilities and the integration of those capabilities.

1 “(d) STUDENT RATIO; FACULTY RATIO.—(1) For
2 courses of instruction in a Phase II program of instruction
3 that is offered at senior level service school that has been
4 designated by the Secretary of Defense as a joint profes-
5 sional military education institution—

6 “(1) the percentage of students enrolled in any
7 such course who are officers of the armed force that
8 administers the school may not exceed 60 percent,
9 with the remaining services proportionally rep-
10 resented; and

11 “(2) of the faculty at the school who are active-
12 duty officers who provide instruction in such
13 courses, the percentage who are officers of the
14 armed force that administers the school may not ex-
15 ceed 60 percent, with the remaining services propor-
16 tionally represented.

17 **“§ 2157. Intermediate and senior level service**
18 **schools; Joint Forces Staff College: dura-**
19 **tion of principle course of instruction**

20 “(a) SERVICE SCHOOLS.—The duration of the prin-
21 cipal course of instruction offered at each intermediate
22 level service school and each senior level service school may
23 not be less than 10 months of resident instruction. The
24 Secretary of Defense may waive the requirement in the
25 preceding sentence during a period of war or during a na-

1 tional emergency declared by the President or the Con-
2 gress.

3 “(b) JOINT FORCES STAFF COLLEGE.—(1) The du-
4 ration of the principal course of instruction offered at the
5 Joint Forces Staff College may not be less than 10 weeks
6 of resident instruction.

7 “(2) In this subsection, the term ‘principal course of
8 instruction’ means any course of instruction offered at the
9 Joint Forces Staff College as Phase II joint professional
10 military education.

11 **“§ 2158. Annual report to Congress**

12 “The Secretary of Defense shall include in the annual
13 report of the Secretary to Congress under section 113(c)
14 of this title, for the period covered by the report, the fol-
15 lowing information (which shall be shown for the Depart-
16 ment of Defense as a whole and separately for the Army,
17 Navy, Air Force, and Marine Corps and each reserve com-
18 ponent):

19 “(1) The number of officers who successfully
20 completed a joint professional military education
21 phase II course and were not selected for promotion.

22 “(2) The number of officer students and faculty
23 members assigned by each service to the professional
24 military schools of the other services and to the joint
25 schools.”.

1 (b) TRANSFER OF OTHER PROVISIONS.—Subsections
2 (b) and (c) of section 663 of title 10, United States Code,
3 are transferred to section 2151 of such title, as added by
4 subsection (a), and added at the end thereof.

5 (c) CONFORMING AMENDMENTS.—(1) Section 663 of
6 such title, as amended by subsection (b), is further
7 amended—

8 (A) by striking subsections (a) and (e); and

9 (B) by striking “(d) POST-EDUCATION JOINT
10 DUTY ASSIGNMENTS.—(1) The” and inserting “(a)
11 JOINT SPECIALTY OFFICERS.—The”;

12 (C) by striking “(2)(A) The Secretary” and in-
13 serting “(b) OTHER OFFICERS.—(1) The Sec-
14 retary”;

15 (D) by striking “in subparagraph (B)’ and in-
16 serting “in paragraph (2)”;

17 (E) by striking “(B) The Secretary” and insert-
18 ing “(2) The Secretary”; and

19 (F) by striking “in subparagraph (B)’ and in-
20 serting “in paragraph (1)”.

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

1 **“§ 633. Joint duty assignments after completion of**
2 **joint professional military education”.**

3 (B) The item relating to that section in the table of
4 sections at the beginning of chapter 38 of such title is
5 amended to read as follows:

“633. Joint duty assignments after completion of joint professional military
education.”.

6 (d) CONFORMING REPEAL.—Section 1123(b) of the
7 National Defense Authorization Act for Fiscal Years 1990
8 and 1991 (Public Law 101–189; 103 Stat. 1556) is re-
9 pealed.

10 (e) CLERICAL AMENDMENT.—The tables of chapters
11 at the beginning of subtitle A, and at the beginning of
12 part III of subtitle A, of title 10, United States Code, are
13 amended by striking the item relating to chapter 107 and
14 inserting the following:

“106A. Educational Assistance for Persons Enlisting for
Active Duty 2141
“107. Professional Military Education 2151”.

15 **SEC. 542. RIBBONS TO RECOGNIZE COMPLETION OF JOINT**
16 **PROFESSIONAL MILITARY EDUCATION.**

17 (a) IN GENERAL.—(1) Chapter 57 of title 10, United
18 States Code, is amended by adding at the end the fol-
19 lowing new section:

1 **“§ 1134. Joint professional military education ribbon:**
2 **award**

3 “(a) JPME I.—The Secretary of Defense may award
4 a ribbon, of appropriate design, as approved by the Sec-
5 retary, to any person who successfully completes a pro-
6 gram of instruction approved by the Secretary as quali-
7 fying for credit as the Joint Professional Military Edu-
8 cation Phase I program of instruction.

9 “(b) JPME II.—The Secretary of Defense may
10 award a device, of appropriate design, as approved by the
11 Secretary, for wear with the ribbon awarded under sub-
12 section (a), to any person who successfully completes a
13 program of instruction approved by the Secretary as quali-
14 fying for credit as the Joint Professional Military Edu-
15 cation Phase II course of instruction.”.

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

“1134. Joint professional military education ribbon: award.”.

19 (b) EFFECTIVE DATE.—Section 1134 of title 10,
20 United States Code, as added by subsection (a), shall
21 apply with respect to the successful completion of a joint
22 professional military education program of instruction
23 after November 29, 1989.

1 **SEC. 543. INCREASE IN NUMBER OF PRIVATE-SECTOR CI-**
2 **VILIANS WHO MAY BE ENROLLED FOR IN-**
3 **STRUCTION AT NATIONAL DEFENSE UNIVER-**
4 **SITY.**

5 Section 2167(a) of title 10, United States Code, is
6 amended by striking “10” and inserting “20”.

7 **SEC. 544. REQUIREMENT FOR COMPLETION OF PHASE I**
8 **JOINT PROFESSIONAL MILITARY EDUCATION**
9 **BEFORE PROMOTION TO COLONEL OR NAVY**
10 **CAPTAIN.**

11 (a) IN GENERAL.—Chapter 36 of title 10, United
12 States Code, is amended by inserting after section 619a
13 the following new section:

14 **“§ 619b. Eligibility for consideration for promotion:**
15 **joint professional military education re-**
16 **quired before promotion to colonel or**
17 **Navy captain; exceptions**

18 “(a) GENERAL RULE.—After September 30, 2007,
19 an officer on the active-duty list of the Army, Air Force,
20 or Marine Corps may not be appointed to the grade of
21 colonel, and an officer on the active-duty list of the Navy
22 may not be appointed to the grade of captain, unless the
23 officer has successfully completed a program of instruction
24 approved by the Secretary as qualifying for credit as the
25 Joint Professional Military Education Phase I or Phase
26 II program of instruction.

1 “(b) EXCEPTIONS.—Subject to subsection (c), the
2 Secretary of Defense may waive subsection (a) in the fol-
3 lowing circumstances:

4 “(1) When necessary for the good of the serv-
5 ice.

6 “(2) In the case of an officer whose proposed
7 selection for promotion is based primarily upon sci-
8 entific and technical qualifications for which joint re-
9 quirements do not exist.

10 “(3) In the case of—

11 “(A) a medical officer, dental officer, vet-
12 erinary officer, medical service officer, nurse, or
13 biomedical science officer;

14 “(B) a chaplain; or

15 “(C) a judge advocate.

16 “(c) WAIVER TO BE INDIVIDUAL.—A waiver may be
17 granted under subsection (b) only on a case-by-case basis
18 in the case of an individual officer.

19 “(d) SPECIAL RULE FOR GOOD-OF-THE-SERVICE
20 WAIVER.—In the case of a waiver under subsection (b)(1),
21 the Secretary shall provide that the first duty assignment
22 as a colonel or Navy captain of the officer for whom the
23 waiver is granted shall be to a program of joint profes-
24 sional military education.

1 **“§ 511. College First Program**

2 “(a) PROGRAM AUTHORITY.—The Secretary of each
3 military department may establish a program to increase
4 the number of, and the level of the qualifications of, per-
5 sons entering the armed forces as enlisted members by en-
6 couraging recruits to pursue higher education or voca-
7 tional or technical training before entry into active service.

8 “(b) DELAYED ENTRY WITH ALLOWANCE FOR
9 HIGHER EDUCATION.—The Secretary concerned may—

10 “(1) exercise the authority under section 513 of
11 this title—

12 “(A) to accept the enlistment of a person
13 as a Reserve for service in the Selected Reserve
14 or Individual Ready Reserve of a reserve com-
15 ponent, notwithstanding the scope of the au-
16 thority under subsection (a) of that section, in
17 the case of the Army National Guard of the
18 United States or Air National Guard of the
19 United States; and

20 “(B) to authorize, notwithstanding the pe-
21 riod limitation in subsection (b) of that section,
22 a delay of the enlistment of any such person in
23 a regular component under that subsection for
24 the period during which the person is enrolled
25 in, and pursuing a program of education at, an
26 institution of higher education, or a program of

1 vocational or technical training, on a full-time
2 basis that is to be completed within the max-
3 imum period of delay determined for that per-
4 son under subsection (c); and

5 “(2) subject to paragraph (2) of subsection (d)
6 and except as provided in paragraph (3) of that sub-
7 section, pay an allowance to a person accepted for
8 enlistment under paragraph (1)(A) for each month
9 of the period during which that person is enrolled in
10 and pursuing a program described in paragraph
11 (1)(B).

12 “(c) MAXIMUM PERIOD OF DELAY.—The period of
13 delay authorized a person under paragraph (1)(B) of sub-
14 section (b) may not exceed the 30-month period beginning
15 on the date of the person’s enlistment accepted under
16 paragraph (1)(A) of such subsection.

17 “(d) ALLOWANCE.—(1) The monthly allowance paid
18 under subsection (b)(2) shall be equal to the amount of
19 the subsistence allowance provided for certain members of
20 the Senior Reserve Officers’ Training Corps with the cor-
21 responding number of years of participation under section
22 209(a) of title 37. The Secretary concerned may supple-
23 ment that stipend by an amount not to exceed \$225 per
24 month.

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

3 “(3) A member of the Selected Reserve of a reserve
4 component may be paid an allowance under this section
5 only for months during which the member performs satis-
6 factorily as a member of a unit of the reserve component
7 that trains as prescribed in section 10147(a)(1) of this
8 title or section 502(a) of title 32. Satisfactory performance
9 shall be determined under regulations prescribed by the
10 Secretary concerned.

11 “(4) An allowance under this section is in addition
12 to any other pay or allowance to which a member of a
13 reserve component is entitled by reason of participation
14 in the Ready Reserve of that component.

15 “(e) RECOUPMENT OF ALLOWANCE.—(1) A person
16 who, after receiving an allowance under this section, fails
17 to complete the total period of service required of that per-
18 son in connection with delayed entry authorized for the
19 person under section 513 shall repay the United States
20 the amount which bears the same ratio to the total amount
21 of that allowance paid to the person as the unserved part
22 of the total required period of service bears to the total
23 period.

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

4 “(3) A discharge of a person in bankruptcy under
5 title 11 that is entered less than five years after the date
6 on which the person was, or was to be, enlisted in the
7 regular Army pursuant to the delayed entry authority
8 under section 513 does not discharge that person from a
9 debt arising under paragraph (1).

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

15 “(f) SPECIAL PAY AND BONUSES.—Upon enlisting in
16 the regular component of the member’s armed force, a
17 person who initially enlisted as a Reserve under this sec-
18 tion may, at the discretion of the Secretary concerned, be
19 eligible for all regular special pays, bonuses, education
20 benefits, and loan repayment programs.”.

21 (2) The table of sections at the beginning of such
22 chapter is amended by inserting after the item relating
23 to section 510 the following new item:

 “511. College First Program”.

24 (b) REPEAL OF ARMY COLLEGE FIRST PROGRAM.—
25 Section 573 of the National Defense Authorization Act for

1 Fiscal Year 2000 (10 U.S.C. 513 note) is repealed. The
2 Secretary of the Army shall treat the program under sec-
3 tion 511 of title 10, United States Code, as added by sub-
4 section (a), as a continuation of the program under the
5 section repealed by the preceding sentence.

6 (c) EFFECTIVE DATE.—Section 511 of title 10,
7 United States Code, as added by subsection (a), and the
8 repeal made by subsection (b) shall take effect on October
9 1, 2004.

10 (d) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
11 TIONS.—During fiscal year 2005, obligations incurred
12 under section 511 of title 10, United States Code, as
13 added by subsection (a), to pay allowances to persons ac-
14 cepted for enlistment as a Reserve for service in the Se-
15 lected Reserve or Individual Ready Reserve of a reserve
16 component using the expanded authority provided by the
17 amendment made by subsection (a) may not exceed
18 \$5,000,000. The authority to pay allowances under such
19 section shall not be considered to be an expanded author-
20 ity to the extent that the authority to pay such allowances
21 was available under section 573 of the National Defense
22 Authorization Act for Fiscal Year 2000 (10 U.S.C. 513
23 note), before the repeal of such section by subsection (b).

1 **SEC. 552. STANDARDIZATION OF AUTHORITY TO CONFER**
2 **DEGREES ON GRADUATES OF COMMUNITY**
3 **COLLEGE OF THE AIR FORCE WITH AUTHOR-**
4 **ITY FOR OTHER SCHOOLS OF AIR UNIVER-**
5 **SITY.**

6 (a) CHANGE IN DEGREE CONFERRING AUTHOR-
7 ITY.—Section 9315(c) of title 10, United States Code, is
8 amended—

9 (1) in paragraph (1), by striking “Air Edu-
10 cation and Training Command of the Air Force”
11 and inserting “Air University”; and

12 (2) in paragraph (2), by striking “Air Edu-
13 cation and Training Command of the Air Force”
14 and inserting “Air University”.

15 (b) CONFORMING AND STYLISTIC AMENDMENTS.—

16 (1) Subsection (a) of section 9317 of such title is
17 amended—

18 (1) by striking “may confer—” and inserting
19 “may confer degrees as follows.”;

20 (2) by striking “the” in paragraphs (1), (2),
21 and (3) after the paragraph designation and insert-
22 ing “The”;

23 (3) by striking the semicolon at the end of
24 paragraph (1) and inserting a period;

25 (4) by striking “; and” at the end of paragraph
26 (2) and inserting a period; and

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

3 “(4) An associate level degree upon graduates
4 of the Community College of the Air Force.”.

5 (c) CLERICAL AMENDMENTS.—The heading for such
6 section, and the item relating to such section in the table
7 of sections at the beginning of chapter 901 of such title,
8 are amended by striking the matter between the colon and
9 the last word.

10 **SEC. 553. CHANGE IN TITLES OF HEADS OF THE NAVAL**
11 **POSTGRADUATE SCHOOL.**

12 (a) PRESIDENT OF THE SCHOOL.—(1)(A) Section
13 7042 of title 10, United States Code, is amended by strik-
14 ing “Superintendent” each place it appears in the text and
15 inserting “President”.

16 (B) The heading of such section is amended to read
17 as follows:

18 **“§ 7042. President; assistants”.**

19 (2)(A) Section 7044 of such title is amended by strik-
20 ing “Superintendent” and inserting “President of the
21 school”;

22 (B) Sections 7048(a) and 7049(e) of such title are
23 amended by striking “Superintendent” and inserting
24 “President”;

1 (b) PROVOST AND ACADEMIC DEAN.—(1)(A) Sub-
2 section (a) of section 7043 of title 10, United States Code,
3 is amended to read as follows:

4 “(a) There is at the Naval Postgraduate School the
5 civilian position of Provost and Academic Dean. The Pro-
6 vost and Academic Dean shall be appointed, to serve for
7 periods of not more than five years, by the Secretary of
8 the Navy after consultation with the Naval Postgraduate
9 School Board of Advisors and consideration of the rec-
10 ommendation of the leadership and faculty of the Naval
11 Postgraduate School.”.

12 (B) Subsection (b) of such section is amended by
13 striking “Academic Dean” and inserting “Provost and
14 Academic Dean”.

15 (C) The heading of such section is amended to read
16 as follows:

17 **“§ 7043. Provost and Academic Dean”.**

18 (2) Section 5102(c)(10) of title 5, United States
19 Code, is amended by striking “Academic Dean” and in-
20 serting “Provost and Academic Dean”.

21 (c) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of chapter 605 of such title is amended
23 by striking the items related to sections 7042 and 7043
24 and inserting the following new items:

“7042. President; assistants.

“7043. Provost and Academic Dean.”.

1 **SEC. 554. INCREASE FROM TWO YEARS TO THREE YEARS IN**
2 **PERIOD FOR WHICH EDUCATIONAL LEAVE OF**
3 **ABSENCE MAY BE AUTHORIZED.**

4 Section 708(a) of title 10, United States Code, is
5 amended by striking “two years” and inserting “three
6 years”.

7 **SEC. 555. CORRECTION TO DISPARATE TREATMENT OF DIS-**
8 **ABILITIES SUSTAINED DURING ACCESSION**
9 **TRAINING.**

10 (a) **ELIGIBILITY OF ACADEMY CADETS AND MID-**
11 **SHIPMEN FOR DISABILITY RETIRED PAY.**—(1) Section
12 1217 of title 10, United States Code, is amended to read
13 as follows:

14 **“§ 1217. Cadets, midshipmen, and aviation cadets: ap-**
15 **plicability of chapter**

16 “(a) This chapter applies to cadets at the United
17 States Military Academy, the United States Air Force
18 Academy, and the United States Coast Guard Academy
19 and midshipmen of the Navy, but only with respect to
20 physical disabilities incurred after the date of the enact-
21 ment of the National Defense Authorization Act for Fiscal
22 Year 2005.

23 “(b) Monthly cadet pay and monthly midshipman pay
24 under section 203(c) of title 37 shall be considered to be
25 basic pay for purposes of this chapter and the computation

1 of retired pay and severance and separation pay to which
2 entitlement is established under this chapter.”.

3 (2) The item related to section 1217 in the table of
4 sections at the beginning of chapter 61 of such title is
5 amended to read as follows:

“1217. Cadets, midshipmen, and aviation cadets: applicability of chapter.”.

6 (b) MEDICAL AND DENTAL CARE FOR SENIOR ROTC
7 MEMBERS AND APPLICANTS.—(1) Chapter 55 of title 10,
8 United States Code, is amended by inserting after section
9 1074a the following new section:

10 **“§ 1074b. Medical and dental care: members of, and**
11 **designated applicants for membership in,**
12 **Senior ROTC**

13 “(a) Under joint regulations prescribed by the admin-
14 istering Secretaries, the following persons are entitled to
15 the benefits described in subsection (b):

16 “(1) A member of, and a designated applicant
17 for membership in, Senior ROTC who incurs or ag-
18 gravates an injury, illness, or disease in the line of
19 duty while performing duties pursuant to section
20 2109 of this title.

21 “(2) A member of, and a designated applicant
22 for membership in, Senior ROTC who incurs or ag-
23 gravates an injury, illness, or disease while traveling
24 directly to or from the place at which that member

1 or applicant is to perform or has performed duties
2 pursuant to section 2109 of this title.

3 “(3) Each member of, and each designated ap-
4 plicant for membership in, Senior ROTC who incurs
5 or aggravates an injury, illness, or disease in the line
6 of duty while remaining overnight immediately be-
7 fore the commencement of duties performed pursu-
8 ant to section 2109 of this title or, while remaining
9 overnight, between successive periods of performing
10 duties pursuant to section 2109 of this title, at or
11 in the vicinity of the site of the duties performed
12 pursuant to section 2109 of this title, if the site is
13 outside reasonable commuting distance from the res-
14 idence of the member or designated applicant.

15 “(b) A person described in subsection (a) is entitled
16 to—

17 “(1) the medical and dental care appropriate
18 for the treatment of the injury, illness, or disease of
19 that person until the resulting disability cannot be
20 materially improved by further hospitalization or
21 treatment; and

22 “(2) subsistence during hospitalization.

23 “(c) A member of, and each designated applicant for
24 membership in, Senior ROTC is not entitled to benefits
25 under subsection (b) if the injury, illness, or disease or

1 aggravation of an injury, illness, or disease of that person
2 described in subsection (a)(2) is the result of the gross
3 negligence or the misconduct of the member or applicant
4 for membership in Senior ROTC.

5 “(d) In this section, the term ‘Senior ROTC’ means
6 a program under chapter 103 of this title.”.

7 (2) Section 1074b of title 10, United States Code,
8 as added by paragraph (1), shall apply with respect to in-
9 juries, illnesses, and diseases incurred or aggravated on
10 or after the date of the enactment of this Act.

11 (3) The table of sections at the beginning of chapter
12 55 of such title is amended by inserting after the item
13 relating to section 1074a the following new item:

“1074b. Medical and dental care: members of, and designated applicants for
membership in, Senior ROTC.”.

14 **SEC. 556. PRAYER AT MILITARY SERVICE ACADEMY ACTIVI-**
15 **TIES.**

16 (a) **AUTHORITY OF SUPERINTENDENT.**—The Super-
17 intendent of a service academy may have in effect such
18 policy as the Superintendent considers appropriate with
19 respect to the offering of a voluntary, nondenominational
20 prayer at an otherwise authorized activity of the academy,
21 subject to such limitations as the President may prescribe.

22 (b) **SERVICE ACADEMIES.**—For purposes of this sec-
23 tion, the term “service academy” means any of the fol-
24 lowing:

- 1 (1) The United States Military Academy.
- 2 (2) The United States Naval Academy.
- 3 (3) The United States Air Force Academy.

4 **SEC. 557. REVISION TO CONDITIONS ON SERVICE OF OFFI-**
5 **CERS AS SERVICE ACADEMY SUPERINTEND-**
6 **ENTS.**

7 (a) REPEAL OF REQUIREMENT THAT OFFICERS RE-
8 TIRE AFTER SERVICE AS SUPERINTENDENT.—Sections
9 3921, 6371, and 8921 of title 10, United States Code,
10 are repealed.

11 (b) MINIMUM THREE-YEAR TOUR OF DUTY AS SU-
12 PERINTENDENT.—

13 (1) MILITARY ACADEMY.—Section 4333a of
14 such title is amended to read as follows:

15 **“§ 4333a. Superintendent: length of assignment**

16 “An officer who is detailed to the position of Super-
17 intendent of the Academy shall be so detailed for a period
18 of not less than three years. In any case in which an offi-
19 cer serving as Superintendent is reassigned or retires be-
20 fore having completed three years service as Super-
21 intendent, or otherwise leaves that position (other than
22 due to death) without having completed three years service
23 in that position, the Secretary of the Army shall submit
24 to Congress notice that such officer left the position of
25 Superintendent without having completed three years

1 service in that position, together with a statement of the
2 reasons why that officer did not complete three years serv-
3 ice in that position.”.

4 (2) NAVAL ACADEMY.—Section 6951a of such
5 title is amended—

6 (A) by striking the second sentence of sub-
7 section (b); and

8 (B) by adding at the end the following new
9 subsection:

10 “(c) An officer who is detailed to the position of Su-
11 perintendent shall be so detailed for a period of not less
12 than three years. In any case in which an officer serving
13 as Superintendent is reassigned or retires before having
14 completed three years service as Superintendent, or other-
15 wise leaves that position (other than due to death) without
16 having completed three years service in that position, the
17 Secretary of the Navy shall submit to Congress notice that
18 such officer left the position of Superintendent without
19 having completed three years service in that position, to-
20 gether with a statement of the reasons why that officer
21 did not complete three years service in that position.”.

22 (3) AIR FORCE ACADEMY.—Section 9333a of
23 such title is amended to read as follows:

1 **“§ 9333a. Superintendent: length of assignment**

2 “An officer who is detailed to the position of Super-
3 intendent of the Academy shall be so detailed for a period
4 of not less than three years. In any case in which an offi-
5 cer serving as Superintendent is reassigned or retires be-
6 fore having completed three years service as Super-
7 intendent, or otherwise leaves that position (other than
8 due to death) without having completed three years service
9 in that position, the Secretary of the Air Force shall sub-
10 mit to Congress notice that such officer left the position
11 of Superintendent without having completed three years
12 service in that position, together with a statement of the
13 reasons why that officer did not complete three years serv-
14 ice in that position.”.

15 (b) CLERICAL AMENDMENTS.—

16 (1) The table of sections at the beginning of
17 chapter 367 of such title is amended by striking the
18 item relating to section 3921.

19 (2) The table of sections at the beginning of
20 chapter 403 of such title is amended to read as fol-
21 lows:

“4333a. Superintendent: length of assignment.”

22 (3) The table of sections at the beginning of
23 chapter 573 of such title is amended by striking the
24 item relating to section 6371.

1 (4) The table of sections at the beginning of
2 chapter 867 of such title is amended by striking the
3 item relating to section 8921.

4 (5) The table of sections at the beginning of
5 chapter 903 of such title is amended to read as fol-
6 lows:

“9333a. Superintendent: length of assignment.”

7 **SEC. 558. CODIFICATION OF PROHIBITION ON IMPOSITION**
8 **OF CERTAIN CHARGES AND FEES AT THE**
9 **SERVICE ACADEMIES.**

10 (a) UNITED STATES MILITARY ACADEMY.—(1)
11 Chapter 403 of title 10, United States Code, is amended
12 by adding at the end the following new section:

13 **“§ 4359. Cadets: charges and fees for attendance; limi-**
14 **tation**

15 “(a) PROHIBITION.—Except as provided in sub-
16 section (b), no charge or fee for tuition, room, or board
17 for attendance at the Academy may be imposed unless the
18 charge or fee is specifically authorized by a law enacted
19 after October 5, 1994.

20 “(b) EXCEPTION.—The prohibition specified in sub-
21 section (a) does not apply with respect to any item or serv-
22 ice provided to cadets for which a charge or fee is imposed
23 as of October 5, 1994. The Secretary of Defense shall no-
24 tify Congress of any change made by the Academy in the

1 amount of a charge or fee authorized under this sub-
2 section.”.

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:

“4359. Cadets: charges and fees for attendance; limitation.”.

6 (b) UNITED STATES NAVAL ACADEMY.—(1) Chapter
7 603 of title 10, United States Code, is amended by adding
8 at the end the following new section:

9 **“§ 6978. Midshipmen: charges and fees for attend-
10 **ance; limitation****

11 “(a) PROHIBITION.—Except as provided in sub-
12 section (b), no charge or fee for tuition, room, or board
13 for attendance at the Naval Academy may be imposed un-
14 less the charge or fee is specifically authorized by a law
15 enacted after October 5, 1994.

16 “(b) EXCEPTION.—The prohibition specified in sub-
17 section (a) does not apply with respect to any item or serv-
18 ice provided to midshipmen for which a charge or fee is
19 imposed as of October 5, 1994. The Secretary of Defense
20 shall notify Congress of any change made by the Naval
21 Academy in the amount of a charge or fee authorized
22 under this subsection.”.

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:

“4359. Midshipmen: charges and fees for attendance; limitation.”.

4 (c) UNITED STATES AIR FORCE ACADEMY.—(1)
5 Chapter 903 of title 10, United States Code, is amended
6 by adding at the end the following new section:

7 **“§ 9359. Cadets: charges and fees for attendance; limi-**
8 **tation**

9 “(a) PROHIBITION.—Except as provided in sub-
10 section (b), no charge or fee for tuition, room, or board
11 for attendance at the Academy may be imposed unless the
12 charge or fee is specifically authorized by a law enacted
13 after October 5, 1994.

14 “(b) EXCEPTION.—The prohibition specified in sub-
15 section (a) does not apply with respect to any item or serv-
16 ice provided to cadets for which a charge or fee is imposed
17 as of October 5, 1994. The Secretary of Defense shall no-
18 tify Congress of any change made by the Academy in the
19 amount of a charge or fee authorized under this sub-
20 section.”.

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

“9359. Cadets: charges and fees for attendance; limitation.”.

1 (d) UNITED STATES COAST GUARD ACADEMY.—(1)
2 Chapter 9 of title 14, United States Code, is amended by
3 adding at the end the following new section:

4 **“§ 197. Cadets: charges and fees for attendance; limi-**
5 **tation**

6 “(a) PROHIBITION.—Except as provided in sub-
7 section (b), no charge or fee for tuition, room, or board
8 for attendance at the Academy may be imposed unless the
9 charge or fee is specifically authorized by a law enacted
10 after October 5, 1994.

11 “(b) EXCEPTION.—The prohibition specified in sub-
12 section (a) does not apply with respect to any item or serv-
13 ice provided to cadets for which a charge or fee is imposed
14 as of October 5, 1994. The Secretary of Homeland Secu-
15 rity shall notify Congress of any change made by the
16 Academy in the amount of a charge or fee authorized
17 under this subsection.”.

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

“197. Cadets: charges and fees for attendance; limitation.”.

21 (e) UNITED STATES MERCHANT MARINE ACAD-
22 EMY.—Section 1303 of the Merchant Marine Act, 1936
23 (46 U.S.C. App. 1295b), is amended by adding at the end
24 the following new subsection:

1 “(j) LIMITATION ON CHARGES AND FEES FOR AT-
2 TENDANCE.—

3 “(1) Except as provided in paragraph (2), no
4 charge or fee for tuition, room, or board for attend-
5 ance at the Academy may be imposed unless the
6 charge or fee is specifically authorized by a law en-
7 acted after October 5, 1994.

8 “(2)The prohibition specified in paragraph (1)
9 does not apply with respect to any item or service
10 provided to cadets for which a charge or fee is im-
11 posed as of October 5, 1994. The Secretary of
12 Transportation shall notify Congress of any change
13 made by the Academy in the amount of a charge or
14 fee authorized under this paragraph.”.

15 (f) REPEAL OF CODIFIED PROVISION.—Section 553
16 of the National Defense Authorization Act for Fiscal Year
17 1995 (Public Law 103–337; 10 U.S.C. 4331 note) is re-
18 pealed.

19 **SEC. 559. QUALIFICATIONS OF THE DEAN OF THE FACULTY**
20 **OF UNITED STATES AIR FORCE ACADEMY.**

21 Section 9335(a) of title 10, United States Code, is
22 amended by inserting before the period at the end of the
23 second sentence the following: “, except that, if the Dean
24 is not an officer on active duty, the Dean shall be a retired
25 officer or former officer, and a person may not be ap-

1 pointed or assigned as Dean unless that person holds the
2 highest academic degree in that person's academic field".

3 **Subtitle G—Medals and Decora-**
4 **tions and Special Promotions**
5 **and Appointments**

6 **SEC. 561. SEPARATE MILITARY CAMPAIGN MEDALS TO REC-**
7 **OGNIZE SERVICE IN OPERATION ENDURING**
8 **FREEDOM AND SERVICE IN OPERATION**
9 **IRAQI FREEDOM.**

10 (a) REQUIREMENT.—The President shall establish a
11 campaign medal specifically to recognize service by mem-
12 bers of the uniformed services in Operation Enduring
13 Freedom and a separate campaign medal specifically to
14 recognize service by members of the uniformed services in
15 Operation Iraqi Freedom.

16 (b) ELIGIBILITY.—Subject to such limitations as may
17 be prescribed by the President, eligibility for a campaign
18 medal established pursuant to subsection (a) shall be set
19 forth in regulations to be prescribed by the Secretary con-
20 cerned (as defined in section 101 of title 10, United States
21 Code). In the case of regulations prescribed by the Secre-
22 taries of the military departments, the regulations shall
23 be subject to approval by the Secretary of Defense and
24 shall be uniform throughout the Department of Defense.

1 **SEC. 562. ELIGIBILITY OF ALL UNIFORMED SERVICES PER-**
2 **SONNEL FOR NATIONAL DEFENSE SERVICE**
3 **MEDAL.**

4 The President shall revise the criteria for eligibility
5 for the decoration known as the National Defense Service
6 Medal so as to extend such eligibility, with respect to serv-
7 ice on or after September 11, 2001, to members of all
8 of the uniformed services.

9 **SEC. 563. AUTHORITY TO APPOINT BRIGADIER GENERAL**
10 **CHARLES E. YEAGER, UNITED STATES AIR**
11 **FORCE (RETIRED), TO THE GRADE OF MAJOR**
12 **GENERAL ON THE RETIRED LIST.**

13 The President is authorized to appoint, by and with
14 the advice and consent of the Senate, Brigadier General
15 Charles E. Yeager, United States Air Force (retired), to
16 the grade of major general on the retired list of the Air
17 Force. Any such appointment shall not affect the retired
18 pay or other benefits of Charles E. Yeager or any benefits
19 to which any other person is or may become entitled based
20 upon his service.

21 **SEC. 564. POSTHUMOUS COMMISSION OF WILLIAM MITCH-**
22 **ELL IN THE GRADE OF MAJOR GENERAL IN**
23 **THE ARMY.**

24 (a) **AUTHORITY.**—The President, by and with the ad-
25 vice and consent of the Senate, may issue posthumously
26 a commission as major general, United States Army, in

1 the name of the late William Mitchell, formerly a colonel,
2 United States Army, who resigned his commission on Feb-
3 ruary 1, 1926.

4 (b) DATE OF COMMISSION.—A commission issued
5 under subsection (a) shall issue as of the date of the death
6 of William Mitchell on February 19, 1936.

7 (c) PROHIBITION OF BENEFITS.—No person is enti-
8 tled to receive any bonus, gratuity, pay, allowance, or
9 other financial benefit by reason of the enactment of this
10 section.

11 **Subtitle H—Military Justice**
12 **Matters**

13 **SEC. 571. REVIEW ON HOW SEXUAL OFFENSES ARE COV-**
14 **ERED BY UNIFORM CODE OF MILITARY JUS-**
15 **TICE.**

16 (a) REVIEW REQUIRED.—The Secretary of Defense
17 shall review the Uniform Code of Military Justice and the
18 Manual for Courts-Martial with the objective of deter-
19 mining what changes are required to improve the ability
20 of the military justice system to address issues relating
21 to sexual assault and to conform the Uniform Code of
22 Military Justice and the Manual for Courts-Martial more
23 closely to other Federal laws and regulations that address
24 such issues.

1 (b) REPORT.—Not later than March 1, 2005, the
2 Secretary shall submit to the Committee on Armed Serv-
3 ices of the Senate and the Committee on Armed Services
4 of the House of Representatives a report on the review
5 carried out under subsection (a). The report shall include
6 the recommendations of the Secretary for revisions to the
7 Uniform Code of Military Justice and, for each such revi-
8 sion, the rationale behind that revision.

9 **SEC. 572. SERVICE TIME NOT LOST WHEN CONFINED IN**
10 **CONNECTION WITH TRIAL IF CONFINEMENT**
11 **EXCUSED AS UNAVOIDABLE.**

12 Section 972 of title 10, United States Code, is
13 amended in each of subsections (a)(3) and (b)(3) by in-
14 serting after “the trial” the following: “, unless such con-
15 finement is excused as unavoidable”.

16 **SEC. 573. CLARIFICATION OF AUTHORITY OF MILITARY**
17 **LEGAL ASSISTANCE COUNSEL TO PROVIDE**
18 **MILITARY LEGAL ASSISTANCE WITHOUT RE-**
19 **GARD TO LICENSING REQUIREMENTS.**

20 Section 1044 of title 10, United States Code, is
21 amended by adding at the end the following new sub-
22 section:

23 “(e)(1) Notwithstanding any law regarding the licen-
24 sure of attorneys, a judge advocate or civilian attorney
25 who is authorized to provide military legal assistance is

1 authorized to provide that assistance in any jurisdiction,
2 subject to such regulations as may be prescribed by the
3 Secretary concerned.

4 “(2) In this subsection, the term ‘military legal as-
5 sistance’ includes—

6 “(A) legal assistance provided under this sec-
7 tion; and

8 “(B) legal assistance contemplated by sections
9 1044a, 1044b, 1044c, and 1044d of this title.”.

10 **Subtitle I—Management and** 11 **Administrative Matters**

12 **SEC. 581. THREE-YEAR EXTENSION OF LIMITATION ON RE-** 13 **DUCTIONS OF PERSONNEL OF AGENCIES RE-** 14 **SPONSIBLE FOR REVIEW AND CORRECTION** 15 **OF MILITARY RECORDS.**

16 Section 1559(a) of title 10, United States Code, is
17 amended by striking “During fiscal years 2003, 2004, and
18 2005,” and inserting “Before October 1, 2008,”.

19 **SEC. 582. STAFFING AND FUNDING FOR DEFENSE PRIS-** 20 **ONER OF WAR/MISSING PERSONNEL OFFICE** 21 **(DPMO).**

22 (a) **MINIMUM LEVEL OF STAFFING.**—Subparagraph
23 (B) of section 1501(a)(5) of title 10, United States Code,
24 is amended to read as follows:

25 “(B)(i) For any fiscal year—

1 “(I) the number of full-time Department of De-
2 fense personnel permanently assigned or detailed to
3 the office shall be not less than 46 members of the
4 armed forces and not less than 69 civilian employees
5 of the Department of Defense; and

6 “(II) the number of permanent positions au-
7 thorized for the office shall be not less than 46 posi-
8 tions for members of the armed forces and not less
9 than 69 positions for civilian employees.

10 “(ii) No reductions below the numbers assigned or
11 authorized under clause (i) may be made unless expressly
12 authorized by law.

13 “(iii) If for any reason the number of military or civil-
14 ian personnel assigned to the office should fall below the
15 required level under clause (i)(I), the Secretary of Defense
16 shall promptly notify the Committees on Armed Services
17 of the Senate and House of Representatives of the number
18 of personnel so assigned and of the Secretary’s plan to
19 restore the staffing levels of the office to at least the re-
20 quired minimums under clause (i). The Secretary shall
21 publish such notice and plan in the Federal Register.”.

22 (b) **MINIMUM LEVEL OF FUNDING.**—Subparagraph
23 (C) of such section is amended to read as follows:

1 “(C) For any fiscal year, the level of funding allo-
2 cated to the office shall be not less than \$16,000,000 un-
3 less a lower level of funding is expressly required by law.”.

4 **SEC. 583. PERMANENT ID CARDS FOR RETIREE DEPEND-**
5 **ENTS AGE 70 AND OLDER.**

6 (a) IN GENERAL.—(1) Chapter 53 of title 10, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

9 **“§ 1060b. Military ID cards: dependents and survivors**
10 **of retirees; issuance of permanent ID**
11 **card after attaining 70 years of age**

12 “(a) PERMANENT ID CARD AFTER AGE 70.—In
13 issuing military ID cards to retiree dependents, the Sec-
14 retary concerned shall issue a permanent ID card (not
15 subject to renewal) to any such retiree dependent who has
16 attained 70 years of age. Such a permanent ID card shall
17 be issued upon the expiration, after the retiree dependent
18 attains 70 years of age, of any earlier, renewable military
19 ID card or, if earlier, upon the request of such a retiree
20 dependent after attaining age 70.

21 “(b) DEFINITIONS.—In this section:

22 “(1) The term ‘military ID card’ means a card
23 or other form of identification used for purposes of
24 demonstrating eligibility for any benefit from the
25 Department of Defense.

1 “(2) The term “retiree dependent” means a
2 person who is a dependent of a retired member of
3 the uniformed services, or a survivor of a deceased
4 retired member of the uniformed services, who is eli-
5 gible for any benefit from the Department of De-
6 fense.”.

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

 “1060b. Military ID cards: dependents and survivors of retirees; issuance of per-
 manent ID card after attaining 70 years of age.”.

10 (b) **EFFECTIVE DATE.**—Section 1060b of title 10,
11 United States Code, as added by subsection (a), shall take
12 effect on October 1, 2004.

13 **SEC. 584. AUTHORITY TO PROVIDE CIVILIAN CLOTHING TO**
14 **MEMBERS TRAVELING IN CONNECTION WITH**
15 **MEDICAL EVACUATION.**

16 (a) **AUTHORITY.**—Section 1047 of title 10, United
17 States Code, is amended—

18 (1) by inserting “(b) **CERTAIN ENLISTED MEM-**
19 **BERS.**—” before “The Secretary”; and

20 (2) by inserting after the section heading the
21 following:

22 “(a) **MEMBERS TRAVELING IN CONNECTION WITH**
23 **MEDICAL EVACUATION.**—The Secretary of the military
24 department concerned may furnish civilian clothing to a

1 member at a cost not to exceed \$250, or reimburse a mem-
2 ber for the purchase of civilian clothing in an amount not
3 to exceed \$250, in the case of a member who—

4 “(1) is medically evacuated for treatment in a
5 medical facility by reason of an illness or injury in-
6 curred or aggravated while on active duty; or

7 “(2) after being medically evacuated as de-
8 scribed in paragraph (1), is in an authorized travel
9 status from a medical facility to another location ap-
10 proved by the Secretary.”.

11 (b) EFFECTIVE DATE.—Subsection (a) of section
12 1047 of title 10, United States Code, as added by sub-
13 section (a) shall take effect on October 1, 2004.

14 **SEC. 585. AUTHORITY TO ACCEPT DONATION OF FREQUENT**
15 **TRAVELER MILES, CREDITS, AND TICKETS TO**
16 **FACILITATE REST AND RECUPERATION**
17 **TRAVEL OF DEPLOYED MEMBERS OF THE**
18 **ARMED FORCES AND THEIR FAMILIES.**

19 (a) OPERATION HERO MILES.—Chapter 155 of title
20 10, United States Code, is amended by adding at the end
21 the following new section:

1 **“§ 2613. Acceptance of frequent traveler miles, cred-**
2 **its, and tickets; use to facilitate rest and**
3 **recuperation travel of deployed members**
4 **and their families**

5 “(a) AUTHORITY TO ACCEPT DONATION OF TRAVEL
6 BENEFITS.—Subject to subsection (c), the Secretary of
7 Defense may accept from any person or government agen-
8 cy the donation of travel benefits for the purposes of use
9 under subsection (d).

10 “(b) TRAVEL BENEFIT DEFINED.—In the section,
11 the term “travel benefit” means frequent traveler miles,
12 credits for tickets, or tickets for air or surface transpor-
13 tation issued by an air carrier or a surface carrier, respec-
14 tively, that serves the public.

15 “(c) CONDITION ON AUTHORITY TO ACCEPT DONA-
16 TION.—The Secretary may accept a donation of a travel
17 benefit under this section only if the air or surface carrier
18 that is the source of the benefit consents to such donation.
19 Any such donation shall be under such terms and condi-
20 tions as the surface carrier may specify, and the travel
21 benefit so donated may be used only in accordance with
22 the rules established by the carrier.

23 “(d) USE OF DONATED TRAVEL BENEFITS.—A trav-
24 el benefit accepted under this section may be used only
25 for the purpose of—

1 “(1) facilitating the travel of a member of the
2 armed forces who—

3 “(A) is deployed on active duty away from
4 the permanent duty station of the member; and

5 “(B) is granted, during such deployment,
6 rest and recuperative leave, emergency leave,
7 convalescent leave, or another form of leave au-
8 thorized for the member; or

9 “(2) facilitating the travel of family members of
10 a member described in paragraph (1) in order to be
11 reunited with the member.

12 “(e) ADMINISTRATION.—The Secretary shall des-
13 ignate a single office in the Department of Defense to
14 carry out this section. That office shall be responsible for
15 developing rules and procedures to facilitate the accept-
16 ance and distribution of travel benefit under this section.

17 “(f) STATUS OF BENEFITS RECEIVED.—A member
18 of the armed forces, or a family member of a member of
19 the armed forces, who receives a travel benefit under this
20 section is deemed to recognize no income from the receipt
21 or use of such benefit. A donors of a travel benefit under
22 this section is deemed to obtain no tax benefit from such
23 donation.

1 “(g) FAMILY MEMBER DEFINED.—In this section,
2 the term ‘family member’ has the meaning given that term
3 in section 411h(b)(1) of title 37.”.

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

 “2613. Acceptance of frequent traveler miles, credits, and tickets; use to facilitate rest and recuperation travel of deployed members and their families.”.

7 **SEC. 586. LIMITATION ON AMENDMENT OR CANCELLATION**
8 **OF DEPARTMENT OF DEFENSE DIRECTIVE**
9 **RELATING TO REASONABLE ACCESS TO MILI-**
10 **TARY INSTALLATIONS FOR CERTAIN PER-**
11 **SONAL COMMERCIAL SOLICITATION.**

12 An amendment to Department of Defense Directive
13 1344.7, “Personal Commercial Solicitation on DoD Instal-
14 lations”, or cancellation of that directive, shall not take
15 effect until after the end of the one-year period beginning
16 on the date on which a report containing the results of
17 the investigation regarding insurance premium allotment
18 processing, which is underway as of the date of the enact-
19 ment of this Act, is submitted to the Committee on Armed
20 Services and the Committee on Government Reform of the
21 House of Representatives and the Committee on Armed
22 Services and the Committee on Governmental Affairs of
23 the Senate.

1 **SEC. 587. ANNUAL IDENTIFICATION OF REASONS FOR DIS-**
2 **CHARGES FROM THE ARMED FORCES DUR-**
3 **ING PRECEDING FISCAL YEAR.**

4 Not later than January 1 each year, the Secretary
5 of Defense shall submit to the Committees on Armed Serv-
6 ices of the Senate and House of Representatives a report
7 on discharges from the Army, Navy, Air Force, and Ma-
8 rine Corps during the preceding fiscal year. Each such re-
9 port shall show, in the aggregate and for each of those
10 Armed Forces, the following:

11 (1) The total number of persons discharged
12 during the preceding fiscal year.

13 (2) For each separation code, and for each re-
14 enlistment eligibility code, used by the Armed
15 Forces, the number of those discharged persons as-
16 signed that code.

17 (3) For the persons assigned each such separa-
18 tion code, classification of discharges by age, by sex,
19 by race, by military rank or grade, by time in serv-
20 ice, by unit (shown at the small unit level), by mili-
21 tary occupational specialty (or the equivalent), and
22 by reenlistment eligibility code.

1 **SEC. 588. AUTHORITY FOR FEDERAL RECOGNITION OF NA-**
2 **TIONAL GUARD COMMISSIONED OFFICERS**
3 **APPOINTED FROM FORMER COAST GUARD**
4 **PERSONNEL.**

5 Section 305(a) of title 32, United States Code, is
6 amended—

7 (1) by striking “Army, Navy, Air Force, or Ma-
8 rine Corps” in paragraphs (2), (3), and (4) and in-
9 serting “armed forces”; and

10 (2) by striking “or the United States Air Force
11 Academy” in paragraph (5) and inserting “the
12 United States Air Force Academy, or the United
13 States Coast Guard Academy”.

14 **SEC. 589. STUDY OF BLENDED WING CONCEPT FOR THE AIR**
15 **FORCE.**

16 (a) **STUDY REQUIRED.**—Not later than March 1,
17 2005, the Secretary of the Air Force shall submit to Con-
18 gress a report on the blended wing concept for the Air
19 Force. The report shall include the Secretary’s findings
20 as to the characteristics and locations that are considered
21 favorable for a blended wing, a description of the manner
22 in which current blended wings are functioning, and a
23 statement of the current and future plans of the Air Force
24 to implement the blended wing concept.

25 (b) **SELECTION CRITERIA.**—The report shall include
26 a description of the criteria and attributes that the Sec-

1 retary requires when choosing units to become blended
2 wings.

3 **SEC. 590. CONTINUATION OF IMPACT AID ASSISTANCE ON**
4 **BEHALF OF DEPENDENTS OF CERTAIN MEM-**
5 **BERS DESPITE CHANGE IN STATUS OF MEM-**
6 **BER.**

7 (a) SPECIAL RULE.—For purposes of computing the
8 amount of a payment for an eligible local educational
9 agency under subsection (a) of section 8003 of the Ele-
10 mentary and Secondary Education Act (20 U.S.C. 7703)
11 for school year 2004–2005, the Secretary of Education
12 shall continue to count as a child enrolled in a school of
13 such agency under such subsection any child who—

14 (1) would be counted under paragraph (1)(B)
15 of such subsection to determine the number of chil-
16 dren who were in average daily attendance in the
17 school; but

18 (2) due to the deployment of both parents or
19 legal guardians of the child, the deployment of a
20 parent or legal guardian having sole custody of the
21 child, or the death of a military parent or legal
22 guardian while on active duty (so long as the child
23 resides on Federal property (as defined in section
24 8013(5) of such Act (7 U.S.C. 7713(5))), is not eli-
25 gible to be so counted.

1 (b) TERMINATION.—The special rule provided under
2 subsection (a) applies only so long as the children covered
3 by such subsection remain in average daily attendance at
4 a school in the same local educational agency they at-
5 tended before their change in eligibility status.

6 **Subtitle J—Other Matters**

7 **SEC. 591. EMPLOYMENT PREFERENCES FOR SPOUSES OF** 8 **CERTAIN DEPARTMENT OF DEFENSE CIVIL-** 9 **IAN EMPLOYEES SUBJECT TO RELOCATION** 10 **AGREEMENTS.**

11 (a) SPOUSES OF CERTAIN CIVILIAN EMPLOYEES.—
12 (1) Section 1784 of title 10, United States Code, is
13 amended by adding at the end the following new sub-
14 section:

15 “(h) INCLUSION OF SPOUSES OF CERTAIN DOD CI-
16 VILIAN EMPLOYEES SUBJECT TO RELOCATION AGREE-
17 MENTS.—(1) For the purposes of this section, the spouse
18 of a civilian employee described in paragraph (2) shall be
19 considered to be the spouse of a member of the armed
20 forces.

21 “(2) An employee described in this paragraph is a
22 Department of Defense employee who, pursuant to a man-
23 datory mobility agreement executed as a condition of em-
24 ployment or pursuant to another civilian mobility program
25 of the Department of Defense, has had a change of perma-

1 nent duty assignment (A) that was based on the needs
2 of the Government, and (B) that required a relocation of
3 the employee's residence.”.

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

6 **“§ 1784. Employment opportunities: military spouses;
7 certain Department of Defense civilian
8 spouses subject to relocation agree-
9 ments”.**

10 (2) The item relating to such section in the table of
11 sections at the beginning of subchapter I of chapter 88
12 of such title is amended to read as follows:

“1784. Employment opportunities: military spouses; certain De-
fense civilian spouses subject to relocation agreements.”.

13 (c) EFFECTIVE DATE.—Subsection (h) of section
14 1784 of title 10, United States Code, as added by sub-
15 section (a), shall apply only with respect to spouses of em-
16 ployees described in paragraph (2) of that subsection who
17 relocate their residence as a result of a permanent duty
18 assignment specified in that paragraph that is effective on
19 or after the date of the enactment of this Act.

1 **SEC. 592. REPEAL OF REQUIREMENT TO CONDUCT ELEC-**
2 **TRONIC VOTING DEMONSTRATION PROJECT**
3 **FOR THE FEDERAL ELECTION TO BE HELD IN**
4 **NOVEMBER 2004.**

5 Section 1604 of the National Defense Authorization
6 Act for Fiscal Year 2002 (Public Law 107-107; 115 Stat.
7 1277; 42 U.S.C. 1977ff note) is repealed.

8 **SEC. 593. EXAMINATION OF SEXUAL ASSAULT IN THE**
9 **ARMED FORCES BY THE DEFENSE TASK**
10 **FORCE ESTABLISHED TO EXAMINE SEXUAL**
11 **HARASSMENT AND VIOLENCE AT THE MILI-**
12 **TARY SERVICE ACADEMIES.**

13 (a) EXTENSION OF TASK FORCE.—(1) The task force
14 in the Department of Defense established by the Secretary
15 of Defense pursuant to section 526 of the National De-
16 fense Authorization Act for Fiscal Year 2004 (Public Law
17 108–136; 117 Stat. 1466) to examine matters relating to
18 sexual harassment and violence at the United States Mili-
19 tary Academy and United States Naval Academy shall
20 continue in existence for a period of at least 18 months
21 after the date as of which the task force would otherwise
22 be terminated pursuant to subsection (i) of that section.

23 (2) Upon the completion of the functions of the task
24 force referred to in paragraph (1) pursuant to section 526
25 of the National Defense Authorization Act for Fiscal Year
26 2004, the name of the task force shall be changed to the

1 Defense Task Force on Sexual Assault in the Military
2 Services, and the task force shall then carry out the func-
3 tions specified in this section. The task force shall not
4 begin to carry out the functions specified in this section
5 until it has completed its functions under such section
6 526.

7 (b) EXAMINATION OF MATTERS RELATING TO SEX-
8 UAL ASSAULT IN THE ARMED FORCES.—The task force
9 shall conduct an examination of matters relating to sexual
10 assault in cases in which members of the Armed Forces
11 are either victims or commit acts of sexual assault.

12 (c) RECOMMENDATIONS.—The Task Force shall in-
13 clude in its report under subsection (e) recommendations
14 of ways by which civilian officials within the Department
15 of Defense and leadership within the Armed Forces may
16 more effectively address matters relating to sexual assault.
17 That report shall include an assessment of, and rec-
18 ommendations (including any recommendations for
19 changes in law) for measures to improve, with respect to
20 sexual assault, the following:

- 21 (1) Victim care and advocacy programs.
- 22 (2) Effective prevention.
- 23 (3) Collaboration among military investigative
24 organizations with responsibility or jurisdiction.

1 (4) Coordination between military and civilian
2 communities, including local support organizations.

3 (5) Reporting procedures, data collection, and
4 tracking.

5 (6) Oversight of sexual assault programs.

6 (7) Military justice issues.

7 (8) Other issues identified by the task force re-
8 lating to sexual assault.

9 (d) **METHODOLOGY.**—In carrying out its examination
10 under subsection (b) and in formulating its recommenda-
11 tions under subsection (c), the task force shall consider
12 the findings and recommendations of previous reviews and
13 investigations of sexual assault conducted by the Depart-
14 ment of Defense and the Armed Forces.

15 (e) **REPORT.**—(1) Not later than one year after the
16 initiation of its examination under subsection (b), the task
17 force shall submit to the Secretary of Defense and the Sec-
18 retaries of the Army, Navy, and Air Force a report on
19 the activities of the task force and on the activities of the
20 Department of Defense and the Armed Forces to respond
21 to sexual assault.

22 (2) The report shall include the following:

23 (A) A description of any barrier to implementa-
24 tion of improvements as a result of previous efforts
25 to address sexual assault.

1 (B) Other areas of concern not previously ad-
2 dressed in prior reports

3 (C) The findings and conclusions of the task
4 force.

5 (D) Any recommendations for changes to policy
6 and law that the task force considers appropriate.

7 (3) Within 90 days after receipt of the report under
8 paragraph (1), the Secretary of Defense shall submit the
9 report, together with the Secretary's evaluation of the re-
10 port, to the Committees on Armed Services of the Senate
11 and House of Representatives.

12 (f) TERMINATION.—The task force shall terminate
13 90 days after the date on which the report of the task
14 force is submitted to the Committees on Armed Services
15 of the Senate and House of Representatives pursuant to
16 subsection (e)(3).

17 **SEC. 594. RENEWAL OF PILOT PROGRAM FOR TREATING**
18 **GED AND HOME SCHOOL DIPLOMA RECIPI-**
19 **ENTS AS HIGH SCHOOL GRADUATES FOR DE-**
20 **TERMINATIONS OF ELIGIBILITY FOR ENLIST-**
21 **MENT.**

22 Section 571(e) of the Strom Thurmond National De-
23 fense Authorization Act for Fiscal Year 1999 (10 U.S.C.
24 520 note) is amended to read as follows:

1 “(e) DURATION OF PILOT PROGRAM.—The pilot pro-
2 gram shall be in effect during the period beginning on Oc-
3 tober 1, 2004, and ending on September 30, 2005.”.

4 **SEC. 595. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
5 **THAT BENEFIT DEPENDENTS OF MEMBERS**
6 **OF THE ARMED FORCES AND DEPARTMENT**
7 **OF DEFENSE CIVILIAN EMPLOYEES.**

8 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
9 PROGRAM FOR FISCAL YEAR 2005.—Of the amount au-
10 thorized to be appropriated pursuant to section 301(5) for
11 operation and maintenance for Defense-wide activities,
12 \$50,000,000 shall be available only for the purpose of pro-
13 viding educational agencies assistance to local educational
14 agencies.

15 (b) NOTIFICATION.—Not later than June 30, 2005,
16 the Secretary of Defense shall notify each local edu-
17 cational agency that is eligible for educational agencies as-
18 sistance for fiscal year 2005 of—

19 (1) that agency’s eligibility for the assistance;
20 and

21 (2) the amount of the assistance for which that
22 agency is eligible.

23 (c) DISBURSEMENT OF FUNDS.—The Secretary of
24 Defense shall disburse funds made available under sub-
25 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. 596. SENIOR RESERVE OFFICER TRAINING CORPS AND**
14 **RECRUITER ACCESS AT INSTITUTIONS OF**
15 **HIGHER EDUCATION.**

16 (a) CERTIFICATION OF COMPLIANCE WITH ROTC
17 ACCESS PROVISIONS.—Subsection (a) of section 983 of
18 title 10, United States Code, is amended—

19 (1) by inserting “(1)” before “No funds”;

20 (2) by striking “prevents—” and inserting
21 “prevents, either (or both) of the following:”;

22 (3) by striking “(1) the” and inserting “(A)
23 The”;

24 (4) by striking “; or” and inserting a period;

1 (5) by striking “(2) a” and inserting “(B) A”;

2 and

3 (6) by adding at the end the following:

4 “(2)(A) Not later than 180 days after the date of
5 the enactment of the National Defense Authorization Act
6 for Fiscal Year 2005 and annually thereafter, the Sec-
7 retary of Defense shall request from each institution of
8 higher education that has students participating in a Sen-
9 ior Reserve Officer Training Corps program during the
10 then-current academic year of that institution a certifi-
11 cation that such institution, during the next academic year
12 of the institution, will—

13 “(i) permit the Secretary of each military de-
14 partment to maintain a unit of the Senior Officer
15 Training Corps (in accordance with subsection (a))
16 at that institution (or any subelement of that insti-
17 tution), should such Secretary elect to maintain such
18 a unit; and

19 “(ii) if the Secretary of the military department
20 concerned elects not to establish or maintain a unit
21 of the Senior Reserve Officer Training Corps at that
22 institution, permit a student of that institution (or
23 any subelement of that institution) to enroll in a
24 unit of the Senior Reserve Officer Training Corps at
25 another institution of higher education.

1 “(B) Any certification under subparagraph (A) shall
2 be made by the president of the institution (or equivalent
3 highest ranking administrative official) and shall be sub-
4 mitted to the Secretary of Defense no later than 90 days
5 after receipt of the request from the Secretary.

6 “(C) In the case of any institution from which a cer-
7 tification is requested under subparagraph (A), if the Sec-
8 retary of Defense does not receive a certification in accord-
9 ance with subparagraph (B), or if the certification does
10 not state that the university will comply with both clauses
11 (i) and (ii) of subparagraph (A) during its next academic
12 year, the Secretary shall make a determination under
13 paragraph (1) as to whether the institution has a policy
14 or practice described in that paragraph.”.

15 (b) EQUAL TREATMENT OF MILITARY RECRUITERS
16 WITH OTHER RECRUITERS.—Subsection (b)(1) of such
17 section is amended—

18 (1) by striking “entry to campuses” and insert-
19 ing “access to campuses”; and

20 (2) by inserting before the semicolon at the end
21 the following: “in a manner that is at least equal in
22 quality and scope to the access to campuses and to
23 students that is provided to any other employer”.

24 (c) PROHIBITION OF FUNDING FOR POST-SEC-
25 ONDARY SCHOOLS THAT PREVENT ROTC ACCESS OR

1 MILITARY RECRUITING.—(1) Subsection (d) of such sec-
2 tion is amended—

3 (A) in paragraph (1)—

4 (i) by striking “limitation established in
5 subsection (a) applies” and inserting “limita-
6 tions established in subsections (a) and (b)
7 apply”;

8 (ii) in subparagraph (B), by inserting “for
9 any department or agency for which regular ap-
10 propriations are made” after “made available”;
11 and

12 (iii) by adding at the end the following new
13 subparagraphs:

14 “(C) Any funds made available for the Depart-
15 ment of Homeland Security.

16 “(D) Any funds made available for the National
17 Nuclear Security Administration of the Department
18 of Energy.

19 “(E) Any funds made available for the Depart-
20 ment of Transportation.

21 “(F) Any funds made available for the Central
22 Intelligence Agency.”; and

23 (B) by striking paragraph (2).

1 (2)(A) Subsection (b) of such section is amended by
2 striking “subsection (d)(2)” and inserting “subsection
3 (d)(1)”.

4 (B) Subsection (e) of such section is amended by in-
5 serting “, to the head of each other department and agen-
6 cy the funds of which are subject to the determination,”
7 after “Secretary of Education”.

8 (d) CODIFICATION AND EXTENSION OF EXCLUSION
9 OF AMOUNTS TO COVER INDIVIDUAL PAYMENTS.—Sub-
10 section (d) of such section, as amended by subsection
11 (c)(1), is further amended—

12 (1) by striking “The” after “(1)” and inserting
13 “Except as provided in paragraph (2), the”; and

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

16 “(2) Any Federal funding specified in paragraph (1)
17 that is provided to an institution of higher education, or
18 to an individual, to be available solely for student financial
19 assistance, related administrative costs, or costs associated
20 with attendance, may be used for the purpose for which
21 the funding is provided.”.

22 (e) CONFORMING AMENDMENTS.—Subsections (a)
23 and (b) of such section are amended by striking “(includ-
24 ing a grant of funds to be available for student aid)”.

1 (f) CONFORMING REPEAL OF CODIFIED PROVI-
2 SION.—Section 8120 of the Department of Defense Ap-
3 propriations Act, 2000 (Public Law 106–79; 10 U.S.C.
4 983 note), is repealed

5 (g) EFFECTIVE DATE.—The amendments made by
6 this section shall apply with respect to funds appropriated
7 for fiscal year 2005 and thereafter.

8 **SEC. 597. REPORTS ON TRANSFORMATION MILESTONES.**

9 (a) MILITARY TO CIVILIAN CONVERSIONS.—Not later
10 than January 31, 2005, the Secretary of Defense shall
11 submit to the Committees on Armed Services of the Sen-
12 ate and House of Representatives a report providing infor-
13 mation as to the number of positions in the Department
14 of Defense converted during the previous fiscal year from
15 performance by military personnel to performance by civil-
16 ian personnel. The report shall include—

17 (1) a description of the skill set of the positions
18 converted;

19 (2) specification of the total cost of such con-
20 versions and how that cost is being paid for; and

21 (3) the number of positions in the Department
22 of Defense projected for such conversion during the
23 period from March 1, 2005, to January 31, 2006.

24 (b) CIVILIAN SKILLS CORPS FEASIBILITY STUDY.—

25 (1) The Secretary of Defense shall conduct an Armed

1 Forces-wide study of how a system to embed certain civil-
2 ian expertise skill sets within the military on a temporary
3 basis could be implemented. The study shall include con-
4 sideration of all skills sets in which, as determined by the
5 Secretary of Defense, there is a significant shortfall within
6 the Armed Forces or which are high value, but of uncer-
7 tain need. The study shall examine the feasibility of imple-
8 menting a personnel system that expands the capability
9 of the Armed Forces to rapidly access civilian volunteers
10 with needed expertise outside of the reserve components.

11 (2) The Secretary shall submit to the congressional
12 defense committees a report on the results of the study
13 under paragraph (1) not later than March 31, 2005.

14 (c) MILITARY-TO-MILITARY CONVERSIONS.—Not
15 later than March 31 of each of 2005, 2006, and 2007,
16 the Secretary of Defense shall submit to the congressional
17 defense committees a report on the milestones within the
18 multiyear transformation for internal military-to-military
19 transitions. Each such report shall include—

20 (1) the number of units and personnel trans-
21 ferred and retrained within the previous fiscal year
22 and what their new unit designations are; and

23 (2) a description of the transformation goals for
24 the upcoming fiscal year and whether the previous
25 years goals were met and why or why not.

1 (d) TRANSFORMATION TO BRIGADE STRUCTURE FOR
2 THE ARMY.—No later than March 31 of each year, the
3 Secretary of Defense shall submit to the congressional de-
4 fense committees a report on the status of the internal
5 transformation of the Army from a division-orientated sys-
6 tem to a brigade-orientated one. Such a report shall be
7 submitted for each year until the Secretary of the Army
8 certifies to those committees that the transformation of
9 the Army to brigade level units has been completed.

10 **TITLE VI—COMPENSATION AND**
11 **OTHER PERSONNEL BENEFITS**
12 **Subtitle A—Pay and Allowances**

13 **SECTION 601. INCREASE IN BASIC PAY FOR FISCAL YEAR**
14 **2005.**

15 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—The
16 adjustment to become effective during fiscal year 2005 re-
17 quired by section 1009 of title 37, United States Code,
18 in the rates of monthly basic pay authorized members of
19 the uniformed services shall not be made.

20 (b) INCREASE IN BASIC PAY.—Effective on January
21 1, 2005, the rates of monthly basic pay for members of
22 the uniformed services are increased by 3.5 percent.

1 **SEC. 602. AUTHORITY TO PROVIDE FAMILY SEPARATION**
2 **BASIC ALLOWANCE FOR HOUSING.**

3 Section 403(d) of title 37, United States Code, is
4 amended—

5 (1) in paragraph (1), by striking “is entitled
6 to” and inserting “may be paid”; and

7 (2) in paragraph (4), by striking the first sen-
8 tence and inserting the following new sentence: “A
9 family separation basic allowance for housing paid to
10 a member under this subsection is in addition to any
11 other allowance or per diem that the member re-
12 ceives under this title.”

13 **SEC. 603. GEOGRAPHIC BASIS FOR BASIC ALLOWANCE FOR**
14 **HOUSING DURING SHORT CHANGES OF STA-**
15 **TION FOR PROFESSIONAL MILITARY EDU-**
16 **CATION OR TRAINING.**

17 Section 403(d)(3) of title 37, United States Code, is
18 amended by adding at the end the following new subpara-
19 graph:

20 “(C) If the member is reassigned for a perma-
21 nent change of station or permanent change of as-
22 signment from a duty station in the continental
23 United States to another duty station in the conti-
24 nental United States for a period of not more than
25 one year for the purpose of participating in profes-
26 sional military education or training classes, the Sec-

1 retary concerned may base the amount of the basic
2 allowance for housing for the member on the duty
3 station to which the member is reassigned or the
4 area in which the dependents reside, whichever the
5 Secretary concerned determines to be most equi-
6 table.”.

7 **SEC. 604. IMMEDIATE LUMP-SUM REIMBURSEMENT FOR**
8 **UNUSUAL NONRECURRING EXPENSES IN-**
9 **CURRED BY MEMBERS SERVING OUTSIDE**
10 **CONTINENTAL UNITED STATES.**

11 (a) **ELIGIBILITY FOR REIMBURSEMENT.**—Section
12 405 of title 37, United States Code, is amended by adding
13 at the end the following new subsection:

14 “(d) **LUMP-SUM REIMBURSEMENT FOR NON-**
15 **RECURRING EXPENSES.**—In addition to providing a per
16 diem under this section, the Secretary concerned may re-
17 imburse a member for actual expenses of a nonrecurring
18 nature that the member incurs incident to serving on duty
19 outside of the continental United States. The types of ex-
20 penses for which reimbursement may be provided under
21 this paragraph shall be limited to those expenses directly
22 related to the conditions or location of the duty outside
23 of the continental United States and either of a nature
24 or a magnitude not normally incurred by members as-
25 signed to duty inside the continental United States. In de-

1 terminating the per diem to be paid under this section, the
2 Secretary concerned shall not consider expenses for which
3 reimbursement is provided under this paragraph.”.

4 (b) USE OF DEFINED TERM CONTINENTAL UNITED
5 STATES.—(1) Subsection (a) of such section is amended
6 by striking “outside of the United States or in Hawaii or
7 Alaska” and inserting “outside of the continental United
8 States”.

9 (2) The heading of such section is amended to read
10 as follows:

11 **“§ 405. Travel and transportation allowances: per**
12 **diem while on duty outside the conti-**
13 **mental United States”.**

14 (3) The table of sections at the beginning of chapter
15 7 of such title is amended by striking the item relating
16 to section 405 and inserting the following new item:

“405. Travel and transportation allowances: per diem while on duty outside the
continental United States.”.

17 **SEC. 605. INCOME REPLACEMENT PAYMENTS FOR RE-**
18 **SERVES EXPERIENCING EXTENDED AND FRE-**
19 **QUENT MOBILIZATION FOR ACTIVE DUTY**
20 **SERVICE.**

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

1 **“§ 910. Replacement of lost income: involuntarily mo-**
2 **bilized reserve component members sub-**
3 **ject to extended and frequent active duty**
4 **service**

5 “(a) PAYMENT REQUIRED.—The Secretary con-
6 cerned shall pay to an eligible member of a reserve compo-
7 nent of the armed forces an amount equal to the monthly
8 active-duty income differential of the member, as deter-
9 mined by the Secretary. The payments shall be made on
10 a monthly basis.

11 “(b) ELIGIBILITY.—Subject to subsection (c), a re-
12 serve component member is entitled to a payment under
13 this section for any full month of active duty of the mem-
14 ber, while on active duty under an involuntary mobiliza-
15 tion order, following the date on which the member—

16 “(1) completes 12 continuous months of service
17 on active duty under such an order;

18 “(2) completes 18 months on active duty during
19 the previous 60 months under such an order; or

20 “(3) is involuntarily mobilized for service on ac-
21 tive duty six months or less following the member’s
22 separation from the member’s previous period of ac-
23 tive duty.

24 “(c) MINIMUM AND MAXIMUM PAYMENT
25 AMOUNTS.—(1) A payment under this section shall be
26 made to a member for a month only if the amount of the

1 monthly active-duty income differential for the month is
2 greater than \$50.

3 “(2) Notwithstanding the amount determined under
4 subsection (d) for a member for a month, the monthly pay-
5 ment to a member under this section may not exceed
6 \$3,000.

7 “(d) MONTHLY ACTIVE-DUTY INCOME DIFFEREN-
8 TIAL.—For purposes of this section, the monthly active-
9 duty income differential of a member is the difference
10 between—

11 “(1) the average monthly civilian income of the
12 member; and

13 “(2) the member’s total monthly military com-
14 pensation.

15 “(e) DEFINITIONS.—In this section:

16 “(1) The term ‘average monthly civilian in-
17 come’, with respect to a member of a reserve compo-
18 nent, means the amount, determined by the Sec-
19 retary concerned, of the earned income of the mem-
20 ber for either the 12 months preceding the member’s
21 mobilization or the 12 months covered by the mem-
22 ber’s most recent Federal income tax filing, divided
23 by 12.

1 **“§ 212. Advancement of basic pay: members deployed**
2 **in combat zones for more than one year**

3 “(a) ELIGIBILITY; AMOUNT ADVANCED.—(1) If a
4 member of the armed forces is assigned to duty in an area
5 for which special pay under section 310 of this title is
6 available and the assignment is pursuant to orders speci-
7 fying an assignment of one year or more (or the assign-
8 ment is otherwise extended beyond one year), the member
9 may request, during the period of the assignment, the ad-
10 vanced payment of not more than three months of the
11 basic pay of the member.

12 “(2) A request by a member described in paragraph
13 (1) for the advanced payment of a single month of basic
14 pay shall be granted. The Secretary concerned may grant
15 a request for a second or third month of advanced basic
16 pay during the assignment for the member upon a showing
17 of financial hardship.

18 “(b) RECOUPMENT OF ADVANCED PAY.—The Sec-
19 retary concerned shall recoup an advance made on the
20 basic pay of a member under this section in equal install-
21 ments over a one-year period beginning as provided in sub-
22 section (c). If the member is serving on active duty for
23 any month during the recoupment period, the amount of
24 the installment for the month shall be deducted from the
25 basic pay of the member for that month. The estate of

1 a deceased member shall not be required to repay an ad-
2 vance made to the member under this section.

3 “(c) COMMENCEMENT OF RECOUPMENT.—(1) Ex-
4 cept as provided in paragraph (2), the recoupment of basic
5 pay advanced to a member under this section shall com-
6 mence beginning with the first month that begins after
7 the end of the assignment of the member to duty in an
8 area for which special pay under section 310 of this title
9 is available

10 “(2) A member of a reserve component who receives
11 an advancement of basic pay under this section shall com-
12 mence repayment of the advance beginning with the first
13 month that begins after the the advanced pay is re-
14 ceived.”.

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

“212. Advancement of basic pay: members deployed in combat zones for more
than one year.”.

18 (b) EFFECTIVE DATE.—Section 212 of title 37,
19 United States Code, as added by subsection (a), shall take
20 effect October 1, 2004.

1 **Subtitle B—Bonuses and Special**
2 **and Incentive Pays**

3 **SEC. 611. ONE-YEAR EXTENSION OF BONUS AND SPECIAL**
4 **PAY AUTHORITIES.**

5 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
6 GRAM.—Section 2130a(a)(1) of title 10, United States
7 Code, is amended by striking “December 31, 2004” and
8 inserting “December 31, 2005”.

9 (b) REPAYMENT OF EDUCATION LOANS FOR CER-
10 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
11 LECTED RESERVE.—Section 16302(d) of such title is
12 amended by striking “January 1, 2005” and inserting
13 “January 1, 2006”.

14 (c) AVIATION OFFICER RETENTION BONUS.—Sec-
15 tion 301b(a) of title 37, United States Code, is amended
16 by striking “December 31, 2004” and inserting “Decem-
17 ber 31, 2005”.

18 (d) ACCESSION BONUS FOR REGISTERED NURSES.—
19 Section 302d(a)(1) of such title is amended by striking
20 “December 31, 2004” and inserting “December 31,
21 2005”.

22 (e) INCENTIVE SPECIAL PAY FOR NURSE ANES-
23 THETISTS.—Section 302e(a)(1) of such title is amended
24 by striking “December 31, 2004” and inserting “Decem-
25 ber 31, 2005”.

1 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
2 Section 302h(a)(1) of such title is amended by striking
3 “December 31, 2004” and inserting “December 31,
4 2005”.

5 (g) ACCESSION BONUS FOR PHARMACY OFFICERS.—
6 Section 302j(a) of such title is amended by striking “the
7 date of the enactment of the Floyd D. Spence National
8 Defense Authorization Act for Fiscal Year 2001 and end-
9 ing on September 30, 2004” and inserting “October 30,
10 2000, and ending on December 31, 2005”.

11 (h) REENLISTMENT BONUS FOR ACTIVE AND RE-
12 SERVE MEMBERS.—Section 308(g) of such title is amend-
13 ed by striking “December 31, 2004” and inserting “De-
14 cember 31, 2005”.

15 (i) ENLISTMENT BONUS FOR ACTIVE AND RESERVE
16 MEMBERS.—Section 309(e) of such title is amended by
17 striking “December 31, 2004” and inserting “December
18 31, 2005”.

19 (j) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
20 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
21 312(e) of such title is amended by striking “December 31,
22 2004” and inserting “December 31, 2005”.

23 (k) NUCLEAR CAREER ACCESSION BONUS.—Section
24 312b(c) of such title is amended by striking “December
25 31, 2004” and inserting “December 31, 2005”.

1 (l) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—
2 Section 312c(d) of such title is amended by striking “De-
3 cember 31, 2004” and inserting “December 31, 2005”.

4 (m) RETENTION BONUS FOR MEMBERS WHO HAVE
5 CRITICAL MILITARY SKILLS OR MEET OTHER CRI-
6 TERIA.—Section 323(i) of such title is amended by strik-
7 ing “December 31, 2004” and inserting “December 31,
8 2005”.

9 (n) ACCESSION OR AFFILIATION BONUS FOR NEW
10 OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such
11 title is amended by striking “December 31, 2004” and in-
12 serting “December 31, 2005”.

13 **SEC. 612. REDUCTION IN REQUIRED SERVICE COMMIT-**
14 **MENT TO RECEIVE ACCESSION BONUS FOR**
15 **REGISTERED NURSES.**

16 (a) REDUCTION.—Section 302d(a)(1) of title 37,
17 United States Code, is amended by striking “four years”
18 and inserting “three years”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall take effect October 1, 2004, and apply
21 with respect to written agreements referred to in section
22 302d(a)(1) of title 37, United States Code, entered into
23 on or after that date.

1 **SEC. 613. INCREASE IN MAXIMUM MONTHLY RATE AUTHOR-**
2 **IZED FOR HARDSHIP DUTY PAY.**

3 (a) INCREASE.—Section 305(a) of title 37, United
4 States Code, is amended by striking “\$300” and inserting
5 “\$750”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect October 1, 2004.

8 **SEC. 614. TERMINATION OF ASSIGNMENT INCENTIVE PAY**
9 **FOR MEMBERS PLACED ON TERMINAL**
10 **LEAVE.**

11 (a) TERMINATION.—Subsection (e) of section 307a of
12 title 37, United States Code, is amended to read as fol-
13 lows:

14 “(e) STATUS NOT AFFECTED BY TEMPORARY DUTY
15 OR LEAVE.—The service of a member in an assignment
16 referred to in subsection (a) shall not be considered dis-
17 continued during any period that the member is not per-
18 forming service in the assignment by reason of —

19 “(1) the performance by the member of tem-
20 porary duty pursuant to orders; or

21 “(2) the absence of the member for authorized
22 leave, unless the member is placed on terminal leave
23 and will not be returning to the assignment.”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 subsection (a) shall apply with respect to agreements
26 under section 307a(b) of title 37, United States Code, en-

1 tered into on or after the date of the enactment of this
2 Act.

3 **SEC. 615. CONSOLIDATION OF REENLISTMENT AND ENLIST-**
4 **MENT BONUS AUTHORITIES FOR REGULAR**
5 **AND RESERVE COMPONENTS.**

6 (a) CONSOLIDATED REENLISTMENT BONUS AU-
7 THORITY; ELIGIBILITY CRITERIA.—(1) Paragraph (1) of
8 subsection (a) of section 308 of title 37, United States
9 Code, is amended—

10 (A) by striking the matter preceding subpara-
11 graph (A) and inserting “The Secretary concerned
12 may pay a bonus under paragraph (2) to a member
13 of the armed forces serving in a regular component
14 or reserve component of the armed force if the mem-
15 ber—”;

16 (B) by striking subparagraph (A) and inserting
17 the following new subparagraph:

18 “(A) has completed at least 17 months of serv-
19 ice in a regular or reserve component of the armed
20 forces, but not more than 18 years of total military
21 service;”; and

22 (C) by striking subparagraph (D) and all that
23 follows through the period at the end of such para-
24 graph and inserting the following:

1 “(D) reenlists or voluntarily extends the mem-
2 ber’s enlistment for a period of at least three years
3 in a regular component or reserve component of the
4 armed forces.”.

5 (2) Paragraph (3) of such subsection is amended by
6 striking “16 years” and inserting “20 years”.

7 (3) Paragraph (5) of such subsection is amended to
8 read as follows:

9 “(5) The Secretary of Defense, and the Secretary of
10 Homeland Security with respect to the Coast Guard when
11 it is not operating as a service in the Navy, may waive
12 all or part of the eligibility requirements specified in para-
13 graph (1) in time of war or national emergency.”.

14 (4) Subsection (b) of such section is amended—

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

16 (B) by adding at the end the following new
17 paragraph:

18 “(2) Notwithstanding the schedule established for
19 making partial bonus payments under paragraph (1), a
20 member of a reserve component entitled to a bonus under
21 this section who is called or ordered to active duty shall
22 be paid, during that period of active duty, any amount
23 of the bonus that becomes payable to the member during
24 that period of active duty.”.

1 (5) Subsection (g) of such section is amended by
2 striking “an active-duty reenlistment” and inserting “a re-
3 enlistment”.

4 (b) CONSOLIDATED ENLISTMENT BONUS AUTHOR-
5 ITY.—Section 309(a) of such title is amended—

6 (1) by striking the first sentence and inserting
7 the following: “(1) The Secretary concerned may pay
8 a bonus this section to a person who enlists in a reg-
9 ular component or reserve component of the armed
10 forces for a period of at least two years.”; and

11 (2) by inserting after the first sentence, as so
12 amended, the following new paragraph:

13 “(2) The amount of a bonus under this section may
14 not exceed \$20,000.”.

15 (c) REPEAL OF SEPARATE REENLISTMENT AND EN-
16 LISTMENT BONUS AUTHORITY FOR RESERVE COMPO-
17 NENTS.—(1) Sections 308b, 308c, 308g, 308h, and 308i
18 of such title are repealed.

19 (2) The table of sections at the beginning of chapter
20 5 of such title is amended by striking the items relating
21 to sections 308b, 308c, 308h, and 308i.

22 (d) EFFECTIVE DATE.—(1) Except as provided by
23 paragraphs (2) and (3), the amendments made by this sec-
24 tion shall take effect October 1, 2004, and the amend-
25 ments made by subsections (a) and (b) shall apply to re-

1 enlistments, the voluntary extension of enlistments, and
2 enlistments referred to in section 308(a)(1) or 309(a) of
3 title 37, United States Code, entered into on or after that
4 date.

5 (2) The amendments made by subsection (c) shall
6 take effect December 31, 2004, except that the repeal of
7 section 308g of title 37, United States Code, shall take
8 effect on the date of the enactment of this Act.

9 (3) In the case of a member of the Armed Forces
10 who, on or before December 31, 2004, reenlisted, volun-
11 tarily extended the enlistment of the member, or enlisted
12 in a reserve component of the Armed Forces, section 308b,
13 308c, 308h, or 308i of title 37, United States Code, which-
14 ever applies to the member, and as in effect on December
15 31, 2004, shall continue to apply with respect to the pay-
16 ment of a bonus under such section to the member.

17 (e) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
18 TIONS.—During fiscal year 2005, obligations incurred
19 under sections 308 and 309 of title 37, United States
20 Code, to provide reenlistment and enlistment bonuses to
21 members of the uniformed services using the expanded au-
22 thority provided by the amendments made by subsections
23 (a) and (b) may not exceed \$20,000,000. The bonus au-
24 thority available under such sections shall not be consid-
25 ered to be an expanded authority to the extent that the

1 authority was available under a provision of law specified
2 in subsection (c), before the repeal of the provision by such
3 subsection.

4 **SEC. 616. REVISION OF AUTHORITY TO PROVIDE FOREIGN**
5 **LANGUAGE PROFICIENCY PAY.**

6 (a) IN GENERAL.—(1) Section 316 of title 37, United
7 States Code, is amended to read as follows:

8 **“§ 316. Special pay: bonus for members with foreign**
9 **language proficiency**

10 “(a) BONUS AUTHORIZED.—The Secretary con-
11 cerned may pay an annual bonus under this section to a
12 member of the uniformed services who—

13 “(1) is qualified in a uniformed services spe-
14 cialty requiring proficiency in a foreign language
15 identified by the Secretary concerned as a foreign
16 language in which it is necessary to have personnel
17 proficient because of national defense or public
18 health considerations;

19 “(2) received training, under regulations pre-
20 scribed by the Secretary concerned, designed to de-
21 velop a proficiency in such a foreign language;

22 “(3) is assigned to duties requiring a pro-
23 ficiency in such a foreign language; or

1 “(4) is proficient in a foreign language for
2 which the uniformed service may have a critical
3 need, as determined by the Secretary concerned.

4 “(b) CERTIFICATION OF PROFICIENCY.—Except as
5 provided in subsection (e), for a member described in sub-
6 section (a) to be eligible to receive or retain a bonus under
7 this section, the Secretary concerned shall certify the
8 member as being proficient in the foreign language for
9 which bonus is offered.

10 “(c) DURATION OF CERTIFICATION.—Except as pro-
11 vided in subsection (e), the certification of a member as
12 being proficient in a foreign language for purposes of re-
13 ceipt of a bonus under this section shall expire at the end
14 of the 12-month period beginning on the first day of the
15 first month beginning on or after the certification date.

16 “(d) BONUS AMOUNT; PAYMENT METHOD.—The
17 maximum amount of the bonus paid under this section
18 to a member may not exceed \$12,000 for the 12-month
19 period covered by the certification of the member. The
20 Secretary concerned may pay the bonus in a single lump
21 sum at the beginning of the certification period or in in-
22 stallments.

23 “(e) CERTIFICATION INTERRUPTED BY CONTIN-
24 GENCY OPERATION.—(1) The Secretary concerned may
25 waive the certification requirement under subsection (b)

1 and pay a bonus under this section to a member described
2 in subsection (a) who was previously certified in a foreign
3 language, but whose certification expired under subsection
4 (c), if—

5 “(A) the member is assigned to duty in connec-
6 tion with a contingency operation; and

7 “(B) the Secretary concerned determines that
8 the member is unable to schedule or complete the
9 certification required by subsection (b) because of
10 that assignment.

11 “(2) For purposes of determining the amount of a
12 bonus to be paid to a member under the authority of this
13 subsection, the Secretary concerned shall treat the date
14 on which the member was assigned to duty in connection
15 with the contingency operation as equivalent to a certifi-
16 cation date. In the case of a member whose certification
17 expires during such duty assignment, the Secretary shall
18 commence the next 12-month period effective as of the
19 date on which the prior certification period expired.

20 “(3) A member who receives a bonus under the au-
21 thority of this subsection shall complete the certification
22 required by subsection (b) for the foreign language for
23 which the bonus was paid not later than the end of the
24 180-day period beginning on the date on which the mem-
25 ber is released from the assignment in connection with the

1 contingency operation. The Secretary concerned may ex-
2 tend that period for a member in accordance with regula-
3 tions prescribed under subsection (h). If the member fails
4 to obtain the required certification before the end of the
5 authorized period, the Secretary concerned may require
6 the member to repay all or a portion of the bonus, in the
7 manner provided in subsection (g).

8 “(f) RELATIONSHIP TO OTHER PAY OR ALLOW-
9 ANCE.—A bonus under this section is in addition to any
10 other pay or allowance payable to a member under any
11 other provision of law.

12 “(g) REPAYMENT OF BONUS.—(1) The Secretary
13 concerned may require a member who receives a bonus
14 under this section, but who does not satisfy an eligibility
15 requirement specified in subsection (a) for the entire cer-
16 tification period, to repay to the United States an amount
17 which bears the same ratio to the total amount of the
18 bonus paid to the member as the unsatisfied portion of
19 the certification period bears to the entire certification pe-
20 riod.

21 “(2) An obligation to repay the United States im-
22 posed under paragraph (1) is for all purposes a debt owed
23 to the United States. A discharge in bankruptcy under
24 title 11 that is entered for the member less than five years
25 after the expiration of the certification period does not dis-

1 charge the member from a debt arising under this para-
2 graph. This paragraph applies to any case commenced
3 under title 11 after the date of the enactment of this sec-
4 tion.

5 “(h) REGULATIONS.—This section shall be adminis-
6 tered under regulations prescribed by the Secretary of De-
7 fense for the armed forces under the jurisdiction of the
8 Secretary, by the Secretary of Homeland Security for the
9 Coast Guard when the Coast Guard is not operating as
10 a service in the Navy, by the Secretary of Health and
11 Human Services for the Commissioned Corps of the Public
12 Health Service, and by the Secretary of Commerce for the
13 National Oceanic and Atmospheric Administration.”.

14 (2) The table of sections at the beginning of chapter
15 5 of such title is amended by striking the item relating
16 to section 316 and inserting the following new item:

“316. Special pay: bonus for members with foreign language proficiency.”.

17 (b) CONFORMING AMENDMENTS.—(1) Section 316a
18 of title 37, United States Code, is repealed.

19 (2) The table of sections at the beginning of chapter
20 5 of such title is amended by striking the item relating
21 to section 316a.

1 **SEC. 617. ELIGIBILITY OF RESERVE COMPONENT MEMBERS**
2 **FOR CRITICAL SKILLS RETENTION BONUS**
3 **AND EXPANSION OF AUTHORITY TO PROVIDE**
4 **BONUS.**

5 (a) INCLUSION OF RESERVE COMPONENT MEM-
6 BERS.—Section 323 of title 37, United States Code, is
7 amended—

8 (1) in subsection (a)—

9 (A) in the matter preceding paragraph (1),
10 by striking “who is serving on active duty and”
11 by inserting “who is serving on active duty in
12 a regular component or in an active status in
13 a reserve component and who”; and

14 (B) in paragraph (1), by inserting “, or re-
15 main in an active status in a reserve compo-
16 nent,” after “remain on active duty”;

17 (2) in subsection (e)(2), by inserting “or service
18 in a reserve component” after “period of active
19 duty”; and

20 (3) in subsection (g), by striking “active duty”
21 and inserting “service”.

22 (b) INCLUSION OF MEMBERS SERVING PURSUANT TO
23 INDEFINITE REENLISTMENT.—Subsection (a) of such sec-
24 tion is further amended—

25 (1) by striking “or” at the end of paragraph
26 (1);

1 (2) in paragraph (2)—

2 (A) by inserting “other than an enlisted
3 member referred to in paragraph (3),” after
4 “enlisted member,”; and

5 (B) by striking the period at the end and
6 inserting “; or”; and

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

9 “(3) in the case of an enlisted member serving
10 pursuant to an indefinite reenlistment, the member
11 executes a written agreement to remain on active
12 duty, or remain in an active status in a reserve com-
13 ponent, for a period of at least one year.”.

14 (c) **ADDITIONAL CRITERIA FOR BONUS.**—Such sec-
15 tion is further amended—

16 (1) in subsection (a), by striking “designated
17 critical military skill” and inserting “critical military
18 skill designated under subsection (b) or satisfies
19 such other criteria for the bonus established under
20 such subsection”;

21 (2) in subsection (b)—

22 (A) by striking “**DESIGNATION OF CRIT-**
23 **ICAL SKILLS.—**” and inserting “**BASIS FOR**
24 **BONUS.—(1)**”; and

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

3 “(2) The Secretary of Defense, and the Secretary of
4 Homeland Security with respect to the Coast Guard when
5 it is not operating as a service in the Navy, may establish
6 such other criteria as the Secretary considers appropriate
7 under which a retention bonus will be provided to an offi-
8 cer or enlisted member of the armed forces under sub-
9 section (a).”; and

10 (3) in subsection (h)(1), by striking “qualified
11 in the critical military skills for which the bonuses
12 were offered” and inserting “who were offered the
13 bonuses”.

14 (d) REPEAL OF SEPARATE SPECIAL AND INCENTIVE
15 PAY AUTHORITIES FOR RESERVE COMPONENTS.—(1)
16 Sections 302g, 308d, and 308e of such title are repealed.

17 (2) In the case of a member of the Armed Forces
18 who, on or before December 31, 2004, entered into a writ-
19 ten agreement under section 302g or 308e of title 37,
20 United States Code, such section 302g or 308e, whichever
21 applies to the member, and as in effect on December 31,
22 2004, shall continue to apply after that date with respect
23 to the payment of special pay under such section to the
24 member during the term of the agreement.

1 (e) CLERICAL AMENDMENTS.—(1) The heading of
2 section 323 of such title is amended to read as follows:

3 **“§ 323 Special pay: retention incentives for members**
4 **qualified in a critical military skill or**
5 **who satisfy other eligibility criteria”.**

6 (2) The table of sections at the beginning of chapter
7 5 of such title is amended—

8 (A) by striking the items relating to sections
9 302g, 308d, and 308e; and

10 (B) by striking the item relating to section 323
11 and inserting the following new item:

“323. Special pay: retention incentives for members qualified in a critical mili-
tary skill or who satisfy other eligibility criteria.”.

12 (f) EFFECTIVE DATE.—(1) Except as provided by
13 paragraph (2), the amendments made by this section shall
14 take effect October 1, 2004, and the amendments made
15 by subsections (a), (b), and (c) shall apply to agreements,
16 reenlistments, and the voluntary extension of enlistments
17 referred to in section 323(a) of title 37, United States
18 Code, entered into on or after that date.

19 (2) The amendments made by subsections (d)(1) and
20 (e)(2)(A) shall take effect December 31, 2004.

21 (g) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
22 TIONS.—During fiscal year 2005, obligations incurred
23 under section 323 of title 37, United States Code, to pro-
24 vide retention bonuses to members of the uniformed serv-

1 ices using the expanded authority provided by the amend-
2 ments made by subsections (a), (b), and (c) may not ex-
3 ceed \$10,000,000. The bonus authority available under
4 such section shall not be considered to be an expanded
5 authority to the extent that the authority was available
6 under a provision of law specified in subsection (d), before
7 the repeal of the provision by such subsection.

8 **SEC. 618. ELIGIBILITY OF NEW RESERVE COMPONENT OF-**
9 **FICERS FOR ACCESSION OR AFFILIATION**
10 **BONUS FOR OFFICERS IN CRITICAL SKILLS.**

11 (a) **ELIGIBILITY.**—Subsection (a) of section 324 of
12 title 37, United States Code, is amended to read as fol-
13 lows:

14 “(a) **BONUS AUTHORIZED.**—(1) The Secretary con-
15 cerned may pay a bonus under this section—

16 “(A) to a person who executes a written agree-
17 ment to accept a commission or an appointment as
18 an officer of armed forces and serve on active duty
19 in a designated critical officer skill or serve in a re-
20 serve component of an armed force in a designated
21 critical officer skill; or

22 “(B) to an officer of an armed force, including
23 a warrant officer, but excluding an officer who has
24 previously served in the Selected Reserve or an offi-
25 cer who is entitled to retired pay, who executes a

1 written agreement to serve in a reserve component
2 of an armed force in a designated critical officer
3 skill after being discharged or released from active
4 duty under honorable conditions, once the officer af-
5 filiates with a unit or position in the reserve compo-
6 nent.

7 “(2) The written agreement under paragraph (1) be-
8 tween the Secretary concerned and a person or officer
9 shall specify the period during which the person or officer
10 will be required to serve in a designated critical officer
11 skill to maintain entitlement to the bonus payment.”.

12 (b) AMOUNT OF BONUS.—Subsection (c) of such sec-
13 tion is amended to read as follows:

14 “(c) AMOUNT OF BONUS.—The Secretary concerned
15 shall determine the amount of a bonus to be paid under
16 subsection (a), except that a person may not receive a total
17 of more than \$60,000 in payments under this section”.

18 (c) CONFORMING AMENDMENTS.—Such section is
19 further amended—

20 (1) in subsection (d), by striking “accession”
21 both places it appears;

22 (2) in subsection (e)—

23 (A) in the subsection heading, by striking
24 “ACCESSION”; and

1 (B) by striking “an accession bonus” and
2 inserting “a bonus”; and
3 (3) in subsection (f), by striking “active duty”
4 and “accession” each place it appears.

5 (d) CLERICAL AMENDMENTS.—(1) The heading of
6 section 324 of such title is amended to read as follows:
7 **“§ 324. Special pay: accession or affiliation bonus for**
8 **officers in designated critical skills”.**

9 (2) The table of sections at the beginning of chapter
10 5 of such title is amended by striking the item relating
11 to section 324 and inserting the following new item:

“324. Special pay: accession or affiliation bonus for officers in designated critical skills.”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect October 1, 2004, and apply
14 to agreements referred to in section 324(a) of title 37,
15 United States Code entered into on or after that date.

16 (f) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
17 TIONS.—During fiscal year 2005, obligations incurred
18 under section 324 of title 37, United States Code, as
19 amended by subsections (a) and (b), to provide accession
20 and affiliation bonuses to members of the Armed Forces
21 not previously eligible for such a bonus under such section
22 may not exceed \$5,000,000.

1 **SEC. 619. ELIGIBILITY OF RESERVE COMPONENT MEMBERS**
2 **FOR INCENTIVE BONUS FOR CONVERSION TO**
3 **MILITARY OCCUPATIONAL SPECIALTY TO**
4 **EASE PERSONNEL SHORTAGE.**

5 (a) **ELIGIBILITY.**—Section 326 of title 37, United
6 States Code, is amended—

7 (1) in subsection (a), by inserting “of a regular
8 or reserve component” after “an eligible member”;

9 (2) in subsection (b)—

10 (A) by striking “if—” and all that follows
11 through “at the time” and inserting “if, at the
12 time”; and

13 (B) by redesignating subparagraphs (A)
14 and (B) as paragraphs (1) and (2), respectively;
15 and

16 (3) in subsection (c)(2), by inserting “regular
17 or reserve component of the” after “chief personnel
18 officer of the”.

19 (b) **EFFECTIVE DATE.**—The amendments made by
20 this section shall take effect October 1, 2004, and apply
21 to agreements referred to in section 326(a) of title 37,
22 United States Code, entered into on or after that date.

23 (c) **LIMITATION ON FISCAL YEAR 2005 OBLIGA-**
24 **TIONS.**—During fiscal year 2005, obligations incurred
25 under section 326 of title 37, United States Code, as
26 amended by subsection (a), to provide incentive bonuses

1 to members of a reserve component of the Armed Forces
2 may not exceed \$3,000,000.

3 **SEC. 620. AVAILABILITY OF HAZARDOUS DUTY INCENTIVE**
4 **PAY FOR MILITARY FIREFIGHTERS.**

5 (a) ADDITIONAL TYPE OF DUTY ENTITLED TO
6 PAY.—Subsection (a) of section 301 of title 37, United
7 States Code, is amended—

8 (1) by striking “or” at the end of paragraph
9 (12);

10 (2) by redesignating paragraph (13) as para-
11 graph (14); and

12 (3) by inserting after paragraph (12) the fol-
13 lowing new paragraph:

14 “(13) involving regular participating as a fire-
15 fighting crew member, as determined by the Sec-
16 retary concerned; or”.”.

17 (b) MONTHLY AMOUNT OF PAY.—Subsection (c) of
18 such section is amended—

19 (1) in paragraph (1), by striking “(12)” and in-
20 serting “(13)”; and

21 (2) in paragraph (2)(A), by striking “(13)” and
22 inserting “(14)”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 subsection (a) and (b) shall take effect October 1, 2004.

1 **Subtitle C—Travel and**
2 **Transportation Allowances**

3 **SEC. 631. EXPANSION OF TRAVEL AND TRANSPORTATION**
4 **ALLOWANCES TO ASSIST SURVIVORS OF A**
5 **DECEASED MEMBER TO ATTEND BURIAL**
6 **CEREMONY OF THE MEMBER.**

7 (a) AUTHORIZED TRAVEL LOCATIONS.—Subsection
8 (b) of section 411f of title 37, United States Code, is
9 amended to read as follows:

10 “(b) AUTHORIZED LOCATIONS FOR TRAVEL; DURA-
11 TION AND RATES.—(1) The allowances under subsection
12 (a) may be provided for travel and transportation by eligi-
13 ble relatives of the deceased member to the place selected
14 pursuant to section 1482(a)(8) of title 10 for disposition
15 of the remains of the deceased member.

16 “(2) The allowances may not exceed the rates for two
17 days and the time necessary for the travel.”.

18 (b) ELIGIBLE RELATIVES.—Subsection (c)(1)(C) of
19 such section is amended by striking “If no person de-
20 scribed in subparagraph (A) or (B) is provided travel and
21 transportation allowances under subsection (a)(1), the”
22 and inserting “The”.

23 (c) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
24 TIONS.—During fiscal year 2005, obligations incurred
25 under section 411f of title 37, United States Code, as

1 amended by subsections (a) and (b), to provide travel and
2 transportation allowances, not previously available under
3 such section, to survivors of deceased members of the uni-
4 formed services, and to provide such allowances to persons
5 not previously eligible for such allowances, may not exceed
6 \$2,000,000.

7 **SEC. 632. TRANSPORTATION OF FAMILY MEMBERS INCI-**
8 **DENT TO THE SERIOUS ILLNESS OR INJURY**
9 **OF MEMBERS OF THE UNIFORMED SERVICES.**

10 (a) REMOVAL OF LIMITATION ON NUMBER OF FAM-
11 ILY MEMBERS.—Subsection (a)(1) of section 411h of title
12 37, United States Code, is amended by striking “not more
13 than two family members” and inserting “a family mem-
14 ber”.

15 (b) FAMILY MEMBERS DESCRIBED.—Subsection
16 (b)(1) of such section is amended—

17 (1) by striking “and” at the end of subpara-
18 graph (C);

19 (2) by striking the period at the end of sub-
20 paragraph (D) and inserting “; and”; and

21 (3) by adding at the end the following new sub-
22 paragraph:

23 “(E) other persons approved by the Secretary
24 concerned.”.

1 (c) AVAILABILITY OF PER DIEM.—Such section is
2 further amended—

3 (1) in subsection (a)(1), by inserting “travel
4 and” before “transportation”; and

5 (2) in subsection (c)—

6 (A) by inserting “(1)” after “(c)” ; and

7 (B) by adding at the end the following new
8 paragraph:

9 “(2) In addition to the transportation authorized by
10 subsection (a), the Secretary concerned may provide a per
11 diem allowance or reimbursement for the actual and nec-
12 essary expenses of the travel, or a combination thereof,
13 but not to exceed the rates established under section
14 404(d) of this title.”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on October 1, 2004, and apply
17 to transportation described in section 411h of title 37,
18 United States Code, provided on or after that date.

19 (e) LIMITATION ON FISCAL YEAR 2005 OBLIGA-
20 TIONS.—During fiscal year 2005, obligations incurred
21 under section 411h of title 37, United States Code, as
22 amended by subsections (a) and (b), to provide travel and
23 transportation allowances, not previously available under
24 such section, to family members of seriously ill or injured
25 members of the uniformed services, and to provide such

1 allowances to persons not previously eligible for such al-
2 lowances, may not exceed \$3,000,000.

3 **SEC. 633. REIMBURSEMENT OF MEMBERS FOR CERTAIN**
4 **LODGING COSTS INCURRED IN CONNECTION**
5 **WITH STUDENT DEPENDENT TRAVEL.**

6 Section 430(b) of title 37, United States Code, is
7 amended—

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

10 (2) by inserting after paragraph (1) the fol-
11 lowing new paragraph (2):

12 “(2) The transportation allowance paid to a member
13 under paragraph (1) may include reimbursement, at a rate
14 prescribed by the Secretaries concerned, for lodging costs
15 incurred during the annual trip for which the allowance
16 is paid when, for reasons beyond the control of the depend-
17 ent child of the member, the child is required to procure
18 accommodations while en route between the child’s school
19 and the member’s duty station.”.

20 **Subtitle D—Retired Pay and**
21 **Survivor Benefits**

22 **SEC. 641. COMPUTATION OF BENEFITS UNDER SURVIVOR**
23 **BENEFIT PLAN FOR SURVIVING SPOUSES**
24 **OVER AGE 62.**

25 (a) PHASED INCREASE IN BASIC ANNUITY.—

1 (1) STANDARD ANNUITY.—

2 (A) INCREASE TO 55 PERCENT.—Clause (i)
3 of subsection (a)(1)(B) of section 1451 of title
4 10, United States Code, is amended by striking
5 “35 percent of the base amount.” and inserting
6 “the product of the base amount and the per-
7 cent applicable to the month, as follows:

8 “(I) For a month before October
9 2005, the applicable percent is 35 percent.

10 “(II) For months after September
11 2005 and before April 2006, the applicable
12 percent is 40 percent.

13 “(III) For months after March 2006
14 and before April 2007, the applicable per-
15 cent is 45 percent.

16 “(IV) For months after March 2007
17 and before April 2008, the applicable per-
18 cent is 50 percent.

19 “(V) For months after March 2008,
20 the applicable percent is 55 percent.”.

21 (B) COORDINATION WITH SAVINGS PROVI-
22 SION UNDER PRIOR LAW.—Clause (ii) of such
23 subsection is amended by striking “, at the time
24 the beneficiary becomes entitled to the annu-
25 ity,”.

1 (2) RESERVE-COMPONENT ANNUITY.—Sub-
2 section (a)(2)(B)(i)(I) of such section is amended by
3 striking “35 percent” and inserting “the percent
4 specified under subsection (a)(1)(B)(i) as being ap-
5 plicable for the month”.

6 (3) SURVIVORS OF ELIGIBLE PERSONS DYING
7 ON ACTIVE DUTY, ETC.—

8 (A) INCREASE TO 55 PERCENT.—Clause (i)
9 of subsection (c)(1)(B) of such section is
10 amended—

11 (i) by striking “35 percent” and in-
12 serting “the applicable percent”; and

13 (ii) by adding at the end the fol-
14 lowing: “The percent applicable for a
15 month under the preceding sentence is the
16 percent specified under subsection
17 (a)(1)(B)(i) as being applicable for that
18 month.”.

19 (B) COORDINATION WITH SAVINGS PROVI-
20 SION UNDER PRIOR LAW.—Clause (ii) of such
21 subsection is amended by striking “, at the time
22 the beneficiary becomes entitled to the annu-
23 ity,”.

1 (4) CLERICAL AMENDMENT.—The heading for
2 subsection (d)(2)(A) of such section is amended to
3 read as follows: “COMPUTATION OF ANNUITY.—”.

4 (b) CORRESPONDING PHASED ELIMINATION OF SUP-
5 PLEMENTAL ANNUITY.—

6 (1) PHASED REDUCTION OF SUPPLEMENTAL
7 ANNUITY.—Section 1457(b) of title 10, United
8 States Code, is amended—

9 (A) by striking “5, 10, 15, or 20 percent”
10 and inserting “the applicable percent”; and

11 (B) by inserting after the first sentence
12 the following: “The percent used for the com-
13 putation shall be an even multiple of 5 percent
14 and, whatever the percent specified in the elec-
15 tion, may not exceed 20 percent for months be-
16 fore October 2005, 15 percent for months after
17 September 2005 and before April 2006, 10 per-
18 cent for months after March 2006 and before
19 April 2007, and 5 percent for months after
20 March 2007 and before April 2008.”.

21 (2) REPEAL UPON IMPLEMENTATION OF 55
22 PERCENT SBP ANNUITY.—Effective on April 1,
23 2008, chapter 73 of such title is amended—

24 (A) by striking subchapter III; and

1 (B) by striking the item relating to sub-
2 chapter III in the table of subchapters at the
3 beginning of that chapter.

4 (c) RECOMPUTATION OF ANNUITIES.—

5 (1) PERIODIC RECOMPUTATION REQUIRED.—
6 Effective on the first day of each month specified in
7 paragraph (2)—

8 (A) each annuity under section 1450 of
9 title 10, United States Code, that commenced
10 before that month, is computed under a provi-
11 sion of section 1451 of that title amended by
12 subsection (a), and is payable for that month
13 shall be recomputed so as to be equal to the
14 amount that would be in effect if the percent
15 applicable for that month under that provision,
16 as so amended, had been used for the initial
17 computation of the annuity; and

18 (B) each supplemental survivor annuity
19 under section 1457 of such title that com-
20 menced before that month and is payable for
21 that month shall be recomputed so as to be
22 equal to the amount that would be in effect if
23 the percent applicable for that month under
24 that section, as amended by this section, had

1 been used for the initial computation of the
2 supplemental survivor annuity.

3 (2) TIME FOR RECOMPUTATION.—The require-
4 ment under paragraph (1) for recomputation of cer-
5 tain annuities applies with respect to the following
6 months:

7 (A) October 2005.

8 (B) April 2006.

9 (C) April 2007.

10 (D) April 2008.

11 (d) RECOMPUTATION OF RETIRED PAY REDUCTIONS
12 FOR SUPPLEMENTAL SURVIVOR ANNUITIES.—The Sec-
13 retary of Defense shall take such actions as are neces-
14 sitated by the amendments made by subsection (b) and
15 the requirements of subsection (c)(1)(B) to ensure that
16 the reductions in retired pay under section 1460 of title
17 10, United States Code, are adjusted to achieve the objec-
18 tives set forth in subsection (b) of that section.

19 **SEC. 642. OPEN ENROLLMENT PERIOD FOR SURVIVOR BEN-**
20 **EFIT PLAN COMMENCING OCTOBER 1, 2005.**

21 (a) PERSONS NOT CURRENTLY PARTICIPATING IN
22 SURVIVOR BENEFIT PLAN.—

23 (1) ELECTION OF SBP COVERAGE.—An eligible
24 retired or former member may elect to participate in
25 the Survivor Benefit Plan under subchapter II of

1 chapter 73 of title 10, United States Code, during
2 the open enrollment period specified in subsection
3 (f).

4 (2) ELECTION OF SUPPLEMENTAL ANNUITY
5 COVERAGE.—An eligible retired or former member
6 who elects under paragraph (1) to participate in the
7 Survivor Benefit Plan at the maximum level may
8 also elect during the open enrollment period to par-
9 ticipate in the Supplemental Survivor Benefit Plan
10 established under subchapter III of chapter 73 of
11 title 10, United States Code.

12 (3) ELIGIBLE RETIRED OR FORMER MEMBER.—
13 For purposes of paragraphs (1) and (2), an eligible
14 retired or former member is a member or former
15 member of the uniformed services who on the day
16 before the first day of the open enrollment period is
17 not a participant in the Survivor Benefit Plan and—

18 (A) is entitled to retired pay; or

19 (B) would be entitled to retired pay under
20 chapter 1223 of title 10, United States Code,
21 but for the fact that such member or former
22 member is under 60 years of age.

23 (4) STATUS UNDER SBP OF PERSONS MAKING
24 ELECTIONS.—

1 (A) STANDARD ANNUITY.—A person mak-
2 ing an election under paragraph (1) by reason
3 of eligibility under paragraph (3)(A) shall be
4 treated for all purposes as providing a standard
5 annuity under the Survivor Benefit Plan.

6 (B) RESERVE-COMPONENT ANNUITY.—A
7 person making an election under paragraph (1)
8 by reason of eligibility under paragraph (3)(B)
9 shall be treated for all purposes as providing a
10 reserve-component annuity under the Survivor
11 Benefit Plan.

12 (b) ELECTION TO INCREASE COVERAGE UNDER
13 SBP.—A person who on the day before the first day of
14 the open enrollment period is a participant in the Survivor
15 Benefit Plan but is not participating at the maximum base
16 amount or is providing coverage under the Plan for a de-
17 pendent child and not for the person's spouse or former
18 spouse may, during the open enrollment period, elect to—

19 (1) participate in the Plan at a higher base
20 amount (not in excess of the participant's retired
21 pay); or

22 (2) provide annuity coverage under the Plan for
23 the person's spouse or former spouse at a base
24 amount not less than the base amount provided for
25 the dependent child.

1 (c) ELECTION FOR CURRENT SBP PARTICIPANTS TO
2 PARTICIPATE IN SUPPLEMENTAL SBP.—

3 (1) ELECTION.—A person who is eligible to
4 make an election under this paragraph may elect
5 during the open enrollment period to participate in
6 the Supplemental Survivor Benefit Plan established
7 under subchapter III of chapter 73 of title 10,
8 United States Code.

9 (2) PERSONS ELIGIBLE.—Except as provided in
10 paragraph (3), a person is eligible to make an elec-
11 tion under paragraph (1) if on the day before the
12 first day of the open enrollment period the person is
13 a participant in the Survivor Benefit Plan at the
14 maximum level, or during the open enrollment pe-
15 riod the person increases the level of such participa-
16 tion to the maximum level under subsection (b) of
17 this section, and under that Plan is providing annu-
18 ity coverage for the person's spouse or a former
19 spouse.

20 (3) LIMITATION ON ELIGIBILITY FOR CERTAIN
21 SBP PARTICIPANTS NOT AFFECTED BY TWO-TIER
22 ANNUITY COMPUTATION.—A person is not eligible to
23 make an election under paragraph (1) if (as deter-
24 mined by the Secretary concerned) the annuity of a
25 spouse or former spouse beneficiary of that person

1 under the Survivor Benefit Plan will be computed
2 under section 1451(e) of title 10, United States
3 Code. However, such a person may during the open
4 enrollment period waive the right to have that annu-
5 ity computed under such section. Any such election
6 is irrevocable. A person making such a waiver may
7 make an election under paragraph (1) as in the case
8 of any other participant in the Survivor Benefit
9 Plan.

10 (d) MANNER OF MAKING ELECTIONS.—An election
11 under this section must be made in writing, signed by the
12 person making the election, and received by the Secretary
13 concerned before the end of the open enrollment period.
14 Any such election shall be made subject to the same condi-
15 tions, and with the same opportunities for designation of
16 beneficiaries and specification of base amount, that apply
17 under the Survivor Benefit Plan or the Supplemental Sur-
18 vivor Benefit Plan, as the case may be. A person making
19 an election under subsection (a) to provide a reserve-com-
20 ponent annuity shall make a designation described in sec-
21 tion 1448(e) of title 10, United States Code.

22 (e) EFFECTIVE DATE FOR ELECTIONS.—Any such
23 election shall be effective as of the first day of the first
24 calendar month following the month in which the election
25 is received by the Secretary concerned.

1 (f) OPEN ENROLLMENT PERIOD DEFINED.—The
2 open enrollment period is the two-year period beginning
3 on October 1, 2005.

4 (g) EFFECT OF DEATH OF PERSON MAKING ELEC-
5 TION WITHIN TWO YEARS OF MAKING ELECTION.—If a
6 person making an election under this section dies before
7 the end of the two-year period beginning on the effective
8 date of the election, the election is void and the amount
9 of any reduction in retired pay of the person that is attrib-
10 utable to the election shall be paid in a lump sum to the
11 person who would have been the deceased person's bene-
12 ficiary under the voided election if the deceased person
13 had died after the end of such two-year period.

14 (h) APPLICABILITY OF CERTAIN PROVISIONS OF
15 LAW.—The provisions of sections 1449, 1453, and 1454
16 of title 10, United States Code, are applicable to a person
17 making an election, and to an election, under this section
18 in the same manner as if the election were made under
19 the Survivor Benefit Plan or the Supplemental Survivor
20 Benefit Plan, as the case may be.

21 (i) ADDITIONAL PREMIUM.—The Secretary of De-
22 fense may require that the premium for a person making
23 an election under subsection (a)(1) or (b) include, in addi-
24 tion to the amount required under section 1452(a) of title
25 10, United States Code, an amount determined under reg-

1 ulations prescribed by the Secretary of Defense for the
2 purposes of this subsection. Any such amount shall be
3 stated as a percentage of the base amount of the person
4 making the election and shall reflect the number of years
5 that have elapsed since the person retired, but may not
6 exceed 4.5 percent of that person's base amount.

7 (j) REPORT CONCERNING OPEN SEASON.—Not later
8 than July 1, 2005, the Secretary of Defense shall submit
9 to the Committee on Armed Services of the Senate and
10 the Committee on Armed Services of the House of Rep-
11 resentatives a report on the open season authorized by this
12 section for the Survivor Benefit Plan. The report shall in-
13 clude the following:

14 (1) A description of the Secretary's plans for
15 implementation of the open season.

16 (2) The Secretary's estimates of the costs asso-
17 ciated with the open season, including any antici-
18 pated effect of the open season on the actuarial sta-
19 tus of the Department of Defense Military Retire-
20 ment Fund.

21 (3) Any recommendation by the Secretary for
22 further legislative action.

1 **SEC. 643. SOURCE OF FUNDS FOR SURVIVOR BENEFIT**
2 **PLAN ANNUITIES FOR DEPARTMENT OF DE-**
3 **FENSE BENEFICIARIES OVER AGE 62.**

4 (a) IN GENERAL.—Chapter 74 of title 10, United
5 States Code, is amended as follows:

6 (1) Section 1465(b) of such title is amended by
7 adding at the end the following new paragraph:

8 “(4) At the same time that the Secretary of Defense
9 makes the determination required by paragraph (1) for
10 any fiscal year, the Secretary shall determine the amount
11 of the Treasury contribution to be made to the Fund for
12 the next fiscal year under section 1466(b)(2)(E) of this
13 title. That amount shall be determined in the same man-
14 ner as the determination under paragraph (1) of the total
15 amount of Department of Defense contributions to be
16 made to the Fund during that fiscal year under section
17 1466(a) of this title, except that for purposes of this para-
18 graph the Secretary, in making the calculations required
19 by subparagraphs (A) and (B) of that paragraph, shall
20 use the single level percentages determined under sub-
21 section (c)(5), rather than those determined under sub-
22 section (c)(1).”.

23 (4) Section 1465(c) of such title is amended—

24 (A) in paragraph (1)—

25 (i) in subparagraph (A), by inserting
26 before the semicolon at the end the fol-

1 lowing: “and as if benefits under
2 subchapter II of chapter 73 of this title for
3 beneficiaries 62 years of age and older
4 were computed for any fiscal year on the
5 basis of the percentage of 35 percent, rath-
6 er than any percentage otherwise applica-
7 ble for that computation for that fiscal
8 year”; and

9 (ii) in subparagraph (B), by inserting
10 before the period at the end the following:
11 “and as if benefits under subchapter II of
12 chapter 73 of this title for beneficiaries 62
13 years of age and older were computed for
14 any fiscal year on the basis of the percent-
15 age of 35 percent, rather than any percent-
16 age otherwise applicable for that computa-
17 tion for that fiscal year”;

18 (B) by redesignating paragraph (5) as
19 paragraph (6); and

20 (C) by inserting after paragraph (4) the
21 following new paragraph (5):

22 “(5) Whenever the Secretary carries out an actuarial
23 valuation under paragraph (1), the Secretary shall include
24 as part of such valuation the following:

1 “(A) A determination of a single level percent-
2 age determined in the same manner as applies under
3 subparagraph (A) of paragraph (1), but determined
4 as if benefits under subchapter II of chapter 73 of
5 this title for beneficiaries 62 years of age and older
6 were computed for any fiscal year on the basis of the
7 percentage of 35 percent, rather than any percent-
8 age otherwise applicable for that computation for
9 that fiscal year.

10 “(B) A determination of a single level percent-
11 age determined in the same manner as applies under
12 subparagraph (B) of paragraph (1), but determined
13 as if benefits under subchapter II of chapter 73 of
14 this title for beneficiaries 62 years of age and older
15 were computed for any fiscal year on the basis of the
16 percentage of 35 percent, rather than any percent-
17 age otherwise applicable for that computation for
18 that fiscal year.

19 Such single level percentages shall be used for the pur-
20 poses of subsection (b)(4).”.

21 (5) Section 1466(b) of such title is amended—

22 (A) in paragraph (1), by inserting
23 “1465(b)(4),” after “1465(b)(3),”; and

24 (B) by adding at the end of paragraph (2)
25 the following new subparagraph:

1 “(E) The amount for that year determined by
2 the Secretary of Defense under section 1465(b)(4)
3 of this title for the cost to the Fund arising from in-
4 creased amounts payable from the Fund by reason
5 of benefits under subchapter II of chapter 73 of this
6 title for beneficiaries 62 years of age and older being
7 computed for any fiscal year on the basis of the per-
8 centage greater than 35 percent.”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 subsection (a) shall take effect as of October 1, 2004. If
11 this Act is enacted after that date, the Secretary of De-
12 fense shall provide for such administrative adjustments as
13 necessary to provide for payments made for any period
14 during fiscal year 2005 before the date of the enactment
15 of this Act to be treated as having been made in accord-
16 ance with such amendments and for the provisions of
17 those amendments to be implemented as if enacted as of
18 September 30, 2004.

1 **Subtitle E—Commissary and Non-**
2 **appropriated Fund Instrumen-**
3 **tality Benefits**

4 **SEC. 651. CONSOLIDATION AND REORGANIZATION OF LEG-**
5 **ISLATIVE PROVISIONS REGARDING DEFENSE**
6 **COMMISSARY SYSTEM AND EXCHANGES AND**
7 **OTHER MORALE, WELFARE, AND RECRE-**
8 **ATION ACTIVITIES.**

9 (a) PROVISIONS RELATED TO COMMISSARY
10 STORES.—Chapter 147 of title 10, United States Code,
11 is amended—

12 (1) by striking the table of sections at the be-
13 ginning of the chapter and sections 2481, 2483,
14 2485, and 2487;

15 (2) by redesignating sections 2482, 2484, and
16 2486 as sections 2485, 2483 and 2484, respectively;

17 (3) by inserting after the chapter heading the
18 following:

“Subchapter	Sec.
“I. Defense Commissary System	2481
“II. Relationship, Continuation, and Common Policies of Defense Com- missary and Exchange Systems	2487
“III. Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities	2491

19 “SUBCHAPTER I—DEFENSE COMMISSARY
20 SYSTEM

- “Sec.
- “2481. Existence and purpose of defense commissary system.
- “2482. Commissary stores: criteria for establishment or closure; store size.

“2483. Commissary stores: use of appropriated funds to cover operating expenses.

“2484. Commissary stores: merchandise that may be sold; uniform surcharges and pricing.

“2485. Commissary stores: operation.

1 **“§ 2481. Existence and purpose of defense com-**
2 **missary system**

3 “(a) EXISTENCE OF SYSTEM.—The Secretary of the
4 Defense shall operate, using funds appropriated to the De-
5 partment of Defense, a world-wide system of commissary
6 stores that sell, at reduced prices, food and other merchan-
7 dise consistent with societal norms for product selection
8 in commercial large-scale grocery stores in the United
9 States to members of the uniformed services on active
10 duty, members of the uniformed services entitled to retired
11 pay, dependents of such members, and patrons authorized
12 to use the system under chapter 54 of this title.

13 “(b) PURPOSE OF SYSTEM.—The purpose of the de-
14 fense commissary system is to enhance the quality of life
15 of members of the uniformed services, retired members,
16 dependents of such members, and other authorized pa-
17 trons and to provide such members with an additional
18 nonmonetary compensation in recognition of their service
19 to the United States.

20 “(c) REDUCES PRICES DEFINED.—In this section,
21 the term ‘reduced prices’ means prices for food and other
22 merchandise determined using the price setting process
23 specified in section 2484 of this title.

1 **“§ 2482. Commissary stores: criteria for establishment**
2 **or closure; store size**

3 “(a) PRIMARY CONSIDERATION FOR ESTABLISH-
4 MENT.—The needs of members of the uniformed services
5 on active duty and their dependents shall be the primary
6 consideration whenever the Secretary of Defense—

7 “(1) assesses the need to establish a com-
8 missary store; and

9 “(2) selects the actual location for the store.

10 “(b) STORE SIZE.—In determining the size of a com-
11 missary store, the Secretary of Defense shall take into
12 consideration the number of all authorized patrons of the
13 defense commissary system who are likely to use the store.

14 “(c) CLOSURE CONSIDERATIONS.—(1) Whenever as-
15 sessing whether to close a commissary store, the effect of
16 the closure on the quality of life of members of the uni-
17 formed services and their dependents using the store and
18 on the welfare and security of the military community in
19 which the commissary is located shall be the primary con-
20 sideration. In all cases, the quality of life for military pa-
21 trons shall take priority over any consideration of eco-
22 nomic criteria relative to store financial performance.

23 “(2) The Secretary of Defense shall give the quality
24 of life for members of a reserve component the same pri-
25 ority as the quality of life for active duty members when-
26 ever assessing whether to close a commissary store, includ-

1 ing when the assessment is undertaken as a result of the
2 closure or realignment of a military installation under a
3 base closure law.

4 “(d) CONGRESSIONAL NOTIFICATION.—The closure
5 of a commissary store shall not take effect until the end
6 of the 90-day period beginning on the date on which the
7 Secretary of Defense submits to Congress written notice
8 of the reasons supporting the closure. The written notice
9 shall include an assessment of the impact closure will have
10 on the quality of life for military patrons and the welfare
11 and security of the military community in which the com-
12 missary is located.”;

13 (4) by inserting sections 2483 and 2484, as re-
14 designated by paragraph (2), after section 2482, as
15 added by paragraph (3);

16 (5) in section 2484, as redesignated by para-
17 graph (2)—

18 (A) by striking subsections (a), (b), (c),
19 and (g);

20 (B) by redesignating subsections (d), (e),
21 and (f) as subsections (f), (g), and (h), respec-
22 tively;

23 (C) by inserting before subsection (f), as so
24 redesignated, the following new subsections:

1 “(a) IN GENERAL.—As provided in section 2481(a)
2 of this title, commissary stores are intended to be similar
3 to commercial grocery stores and may sell merchandise
4 similar to that sold in commercial grocery stores. The Sec-
5 retary of Defense shall ensure that the design and format
6 of commissary stores are consistent with modern grocery
7 store stockage and format.

8 “(b) REQUIRED COMMISSARY MERCHANDISE CAT-
9 EGORIES.—Merchandise sold in, at, or by commissary
10 stores shall include items in the following categories:

11 “(1) Meat, poultry, and seafood.

12 “(2) Nonalcoholic beverages.

13 “(3) Produce.

14 “(4) Grocery food, whether stored chilled, fro-
15 zen, or at room temperature.

16 “(5) Dairy products.

17 “(6) Bakery and delicatessen items.

18 “(7) Nonfood grocery items.

19 “(8) Health and beauty aids.

20 “(9) Magazines and periodicals.

21 “(10) Telephone cards, greeting cards, and film
22 and one-time use cameras.

23 “(c) INCLUSION OF GENERAL MERCHANDISE
24 ITEMS.—(1) Among the various defense retail systems—

1 “(A) commissary stores shall be the primary
2 Department of Defense-operated store for the sale of
3 items described in paragraphs (1) through (7) of
4 subsection (b); and

5 “(B) exchange stores shall continue to maintain
6 the exclusive right to operate convenience stores,
7 shopettes, and troop stores, including such stores es-
8 tablished to support contingency operations.

9 “(2) Merchandise sold in commissary stores may in-
10 clude such general merchandise items as the Secretary of
11 Defense may prescribe, except that the Secretary may not
12 exclude seasonal items, tobacco products, pet supplies,
13 batteries, potted plants and floral bouquets, women’s ho-
14 siery, and school supplies, to the extent such products
15 have been available in commissary stores before June 1,
16 2004, unless the Secretary determines that space or other
17 considerations preclude the sale of all or some of the speci-
18 fied items. The Secretary shall provide notice to Congress
19 of any reduction in the availability of such items at least
20 30 days before the reduction takes effect.

21 “(3) A military exchange may be considered as the
22 vendor for the purchase of tobacco products, greeting
23 cards, and film and one-time use cameras and shall serve
24 as the vendor for telephone cards. Subsections (e) and (f)
25 shall not apply to the pricing of such an item when a mili-

1 tary exchange serves as the vendor of the item. Com-
2 missary store and exchange prices shall be comparable for
3 such an item.

4 “(4) During the two-year period ending March 31,
5 2007, the Secretary shall maintain sales data for com-
6 missary stores and exchange stores regarding the items
7 identified in subsection (b)(10). Not later than August 1,
8 2007, the Secretary shall submit to Congress a report con-
9 taining such sales data.

10 “(d) EXCLUDED GOODS OR SERVICES.—Commissary
11 stores shall not offer film development services.

12 “(e) UNIFORM SALES PRICE SURCHARGE.—The Sec-
13 retary of Defense shall apply a uniform surcharge equal
14 to not more than five percent on the sales prices estab-
15 lished under subsection (f) for each item of merchandise
16 sold in, at, or by commissary stores.”;

17 (D) in subsection (f), as so redesignated,
18 by striking “(consistent with this section and
19 section 2685 of this title)” in paragraph (1);

20 (E) in subsection (h), as so redesignated,
21 by striking “Subsections (c) and (d)” and in-
22 serting “Subsections (e) and (f)”;

23 (F) by adding at the end the following new
24 subsection:

1 “(i) USE OF SURCHARGE FOR CONSTRUCTION, RE-
2 PAIR, IMPROVEMENT, AND MAINTENANCE.—(1)(A) The
3 Secretary of Defense may use the proceeds from the sur-
4 charges imposed under subsection (e) only—

5 “(i) to acquire (including acquisition by lease),
6 construct, convert, expand, improve, repair, main-
7 tain, and equip the physical infrastructure of com-
8 missary stores and central product processing facili-
9 ties of the defense commissary system; and

10 “(ii) to cover environmental evaluation and con-
11 struction costs related to activities described in
12 clause (i), including costs for surveys, administra-
13 tion, overhead, planning, and design.

14 “(B) In subparagraph (A), the term ‘physical infra-
15 structure’ includes real property, utilities, and equipment
16 (installed and free standing and including computer equip-
17 ment), necessary to provide a complete and usable com-
18 missary store or central product processing facility.

19 “(2)(A) The Secretary of Defense may authorize a
20 nonappropriated fund instrumentality of the United
21 States to enter into a contract for construction of a shop-
22 ping mall or similar facility for a commissary store and
23 one or more nonappropriated fund instrumentality activi-
24 ties. The Secretary may use the proceeds of surcharges
25 under subsection (e) to reimburse the nonappropriated

1 fund instrumentality for the portion of the cost of the con-
2 tract that is attributable to construction of the com-
3 missary store or to pay the contractor directly for that
4 portion of such cost.

5 “(B) In subparagraph (A), the term ‘construction’,
6 with respect to a facility, includes acquisition, conversion,
7 expansion, installation, or other improvement of the facil-
8 ity.

9 “(3) The Secretary of Defense, with the approval of
10 the Director of the Office of Management and Budget,
11 may obligate anticipated proceeds from the surcharges
12 under subsection (e) for any use specified in paragraph
13 (1) or (2), without regard to fiscal year limitations, if the
14 Secretary determines that such obligation is necessary to
15 carry out any use of such adjustments or surcharges speci-
16 fied in such paragraph.

17 “(4) Revenues received by the Secretary of Defense
18 from the following sources or activities of commissary
19 store facilities shall be available for the purposes set forth
20 in paragraphs (1), (2), and (3):

21 “(A) Sale of recyclable materials.

22 “(B) Sale of excess and surplus property.

23 “(C) License fees.

24 “(D) Royalties.

1 “(E) Fees paid by sources of products in order
2 to obtain favorable display of the products for resale,
3 known as business related management fees.”;

4 (6) by inserting section 2485, as redesignated
5 by paragraph (2), after section 2484, as amended by
6 paragraph (5); and

7 (7) in section 2485, as redesignated by para-
8 graph (2)—

9 (A) in subsection (a)(2), by adding at the
10 end the following new sentence: “Until Decem-
11 ber 31, 2009, the Defense Commissary Agency
12 is not required to conduct any cost-comparison
13 study under the policies and procedures of Of-
14 fice of Management and Budget Circular A-76
15 relating to the possible contracting out of com-
16 missary store functions.”;

17 (B) in subsection (b)(2), by striking “sec-
18 tion 2484” and inserting “section 2483”;

19 (C) in subsection (c)(2), by adding at the
20 end the following new sentences: “The chair-
21 man of the governing board shall be a commis-
22 sioned officer or member of the senior executive
23 service who has demonstrated experience or
24 knowledge relevant to the management of the
25 defense commissary system. In selecting other

1 members of the governing board, the Secretary
2 shall give priority to persons with experience re-
3 lated to logistics, military personnel, military
4 entitlements or other experiences of value of
5 management of commissaries.”; and

6 (D) by adding at the end the following new
7 subsections:

8 “(d) ASSIGNMENT OF ACTIVE DUTY MEMBERS.—(1)
9 Except as provided in paragraph (2), members of the
10 armed forces on active duty may not be assigned to the
11 operation of a commissary store.

12 “(2)(A) The Secretary of Defense may assign an offi-
13 cer on the active-duty list to serve as the Director of the
14 Defense Commissary Agency.

15 “(B) Not more than 18 members (in addition to the
16 officer referred to in subparagraph (A)) of the armed
17 forces on active duty may be assigned to the Defense Com-
18 missary Agency. Members who may be assigned under this
19 subparagraph to regional headquarters of the agency shall
20 be limited to enlisted members assigned to duty as advis-
21 ers in the regional headquarters responsible for overseas
22 commissaries and to veterinary specialists.

23 “(e) REIMBURSEMENT FOR USE OF COMMISSARY FA-
24 CILITIES BY MILITARY DEPARTMENTS.—(1) The Sec-
25 retary of a military department shall pay the Defense

1 Commissary Agency the amount determined under para-
2 graph (2) for any use of a commissary facility by the mili-
3 tary department for a purpose other than commissary
4 sales or operations in support of commissary sales.

5 “(2) The amount payable under paragraph (1) for
6 use of a commissary facility by a military department shall
7 be equal to the share of depreciation of the facility that
8 is attributable to that use, as determined under regula-
9 tions prescribed by the Secretary of Defense.

10 “(3) The Director of the Defense Commissary Agency
11 shall credit amounts paid under paragraph (1) for use of
12 a facility to an appropriate account to which proceeds of
13 a surcharge applied under section 2484(e) of this title are
14 credited.

15 “(4) This subsection applies with respect to a com-
16 missary facility that is acquired, constructed, converted,
17 expanded, installed, or otherwise improved (in whole or in
18 part) with the proceeds of a surcharge applied under sec-
19 tion 2484(e) of this title.

20 “(f) DONATION OF UNUSABLE FOOD.—(1) The Sec-
21 retary of Defense may donate food described in paragraph
22 (2) to any of the following entities:

23 “(A) A charitable nonprofit food bank that is
24 designated by the Secretary of Defense or the Sec-

1 retary of Health and Human Services as authorized
2 to receive such donations.

3 “(B) A State or local agency that is designated
4 by the Secretary of Defense or the Secretary of
5 Health and Human Services as authorized to receive
6 such donations.

7 “(C) A chapter or other local unit of a recog-
8 nized national veterans organization that provides
9 services to persons without adequate shelter and is
10 designated by the Secretary of Veterans Affairs as
11 authorized to receive such donations.

12 “(D) A not-for-profit organization that provides
13 care for homeless veterans and is designated by the
14 Secretary of Veterans Affairs as authorized to re-
15 ceive such donations.

16 “(2) Food that may be donated under this subsection
17 is commissary store food, mess food, meals ready-to-eat
18 (MREs), rations known as humanitarian daily rations
19 (HDRs), and other food available to the Secretary of De-
20 fense that—

21 “(A) is certified as edible by appropriate food
22 inspection technicians;

23 “(B) would otherwise be destroyed as unusable;
24 and

1 “(C) in the case of commissary store food, is
2 unmarketable and unsaleable.

3 “(3) In the case of commissary store food, a donation
4 under this subsection shall take place at the site of the
5 commissary store that is donating the food.

6 “(4) This subsection does not authorize any service
7 (including transportation) to be provided in connection
8 with a donation under this subsection.

9 “(g) COLLECTION OF DISHONORED CHECKS.—(1)
10 The Secretary of Defense may impose a charge for the
11 collection of a check accepted at a commissary store that
12 is not honored by the financial institution on which the
13 check is drawn. The imposition and amounts of charges
14 shall be consistent with practices of commercial grocery
15 stores regarding dishonored checks.

16 “(2)(A) The following persons are liable to the United
17 States for the amount of a check referred to in paragraph
18 (1) that is returned unpaid to the United States, together
19 with any charge imposed under that paragraph:

20 “(i) The person who presented the check.

21 “(ii) Any person whose status and relationship
22 to the person who presented the check provide the
23 basis for that person’s eligibility to make purchases
24 at a commissary store.

1 “(B) Any amount for which a person is liable under
2 subparagraph (A) may be collected by deducting and with-
3 holding such amount from any amounts payable to that
4 person by the United States.

5 “(3) Amounts collected as charges imposed under
6 paragraph (1) shall be credited to the commissary trust
7 revolving fund.

8 “(4) Appropriated funds may be used to pay any
9 costs incurred in the collection of checks and charges re-
10 ferred to in paragraph (1). An appropriation account
11 charged a cost under the preceding sentence shall be reim-
12 bursed the amount of that cost out of funds in the com-
13 missary trust revolving fund.

14 “(5) In this subsection, the term ‘commissary trust
15 revolving fund’ means the trust revolving fund maintained
16 by the Department of Defense for surcharge collections
17 and proceeds of sales of commissary stores.

18 “(h) RELEASE OF CERTAIN COMMERCIALY VALU-
19 ABLE INFORMATION TO PUBLIC.—(1) The Secretary of
20 Defense may limit the release to the public of any informa-
21 tion described in paragraph (2) if the Secretary deter-
22 mines that it is in the best interest of the Department
23 of Defense to limit the release of such information. If the
24 Secretary determines to limit the release of any such infor-

1 mation, the Secretary may provide for limited release of
2 such information in accordance with paragraph (3).

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

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

10 “(i) Data relating to sales of goods or serv-
11 ices.

12 “(ii) Demographic information on cus-
13 tomers.

14 “(iii) Any other information pertaining to
15 commissary transactions and operations.

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

20 “(3)(A) The Secretary of Defense may, using com-
21 petitive procedures, enter into a contract to sell informa-
22 tion described in paragraph (2).

23 “(B) The Secretary of Defense may release, without
24 charge, information on an item sold in commissary stores

1 to the manufacturer or producer of that item or an agent
2 of the manufacturer or producer.

3 “(C) The Secretary of Defense may, by contract en-
4 tered into with a business, grant to the business a license
5 to use business programs referred to in paragraph (2)(B),
6 including software used in or comprising any such pro-
7 gram. The fee charged for the license shall be based on
8 the costs of similar programs developed and marketed by
9 businesses in the private sector, determined by means of
10 surveys.

11 “(D) Each contract entered into under this para-
12 graph shall specify the amount to be paid for information
13 released or a license granted under the contract, as the
14 case may be.

15 “(4) Information described in paragraph (2) may not
16 be released, under paragraph (3) or otherwise, in a form
17 that identifies any customer or that provides information
18 making it possible to identify any customer.

19 “(5) Amounts received by the Secretary under this
20 section shall be credited to funds derived from commissary
21 surcharges applied under section 2484(e) of this title,
22 shall be merged with those funds, and shall be available
23 for the same purposes as the funds with which merged.”.

1 (b) RELATION BETWEEN DEFENSE COMMISSARY
2 AND EXCHANGE SYSTEMS.—Chapter 147 of title 10,
3 United States Code, is further amended—

4 (1) by inserting after section 2485, as amended
5 by subsection (a)(7), the following:

6 “SUBCHAPTER II—RELATIONSHIP, CONTINU-
7 ATION, AND COMMON POLICIES OF DE-
8 FENSE COMMISSARY AND EXCHANGE SYS-
9 TEMS

“Sec.

“2487. Existence and purpose of defense commissary system.

“2488. Combined exchange and commissary stores.

“2489. Overseas commissary and exchange stores: access and purchase restric-
tions.

10 **“§ 2487. Relationship between defense commissary**
11 **system and exchange stores system**

12 “(a) SEPARATE SYSTEMS.—(1) Except as provided in
13 paragraph (2), the defense commissary system and the ex-
14 change stores system shall be operated as separate sys-
15 tems of the Department of Defense.

16 “(2) Paragraph (1) does not apply to the following:

17 “(A) Combined exchange and commissary
18 stores operated under the authority provided by sec-
19 tion 2489 of this title.

20 “(B) NEXMART stores of the Navy Exchange
21 Service Command established before October 1,
22 2003.

1 “(b) CONSOLIDATION OR OTHER ORGANIZATIONAL
2 CHANGES OF DEFENSE RETAIL SYSTEMS.—(1) The oper-
3 ation and administration of the defense retail systems may
4 not be consolidated or otherwise merged unless the con-
5 solidation or merger is specifically authorized by an Act
6 of Congress.

7 “(2) In this subsection, the term ‘defense retail sys-
8 tems’ means the defense commissary system and exchange
9 stores system and other revenue-generating facilities oper-
10 ated by nonappropriated fund instrumentalities of the De-
11 partment of Defense for the morale, welfare, and recre-
12 ation of members of the armed forces”;

13 (2) by redesignating sections 2488, 2489,
14 2489a as sections 2495, 2495a, and 2495b, respec-
15 tively; and

16 (3) by redesignating sections 2490a and 2492
17 as sections 2488 and 2489, respectively, and insert-
18 ing such sections after section 2487, as added by
19 paragraph (1).

20 (c) MWR PROGRAMS AND NONAPPROPRIATED FUND
21 INSTRUMENTALITIES.—Chapter 147 of title 10, United
22 States Code, is further amended—

23 (1) by inserting after section 2489, as redesign-
24 ated and moved by subsection (b)(3), the following:

1 “SUBCHAPTER III—MORALE, WELFARE, AND
2 RECREATION PROGRAMS AND NON-
3 APPROPRIATED FUND INSTRUMENTAL-
4 ITIES

“Sec.

“2491. Uniform funding and management of morale, welfare, and recreation programs.

“2491a. Department of Defense golf courses: limitation on use of appropriated funds.

“2491b. Use of appropriated funds for operation of Armed Forces Recreation Center, Europe: limitation.

“2491c. Retention of morale, welfare, and recreation funds by military installations: limitation.

“2492. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide and obtain goods and services.

“2493. Fisher Houses: administration as nonappropriated fund instrumentality.

“2494. Nonappropriated fund instrumentalities: furnishing utility services for morale, welfare, and recreation purposes.

“2495. Nonappropriated fund instrumentalities: purchase of alcoholic beverages.

“2495a. Overseas package stores: treatment of United States wines.

“2495b. Sale or rental of sexually explicit material prohibited.”;

5 (2) by redesignating section 2494 as section
6 2491 and inserting such section after the table of
7 sections at the beginning of subchapter III, as added
8 by paragraph (1);

9 (3) by redesignating section 2482a as section
10 2492 and inserting such section before section 2493;

11 (4) by inserting after section 2493 the following
12 new section:

13 **“§ 2494. Nonappropriated fund instrumentalities: fur-**
14 **nishing utility services for morale, wel-**
15 **fare, and recreation purposes**

16 “Appropriations for the Department of Defense may
17 be used to provide utility services for—

1 “(1) buildings on military installations author-
2 ized by regulation to be used for morale, welfare,
3 and recreation purposes; and

4 “(2) other morale, welfare, and recreation ac-
5 tivities for members of the armed forces.”; and

6 (5) by inserting sections 2495, 2495a, and
7 2495b, as redesignated by subsection (b)(2), after
8 section 2494, as added by paragraph (4).

9 (d) INCLUSION OF OTHER TITLE 10 PROVISIONS.—
10 Sections 2246, 2247, and 2219 of title 10, United States
11 Code, are—

12 (1) transferred to chapter 147 of such title;

13 (2) inserted after section 2491, as redesignated
14 and moved by subsection (c)(2); and

15 (3) redesignated as sections 2491a, 2491b, and
16 2491c, respectively.

17 (e) CONFORMING AMENDMENTS.—(1) Section 977 of
18 title 10, United States Code, is repealed.

19 (2) Section 2868 of such title is amended by striking
20 “for—” and all that follows through the period at the end
21 and inserting “for buildings constructed at private cost,
22 as authorized by law.”.

23 (3) Section 367 of the Strom Thurmond National De-
24 fense Authorization Act for Fiscal Year 1999 (Public Law

1 105–261; 112 Stat. 1987; 10 U.S.C. 2482 note) is re-
2 pealed.

3 (f) CLERICAL AMENDMENTS.—(1) The table of sec-
4 tions at the beginning of chapter 49 of title 10, United
5 States Code, is amended by striking the item relating to
6 section 977.

7 (2) The table of sections at the beginning of chapter
8 132 of such title is amended by striking the item relating
9 to section 2219.

10 (3) The table of sections at the beginning of sub-
11 chapter I of chapter 134 of such title is amended by strik-
12 ing the items relating to sections 2246 and 2247.

13 **SEC. 652. CONSISTENT STATE TREATMENT OF DEPART-**
14 **MENT OF DEFENSE NONAPPROPRIATED**
15 **FUND HEALTH BENEFITS PROGRAM.**

16 Section 349 of the National Defense Authorization
17 Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat.
18 2727) is amended by adding at the end the following new
19 subsection:

20 “(c) TREATMENT OF PROGRAM AS FEDERAL
21 HEALTH BENEFIT PROGRAM.—(1) No State tax, fee,
22 other monetary payment, or State health plan require-
23 ment, may be imposed, directly or indirectly, on the Non-
24 appropriated Fund Uniform Health Benefits Program of
25 the Department of Defense, or on a carrier or an under-

1 writing or plan administration contractor of the Program,
2 to the same extent as such prohibition applies to the
3 health insurance program authorized by chapter 89 of title
4 5, United States Code, under section 8909(f) of such title.

5 “(2) Paragraph (1) shall not be construed to exempt
6 the Nonappropriated Fund Uniform Health Benefits Pro-
7 gram of the Department of Defense, or any carrier or un-
8 derwriting or plan administration contractor of the Pro-
9 gram from the imposition, payment, or collection of a tax,
10 fee, or other monetary payment on the net income or prof-
11 it accruing to, or realized by, the Program or by such car-
12 rier or contractor from business conducted under the Pro-
13 gram, so long as the tax, fee, or payment is applicable
14 to a broad range of business activity.

15 “(3) In this section, the term ‘State’ means each of
16 the several States, the District of Columbia, the Common-
17 wealth of Puerto Rico, the United States Virgin Islands,
18 Guam, American Samoa, and the Commonwealth of the
19 Northern Mariana Islands, and any political subdivision
20 or other non-Federal authority thereof.”.

1 **SEC. 653. COOPERATION AND ASSISTANCE FOR QUALIFIED**
2 **SCOUTING ORGANIZATIONS SERVING DE-**
3 **PENDENTS OF MEMBERS OF THE ARMED**
4 **FORCES AND CIVILIAN EMPLOYEES OVER-**
5 **SEAS.**

6 (a) AUTHORITY TO COOPERATE AND PROVIDE AS-
7 SISTANCE.—Subsection (a) of section 2606 of title 10,
8 United States Code, is amended—

9 (1) in subsection (a), by striking “Subject to
10 subsection (b)” and inserting “In the interest of pro-
11 moting the recognized morale, welfare, and recre-
12 ation of members of the armed forces”; and

13 (2) in subsection (b), by striking “and may”
14 and all that follows through “armed forces”.

15 (b) TREATMENT OF ORGANIZATIONS AND EMPLOY-
16 EES.—Such section is further amended—

17 (1) by striking subsections (e) and (f);

18 (2) by redesignating subsections (c) and (d) as
19 subsections (e) and (f), respectively; and

20 (3) by inserting after subsection (b) the fol-
21 lowing new subsections:

22 “(c) TREATMENT AS NONAPPROPRIATED FUND IN-
23 STRUMENTALITIES.—(1) Subject to paragraphs (2) and
24 (3), to the extent a qualified scouting organization is pro-
25 viding services for members of the armed forces and their
26 dependents, or civilian employees of the Department of

1 Defense and their dependents, at a location outside the
2 United States consistent with the regulations prescribed
3 under subsection (b), the qualified scouting organization
4 shall be a nonappropriated fund instrumentality of the De-
5 partment of Defense.

6 “(2) Notwithstanding treatment as a non-
7 appropriated fund instrumentality of the Department of
8 Defense, personnel of the qualified scouting organization
9 who are performing duties in connection with cooperation
10 and assistance provided under subsection (a) may continue
11 such policies and procedures related to personnel manage-
12 ment and such other policies or procedures established by
13 the qualified scouting organization as the personnel con-
14 sider appropriate, subject to the approval of the qualified
15 scouting organization.

16 “(3) A qualified scouting organization operating out-
17 side the United States may operate as a private associa-
18 tion overseas for the purpose of raising funds. Any funds
19 so raised may not be commingled with amounts retained
20 in a nonappropriated morale, welfare, and recreation ac-
21 count of the Department of Defense.

22 “(d) TREATMENT AS NONAPPROPRIATED FUND IN-
23 STRUMENTALITY EMPLOYEES.—(1) Personnel of a quali-
24 fied scouting organization who are performing duties in
25 connection with cooperation and assistance provided under

1 subsection (a) for members of the armed forces and their
2 dependents, or civilian employees of the Department of
3 Defense and their dependents, shall be nonappropriated
4 fund instrumentality employees of the United States for
5 any period during which the personnel perform such du-
6 ties.

7 “(2) Such personnel of a qualified scouting organiza-
8 tion shall receive the same benefits, entitlements, and
9 logistical support as other nonappropriated fund instru-
10 mentality employees, except that such personnel—

11 “(A) shall be allowed to decline to participate in
12 retirement programs or other personnel management
13 policies or procedures available to other non-
14 appropriated fund instrumentality employees and
15 elect to continue the programs, policies or proce-
16 dures made available by the qualified scouting orga-
17 nization; and

18 “(B) shall not receive nonappropriated fund in-
19 strumentality employment credit nor rehire priority.

20 “(3) In the regulations prescribed under subsection
21 (b), the Secretary of Defense may authorize the use of
22 funds appropriated to the Department of Defense to pay
23 costs of such personnel of a qualified scouting organiza-
24 tion, including reimbursement of the personnel or the
25 qualified scouting organization, in the case of those retire-

1 ment, personnel management, and other compensation
2 programs regarding which the personnel have elected to
3 continue the programs made available to them by the
4 qualified scouting organization.”.

5 (c) CONFORMING AND CLERICAL AMENDMENTS.—
6 Such section is further amended—

7 (1) in subsection (a), by inserting “AUTHORITY
8 TO COOPERATE AND PROVIDE ASSISTANCE.—” after
9 “(a)”;

10 (2) in subsection (c), by inserting “BASIS FOR
11 COOPERATION AND ASSISTANCE.—”;

12 (3) in subsection (e), as redesignated by sub-
13 section (b)(2)—

14 (A) by inserting “PROVISION OF TRANS-
15 PORTATION, SPACE, AND SERVICES.—” after
16 “(e)”;

17 (B) in the matter preceding paragraph (1),
18 by inserting “, using the authority of subsection
19 (d)(3)” after “furnished”;

20 (4) in subsection (f), as redesignated by sub-
21 section (b)(2), by inserting “TRANSPORTATION OF
22 SUPPLIES.—” after “(f)”;

23 (5) in subsection (g), by inserting “DEFINI-
24 TION.—” after “(g)”.

1 **Subtitle F—Other Matters**

2 **SEC. 661. REPEAL OF REQUIREMENT THAT MEMBERS ENTI-**
3 **TLED TO BASIC ALLOWANCE FOR SUBSIST-**
4 **ENCE PAY SUBSISTENCE CHARGES WHILE**
5 **HOSPITALIZED.**

6 (a) REPEAL.—(1) Section 1075 of title 10, United
7 States Code, is repealed.

8 (2) The table of sections at the beginning of chapter
9 55 of such title is amended by striking the item relating
10 to section 1075.

11 (b) CONFORMING AMENDMENT REGARDING MILI-
12 TARY-CIVILIAN HEALTH SERVICES PARTNERSHIP PRO-
13 GRAM.—Section 1096(c) of such title is amended—

14 (1) by inserting “who is a dependent” after
15 “covered beneficiary”; and

16 (2) by striking “shall pay” and all that follows
17 through the period at the end of paragraph (2) and
18 inserting “shall pay the charges prescribed by sec-
19 tion 1078 of this title.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on the date of the enactment
22 of this Act.

1 **SEC. 662. CLARIFICATION OF EDUCATION LOANS QUALI-**
2 **FYING FOR EDUCATION LOAN REPAYMENT**
3 **PROGRAM FOR RESERVE COMPONENT**
4 **HEALTH PROFESSIONS OFFICERS.**

5 Section 16302(a)(5) of title 10, United States Code,
6 is amended by inserting “a basic professional qualifying
7 degree (as determined under regulations prescribed by the
8 Secretary of Defense) or graduate education in” after “re-
9 garding”.

10 **SEC. 663. SURVEY AND ANALYSIS OF EFFECT OF EXTENDED**
11 **AND FREQUENT MOBILIZATION OF RESERV-**
12 **ISTS FOR ACTIVE DUTY SERVICE ON RESERV-**
13 **IST INCOME.**

14 (a) SURVEY OF MOBILIZED RESERVISTS TO DETER-
15 MINE DIFFERENTIAL BETWEEN PRIVATE SECTOR IN-
16 COME AND MILITARY COMPENSATION.—(1) The Secretary
17 of Defense shall conduct a survey involving members of
18 the reserve components who serve, or have served, on ac-
19 tive duty in support of a contingency operation at any time
20 during the period beginning on September 11, 2001, and
21 ending on September 30, 2005, to determine the extent
22 to which such members sustained a reduction in monthly
23 income during the period of the active duty service com-
24 pared to the average monthly civilian income of the mem-
25 bers during the 12 months preceding their mobilization.

1 (2) At least 50 percent of the total number of mem-
2 bers of the reserve components who have served on active
3 duty in support of a contingency operation at any time
4 during the period specified in paragraph (1) shall be in-
5 cluded in the survey.

6 (b) CALCULATION OF INCOME DIFFERENTIAL.—For
7 each member surveyed under subsection (a) who reports
8 that total monthly military compensation during the active
9 duty service of the member was less, or appeared to be
10 less, than the average monthly civilian income of the mem-
11 ber, the Secretary of Defense, in cooperation with the
12 member, shall calculate the monthly active-duty income
13 differential for the member.

14 (c) DEFINITIONS USED IN CONDUCTING SURVEY
15 AND CALCULATIONS.—In this section:

16 (1) The term “monthly active-duty income dif-
17 ferential”, with respect to a member of a reserve
18 component surveyed under subsection (a), means the
19 difference between—

20 (A) the average monthly civilian income of
21 the member; and

22 (B) the total monthly military compensa-
23 tion of the member.

24 (2) The term “average monthly civilian in-
25 come”, with respect to a member of a reserve com-

1 ponent surveyed under subsection (a), means the
2 amount, determined by the Secretary of Defense, of
3 the earned income of the member for the 12 months
4 preceding the first mobilization of the member dur-
5 ing the period specified in subsection (a)(1), divided
6 by 12.

7 (3) The term “total monthly military compensa-
8 tion”, with respect to a member of a reserve compo-
9 nent surveyed under subsection (a), means the
10 amount, computed on a monthly basis, of the sum
11 of—

12 (A) the amount of the regular military
13 compensation (RMC), as defined in section
14 101(25) of title 37, United States Code, of the
15 member during the period specified in sub-
16 section (a)(1); and

17 (B) any amount of special pay or incentive
18 pay and any allowance (other than an allowance
19 included in regular military compensation) that
20 is paid to the member on a monthly basis dur-
21 ing the period specified in subsection (a)(1).

22 (d) COLLECTION OF DEMOGRAPHIC DATA.—The
23 Secretary of Defense shall collect demographic data re-
24 garding each member of a reserve component surveyed

1 under subsection (a), including, at a minimum, data on
2 the following:

3 (1) Reserve component.

4 (2) Unit of assignment.

5 (3) Grade.

6 (4) Age.

7 (5) Years of service.

8 (6) Sex.

9 (7) Marital status.

10 (8) Number of dependents.

11 (9) General category of private-sector employ-
12 ment, as determined by the Secretary, but to include
13 an employment category to cover members who are
14 self-employed.

15 (10) Military occupational specialty, including
16 specifying all surveyed members who are serving in
17 a critical wartime specialty.

18 (11) Length of service on active duty during
19 the most recent mobilization.

20 (12) Number of times mobilized since Sep-
21 tember 11, 2001.

22 (e) EFFECT OF INCOME LOSS ON RETENTION.—The
23 Secretary of Defense shall include in the survey a question
24 to solicit information from each member of a reserve com-
25 ponent surveyed under subsection (a) regarding the likely

1 effect of a reoccurring monthly active-duty income dif-
2 ferential for the member while serving on active duty on
3 the decision of the member to remain in the reserve com-
4 ponent.

5 (f) ANALYSIS OF SURVEY DATA.—(1) At a minimum,
6 the Secretary of Defense shall determine, for each variable
7 listed in paragraphs (2) through (12) of subsection (d),
8 the number of members of the reserve components sur-
9 veyed under subsection (a) who sustained a monthly ac-
10 tive-duty income differential for any month during their
11 active duty service and compare and contrast that number
12 with the number of members who did not experience a
13 monthly active-duty income differential.

14 (2) The Secretary shall also determine the average
15 amount of the active-duty income differential by reserve
16 component for each variable within the characteristics list-
17 ed in paragraphs (2) through (12) of subsection (d).

18 (g) SUBMISSION OF SURVEY RESULTS AND REC-
19 OMMENDATIONS.—Not later than January 31, 2006, the
20 Secretary of Defense shall submit to Congress and the
21 Comptroller General a report containing the results of the
22 surveys conducted under subsection (a), including the re-
23 sults of the analysis of survey data required by subsection
24 (e). The Secretary shall include such recommendations as
25 the Secretary considers appropriate regarding alternatives

1 for restoring income lost by members of the reserve com-
2 ponents who sustained a monthly active-duty income dif-
3 ferential during their active duty service.

4 (h) COMPTROLLER GENERAL EVALUATION.—Not
5 later than March 31, 2006, the Comptroller General shall
6 submit to Congress an assessment of the findings and rec-
7 ommendations contained in the report of the Secretary of
8 Defense submitted under subsection (g).

9 **TITLE VII—HEALTH CARE**
10 **PROVISIONS**
11 **Subtitle A—Enhanced Benefits for**
12 **Reserves**

13 **SEC. 701. DEMONSTRATION PROJECT FOR TRICARE COV-**
14 **ERAGE FOR READY RESERVE MEMBERS.**

15 (a) DEMONSTRATION PROGRAM.—Section 1076b of
16 title 10, United States Code, is amended to read as fol-
17 lows:

18 **“§ 1076b. TRICARE demonstration project: coverage**
19 **for members of the Ready Reserve**

20 “(a) IN GENERAL.—(1) The Secretary of Defense
21 shall conduct a demonstration project beginning in fiscal
22 year 2005 to test whether TRICARE coverage for certain
23 Ready Reserve members and their families enhances med-
24 ical readiness and retention of such members.

1 “(2) Under the demonstration project required by
2 paragraph (1), within the scope of the project, as estab-
3 lished by the Secretary, members of the Ready Reserve
4 may be allowed to enroll for coverage under the TRICARE
5 Standard option of the TRICARE program and receive
6 benefits under such enrollment for any period that the
7 member—

8 “(A) is not eligible for health care benefits
9 under an employer-sponsored health benefits plan;
10 and

11 “(B) either—

12 “(i) is not on active duty; or

13 “(ii) is on active duty but under a call or
14 order to active duty for a period of 30 days or
15 less.

16 “(3) A member allowed to enroll in TRICARE Stand-
17 ard under the demonstration project may enroll for self-
18 only coverage or self and family coverage.

19 “(b) SCOPE OF COVERAGE.—A member and the de-
20 pendants of a member enrolled in TRICARE Standard
21 under this section shall be entitled to the same benefits
22 and shall pay the same charges as are provided under sec-
23 tion 1079 of this title.

24 “(c) PREMIUMS.—(1) The Secretary of Defense shall
25 charge premiums for coverage pursuant to enrollments

1 under this section. The Secretary shall prescribe a pre-
2 mium for self only coverage and a premium for self and
3 family coverage.

4 “(2) The monthly amount of the premium in effect
5 for a month for a type of coverage under this section shall
6 be the amount equal to 28 percent of the total amount
7 determined by the Secretary on an appropriate actuarial
8 basis as being reasonable for the coverage.

9 “(3) The premiums payable by a member under this
10 subsection may be deducted and withheld from basic pay
11 payable to the member under section 204 of title 37 or
12 from compensation payable to the member under section
13 206 of such title. The Secretary shall prescribe the re-
14 quirements and procedures applicable to the payment of
15 premiums by members not entitled to such basic pay or
16 compensation.

17 “(4) Amounts collected as premiums under this sub-
18 section shall be credited to the appropriation available for
19 the Defense Health Program Account under section 1100
20 of this title, shall be merged with sums in such Account
21 that are available for the fiscal year in which collected,
22 and shall be available under subparagraph (B) of such sec-
23 tion for such fiscal year.

24 “(d) CONDITIONS OF ELIGIBILITY.—(1) The Sec-
25 retary of Defense may establish other conditions of eligi-

1 bility, including requiring a member to submit any certifi-
2 cation that the Secretary considers appropriate to sub-
3 stantiate the member's assertion that the member is not
4 eligible for health care benefits under any other health
5 benefits plan.

6 “(2) In the case of any member who is self-employed
7 and not eligible for coverage under any other employer-
8 sponsored health benefits plan, the member shall not be
9 considered eligible to enroll under this section if the mem-
10 ber's income in the prior calendar year exceeded \$40,000.

11 “(e) SCOPE AND TERMS OF DEMONSTRATION
12 PROJECT.—The geographic scope and priorities for enroll-
13 ment under the demonstration program, if any, shall be
14 established by the Secretary of Defense. The Secretary
15 may establish such other terms and conditions for the
16 demonstration project required by subsection (a) as the
17 Secretary determines appropriate to accomplish its pur-
18 poses.

19 “(f) TERMINATION OF AUTHORITY.—An enrollment
20 in TRICARE under this section may not continue after
21 December 31, 2007.

22 “(g) EVALUATION OF DEMONSTRATION AND REPORT
23 TO CONGRESS.—Not later than March 1, 2007, the Sec-
24 retary shall provide to Congress a report on the results
25 of the demonstration project required by this section. Such

1 report shall include an analysis of the impact of the dem-
2 onstration on medical readiness and retention of the mem-
3 bers who enrolled, an assessment of the costs and benefits
4 of any improvements in medical readiness or retention,
5 and recommendations concerning TRICARE Standard
6 coverage for Ready Reserve members.

7 “(h) DEFINITION.—In this section, the term
8 ‘TRICARE Standard’ means the option of the TRICARE
9 program that is also known as the Civilian Health and
10 Medical Program of the Uniformed Services, as defined
11 in section 1072(4) of this title.”.

12 (b) TERMINATION OF COVERAGE UNDER SUPER-
13 SEDED PROVISION OF LAW.—An enrollment in TRICARE
14 under section 1076b of title 10, United States Code, as
15 in effect before the date of the enactment of this Act may
16 not continue after such date.

17 (c) SITE IDENTIFICATION.—(1) Not later than 60
18 days after the date of enactment of this Act, the Secretary
19 of Defense, in consultation with the Committees on Armed
20 Services of the Senate and the House of Representatives,
21 shall identify not less than 10 sites that meet the criteria
22 specified in paragraph (2) for the conduct of the dem-
23 onstration project required under section 1076b of title
24 10, United States Code, as amended by this section.

1 (2) For purposes of paragraph (1), the sites selected
2 for the conduct of the demonstration project shall be areas
3 of the United States that include a substantial number
4 of personnel expected to be ordered to active duty for a
5 period of more than 30 days.

6 (d) INDEPENDENT EVALUATION AND REPORTS.—(1)
7 The Comptroller General shall conduct an evaluation of
8 the demonstration project required under section 1076b
9 of title 10, United States Code (as amended by this sec-
10 tion) The evaluation shall include an assessment of the
11 following:

12 (A) Compliance by the Department of Defense
13 with the requirements under section 1076b of title
14 10, United States Code (as amended by this sec-
15 tion).

16 (B) A description of the effects of the dem-
17 onstration project on medical readiness and reten-
18 tion of the participants compared to nonparticipants.

19 (C) The number of Ready Reserve members
20 and their dependents opting to participate in the
21 demonstration project.

22 (D) An analysis of how the demonstration
23 project affects the overall accessibility of care in the
24 direct and purchased care systems and a description

1 of the unintended effects (if any) upon the normal
2 treatment priority system.

3 (E) A description of the difficulties (if any) ex-
4 perienceed by the Department of Defense in man-
5 aging the demonstration project.

6 (F) Any impact of the demonstration project on
7 employers, including causing them to discontinue
8 health care insurance benefits for employees who are
9 members of the reserves.

10 (G) A recommendation whether to extend the
11 demonstration project or make the project perma-
12 nent.

13 (H) A determination of whether the terms and
14 conditions of the demonstration project should be
15 continued or modified if the project is extended or
16 expanded.

17 (I) Implications on cost, medical readiness, re-
18 cruitment, and retention if the demonstration project
19 was made available to all reservists meeting the en-
20 rollment criteria throughout the United States and
21 its territories.

22 (J) Any additional elements that the Comp-
23 troller General determines are appropriate to assess
24 the demonstration project.

1 (2) The Comptroller General shall submit to the
2 Committees on Armed Services of the Senate and the
3 House of Representatives—

4 (A) an interim report on the evaluation under
5 this section not later than 12 months after the date
6 on which the demonstration project begins operation;
7 and

8 (B) a final report on the evaluation under this
9 section not later than March 1, 2007.

10 **SEC. 702. COMPTROLLER GENERAL REPORT ON THE COST**
11 **AND FEASIBILITY OF PROVIDING PRIVATE**
12 **HEALTH INSURANCE STIPENDS FOR MEM-**
13 **BERS OF THE READY RESERVES.**

14 (a) **STUDY REQUIRED.**—The Comptroller General
15 shall conduct a study on the cost and feasibility of pro-
16 viding a stipend to members of the Ready Reserves to off-
17 set the cost of continuing private health insurance cov-
18 erage for the member's dependents when the member is
19 on active duty for a period of more than 30 days, with
20 the dependents being ineligible to enroll in the TRICARE
21 program and payment of the stipend ending when the
22 member is no longer on active duty.

23 (b) **MATTERS COVERED.**—The study shall include the
24 following matters:

1 (1) by inserting “a dependent of” after “chap-
2 ter,”;

3 (2) by inserting “a dependent of a member”
4 after “treated as being”; and

5 (3) by striking “the later of” and all that fol-
6 lows through the period at the end of subparagraph
7 (B) and inserting “the date described in paragraph
8 (3).”.

9 (b) **AUTHORITY FOR TRICARE COVERAGE FOR**
10 **MEMBERS OF RESERVE COMPONENTS CALLED TO AC-**
11 **TIVE DUTY.**—Section 1074(d) of such title is further
12 amended—

13 (1) by striking paragraph (3);

14 (2) by redesignating paragraph (2) as para-
15 graph (4); and

16 (3) by inserting after paragraph (1) the fol-
17 lowing new paragraphs:

18 “(2) The Secretary of Defense may, beginning on the
19 date described in paragraph (3), provide a member of a
20 reserve component of the armed forces who is issued a
21 delayed-effective-date active-duty order, or is covered by
22 such an order, such medical and dental care (in addition
23 to care for which the member is eligible under section
24 1074a(f) of this title or other provisions of law) the Sec-
25 retary determines appropriate.

1 “(3) The date referred to in paragraphs (1) and (2)
2 with respect to a member is the later of the date that is—

3 “(A) the date of the issuance of the delayed-ef-
4 fective-date active-duty order; or

5 “(B) 90 days before the date on which the pe-
6 riod of active duty is to commence under such order
7 for that member.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on January 1, 2005.

10 **SEC. 704. MODIFICATION OF WAIVER OF CERTAIN**
11 **DEDUCTIBLES UNDER TRICARE PROGRAM.**

12 Section 1095d(a) of title 10, United States Code, is
13 amended in paragraphs (1) and (2) by striking “less than
14 one year” each place it appears and inserting “more than
15 30 days”.

16 **SEC. 705. AUTHORITY FOR PAYMENT BY UNITED STATES OF**
17 **ADDITIONAL AMOUNTS BILLED BY HEALTH**
18 **CARE PROVIDERS TO ACTIVATED RESERVE**
19 **MEMBERS.**

20 Section 1079(h) of title 10, United States Code, is
21 amended by adding at the end of paragraph (4) the fol-
22 lowing new subparagraph:

23 “(C) In the case of services billed to a dependent re-
24 ferred to in subsection (a) of a member of a reserve com-
25 ponent who is ordered to active duty for a period of more

1 than 30 days in support of a contingency operation under
2 a provision of law referred to in section 101(a)(13)(B) of
3 this title, the regulations shall provide that, in addition
4 to amounts otherwise payable by the United States, the
5 Secretary may pay the amount referred to in subpara-
6 graph (B)(i) for the services.”.

7 **SEC. 706. EXTENSION OF TRANSITIONAL HEALTH CARE**
8 **BENEFITS AFTER SEPARATION FROM ACTIVE**
9 **DUTY.**

10 (a) **EXTENSION OF TRANSITIONAL HEALTH CARE**
11 **BENEFITS.**—Paragraph (3) of section 1145(a) of title 10,
12 United States Code, is amended to read as follows:

13 “(3) Transitional health care shall be available under
14 this subsection for a period beginning on the date on
15 which the member is separated from active duty and end-
16 ing on the earlier of—

17 “(A) 180 days after the date on which the
18 member is separated from active duty; or

19 “(B) the date on which the member and de-
20 pendants of the member are covered by a health plan
21 sponsored by an employer.”.

22 (b) **LIMITATION.**—During the period beginning on
23 January 1, 2005, and ending on September 30, 2005, not
24 more than \$170,000,000 of the amount appropriated pur-
25 suant to the authorization for operations and maintenance

1 for the Defense Health Program in section 303(a) may
2 be used for transitional health care under section 1145(a)
3 of title 10, United States Code, as amended by this sec-
4 tion.

5 (c) EFFECTIVE DATE.—The amendment made by
6 subsection (a) shall apply with respect to separations from
7 active duty that take effect on or after January 1, 2005.

8 **Subtitle B—Other Benefits**
9 **Improvements**

10 **SEC. 711. COVERAGE OF CERTAIN YOUNG CHILDREN**
11 **UNDER TRICARE DENTAL PROGRAM.**

12 (a) COVERAGE OF CERTAIN YOUNG CHILDREN.—
13 Section 1076a(k)(2) of title 10, United States Code, is
14 amended by inserting after “by reason of” the following:
15 “the dependent’s young age on the date of death of the
16 member of”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall take effect on the date of the enact-
19 ment of this Act.

20 **SEC. 712. COMPTROLLER GENERAL REPORT ON PROVISION**
21 **OF HEALTH AND SUPPORT SERVICES FOR EX-**
22 **CEPTIONAL FAMILY MEMBER PROGRAM EN-**
23 **ROLLEES.**

24 (a) EVALUATION REQUIREMENT.—The Comptroller
25 General shall evaluate the effect of the Exceptional Family

1 Member Program (in this section referred to as “EFMP”)
2 on health and support services in selected civilian commu-
3 nities near military installations with a high concentration
4 of EFMP enrollees.

5 (b) MATTERS COVERED.—The evaluation under sub-
6 section (a) shall include a discussion of the following:

7 (1) Communities that have high concentrations
8 of EFMP enrollees that use State and local health
9 and support services.

10 (2) Needs of EFMP enrollees, if any, that are
11 not met by State and local health and support serv-
12 ices.

13 (3) The burdens, financial and otherwise,
14 placed on State and local health and support serv-
15 ices by EFMP enrollees and their families.

16 (4) The ability of the TRICARE program to
17 meet the needs of EFMP enrollees and their fami-
18 lies.

19 (5) Reasons for any limitations of the
20 TRICARE program, the EFMP, and State and local
21 health and support services in providing assistance
22 to EFMP enrollees and their families.

23 (6) Recommendations for more effectively meet-
24 ing the needs of EFMP enrollees and their families.

1 (c) COMMUNITIES COVERED.—The evaluation under
2 subsection (a) shall examine no fewer than four civilian
3 communities, as determined by the Comptroller General,
4 that have high concentrations of EFMP enrollees and that
5 are near several military installations, including at least
6 two military installations with tenants from more than one
7 of the Armed Forces.

8 (d) DEFINITIONS.—In this section:

9 (1) The term “health and support services”
10 means services provided to children and other de-
11 pendents with special needs, including specialized
12 day care, mental health day treatment services, res-
13 pite services, counseling, and other such services
14 provided for children and other dependents with spe-
15 cial needs.

16 (2) The term “TRICARE program” has the
17 meaning given that term in section 1072(7) of title
18 10, United States Code.

19 (e) REPORT.—Not later than March 31, 2005, the
20 Comptroller General shall submit to the Armed Services
21 Committees of the Senate and the House of Representa-
22 tives a report on the results of the evaluation required
23 under subsection (a), with findings and recommendations.

1 **SEC. 713. EXCEPTIONAL ELIGIBILITY FOR TRICARE PRIME**
2 **REMOTE.**

3 Section 1079(p) of title 10, United States Code, is
4 amended—

5 (1) by redesignating paragraph (4) as para-
6 graph (5); and

7 (2) by inserting after paragraph (3) the fol-
8 lowing new paragraph:

9 “(4) The Secretary of Defense may provide for cov-
10 erage of a dependent referred to in subsection (a) who is
11 not described in paragraph (3) if the Secretary determines
12 that exceptional circumstances warrant such coverage.”.

13 **SEC. 714. TRANSITION TO HOME HEALTH CARE BENEFIT**
14 **UNDER SUB-ACUTE CARE PROGRAM.**

15 Section 1074j of title 10, United States Code, is
16 amended in subsection (b)(3)—

17 (1) by inserting “(A)” after “(3)”; and

18 (2) by adding at the end the following:

19 “(B) The Secretary of Defense shall establish proce-
20 dures for the transition to and implementation of the
21 home health care benefit required by subparagraph (A).
22 The Secretary may provide in such procedures that cov-
23 ered beneficiaries who, before the implementation of such
24 benefit, received home health care under this chapter in
25 excess of such benefit, may continue to receive such care
26 for such time as the Secretary considers appropriate.”.

1 **SEC. 715. REQUIREMENT RELATING TO PRESCRIPTION**
2 **DRUG BENEFITS FOR MEDICARE-ELIGIBLE**
3 **ENROLLEES UNDER DEFENSE HEALTH CARE**
4 **PLANS.**

5 Section 1074g(a)(6) of title 10, United States Code,
6 is amended—

7 (1) by inserting “(A)” after “(6)”; and

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

9 “(B) For a medicare-eligible beneficiary, the
10 cost-sharing requirements may not be in excess of
11 the cost-sharing requirements applicable to all other
12 beneficiaries covered by section 1086 of this title.
13 For purposes of the preceding sentence, a medicare-
14 eligible beneficiary is a beneficiary eligible for health
15 benefits under section 1086 of this title pursuant to
16 subsection (d)(2) of such section.”.

17 **SEC. 716. PROFESSIONAL ACCREDITATION OF MILITARY**
18 **DENTISTS.**

19 Section 1077(c) of title 10, United States Code, is
20 amended—

21 (1) by striking “A” and inserting “(1) Except
22 as provided in paragraph (2), a”; and

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

25 “(2)(A) Dependents who have not attained age 13
26 and who are participating under a dental plan established

1 under section 1076a of this title may be treated by post-
2 graduate dental students in eligible dental treatment fa-
3 cilities if—

4 “(i)(I) treatment of pediatric dental patients is
5 required to comply with American Dental Associa-
6 tion accreditation standards; or

7 “(II) pediatric dental training is required to en-
8 able post-graduate dental students to provide dental
9 care for such dependents outside the United States;
10 and

11 “(ii) there are insufficient numbers of children
12 eligible to be provided dental care under section
13 1076(a) of this title to meet such standards or train-
14 ing requirements.

15 “(B) The total number of dependents who may be
16 treated under this paragraph may not exceed 2,000 in any
17 fiscal year.

18 “(C) In this paragraph, an eligible dental treatment
19 facility is a dental treatment facility with a post-graduate
20 dental education program accredited by the American
21 Dental Association.”.

1 **SEC. 717. ADDITION OF CERTAIN UNREMARIED FORMER**
2 **SPOUSES TO PERSONS ELIGIBLE FOR DEN-**
3 **TAL INSURANCE PLAN OF RETIREES OF THE**
4 **UNIFORMED SERVICES.**

5 (a) **ELIGIBILITY OF CERTAIN FORMER SPOUSES FOR**
6 **DENTAL COVERAGE.**—(1) Section 1076c(b) of title 10,
7 United States Code, is amended by adding at the end the
8 following new paragraph:

9 “(6) A person who—
10 “(i) is an unremarried former spouse of a
11 member described in paragraph (1) or (2);
12 “(i) is described in section 1072(2)(F)(i)
13 of this title; and
14 “(ii) does not have dental coverage under
15 an employer-sponsored health plan.”.

16 (b) **EFFECTIVE DATE.**—Section 1076c(b)(6) of title
17 10, United States Code, as added by subsection (a), shall
18 take effect on the date of the enactment of this Act.

19 **SEC. 718. WAIVER OF COLLECTION OF PAYMENTS DUE**
20 **FROM CERTAIN PERSONS UNAWARE OF LOSS**
21 **OF CHAMPUS ELIGIBILITY.**

22 (a) **AUTHORITY TO WAIVE COLLECTION.**—The Sec-
23 retary of Defense may waive (in whole or in part) the col-
24 lection of payments otherwise due from a person described
25 in subsection (b) as a result of the receipt by the person
26 of health benefits under section 1086 of title 10, United

1 States Code, after the termination of the person's eligi-
2 bility for such benefits and may also authorize continued
3 coverage of benefits under section 1086 of such title for
4 such person for the period described in subsection (c).

5 (b) PERSONS ELIGIBLE.—A person shall be eligible
6 for relief under subsection (a) if the person—

7 (1) is a person described in paragraph (1) of
8 subsection (d) of section 1086, of title 10, United
9 States Code;

10 (2) in the absence of such paragraph, would
11 have been eligible for health benefits under such sec-
12 tion;

13 (3) at the time of the receipt of such benefits,
14 satisfies the criteria specified in subparagraph (B) of
15 paragraph (2) of such subsection; and

16 (4) was unaware of the loss of eligibility to re-
17 ceive health benefits at the time they were received.

18 (c) EXTENT OF AUTHORITY.—The authority to waive
19 the collection of payments and to continue coverage of
20 benefits under this section shall apply during the period
21 beginning on July 1, 1999, and ending on December 31,
22 2004, under terms established by the Secretary of De-
23 fense.

24 (d) QUARTERLY REPORTS.—(1) The Secretary of
25 Defense shall provide quarterly reports to the Committees

1 on Armed Services of the Senate and House of Represent-
2 atives regarding—

3 (A) efforts by the Department of Defense to
4 identify persons who satisfy the criteria specified in
5 subparagraph (B) of subsection (d)(2) of section
6 1086 of title 10, United States Code, and would be
7 eligible for health benefits under such section if the
8 criteria specified in subparagraph (A) were also sat-
9 isfied; and

10 (B) actions taken by the Department with re-
11 spect to persons identified under subparagraph (B)
12 of this paragraph.

13 (2) The first report under paragraph (1) shall be sub-
14 mitted not later than 30 days after the end of the first
15 quarter of fiscal year 2005.

16 **Subtitle C—Planning,**
17 **Programming, and Management**

18 **SEC. 721. PILOT PROGRAM FOR TRANSFORMATION OF**
19 **HEALTH CARE DELIVERY.**

20 (a) FINDINGS.—(1) Congress finds the following:

21 (A) Historically, providing military health care
22 to military beneficiaries has centered on building a
23 military medical treatment facility and providing a
24 full range of services on a military installation.

1 (B) Traditionally, in many locations the major-
2 ity of military personnel and their dependents who
3 are eligible beneficiaries of the military health care
4 system do not live on military installations.

5 (C) As the cost of repairing, replacing, recapiti-
6 talizing, or expanding aging military treatment fa-
7 cilities and maintaining adequate health care serv-
8 ices on military installations increases, the Depart-
9 ment of Defense will be challenged to find new, more
10 cost-effective ways of providing enhanced health care
11 for military and civilian beneficiaries of the Depart-
12 ment of Defense health care system.

13 (2) In view of these findings, the Secretary of De-
14 fense is directed to examine feasible and cost-effective
15 methods for leveraging and expanding non-military health
16 care resources to provide health care to military bene-
17 ficiaries. Furthermore, the Secretary of Defense shall con-
18 duct a pilot program in accordance with this section.

19 (b) PILOT PROGRAM PURPOSES.—The Secretary of
20 Defense shall conduct a pilot program at one or more mili-
21 tary installations for purposes of testing—

22 (1) the feasibility and cost effectiveness of ex-
23 panding use of non-military health care resources,
24 particularly in cases in which such use would reduce

1 or eliminate the need for military medical construc-
2 tion projects;

3 (2) initiatives that build cooperative health care
4 arrangements and agreements between military in-
5 stallations and local and regional non-military health
6 care systems; and

7 (3) development of an integrated, long range
8 business plan for the delivery of health care services
9 for military beneficiaries, incorporating present and
10 potential future capabilities in the non-military
11 health care sector.

12 (c) REQUIREMENTS OF PILOT PROGRAM.—In con-
13 ducting the pilot program, the Secretary of Defense
14 shall—

15 (1) identify and analyze health care delivery op-
16 tions that range from outsourcing all health care de-
17 livery services to the private sector to providing some
18 health care services in military facilities located on
19 the installation;

20 (2) determine the cost avoidance or savings re-
21 sulting from innovative partnerships between the
22 Department of Defense and the private sector and
23 limiting recapitalization costs in military facilities;

24 (3) study the potential, viability, cost efficiency,
25 and health care effectiveness of Department of De-

1 fense health care providers delivering health care in
2 civilian community hospitals;

3 (4) determine the opportunities for and barriers
4 to coordinating and leveraging the use of existing
5 health care resources, including Federal, State, local,
6 and contractor assets; and

7 (5) develop recommendations for a model health
8 care delivery system that may be used at other mili-
9 tary installations.

10 (d) CONSULTATION REQUIREMENTS.—The Secretary
11 of Defense shall develop the pilot program in consultation
12 with the Secretaries of the military departments, rep-
13 resentatives from the military installation selected for the
14 pilot program, Federal, State, and local entities, and the
15 TRICARE managed care support contractor with respon-
16 sibility for that installation.

17 (e) SELECTION OF MILITARY INSTALLATION.—The
18 pilot program shall be implemented at one or more mili-
19 tary installations selected by the Secretary of Defense. At
20 least one of the selected military installations shall meet
21 the following criteria:

22 (1) The military installation is an Army instal-
23 lation located in a rural area.

24 (2) The military installation has members of
25 the Armed Forces on active duty and members of re-

1 serve components of the Armed Forces that use the
2 installation as a training and operational base, with
3 members routinely deploying in support of the global
4 war on terrorism.

5 (3) The number of members of the Armed
6 Forces on active duty permanently assigned to the
7 military installation is expected to increase over the
8 next five years.

9 (4) One or more partnerships exist at the mili-
10 tary installation with civilian health care entities in
11 the form of limited specialty care services in the
12 military medical treatment facility on the installa-
13 tion.

14 (5) There is a military treatment facility on the
15 installation that does not have inpatient or trauma
16 center care capabilities.

17 (6) There is a civilian community hospital with-
18 in 15 miles of the military installation with limited
19 capability to expand inpatient care beds, intensive
20 care, and specialty services.

21 (7) There is no civilian hospital with a trauma
22 center within 50 miles from the military installation.

23 (f) DURATION OF PILOT PROGRAM.—Implementation
24 of the pilot program developed under this subsection shall

1 begin not later than May 1, 2005, and shall be conducted
2 during fiscal years 2005, 2006, and 2007.

3 (g) FUNDS.—For fiscal year 2005, not more than
4 \$5,000,000 of the amount appropriated pursuant to the
5 authorization for operations and maintenance for the De-
6 fense Health Program in section 303(a) may be used to
7 conduct the pilot program under this section.

8 (h) REPORTS.—Not later than July 1, 2005, the Sec-
9 retary of Defense shall submit an interim report to the
10 Committees on Armed Services of the Senate and of the
11 House of Representatives describing the details of the
12 pilot program. Not later than July 1, 2007, the Secretary
13 of Defense shall submit to such committees a final report
14 describing the results of the pilot program with rec-
15 ommendations for a model health care delivery system for
16 other military installations.

17 **SEC. 722. STUDY OF PROVISION OF TRAVEL REIMBURSE-**
18 **MENT TO HOSPITALS FOR CERTAIN MILI-**
19 **TARY DISABILITY RETIREES.**

20 (a) STUDY.—The Secretary of Defense shall conduct
21 a study of the feasibility, and of the desirability, of pro-
22 viding that a member of the uniformed services retired
23 under chapter 61 of title 10, United States Code, for a
24 combat-related disability (as defined in section 1413a(e)
25 of that title) shall be provided reimbursement for the trav-

1 el expenses of such member for travel, during the two-
2 year period beginning on the date of the retirement of the
3 member, to a military treatment facility for medical care.
4 The Secretary shall include in that study consideration of
5 whether reimbursement under such a plan should, as near-
6 ly as practicable, be under the same terms and conditions,
7 and at the same rate, as apply to beneficiary travel reim-
8 bursement provided by the Secretary of Veterans Affairs
9 under section 111 of title 38, United States Code.

10 (b) REPORT.—The Secretary of Defense shall submit
11 to the congressional defense committees a report providing
12 the results of the study under subsection (a). Such report
13 shall be submitted not later than March 1, 2005.

14 **TITLE VIII—ACQUISITION POL-**
15 **ICY, ACQUISITION MANAGE-**
16 **MENT, AND RELATED MAT-**
17 **TERS**

18 **Subtitle A—Amendments to Gen-**
19 **eral Contracting Authorities,**
20 **Procedures, and Limitations**

21 **SEC. 801. RAPID ACQUISITION AUTHORITY TO RESPOND TO**
22 **COMBAT EMERGENCIES.**

23 (a) IN GENERAL.—Chapter 141 of title 10, United
24 States Code, is amended by adding at the end the fol-
25 lowing new section:

1 **“§ 2410p. Rapid acquisition authority to respond to**
2 **combat emergencies**

3 “(a) RAPID ACQUISITION AUTHORITY.—The Sec-
4 retary of Defense may rapidly acquire, in accordance with
5 this section, equipment needed by a combatant com-
6 mander to eliminate a combat capability deficiency that
7 has resulted in combat fatalities.

8 “(b) PROCESS FOR RAPID ACQUISITION.—Not later
9 than 30 days after the date of the enactment of this sec-
10 tion, the Secretary of Defense shall develop a process for
11 the rapid acquisition authority provided by subsection (a)
12 and submit to Congress a detailed explanation of the proc-
13 ess, including procedures to be followed in carrying out
14 the process. The process shall provide for the following:

15 “(1) A requirement that the process may be
16 used only to acquire the minimum amount of equip-
17 ment needed until the needs of the combatant com-
18 mander can be fulfilled under existing acquisition
19 statutes, policies, directives, and regulations.

20 “(2) A goal of awarding a contract for the
21 equipment within 15 days after receipt of a request
22 from a commander.

23 “(3) In a case in which the equipment cannot
24 be acquired without an extensive delay, a require-
25 ment for an interim solution to minimize the combat

1 capability deficiency and combat fatalities until the
2 equipment can be acquired.

3 “(4) Waiver of the applicability of all policies,
4 directives, and regulations related to—

5 “(A) the establishment of the requirement
6 for the equipment;

7 “(B) the research, development, test, and
8 evaluation of the equipment; and

9 “(C) the solicitation and selection of
10 sources, and the award of the contract, for pro-
11 curement of the equipment.

12 “(5) Such other procedures or requirements as
13 the Secretary considers appropriate.

14 “(c) WAIVER OF CERTAIN STATUTES.—For purposes
15 of exercising the authority provided by subsection (a) with
16 respect to equipment, laws relating to the following shall
17 not apply:

18 “(A) The establishment of the requirement for
19 the equipment.

20 “(B) The research, development, test, and eval-
21 uation of the equipment.

22 “(C) The solicitation and selection of sources,
23 and the award of the contract, for procurement of
24 the equipment.

1 “(d) LIMITATIONS.—The rapid acquisition authority
2 provided by subsection (a) may be used only—

3 “(1) after the Secretary of Defense, without
4 delegation, determines in writing that there exists a
5 combat capability deficiency that has resulted in
6 combat fatalities; and

7 “(2) to acquire equipment in an amount aggregating not more than \$100,000,000 during a fiscal
8 year.
9

10 “(e) SOURCE OF FUNDS.—For acquisitions under
11 this section to be made during any fiscal year, the Secretary
12 may use any funds made available to the Department of Defense for that fiscal year.
13

14 “(f) NOTIFICATION TO CONGRESS AFTER EACH USE
15 OF AUTHORITY.—The Secretary of Defense shall notify
16 the congressional defense committees within 15 days after
17 each use of the authority provided by subsection (a). Each
18 such notice shall identify the equipment to be acquired,
19 the amount to be expended for such acquisition, and the
20 source of funds for such acquisition.

21 “(g) COMBATANT COMMANDER.—In this section, the
22 term ‘combatant commander’ means the commander of a
23 unified combatant command with authority for the conduct of operations in a specific area of responsibility or
24

1 who otherwise has authority to conduct operations at the
2 direction of the President or Secretary of Defense.”.

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

“2410p. Rapid acquisition authority to respond to combat emergencies.”.

6 **SEC. 802. DEFENSE ACQUISITION WORKFORCE CHANGES.**

7 (a) SELECTION CRITERIA AND PROCEDURES.—Sec-
8 tion 1732(b)(1)(A) of title 10, United States Code, is
9 amended by striking “within grade GS–13 or above of the
10 General Schedule” and inserting “in any position des-
11 ignated by the Secretary of Defense”.

12 (b) CRITICAL ACQUISITION POSITIONS.—Section
13 1733 of such title is amended by striking subsection (b)
14 and inserting the following:

15 “(b) DESIGNATION OF CRITICAL ACQUISITION.—(1)
16 The Secretary of Defense shall designate the acquisition
17 positions in the Department of Defense that are critical
18 acquisition positions. Such positions shall include the fol-
19 lowing:

20 “(A) Program executive officer.

21 “(B) Program manager of a major defense ac-
22 quisition program (as defined in section 2430 of this
23 title) or of a significant nonmajor defense acquisition
24 program (as defined in section 1737(a)(3) of this
25 title).

1 “(C) Deputy program manager of a major de-
2 fense acquisition program.

3 “(D) Any other acquisition position of signifi-
4 cant responsibility determined by the Secretary to be
5 critical.

6 “(2) The Secretary shall annually publish a list of
7 the positions designated under this subsection.”.

8 (c) SCHOLARSHIP PROGRAMS.—Section 1742 of such
9 title is amended—

10 (1) by inserting “(a) PROGRAMS.—” at the be-
11 ginning of the text; and

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

14 “(b) SCHOLARSHIP PROGRAM REQUIREMENTS.—
15 With respect to any scholarship program conducted under
16 this section, the Secretary of Defense and the participant
17 shall agree in writing to the terms of the scholarship. The
18 agreement shall include the obligations of the Secretary
19 and the participant, as well as actions available for either
20 party to take if there is a failure to meet the obligations
21 under the agreement.”.

22 **SEC. 803. LIMITATION ON TASK AND DELIVERY ORDER**
23 **CONTRACTS.**

24 Subsection 2304a(f) of title 10, United States Code,
25 is amended to read as follows:

1 “(f) CONTRACT PERIOD.—The head of an agency en-
2 tering into a task or delivery order contract under this
3 section may provide for the contract to cover any base pe-
4 riod up to five years and may extend the contract period
5 for one or more successive periods pursuant to an option
6 provided in the contract or a modification to the con-
7 tract.”.

8 **SEC. 804. FUNDING FOR CONTRACT CEILINGS FOR CER-**
9 **TAIN MULTIYEAR PROCUREMENT CON-**
10 **TRACTS.**

11 (a) MULTIYEAR CONTRACTS RELATING TO PROP-
12 ERTY.—Section 2306b(g) of title 10, United States Code,
13 is amended—

14 (1) by inserting “(1)” before “Before any”;

15 (2) by striking “Committee” through “House of
16 Representatives” and inserting “congressional de-
17 fense committees”; and

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

20 “(2) In the case of a contract described in subsection
21 (a) with a cancellation ceiling described in paragraph (1),
22 if the budget for the contract does not include proposed
23 funding for the costs of contract cancellation up to the
24 cancellation ceiling established in the contract, the head
25 of the agency concerned shall, as part of the certification

1 required by subsection (i)(1)(A), give written notification
2 to the congressional defense committees of—

3 “(A) the cancellation ceiling amounts planned
4 for each program year in the proposed multiyear
5 procurement contract, together with the reasons for
6 the amounts planned;

7 “(B) the extent to which costs of contract can-
8 cellation are not included in the budget for the con-
9 tract; and

10 “(C) a financial risk assessment of not includ-
11 ing budgeting for costs of contract cancellation, in-
12 cluding proposed funding sources to meet such can-
13 cellation costs if the contract is canceled.”.

14 (b) MULTIYEAR CONTRACTS RELATING TO SERV-
15 ICES.—Section 2306c(d) of title 10, United States Code,
16 is amended—

17 (1) in paragraphs (1), (3), and (4), by striking
18 “committees of Congress named in paragraph (5)”
19 and inserting “congressional defense committees”
20 each place it appears; and

21 (2) by amending paragraph (5) to read as fol-
22 lows:

23 “(5) In the case of a contract described in subsection
24 (a) with a cancellation ceiling described in paragraph (4),
25 if the budget for the contract does not include proposed

1 funding for the costs of contract cancellation up to the
2 cancellation ceiling established in the contract, the head
3 of the agency concerned shall give written notification to
4 the congressional defense committees of—

5 “(A) the cancellation ceiling amounts planned
6 for each program year in the proposed multiyear
7 procurement contract, together with the reasons for
8 the amounts planned;

9 “(B) the extent to which costs of contract can-
10 cellation are not included in the budget for the con-
11 tract; and

12 “(C) a financial risk assessment of not includ-
13 ing budgeting for costs of contract cancellation, in-
14 cluding proposed funding sources to meet such can-
15 cellation costs if the contract is canceled.”

16 **SEC. 805. INCREASED THRESHOLD FOR REQUIRING CON-**
17 **TRACTORS TO PROVIDE SPECIFIED EM-**
18 **PLOYEE INFORMATION TO COOPERATIVE**
19 **AGREEMENT HOLDERS.**

20 Section 2416(d) of title 10, United States Code, is
21 amended by striking “\$500,000” and inserting
22 “\$1,000,000”.

1 **SEC. 806. EXTENSION OF AUTHORITY FOR USE OF SIM-**
2 **PLIFIED ACQUISITION PROCEDURES.**

3 Section 4202(e) of the Clinger-Cohen Act (division D
4 of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304
5 note) is amended by striking “January 1, 2006” and in-
6 serting “October 1, 2009”.

7 **SEC. 807. AUTHORITY TO ADJUST ACQUISITION-RELATED**
8 **DOLLAR THRESHOLDS FOR INFLATION.**

9 (a) INFLATION ADJUSTMENT AUTHORITY.—The
10 FAR Council and the heads of executive agencies may ad-
11 just the dollar thresholds in procurement laws in order to
12 maintain the constant dollar value of the threshold, taking
13 into account the effect of inflation on the threshold.

14 (b) LIMITATION ON EXERCISE OF AUTHORITY.—Ad-
15 justments of dollar thresholds under subsection (a) may
16 be carried out—

17 (1) by the FAR Council only with respect to
18 procurement laws that apply to executive agencies
19 generally; and

20 (2) by the head of an executive agency only
21 with respect to procurement laws that apply to that
22 agency exclusively.

23 (c) ADDITIONAL REQUIREMENTS.—In adjusting a
24 threshold under subsection (a), the FAR Council and the
25 head of an agency shall—

1 (2) consult with the Director of the Office of
2 Management and Budget;

3 (3) round the threshold, to facilitate implemen-
4 tation; and

5 (4) publish the adjusted threshold in the Fed-
6 eral Register.

7 (d) EXCLUSIONS.—This section does not apply to—

8 (1) dollar thresholds in sections 3141 through
9 3144, 3146, and 3147 of title 40, United States
10 Code;

11 (2) dollar thresholds in the Service Contract
12 Act of 1965 (41 U.S.C. 351, et seq.); or

13 (3) dollar thresholds established by the United
14 States Trade Representative pursuant to title III of
15 the Trade Agreements Act of 1979 (19 U.S.C. 2511
16 et seq.).

17 (e) DEFINITIONS.—In this section:

18 (1) The term “procurement law” means any
19 provision of law that sets forth policies, procedures,
20 requirements, or restrictions for the procurement of
21 property or services by the Federal Government.

22 (2) The terms “executive agency” and “pro-
23 curement” have the meanings provided by section
24 4(1) of the Office of Federal Procurement Policy
25 Act (41 U.S.C. 403(1))

1 (3) The term “FAR Council” means the Fed-
2 eral Acquisition Regulatory Council established
3 under section 25 of the Office of Federal Procure-
4 ment Policy Act (41 U.S.C. 421)).

5 **Subtitle B—United States Defense**
6 **Industrial Base Provisions**

7 **SEC. 811. DEFENSE FAIR TRADE.**

8 (a) IN GENERAL.—Chapter 148 of title 10, United
9 States Code, is amended by inserting after section 2532
10 the following new section:

11 **“§ 2532a. Defense trade reciprocity**

12 “(a) POLICY.—(1) It is the policy of Congress that
13 procurement regulations used in the conduct of trade in
14 defense articles and defense services shall be based on the
15 principle of fair trade and reciprocity consistent with
16 United States national security, including the need to en-
17 sure comprehensive manufacturing capability in the
18 United States defense industrial base for military system
19 essential items.

20 “(2) The Secretary of Defense shall make every effort
21 to ensure that the policies and practices of the Depart-
22 ment of Defense reflect the goal of establishing an equi-
23 table trading relationship between the United States and
24 its foreign defense trade partners, including ensuring that
25 United States firms and United States employment in the

1 defense sector are not disadvantaged by unilateral pro-
2 curement practices by foreign governments, such as the
3 imposition of offset agreements or similar requirements in
4 defense procurements by those governments. In pursuing
5 this goal, the Secretary shall—

6 “(A) develop a comprehensive defense acquisi-
7 tion trade policy that provides the necessary guid-
8 ance and incentives for the elimination of offset
9 agreements as an accepted practice in defense trade;
10 and

11 “(B) review and make necessary modifications
12 to existing acquisition policies and strategies, and re-
13 view and seek to make necessary modifications to ex-
14 isting memoranda of understanding, cooperative
15 project agreements, or related agreements with for-
16 eign defense trade partners, to reflect this goal.

17 “(b) REQUIREMENT.—The Secretary of Defense may
18 not enter into a contract, or approve or permit any sub-
19 contract under a contract entered into by the Department
20 of Defense, for the procurement of any defense article or
21 defense service from a foreign firm unless the country in
22 which the foreign firm performs substantially all of its
23 manufacturing, production, and research and development
24 activities in the performance of the contract (or sub-
25 contract) agrees to apply offset agreements to the procure-

1 ment of defense articles and defense services from the
2 United States firms in the same manner and to the same
3 degree as such agreements are applied by the Department
4 of Defense to the procurement of defense articles and de-
5 fense services from that country.

6 “(c) EXCEPTION.—Subsection (b) does not apply to
7 a contract or subcontract for the procurement of a defense
8 article or defense service from a foreign firm if the Sec-
9 retary of Defense determines in writing, with respect to
10 the specific contract or subcontract, that an exception to
11 subsection (b) is necessary for the Department to be able
12 to meet national security objectives.

13 “(d) NOTIFICATION REQUIRED WHEN EXCEPTION
14 APPLIED.—The Secretary of Defense may not apply an
15 exception under subsection (c) until—

16 “(1) a notification of the intent to apply such
17 exception is submitted to the congressional defense
18 committees and published in the Federal Register;
19 and

20 “(2) a period of 30 days has expired after the
21 date on which such notification is so submitted and
22 published.

23 “(e) AUTHORITY TO APPLY EXCEPTION NOT DELE-
24 GABLE.—The authority of the Secretary to apply the ex-
25 ception under subsection (c) may not be delegated to any

1 officer or employee in a position at a level lower than the
2 position of the Under Secretary of Defense for Acquisi-
3 tion, Technology, and Logistics.

4 “(f) REGULATIONS.—The Secretary shall prescribe
5 regulations to implement this section in the Department
6 of Defense supplement to the Federal Acquisition Regula-
7 tion.

8 “(g) EFFECTIVE DATE.—This section and the regu-
9 lations prescribed under this section shall apply to con-
10 tracts and subcontracts entered into on and after the date
11 occurring one year after the date of the enactment of this
12 Act.

13 “(h) DEFINITIONS.—In this section:

14 “(1) The term ‘foreign firm’ means a business
15 entity that performs substantially all of its manufac-
16 turing, production, and research and development
17 activities outside of the United States.

18 “(2) The term ‘United States firm’ means a
19 business entity that performs substantially all of its
20 manufacturing, production, and research and devel-
21 opment activities in the United States.

22 “(3) The term ‘foreign defense trade partner’
23 means a foreign country with respect to which there
24 is—

1 “(A) a memorandum of understanding or
2 related agreement described in section 2531(a)
3 of title 10, United States Code; or

4 “(B) a cooperative project agreement de-
5 scribed in section 27 of the Arms Export Con-
6 trol Act (22 U.S.C. 2767).

7 “(4) The term ‘offset agreement’ has the mean-
8 ing provided that term by section 36(e) of the Arms
9 Export Control Act (22 U.S.C. 2776(e)).

10 “(5) The terms ‘defense article’ and ‘defense
11 service’ have the meanings provided those terms by
12 section 47(7) of the Arms Export Control Act (22
13 U.S.C. 2794(7)).

14 “(6) The term ‘military system essential item’
15 means an item on the military system essential item
16 breakout list produced pursuant to section 813(b) of
17 the National Defense Authorization Act for Fiscal
18 Year 2004 (P.L. 108–136; 117 Stat. 1544).”.

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

“2532a. Defense trade reciprocity.”.

1 **SEC. 812. AMENDMENTS TO DOMESTIC SOURCE REQUIRE-**
2 **MENTS.**

3 (a) NOTICE.—Section 2533a of title 10, United
4 States Code, is amended by adding at the end the fol-
5 lowing new subsection:

6 “(k) NOTIFICATION REQUIRED WHEN CERTAIN EX-
7 CEPTIONS APPLIED.—(1) Funds appropriated or other-
8 wise available to the Department of Defense may not be
9 used to enter into a contract to procure an item described
10 in subsection (b) pursuant to an exception set forth in sub-
11 section (c) or (e) until—

12 “(A) a notification of the intent to apply such
13 exception is submitted to Congress and posted on
14 the website maintained by the General Services Ad-
15 ministration known as FedBizOpps.gov (or any suc-
16 cessor site); and

17 “(B) a period of 15 days has expired after the
18 date on which such notification is so submitted and
19 published.

20 “(2) In any case in which the Secretary of Defense
21 or the Secretary of the military department concerned in-
22 tends to apply or applies the exception set forth in sub-
23 section (d)(1), the Secretary concerned shall submit to
24 Congress a notification of such intent or such application
25 during the period beginning six months before the date

1 of application of such exception and ending six months
2 after the date of application of such exception.”.

3 (b) CLOTHING MATERIALS AND COMPONENTS COV-
4 ERED.—Subsection (b) of section 2533a of title 10, United
5 States Code, is amended in paragraph (1)(B) by inserting
6 before the semicolon the following: “and the materials and
7 components thereof, other than sensors, electronics, or
8 other items added to, and not normally associated with,
9 clothing (and the materials and components thereof)”.

10 **SEC. 813. THREE-YEAR EXTENSION OF RESTRICTION ON AC-**
11 **QUISITION OF POLYACRYLONITRILE (PAN)**
12 **CARBON FIBER FROM FOREIGN SOURCES.**

13 The Secretary of Defense shall delay by three years
14 the phase-out of the restriction on acquisition of
15 polyacrylonitrile (PAN) carbon fiber from foreign sources
16 (described in subpart 225.7103 of the Department of De-
17 fense supplement to the Federal Acquisition Regulation).
18 In implementing such delay, the Secretary shall revise the
19 applicable regulations to ensure that such restriction ap-
20 plies to—

21 (1) solicitations and contracts issued on or be-
22 fore May 31, 2006, for major systems that are not
23 yet in production; and

24 (2) solicitations and contracts issued during the
25 period beginning June 1, 2006, and ending May 31,

1 2008, for major systems that are not yet in engi-
2 neering and manufacturing development.

3 **SEC. 814. GRANT PROGRAM FOR DEFENSE CONTRACTORS**
4 **TO IMPLEMENT STRATEGIES TO AVOID**
5 **OUTSOURCING OF JOBS.**

6 (a) GRANT PROGRAM AUTHORIZED.—The Secretary
7 of Defense may make grants under this section for fiscal
8 year 2005 to qualified defense contractor groups for the
9 purposes described in subsection (b).

10 (b) GRANT PURPOSES.—A grant may be made under
11 this section for the purpose of implementing a strategy
12 to avoid the outsourcing of jobs by a defense contractor,
13 including the following strategies:

- 14 (1) Cost-cutting measures.
15 (2) Retraining programs.
16 (3) Technology development.
17 (4) Plant upgrades.

18 (c) APPLICATION.—A grant may not be awarded
19 under this section unless an application is submitted to,
20 and approved by, the Secretary. Such an application—

- 21 (1) shall be submitted by a qualified defense
22 contractor group in such form and manner as the
23 Secretary may require; and
24 (2) shall contain—

1 (A) a description of the strategy proposed
2 for avoiding the outsourcing of at least 10 jobs
3 in the performance of a defense contract by the
4 defense contractor concerned; and

5 (B) such other information as the Sec-
6 retary may require.

7 (d) DEFINITIONS.—In this section:

8 (1) The term “qualified defense contractor
9 group”, with respect to a defense contractor, is a
10 group or person representing—

11 (A) management of the contractor;

12 (B) a labor organization that represents
13 employees of the contractor; or

14 (C) employees of the contractor.

15 (2) The term “outsourcing”, with respect to a
16 defense contract, includes the performance outside
17 the United States of work under the contract.

18 (e) FEDERAL SHARE.—The Federal share of the
19 costs of the strategy carried out with a grant under this
20 section may not exceed 50 percent.

21 (f) USE OF DEFENSE INDUSTRIAL CAPABILITIES
22 FUND FOR GRANTS.—(1) Notwithstanding section 814(c)
23 of the National Defense Authorization Act for Fiscal Year
24 2004 (P.L. 108–136; 117 Stat. 1545), amounts in the De-

1 fense Industrial Base Capabilities Fund may be used for
2 grants under this section.

3 (2) For fiscal year 2005, up to \$50,000,000 of
4 amounts available in such Fund may be used to carry out
5 this section.

6 (g) AUTHORIZATION OF FUNDS.—There are author-
7 ized to be appropriated to the Defense Industrial Base Ca-
8 pabilities Fund \$50,000,000 for purposes of providing
9 grants under this section.

10 **SEC. 815. PREFERENCE FOR DOMESTIC FREIGHT FOR-**
11 **WARDING SERVICES.**

12 (a) PREFERENCE.—In the procurement of transpor-
13 tation services described in subsection (b), the Secretary
14 of Defense shall give preference to any freight forwarder
15 that—

16 (1) certifies to the Department of Defense that
17 it is owned and controlled by citizens of the United
18 States; and

19 (2) offers services at fair and reasonable rates.

20 (b) SERVICES COVERED.—Subsection (a) applies to
21 transportation services to, from, or within Iraq or Afghan-
22 istan, and warehousing, logistics, or other similar services
23 performed within Iraq or Afghanistan.

1 **Subtitle C—Other Acquisition**
2 **Matters**

3 **SEC. 821. SUSTAINMENT AND MODERNIZATION PLANS FOR**
4 **EXISTING SYSTEMS WHILE REPLACEMENT**
5 **SYSTEMS ARE UNDER DEVELOPMENT.**

6 (a) EXISTING SYSTEMS TO BE MAINTAINED WHILE
7 REPLACEMENT SYSTEMS ARE UNDER DEVELOPMENT.—

8 (1) Chapter 144 of title 10, United States Code, is amend-
9 ed by inserting after section 2436 the following new sec-
10 tion:

11 **“§ 2437. Development of major defense acquisition**
12 **programs: sustainment and moderniza-**
13 **tion of system to be replaced**

14 “(a) REQUIREMENT FOR SUSTAINING AND MODERN-
15 IZING EXISTING FORCES.—(1) The Secretary of Defense
16 shall require that, whenever a new major defense acquisi-
17 tion program begins development, the defense acquisition
18 authority responsible for that program shall develop a plan
19 (to be known as a sustainment and modernization plan)
20 for the existing system that the system under development
21 is intended to replace. Any such sustainment and mod-
22 ernization plan shall provide for budgeting, sustaining,
23 and modernizing the existing system until the replacement
24 system to be developed under the major defense acquisi-
25 tion program is fielded and assumes the majority responsi-

1 bility for the mission of the existing system. This section
2 does not apply to a major defense acquisition that reaches
3 initial operational capability before October 1, 2008.

4 “(2) In this section, the term “defense acquisition au-
5 thority” means the Secretary of a military department or
6 the commander of the United States Special Operations
7 Command.

8 “(b) SUSTAINMENT AND MODERNIZATION PLAN.—
9 The Secretary of Defense shall require that each
10 sustainment and modernization plan under this section in-
11 clude, at a minimum, the following:

12 “(1) The milestone schedule for the develop-
13 ment of the major defense acquisition program, in-
14 cluding low-rate initial production, initial operational
15 capability, full-rate production, full operational capa-
16 bility, and the date when the replacement system as-
17 sumes the majority responsibility for the mission of
18 the existing system.

19 “(2) An analysis of the existing system to de-
20 termine the following:

21 “(A) A sustainment plan and budget re-
22 quirements necessary to provide service life ex-
23 tension to the existing system at acceptable reli-
24 ability and availability rates.

1 “(B) A modernization plan and budget re-
2 quirements necessary to maintain mission capa-
3 bility against the relevant threats.

4 “(C) A modernization plan and budget re-
5 quirements necessary—

6 “(i) to transfer mature technologies
7 from the new system or other systems so
8 that the mission capability of the existing
9 system is enhanced against relevant
10 threats; and

11 “(ii) to provide interoperability with
12 the new system during the period from ini-
13 tial fielding until the new system assumes
14 the majority of responsibility for the mis-
15 sion of the existing system.

16 “(c) ANNUAL REVIEW.—Each fiscal year, before the
17 submission to Congress of the President’s budget for the
18 next fiscal year, the Secretary of Defense shall review the
19 schedule performance of each replacement major defense
20 acquisition program for which a sustainment and mod-
21 ernization plan has been developed under this section to
22 compare that performance with the schedule set forth
23 under subsection (b)(1). If the schedule for the program
24 has changed, then the Secretary shall notify the congres-
25 sional defense committees of such change.

1 “(d) EXCEPTIONS.—Subsection (a) shall not apply to
2 a major defense acquisition program if the Secretary of
3 Defense determines that—

4 “(1) the existing system is no longer relevant to
5 the mission;

6 “(2) the mission has been eliminated;

7 “(3) the mission has been consolidated with an-
8 other mission in such a manner that another exist-
9 ing system can adequately meet the mission require-
10 ments; or

11 “(4) the duration of time until the new system
12 assumes the majority of responsibility for the exist-
13 ing system’s mission is sufficiently short so that mis-
14 sion availability, capability, interoperability, and
15 force protection requirements are maintained.

16 “(e) WAIVER.—The Secretary of Defense may waive
17 the applicability of subsection (a) to a major defense ac-
18 quisition program if the Secretary determines that, but for
19 such a waiver, the Department would be unable to meet
20 national security objectives. Whenever the Secretary
21 makes such a determination and authorizes such a waiver,
22 the Secretary shall submit notice of such waiver and of
23 the Secretary’s determination and the reasons therefor in
24 writing to the congressional defense committees.”.

1 (2) The table of sections at the beginning of such
2 chapter is amended by inserting after the item relating
3 to section 2436 the following new item:

 “2437. Development of major defense acquisition programs: sustainment and
 modernization of system to be replaced .”.

4 (b) APPLICATION TO EXISTING PROGRAMS IN DE-
5 VELOPMENT.—Section 2437 of title 10, United States
6 Code, as added by subsection (a), shall apply with respect
7 to a major defense acquisition program that is under de-
8 velopment as of the date of the enactment of this Act and
9 is not expected to reach initial operational capability be-
10 fore October 1, 2008. The Secretary of Defense shall re-
11 quire that a sustainment and modernization plan under
12 that section be developed not later than one year after the
13 date of the enactment of this Act for the existing system
14 that the system under development is intended to replace.

15 **SEC. 822. REVIEW AND DEMONSTRATION PROJECT RELAT-**
16 **ING TO CONTRACTOR EMPLOYEES.**

17 (a) GENERAL REVIEW.—(1) The Secretary of De-
18 fense shall conduct a review of policies, procedures, prac-
19 tices, and penalties of the Department of Defense relating
20 to employees of defense contractors for purposes of ensur-
21 ing that the Department of Defense is in compliance with
22 Executive Order No. 12989 (relating to a prohibition on
23 entering into contracts with contractors that are not in
24 compliance with the Immigration and Nationality Act).

1 (2) In conducting the review, the Secretary shall—

2 (A) identify potential weaknesses and areas for
3 improvement in existing policies, procedures, prac-
4 tices, and penalties;

5 (B) develop and implement reforms to strength-
6 en, upgrade, and improve policies, procedures, prac-
7 tices, and penalties of the Department of Defense
8 and its contractors; and

9 (C) review and analyze reforms developed pur-
10 suant to this paragraph to identify for purposes of
11 national implementation those which are most effi-
12 cient and effective.

13 (3) The review under this subsection shall be com-
14 pleted not later than 180 days after the date of the enact-
15 ment of this Act.

16 (b) DEMONSTRATION PROJECT.—The Secretary of
17 Defense shall conduct a demonstration project in accord-
18 ance with this section, in one or more regions selected by
19 the Secretary, for purposes of promoting greater con-
20 tracting opportunities for contractors offering effective,
21 reliable staffing plans to perform defense contracts that
22 ensure all contract personnel employed for such projects,
23 including management employees, professional employees,
24 craft labor personnel, and administrative personnel, are
25 lawful residents or persons properly authorized to be em-

1 ployed in the United States and properly qualified to per-
2 form services required under the contract. The demonstra-
3 tion project shall focus on contracts for construction, ren-
4 ovation, maintenance, and repair services for military in-
5 stallations.

6 (c) DEMONSTRATION PROJECT PROCUREMENT PRO-
7 CEDURES.—As part of the demonstration project under
8 subsection (b), the Secretary of Defense shall conduct a
9 competition in which there is a provision in contract solici-
10 tations and request for proposal documents to require sig-
11 nificant weight or credit be allocated to—

12 (1) reliable, effective workforce programs of-
13 fered by prospective contractors that provide back-
14 ground checks and other measures to ensure the
15 contractor is in compliance with the Immigration
16 and Nationality Act; and

17 (2) reliable, effective project staffing plans of-
18 fered by prospective contractors that specify for all
19 contract employees (including management employ-
20 ees, professionals, and craft labor personnel) the
21 skills, training, and qualifications of such persons
22 and the labor supply sources and hiring plans or
23 procedures used for employing such persons.

24 (d) IMPLEMENTATION OF DEMONSTRATION
25 PROJECT.—The Secretary of Defense shall begin oper-

1 ation of the demonstration project required under this sec-
2 tion after completion of the review under subsection (a),
3 but in no event later than 270 days after the date of the
4 enactment of this Act.

5 (e) REPORT ON DEMONSTRATION PROJECT.—Not
6 later than six months after award of a contract under the
7 demonstration project, the Secretary of Defense shall sub-
8 mit to the Committees on Armed Services of the Senate
9 and House of Representatives a report setting forth a re-
10 view of the demonstration project and recommendations
11 on the actions, if any, that can be implemented to ensure
12 compliance by the Department of Defense with Executive
13 Order No. 12989.

14 (f) DEFINITION.—In this section, the term “military
15 installation” means a base, camp, post, station, yard, cen-
16 ter, homeport facility for any ship, or other activity under
17 the jurisdiction of the Department of Defense, including
18 any leased facility, which is located within any of the sev-
19 eral States, the District of Columbia, the Commonwealth
20 of Puerto Rico, American Samoa, the Virgin Islands, or
21 Guam. Such term does not include any facility used pri-
22 marily for civil works, rivers and harbors projects, or flood
23 control projects.

1 **SEC. 823. DEFENSE ACQUISITION WORKFORCE LIMITATION**
2 **AND REPORTS.**

3 (a) DEFENSE ACQUISITION AND SUPPORT PER-
4 SONNEL LIMITATION.—(1) Effective October 1, 2005, the
5 number of defense acquisition and support personnel in
6 the Department of Defense may not exceed 95 percent of
7 the baseline number.

8 (2) For purposes of paragraph (1), the baseline num-
9 ber is the number of defense acquisition and support per-
10 sonnel as of October 1, 2004.

11 (3) All determinations of personnel strengths for pur-
12 poses of this section shall be on the basis of full-time
13 equivalent positions.

14 (b) GAO STUDY AND REPORT ON DEFENSE ACQUI-
15 SITION AND SUPPORT PERSONNEL.—(1) The Comptroller
16 General shall conduct a study of Department of Defense
17 management of defense acquisition and support personnel.
18 The study shall include—

19 (A) an analysis of the number and structure of
20 defense acquisition and support personnel; and

21 (B) an assessment of the size, mission, com-
22 position, and projected workload requirements of de-
23 fense acquisition and support personnel.

24 (2) The Comptroller General shall submit to the
25 Committees on Armed Services of the Senate and the
26 House of Representatives a report on the results of the

1 study conducted under this subsection not later than
2 March 1, 2005.

3 (c) DEFENSE ACQUISITION UNIVERSITY STUDY AND
4 REPORT ON DEFENSE ACQUISITION AND SUPPORT PER-
5 SONNEL.—(1) The Defense Acquisition University shall
6 conduct a study of all the training programs offered to
7 defense acquisition and support personnel.

8 (2) The Defense Acquisition University shall submit
9 to the Committees on Armed Services of the Senate and
10 the House of Representatives a report on the results of
11 the study conducted under this subsection not later than
12 March 1, 2005. The report shall include—

13 (A) the number of individuals currently cer-
14 tified within the field they are working in; and

15 (B) recommendations on how to improve edu-
16 cation and productivity for defense acquisition and
17 support personnel, including recommendations for
18 additional training program requirements.

19 (d) DEFINITION.—In this section, the term “defense
20 acquisition and support personnel” means members of the
21 Armed Forces and civilian personnel (other than civilian
22 personnel who are employed at a maintenance depot) who
23 are assigned to, or employed in, acquisition organizations
24 of the Department of Defense (as specified in Department
25 of Defense Instruction numbered 5000.58, dated January

1 14, 1992), and any other organization that, as determined
2 by the Secretary, has acquisition as its predominant mis-
3 sion.

4 **SEC. 824. PROVISION OF INFORMATION TO CONGRESS TO**
5 **ENHANCE TRANSPARENCY IN CONTRACTING.**

6 Upon request of the chairman or ranking member of
7 the Committee on Armed Services of the Senate or House
8 of Representatives, the Secretary of Defense shall provide,
9 with respect to any contract or task or delivery order
10 under a task or delivery order contract entered into by
11 the Department of Defense, within 14 days after receipt
12 of the request, unredacted copies of any documents re-
13 quired to be maintained in the contracting office contract
14 file, the contract administration office contract file, and
15 the paying office contract file pursuant to subpart 4.8 of
16 the Federal Acquisition Regulation, including—

- 17 (1) copies of the contract and all modifications;
18 (2) orders issued under the contract;
19 (3) justifications and approvals;
20 (4) any government estimate of contract price;
21 (5) source selection documentation;
22 (6) cost or price analysis;
23 (7) audit reports;
24 (8) justification for type of contract;

1 (9) authority for deviations from regulations,
2 statutory requirements, or other restrictions;

3 (10) bills, invoices, vouchers, and supporting
4 documents; and

5 (11) records of payments or receipts.

6 **TITLE IX—DEPARTMENT OF**
7 **DEFENSE ORGANIZATION**
8 **AND MANAGEMENT**

9 **SEC. 901. CHANGE IN TITLE OF SECRETARY OF THE NAVY**
10 **TO SECRETARY OF THE NAVY AND MARINE**
11 **CORPS.**

12 (a) CHANGE IN TITLE.—The position of the Sec-
13 retary of the Navy is hereby redesignated as the Secretary
14 of the Navy and Marine Corps.

15 (b) REFERENCES.—Any reference to the Secretary of
16 the Navy in any law, regulation, document, record, or
17 other paper of the United States shall be considered to
18 be a reference to the Secretary of the Navy and Marine
19 Corps.

1 **SEC. 902. TRANSFER OF CENTER FOR THE STUDY OF CHI-**
2 **NESE MILITARY AFFAIRS FROM NATIONAL**
3 **DEFENSE UNIVERSITY TO UNITED STATES-**
4 **CHINA ECONOMIC AND SECURITY REVIEW**
5 **COMMISSION.**

6 (a) TRANSFER.—The Center for the Study of Chinese
7 Military Affairs established by section 914 of the National
8 Defense Authorization Act for Fiscal Year 2000 (10
9 U.S.C. 2165 note) is transferred from the National De-
10 fense University of the Department of Defense to the
11 United States-China Economic and Security Review Com-
12 mission.

13 (b) CONFORMING AMENDMENT.—Subsection (a) of
14 section 914 of the National Defense Authorization Act for
15 2000 (10 U.S.C. 2165 note) is amended to read as follows:

16 “(a) ESTABLISHMENT.—There shall be a Center for
17 the Study of Chinese Military Affairs organized under the
18 United States-China Economic and Security Review Com-
19 mission established by section 1238 of the Floyd D.
20 Spence National Defense Authorization Act for Fiscal
21 Year 2001 (22 U.S.C. 7002).”.

22 (c) REPEAL OF OBSOLETE PROVISIONS.—Such sec-
23 tion is further amended by striking subsections (d) and
24 (e).

25 (d) TECHNICAL AMENDMENTS TO COMMISSION
26 CHARTER.—(1) Section 1238(c) of the Floyd D. Spence

1 National Defense Authorization Act for Fiscal Year 2001
2 (22 U.S.C. 7002) is amended—

3 (1) in paragraph (1)—

4 (A) by striking “(beginning in 2002)”; and

5 (B) by adding at the end the following new
6 sentence: “The report shall include a full dis-
7 cussion of the activities of the Commission
8 under each of the subparagraphs of paragraph
9 (2).”; and

10 (2) in paragraph (2)—

11 (A) by striking the matter preceding sub-
12 paragraph (A) and inserting the following:

13 “(2) AREAS OF FOCUS.—The Commission shall
14 focus, in lieu of any other area of work or study, on
15 the following:”; and

16 (B) by replacing subparagraphs (A)
17 through (J) with the text of subparagraphs (A)
18 through (I) of section 2(c)(2) of division P of
19 Public Law 108–7 (22 U.S.C. 7002 note).

20 (2) Section 2(c)(2) of division P of Public Law 108–
21 7 (22 U.S.C. 7002 note) is repealed.

22 (e) EFFECTIVE DATE.—Subsection (a) and the
23 amendment made by subsection (b) shall take effect at the
24 end of the 90-day period beginning on the date of the en-
25 actment of this Act.

1 **SEC. 903. TRANSFER TO SECRETARY OF THE ARMY OF RE-**
2 **SPONSIBILITY FOR ASSEMBLED CHEMICAL**
3 **WEAPONS ALTERNATIVES PROGRAM.**

4 Effective January 1, 2005, the text of section 142
5 of the Strom Thurmond National Defense Authorization
6 Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C.
7 1521 note) is amended to read as follows:

8 “(a) PROGRAM MANAGEMENT.—(1) The program
9 manager for the Assembled Chemical Weapons Alter-
10 natives program shall report to the Secretary of the Army.

11 “(2) The Secretary of the Army shall provide for that
12 program to be managed as part of the management orga-
13 nization within the Department of the Army specified in
14 section 1412(e) of Public Law 99–145 (50 U.S.C.
15 1521(e)).

16 “(b) CONTINUED IMPLEMENTATION OF PREVIOUSLY
17 SELECTED ALTERNATIVE TECHNOLOGIES.—(1) In car-
18 rying out the destruction of lethal chemical munitions at
19 Pueblo Chemical Depot, Colorado, the Secretary of the
20 Army shall continue to implement fully the alternative
21 technology for such destruction at that depot selected by
22 the Under Secretary of Defense for Acquisition, Tech-
23 nology, and Logistics on July 16, 2002.

24 “(2) In carrying out the destruction of lethal chem-
25 ical munitions at Blue Grass Army Depot, Kentucky, the
26 Secretary of the Army shall continue to implement fully

1 the alternative technology for such destruction at that
2 depot selected by the Under Secretary of Defense for Ac-
3 quisition, Technology, and Logistics on February 3,
4 2003.”.

5 **SEC. 904. MODIFICATION OF OBLIGATED SERVICE RE-**
6 **QUIREMENTS UNDER NATIONAL SECURITY**
7 **EDUCATION PROGRAM.**

8 (a) IN GENERAL.—Subsection (b)(2) of section 802
9 of the David L. Boren National Security Education Act
10 of 1991 (50 U.S.C. 1902) is amended by striking subpara-
11 graphs (A) and (B), as added by section 925(a) of the
12 National Defense Authorization Act for Fiscal Year 2004
13 (Public Law 108–136; 117 Stat. 1578), and inserting the
14 following:

15 “(A) in the case of a recipient of a scholar-
16 ship, as soon as practicable but in no case later
17 than three years after the completion by the re-
18 cipient of the study for which scholarship as-
19 sistance was provided under the program, the
20 recipient shall work for a period of one year—

21 “(i) in a national security position
22 that the Secretary certifies is appropriate
23 to use the unique language and region ex-
24 pertise acquired by the recipient pursuant
25 to such study in the Department of De-

1 fense, in any element of the intelligence
2 community, in the Department of Home-
3 land Security, or in the Department of
4 State; or

5 “(ii) in such a position in any other
6 Federal department or agency not referred
7 to in clause (i) if the recipient dem-
8 onstrates to the Secretary that no position
9 is available in a Federal department or
10 agency specified in clause (i); or

11 “(B) in the case of a recipient of a fellow-
12 ship, as soon as practicable but in no case later
13 than two years after the completion by the re-
14 cipient of the study for which fellowship assist-
15 ance was provided under the program, the re-
16 cipient shall work for a period equal to the du-
17 ration of assistance provided under the pro-
18 gram, but in no case less than one year—

19 “(i) in a position described in sub-
20 paragraph (A)(i) that the Secretary cer-
21 tifies is appropriate to use the unique lan-
22 guage and region expertise acquired by the
23 recipient pursuant to such study; or

24 “(ii) in such a position in any other
25 Federal department or agency not referred

1 to in clause (i) if the recipient dem-
2 onstrates to the Secretary that no position
3 is available in a Federal department or
4 agency specified in clause (i); and”.

5 (b) REGULATIONS.—The Secretary of Defense shall
6 prescribe regulations to carry out the amendment made
7 by subsection (a). In prescribing such regulations, the Sec-
8 retary shall establish standards that recipients of scholar-
9 ship and fellowship assistance under the program under
10 such section 802 are required to demonstrate to satisfy
11 the requirement of a good faith effort to gain employment
12 as required under subparagraphs (A) and (B) of sub-
13 section (b)(2) of such section.

14 (c) APPLICABILITY.—(1) The amendment made by
15 subsection (a) shall apply with respect to service agree-
16 ments entered into under the David L. Boren National
17 Security Education Act of 1991 on or after the date of
18 the enactment of this Act.

19 (2) The amendment made by subsection (a) shall not
20 affect the force, validity, or terms of any service agreement
21 entered into under the David L. Boren National Security
22 Education Act of 1991 before the date of the enactment
23 of this Act that is in force as of that date.

1 **SEC. 905. CHANGE OF MEMBERSHIP OF CERTAIN COUN-**
2 **CILS.**

3 (a) MEMBERSHIP OF ARMED FORCES POLICY COUN-
4 CIL.—Section 171(a) of title 10, United States Code, is
5 amended by adding at the end the following new para-
6 graph:

7 “(14) The Commandant of the Coast Guard,
8 for discussion of matters pertaining to the Coast
9 Guard.”.

10 (b) MEMBERSHIP OF COUNCIL UNDER SECTION
11 179.—Subsection (a) of section 179 of title 10, United
12 States Code, is amended by adding at the end the fol-
13 lowing new paragraph:

14 “(4) The Under Secretary of Defense for Pol-
15 icy.”.

16 (b) CONFORMING AND CLARIFYING AMENDMENTS.—
17 Such subsection is further amended in the matter pre-
18 ceding paragraph (1)—

19 (1) by striking “Joint”; and

20 (2) by striking “composed of three members as
21 follows:” and inserting “operated as a joint activity
22 of the Department of Defense and the Department
23 of Energy. The membership of the Council is com-
24 prised of the following officers of those depart-
25 ments:”.

1 (c) OTHER TECHNICAL AND CLARIFYING AMEND-
2 MENTS.—Such section is further amended as follows:

3 (1) Subsection (c)(3)(B) is amended by striking
4 “appointed” and inserting “designated”.

5 (2) Subsection (e) is amended by striking “In
6 addition” and all that follows through “also” and in-
7 serting “The Council shall”.

8 (3) Subsection (f) is amended by striking
9 “Committee on” the first place it appears and all
10 that follows through “Representatives” and inserting
11 “congressional defense committees”.

12 (d) STYLISTIC AMENDMENTS.—Such section is fur-
13 ther amended as follows:

14 (1) Subsection (a) is amended by inserting “ES-
15 TABLISHMENT; MEMBERSHIP.—” after “(a)”.

16 (2) Subsection (b) is amended by inserting
17 “CHAIRMAN; MEETINGS.—” after “(b)”.

18 (3) Subsection (c) is amended by inserting
19 “STAFF AND ADMINISTRATIVE SERVICES; STAFF
20 DIRECTOR.—” after “(c)”.

21 (4) Subsection (d) is amended by inserting
22 “RESPONSIBILITIES.—” after “(d)”.

23 (5) Subsection (e) is amended by inserting
24 “REPORT ON DIFFICULTIES RELATING TO SAFETY
25 OR RELIABILITY.—” after “(e)”.

1 (6) Subsection (f) is amended by inserting “AN-
2 NUAL REPORT.—” after “(f)”.

3 (e) FURTHER CONFORMING AMENDMENT.—Section
4 3212(e) of the National Nuclear Security Administration
5 Act (50 U.S.C. 2402(e)) is amended—

6 (1) by striking “JOINT” in the subsection head-
7 ing; and

8 (2) by striking “Joint”.

9 **SEC. 906. ACTIONS TO PREVENT THE ABUSE OF DETAIN-**
10 **EES.**

11 (a) POLICIES REQUIRED.—The Secretary of Defense
12 shall prescribe policies regarding procedures for the
13 Armed Forces and other elements of the Department of
14 Defense and contractor personnel of the Department of
15 Defense intended to prevent the conditions leading to acts
16 of abuse of detainees who are held by the United States
17 as part of the Global War on Terrorism. Policies under
18 this subsection shall be prescribed not later than 120 days
19 after the date of the enactment of this Act.

20 (b) MATTERS TO BE INCLUDED.—In order to achieve
21 the objective stated in subsection (a), the policies on the
22 prevention of abuse of detainees under that subsection
23 shall specify, at a minimum, procedures for the following:

24 (1) Ensuring that commanders of detention fa-
25 cilities and commanders of interrogation facilities

1 provide all assigned personnel (including contractor
2 personnel) with training, and documented acknowl-
3 edgement of receiving training, regarding the Gene-
4 va Convention Relative to the Treatment of Pris-
5 oners of War and established Standing Operating
6 Procedures for the treatment of detainees. Training
7 provided under this paragraph to contractor per-
8 sonnel shall be at least comparable in degree to that
9 provided to members of the Armed Forces.

10 (2) Providing all detainees with information, in
11 their own language, of the protections afforded
12 under the Geneva Convention Relative to the Treat-
13 ment of Prisoners of War.

14 (3) Conducting periodic unannounced and an-
15 nounced inspections of prisons and other areas
16 where detainees are held in order to provide contin-
17 ued oversight of interrogation and detention oper-
18 ations.

19 (4) Prohibiting contact between male guards
20 and female detainees and between female guards
21 and male detainees, except under exigent cir-
22 cumstances.

23 (c) REPORTS TO CONGRESS.—The Secretary of De-
24 fense shall submit to the Committees on Armed Services
25 of the Senate and House of Representatives—

1 (1) a copy of the policies prescribed pursuant to
2 subsection (a), immediately after those policies are
3 prescribed; and

4 (2) a report on the implementation of those
5 policies, not later than one year after the date on
6 which those policies are prescribed.

7 **SEC. 907. RESPONSES TO CONGRESSIONAL INQUIRIES.**

8 (a) IN GENERAL.—(1) Chapter 3 of title 10, United
9 States Code, is amended by inserting after section 113a
10 the following new section:

11 **“§ 113b. Response to congressional inquiries**

12 “Whenever the Secretary of Defense or any other of-
13 ficial of the Department of Defense is requested by the
14 chairman of the Committee on Armed Services of the Sen-
15 ate or the chairman of the Committee on Armed Services
16 of the House of Representatives to respond to a question
17 or inquiry submitted by the chairman or another member
18 of that committee pursuant to a committee hearing or
19 other activity, the Secretary (or other official) shall re-
20 spond to the request, in writing, within 21 days of the
21 date on which the request is transmitted to the Secretary
22 (or other official).”.

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

1 after the item relating to section 113a the following new
2 item:

“113b. Response to congressional inquiries.”.

3 **TITLE X—GENERAL PROVISIONS**

4 **Subtitle A—Financial Matters**

5 **SEC. 1001. TRANSFER AUTHORITY.**

6 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

7 (1) Upon determination by the Secretary of Defense that
8 such action is necessary in the national interest, the Sec-
9 retary may transfer amounts of authorizations made avail-
10 able to the Department of Defense in this division for fis-
11 cal year 2005 between any such authorizations for that
12 fiscal year (or any subdivisions thereof). Amounts of au-
13 thorizations so transferred shall be merged with and be
14 available for the same purposes as the authorization to
15 which transferred.

16 (2) The total amount of authorizations that the Sec-
17 retary may transfer under the authority of this section
18 may not exceed \$3,000,000,000. Of such amount,
19 \$500,000,000 may be used only for a transfer from an
20 account for an active component to an account for a re-
21 serve component, or from an account of a reserve compo-
22 nent to an account of an active component, of the same
23 Armed Force.

24 (b) **LIMITATIONS.—**The authority provided by this
25 section to transfer authorizations—

1 (1) may only be used to provide authority for
2 items that have a higher priority than the items
3 from which authority is transferred;

4 (2) may not be used to provide authority for an
5 item that has been denied authorization by Con-
6 gress; and

7 (3) may not be combined with the authority
8 provided under section 1522.

9 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
10 transfer made from one account to another under the au-
11 thority of this section shall be deemed to increase the
12 amount authorized for the account to which the amount
13 is transferred by an amount equal to the amount trans-
14 ferred.

15 (d) NOTICE TO CONGRESS.—The Secretary shall
16 promptly notify Congress of each transfer made under
17 subsection (a).

18 **SEC. 1002. BUDGET JUSTIFICATION DOCUMENTS FOR OP-**
19 **ERATION AND MAINTENANCE.**

20 (a) IN GENERAL.—(1) Chapter 9 of title 10, United
21 States Code, is amended by adding at the end the fol-
22 lowing new section:

23 **“§ 232. Operations and maintenance budget presen-**
24 **tation**

25 “(a) IN GENERAL.—In this section

1 “(1) The term ‘O&M justification documents’
2 means Department of Defense budget justification
3 documents with respect to accounts for operation
4 and maintenance submitted to the congressional de-
5 fense committees in support of the Department of
6 Defense component of the President’s budget for
7 any fiscal year.

8 “(2) The term ‘President’s budget’ means the
9 budget of the President submitted to Congress
10 under section 1105 of title 31 for any fiscal year.

11 “(3) The term ‘current year’ means the fiscal
12 year during which the President’s budget is sub-
13 mitted in any year.

14 “(b) IDENTIFICATION OF BASELINE AMOUNTS IN
15 O&M JUSTIFICATION DOCUMENTS.—In any case in which
16 the amount requested in the President’s budget for a fiscal
17 year for a Department of Defense operations and mainte-
18 nance program, project, or activity is different from the
19 amount appropriated for that program, project, or activity
20 for the current year, the O&M justification documents
21 supporting that budget shall identify that appropriated
22 amount and the difference between that amount and the
23 amount requested in the budget, stated as an amount and
24 as a percentage.

1 “(c) PERSONAL SERVICE CONTRACTS.—In the O&M
2 justification documents for any fiscal year, costs pro-
3 grammed in the budget for that fiscal year for Department
4 of Defense for personal service contracts, and the number
5 of personal service contractors to be used by the Depart-
6 ment of Defense during that fiscal year who will be com-
7 pensated at an annual rate in excess of the annual rate
8 of salary of the Vice President under section 104 of title
9 3, shall be separately set forth and identified.

10 “(d) NAVY SUBACTIVITIES FOR SHIP DEPOT MAIN-
11 TENANCE AND FOR INTERMEDIATE SHIP MAINTENANCE.—In the O&M justification documents for the
12 Navy for any fiscal year, amounts requested for ship depot
13 maintenance and amounts requested for intermediate ship
14 maintenance shall be set forth as separate budget sub-
15 activity groups.
16 activity groups.

17 “(e) CIVILIAN AVERAGE SALARY COSTS.—In the
18 O&M justification documents for any fiscal year, average
19 civilian salary costs, shown by subactivity group, shall be
20 set forth as a component of the personnel summary ex-
21 hibit.”.

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

“232. Operations and maintenance budget presentation.”.

1 (b) COMPONENTS OF LINE ITEMS FOR OTHER COSTS
2 AND OTHER CONTRACTS.—Not later than March 1, 2005,
3 the Secretary of Defense shall submit to the congressional
4 defense committees a report setting forth the component
5 elements of the line items identified as “Other Costs” and
6 “Other Contracts” in the exhibit identified as “Summary
7 of Price and Program Changes” in the budget justification
8 materials submitted to those committees in support of the
9 budget for fiscal year 2006.

10 **SEC. 1003. RETENTION OF FEES FROM INTELLECTUAL**
11 **PROPERTY LICENSES.**

12 (a) IN GENERAL.—Chapter 165 of title 10, United
13 States Code, is amended by adding at the end the fol-
14 lowing new section:

15 **“§ 2788. Licensing of intellectual property of the mili-**
16 **tary departments; authority to charge**
17 **and retain fees**

18 “(a) AUTHORITY TO RETAIN FEES.—(1) Under reg-
19 ulations prescribed by the Secretary of Defense, the Sec-
20 retary concerned may license trademarks, service marks,
21 certification marks, and collective marks owned by a mili-
22 tary department and may retain and expend fees received
23 from such licensing in accordance with subsection (b).

24 “(2) In this section, the terms ‘trademark’, ‘service
25 mark’, ‘certification mark’, ‘collective mark’, and ‘mark’

1 have the meanings given those terms in section 45 of the
2 Trademark Act of 1946 (15 U.S.C. 1127).

3 “(b) USE OF LICENSING FEES.—(1) Funds received
4 by a military department from licensing under subsection
5 (a)(1) shall be used for the expenses incurred by the de-
6 partment in securing the registration of marks owned by
7 the department and in licensing those marks.

8 “(2) If the amount of fees received by a military de-
9 partment during any fiscal year from the licensing of
10 marks exceeds the anticipated expenses under paragraph
11 (1) during that year, the Secretary concerned may des-
12 ignate those funds as excess and expend them as provided
13 in paragraph (3).

14 “(3) Not more than 50 percent of any such excess
15 funds shall be available for military personnel recruiting
16 and retention activities of the department. The remainder
17 of such funds shall be available for morale, welfare, and
18 recreation activities of the department.

19 “(4) Funds received pursuant to subsection (a)(1)
20 shall remain available for two years after the end of the
21 fiscal year during which the funds are received.”.

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

“2788. Licensing of intellectual property of the military departments; authority
to charge and retain fees.”.

1 **SEC. 1004. AUTHORITY TO WAIVE CLAIMS OF THE UNITED**
2 **STATES WHEN AMOUNTS RECOVERABLE ARE**
3 **LESS THAN COSTS OF COLLECTION.**

4 (a) **AUTHORITY.**—Chapter 165 of title 10, United
5 States Code, is amended by inserting after section 2780
6 the following new section:

7 **“§ 2780a. Debt collection: general waiver authority**
8 **for small amounts owed the United States**

9 “(a) **AUTHORITY.**—In the case of an indebtedness to
10 the United States described in subsection (b) that is for
11 an amount that is less than the threshold amount specified
12 in subsection (c), the Secretary of Defense may, under
13 regulations prescribed under this section, cancel the in-
14 debtedness and waive recovery of the amount owed. Such
15 authority may be used only when, based on a cost-benefit
16 analysis, the Secretary determines that the costs of collec-
17 tion are expected to exceed the amount recoverable.

18 “(b) **COVERED DEBTS.**—(1) Except as provided in
19 paragraph (2), this section applies with respect to
20 amounts owed to the United States that arise out of the
21 activities of, or that are referred to, the Department of
22 Defense (including amounts owed by members of the
23 armed forces and Department of Defense civilian per-
24 sonnel).

25 “(2) The authority under this section does not apply
26 to amounts owed to the United States arising out of activi-

1 ties of the Department of Defense that have been referred
2 to another executive agency for collection action or that
3 are otherwise within the purview of another executive
4 agency.

5 “(c) MAXIMUM AMOUNT WAIVABLE.—The threshold
6 amount referred to in subsection (a) is the micropurchase
7 threshold amount in effect under section 32 of the Office
8 of Federal Procurement Policy Act (41 U.S.C. 428).

9 “(d) REGULATIONS.—The Secretary of Defense shall
10 prescribe regulations for the purposes of this section.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of such chapter is amended by inserting
13 after the item relating to section 2780 the following new
14 item:

“2780a. Debt collection: general waiver authority for small amounts owed the
United States.”.

15 **SEC. 1005. REPEAL OF FUNDING RESTRICTIONS CON-**
16 **CERNING DEVELOPMENT OF MEDICAL COUN-**
17 **TERMEASURES AGAINST BIOLOGICAL WAR-**
18 **FARE THREATS.**

19 (a) REPEAL.—Section 2370a of title 10, United
20 States Code, is repealed.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of chapter 139 of such title is amended
23 by striking the item relating to that section.

1 **SEC. 1006. REPORT ON BUDGETING FOR EXCHANGE RATES**
2 **FOR FOREIGN CURRENCY FLUCTUATIONS.**

3 (a) SECRETARY OF DEFENSE REPORT.—(1) Not
4 later than December 1, 2004, the Secretary Defense shall
5 submit to the Committees on Armed Services of the Sen-
6 ate and House of Representatives a report on the foreign
7 currency exchange rate projection used in annual Depart-
8 ment of Defense budget presentations.

9 (2) In the report under paragraph (1), the Secretary
10 shall—

11 (A) identify alternative approaches for selecting
12 foreign currency exchange rates that would produce
13 more realistic estimates of amounts required to be
14 appropriated or otherwise made available for the De-
15 partment of Defense to accommodate foreign cur-
16 rency exchange rate fluctuations;

17 (B) address the advantages and disadvantages
18 of each approach identified pursuant to subpara-
19 graph (A);

20 (C) identify the Secretary's preferred approach
21 among the alternatives identified pursuant to sub-
22 paragraph (A) and provide the Secretary's rationale
23 for preferring that approach.

24 (3) In identifying alternative approaches pursuant to
25 paragraph (2)(A), the Secretary shall examine—

1 (A) approaches used by other Federal depart-
2 ments and agencies; and

3 (B) the feasibility of using private economic
4 forecasting.

5 (b) COMPTROLLER GENERAL REVIEW AND RE-
6 PORT.—The Comptroller General of the United States
7 shall review the report under subsection (a), including the
8 basis for the Secretary’s conclusions stated in the report,
9 and shall submit to the Committees on Armed Services
10 of the Senate and House of Representatives a report con-
11 taining the Comptroller General’s conclusions with respect
12 to that report. Such report shall be submitted not later
13 than January 15, 2005.

14 **Subtitle B—Naval Vessels and**
15 **Shipyards**

16 **SEC. 1011. AUTHORITY FOR AWARD OF CONTRACTS FOR**
17 **SHIP DISMANTLING ON NET-COST BASIS.**

18 (a) IN GENERAL.—Chapter 633 of title 10, United
19 States Code, is amended by inserting after section 7305
20 the following new section:

21 **“§ 7305a. Vessels stricken from Naval Vessel Register:**
22 **contracts for dismantling on net-cost**
23 **basis**

24 **“(a) AUTHORITY FOR NET-COST BASIS CON-**
25 **TRACTS.—**When the Secretary of the Navy awards a con-

1 tract for the dismantling of a vessel stricken from the
2 Naval Vessel Register, the Secretary may award the con-
3 tract on a net-cost basis.

4 “(b) RETENTION BY CONTRACTOR OF PROCEEDS OF
5 SALE OF SCRAP AND REUSABLE ITEMS.—When the Sec-
6 retary awards a contract on a net-cost basis under sub-
7 section (a), the Secretary shall provide in the contract that
8 the contractor may retain the proceeds from the sale of
9 scrap and reusable items removed from the vessel disman-
10 tled under the contract.

11 “(c) DEFINITIONS.—In this section:

12 “(1) The term ‘net-cost basis’, with respect to
13 a contract for the dismantling of a vessel, means
14 that the amount to be paid to the contractor under
15 the contract for dismantling and for removal and
16 disposal of hazardous waste material is discounted
17 by the offeror’s estimate of the value of scrap and
18 reusable items that the contractor will remove from
19 the vessel during performance of the contract.

20 “(2) The term ‘scrap’ means personal property
21 that has no value except for its basic material con-
22 tent.

23 “(3) The term ‘reusable item’ means a demili-
24 tarized component or a removable portion of a vessel
25 or equipment that the Secretary of the Navy has

1 identified as excess to the needs of the Navy but
2 which has potential resale value on the open mar-
3 ket.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by inserting
6 after the item relating to section 7305 the following new
7 item:

“7305a. Vessels stricken from Naval Vessel Register: contracts for dismantling
on net-cost basis.”.

8 **SEC. 1012. INDEPENDENT STUDY TO ASSESS COST EFFEC-**
9 **TIVENESS OF THE NAVY SHIP CONSTRUC-**
10 **TION PROGRAM.**

11 (a) STUDY.—The Secretary of Defense shall provide
12 for a study, to be conducted by an entity independent of
13 the Department of Defense, of the cost effectiveness of
14 the ship construction program of the Navy. The purpose
15 of the study shall be to examine both—

16 (1) a variety of approaches by which the Navy
17 ship construction program could be made more effi-
18 cient in the near term; and

19 (2) a variety of approaches by which, with a na-
20 tionally integrated effort over the next decade, the
21 United States shipbuilding industry might be made
22 competitive globally.

23 (b) NEAR TERM IMPROVEMENTS IN EFFICIENCY.—
24 With respect to the examination under subsection (a)(1)

1 of approaches by which the Navy ship construction pro-
2 gram could be made more efficient in the near term, the
3 Secretary shall provide for the entity conducting the
4 study—

5 (1) to determine, with respect to each approach
6 so examined, the cost savings that could result from
7 implementation of that approach over each of the
8 next 10 years;

9 (2) to recommend one or more of the ap-
10 proaches examined under subsection (a)(1) for im-
11 plementation; and

12 (3) for each approach recommended under
13 paragraph (2) for implementation, to develop a con-
14 cept and implementation plan by which the rec-
15 ommended improvements could best be phased into
16 the naval ship construction program.

17 (c) GLOBAL COMPETITIVENESS OF UNITED STATES
18 SHIPBUILDING INDUSTRY.—With respect to the examina-
19 tion under subsection (a)(2) of approaches by which, with
20 a nationally integrated effort over the next decade, the
21 United States shipbuilding industry might be made com-
22 petitive globally, the Secretary shall provide for the entity
23 conducting the study—

24 (1) to develop a plan to modernize the United
25 States shipbuilding infrastructure within the next

1 decade in order to make the United States ship-
2 building industry more competitive globally; and

3 (2) to estimate the resources required to carry
4 out a modernization plan developed under paragraph
5 (1).

6 (d) REPORT.—Not later than June 1, 2005, the Sec-
7 retary of Defense shall submit to the congressional defense
8 committees a report providing the results of the study
9 under subsection (a). The report shall include the matters
10 specified in subsections (b) and (c).

11 **SEC. 1013. AUTHORITY TO TRANSFER SPECIFIED FORMER**
12 **NAVAL VESSELS TO CERTAIN FOREIGN COUN-**
13 **TRIES.**

14 (a) AUTHORITY TO TRANSFER BY GRANT.—The
15 President is authorized to transfer vessels to foreign coun-
16 tries on a grant basis under section 516 of the Foreign
17 Assistance Act of 1961 (22 U.S.C. 2321j), as follows:

18 (1) CHILE.—The “SPRUANCE” class de-
19 stroyer O’BANNON (DD-987) to the Government
20 of Chile.

21 (2) PORTUGAL.—The “OLIVER HAZARD
22 PERRY” class guided missile frigate GEORGE
23 PHILIP (FFG-12) to the Government of Portugal.

24 (b) AUTHORITY TO TRANSFER BY SALE.—The Presi-
25 dent is authorized to transfer on a sale basis under section

1 21 of the Arms Export Control Act (22 U.S.C. 2761) the
2 “ANCHORAGE” class dock landing ship ANCHORAGE
3 (LSD-36) to the Taipei Economic and Cultural Rep-
4 resentative Office in the United States (which is the Tai-
5 wan instrumentality designated pursuant to section 10(a)
6 of the Taiwan Relations Act).

7 (c) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
8 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
9 of a vessel transferred to another country on a grant basis
10 under section 516 of the Foreign Assistance Act of 1961
11 (22 U.S.C. 2321j) pursuant to authority provided by sub-
12 section (a) shall not be counted for the purposes of sub-
13 section (g) of that section in the aggregate value of excess
14 defense articles transferred to countries under that section
15 in any fiscal year.

16 (d) COSTS OF TRANSFERS.—Any expense incurred by
17 the United States in connection with a transfer authorized
18 by this section shall be charged to the recipient (notwith-
19 standing section 516(e) of the Foreign Assistance Act of
20 1961 (22 U.S.C. 2321j (e)) in the case of a transfer au-
21 thorized to be made on a grant basis under subsection
22 (a)).

23 (e) REPAIR AND REFURBISHMENT IN UNITED
24 STATES SHIPYARDS.—To the maximum extent prac-
25 ticable, the President shall require, as a condition of the

1 transfer of a vessel under this section, that the country
2 to which the vessel is transferred have such repair or re-
3 furbishment of the vessel as is needed, before the vessel
4 joins the naval forces of that country, performed at a ship-
5 yard located in the United States, including a United
6 States Navy shipyard.

7 (f) EXPIRATION OF AUTHORITY.—The authority to
8 transfer a vessel under this section shall expire at the end
9 of the two-year period beginning on the date of the enact-
10 ment of this Act.

11 **SEC. 1014. LIMITATION ON LEASING OF FOREIGN-BUILT**
12 **VESSELS.**

13 (a) IN GENERAL.—(1) Chapter 141 of title 10,
14 United States Code, is amended by inserting after section
15 2401a the following new section:

16 **“§ 2401b. Limitation on lease of foreign-built vessels**

17 “(a) LIMITATION.—The Secretary of a military de-
18 partment may not make a contract for a lease or charter
19 of a vessel for a term of more than 12 months (including
20 all options to renew or extend the contract) if the hull,
21 a major component of the hull, or superstructure of the
22 vessel is constructed in a foreign shipyard.

23 “(b) PRESIDENTIAL WAIVER FOR NATIONAL SECUR-
24 ITY INTEREST.—(1) The President may authorize excep-
25 tions to the limitation in subsection (a) when the President

1 determines that it is in the national security interest of
2 the United States to do so.

3 “(2) The President shall transmit notice to Congress
4 of any such determination, and no contract may be made
5 pursuant to the exception authorized until the end of the
6 30-day period beginning on the date on which the notice
7 of the determination is received by Congress.”.

8 (2) The table of sections at the beginning of such
9 chapter is amended by inserting after the item relating
10 to section 2401a the following new item:

“2401b. Limitation on lease of foreign-built vessels.”.

11 (b) EFFECTIVE DATE.—Section 2401b of title 10,
12 United States Code, as added by subsection (a), shall
13 apply with respect to contracts entered into after the date
14 of the enactment of this Act.

15 **Subtitle C—Sunken Military Craft**

16 **SEC. 1021. PRESERVATION OF TITLE TO SUNKEN MILITARY** 17 **CRAFT AND ASSOCIATED CONTENTS.**

18 Right, title, and interest of the United States in and
19 to any United States sunken military craft shall not be
20 extinguished by the passage of time, regardless of when
21 the sunken military craft sank.

22 **SEC. 1022. PROHIBITIONS.**

23 (a) UNAUTHORIZED ACTIVITIES DIRECTED AT
24 SUNKEN MILITARY CRAFT.—No person shall engage in
25 or attempt to engage in any activity directed at a sunken

1 military craft that disturbs, removes, or injures any sunk-
2 en military craft, except—

3 (1) as authorized by a permit under this sub-
4 title;

5 (2) as authorized by regulations issued under
6 this subtitle; or

7 (3) as otherwise authorized by law.

8 (b) POSSESSION OF SUNKEN MILITARY CRAFT.—No
9 person may possess, disturb, remove, or injure any sunken
10 military craft in violation of—

11 (1) this section; or

12 (2) any prohibition, rule, regulation, ordinance,
13 or permit that applies under any other applicable
14 Federal, foreign, or other law.

15 (c) LIMITATIONS ON APPLICATION.—

16 (1) ACTIONS BY UNITED STATES.—This section
17 shall not apply to actions taken by, or at the direc-
18 tion of, the United States.

19 (2) FOREIGN PERSONS.—This section shall not
20 apply to any action by a person who is not a citizen,
21 national, or resident alien of the United States, ex-
22 cept in accordance with—

23 (A) generally recognized principles of inter-
24 national law;

1 (B) an agreement between the United
2 States and the foreign country of which the
3 person is a citizen; or

4 (C) in the case of an individual who is a
5 crew member or other individual on a foreign
6 vessel or foreign aircraft, an agreement between
7 the United States and the flag State of the for-
8 eign vessel or aircraft that applies to the indi-
9 vidual.

10 (3) LOAN OF SUNKEN MILITARY CRAFT.—This
11 section does not prohibit the loan of United States
12 sunken military craft in accordance with regulations
13 issued by the Secretary concerned.

14 **SEC. 1023. PERMITS.**

15 (a) IN GENERAL.—The Secretary concerned may
16 issue a permit authorizing a person to engage in an activ-
17 ity otherwise prohibited by section 1022 with respect to
18 a United States military craft, for archaeological, histor-
19 ical, or educational purposes, in accordance with regula-
20 tions issued by such Secretary that implement this section.

21 (b) CONSISTENCY WITH OTHER LAWS.—The Sec-
22 retary concerned shall require that any activity carried out
23 under a permit issued by such Secretary under this section
24 must be consistent with all requirements and restrictions
25 that apply under any other provision of Federal law.

1 (c) CONSULTATION.—In carrying out this section (in-
2 cluding the issuance after the date of the enactment of
3 this Act of regulations implementing this section), the Sec-
4 retary concerned shall consult with the head of each Fed-
5 eral agency having authority under Federal law with re-
6 spect to activities directed at sunken military craft or the
7 locations of such craft.

8 **SEC. 1024. PENALTIES.**

9 (a) IN GENERAL.—Any person who violates this sub-
10 title, or any regulation or permit issued under this sub-
11 title, shall be liable to the United States for a civil penalty
12 under this section.

13 (b) ASSESSMENT AND AMOUNT.—The Secretary con-
14 cerned may assess a civil penalty under this section, after
15 notice and an opportunity for a hearing, of not more than
16 \$100,000 for each violation.

17 (c) CONTINUING VIOLATIONS.—Each day of a contin-
18 ued violation of this subtitle or a regulation or permit
19 issued under this subtitle shall constitute a separate viola-
20 tion for purposes of this section.

21 **SEC. 1025. LIABILITY FOR DAMAGES.**

22 (a) IN GENERAL.—Any person who engages in an ac-
23 tivity in violation of section 1022 or any regulation or per-
24 mit issued under this subtitle that disturbs, removes, or
25 injures any United States sunken military craft shall pay

1 the United States enforcement costs and damages result-
2 ing from such disturbance, removal, or injury.

3 (b) INCLUDED DAMAGES.—Damages referred to in
4 subsection (a) may include—

5 (1) the reasonable costs incurred in storage,
6 restoration, care, maintenance, conservation, and
7 curation of any sunken military craft that is dis-
8 turbed, removed, or injured in violation of section
9 1022 or any regulation or permit issued under this
10 subtitle; and

11 (2) the cost of retrieving, from the site where
12 the sunken military craft was disturbed, removed, or
13 injured, any information of an archaeological, histor-
14 ical, or cultural nature.

15 **SEC. 1026. RELATIONSHIP TO OTHER LAWS.**

16 (a) IN GENERAL.—Except to the extent that an ac-
17 tivity is undertaken as a subterfuge for activities prohib-
18 ited by this subtitle, nothing in this subtitle is intended
19 to affect—

20 (1) any activity that is not directed at a sunken
21 military craft; or

22 (2) the traditional high seas freedoms of navi-
23 gation, including—

24 (A) the laying of submarine cables and
25 pipelines;

1 (B) operation of vessels;

2 (C) fishing; or

3 (D) other internationally lawful uses of the
4 sea related to such freedoms.

5 (b) INTERNATIONAL LAW.—This subtitle and any
6 regulations implementing this subtitle shall be applied in
7 accordance with generally recognized principles of inter-
8 national law and in accordance with the treaties, conven-
9 tions, and other agreements to which the United States
10 is a party.

11 (c) LAW OF FINDS.—The law of finds shall not apply
12 to any United States sunken military craft, wherever lo-
13 cated.

14 (d) LAW OF SALVAGE.—No salvage rights or awards
15 shall be granted with respect to any sunken military craft
16 without the express permission of the United States.

17 (e) LAW OF CAPTURE OR PRIZE.—Nothing in this
18 subtitle is intended to alter the international law of cap-
19 ture or prize with respect to sunken military craft.

20 (f) LIMITATION OF LIABILITY.—Nothing in sections
21 4281 through 4287 and 4289 of the Revised Statutes (46
22 U.S.C. App. 181 et seq.) or section 3 of the Act of Feb-
23 ruary 13, 1893 (chapter 105; 27 Stat. 445; 46 U.S.C.
24 App. 192), shall limit the liability of any person under this
25 section.

1 (g) AUTHORITIES OF THE COMMANDANT OF THE
2 COAST GUARD.—Nothing in this subtitle is intended to
3 preclude or limit the application of any other law enforce-
4 ment authorities of the Commandant of the Coast Guard.

5 (h) PRIOR DELEGATIONS, AUTHORIZATIONS, AND
6 RELATED REGULATIONS.—Nothing in this subtitle shall
7 invalidate any prior delegation, authorization, or related
8 regulation that is consistent with this subtitle.

9 (i) CRIMINAL LAW.—Nothing in this subtitle is in-
10 tended to prevent the United States from pursuing crimi-
11 nal sanctions for plundering of wrecks, larceny of Govern-
12 ment property, or violation of any applicable criminal law.

13 **SEC. 1027. ENCOURAGEMENT OF AGREEMENTS WITH FOR-**
14 **EIGN COUNTRIES.**

15 The Secretary of State, in consultation with the Sec-
16 retary of Defense, is encouraged to negotiate and conclude
17 bilateral and multilateral agreements with foreign coun-
18 tries with regard to sunken military craft consistent with
19 this subtitle.

20 **SEC. 1028. DEFINITIONS.**

21 In this subtitle:

22 (1) ASSOCIATED CONTENTS.—The term “asso-
23 ciated contents” means—

1 (A) the equipment, cargo, and contents of
2 a sunken military craft that are within its de-
3bris field; and

4 (B) the remains and personal effects of the
5 crew and passengers of a sunken military craft
6 that are within its debris field.

7 (2) SECRETARY.—The term “Secretary” means
8 the Secretary of a military department.

9 (3) SUNKEN MILITARY AIRCRAFT.—The term
10 “sunken military aircraft” means any sunken mili-
11 tary aircraft that was owned or operated by the
12 United States when it sank.

13 (4) SUNKEN MILITARY CRAFT.—The term
14 “sunken military craft” means any sunken military
15 vessel, sunken military aircraft, or associated con-
16 tents, or any portion thereof, the title to which has
17 not been abandoned or transferred in a manner pre-
18 scribed by the United States.

19 (5) SUNKEN MILITARY VESSEL.—The term
20 “sunken military vessel” means any sunken warship
21 or naval auxiliary of the United States that is a pub-
22 lic vessel as that term is used in the Act of March
23 3, 1925 (chapter 428; 46 U.S.C. App. 781 et seq.),
24 popularly known as the Public Vessels Act.

1 (6) UNITED STATES CONTIGUOUS ZONE.—The
2 term “United States contiguous zone” means the
3 contiguous zone of the United States under Presi-
4 dential Proclamation 7219, dated September 2,
5 1999.

6 (7) UNITED STATES INTERNAL WATERS.—The
7 term “United States internal waters” means all wa-
8 ters of the United States on the landward side of the
9 baseline from which the breadth of the United
10 States territorial sea is measured.

11 (8) UNITED STATES TERRITORIAL SEA.—The
12 term “United States territorial sea” means the wa-
13 ters of the United States territorial sea under Presi-
14 dential Proclamation 5928, dated December 27,
15 1988.

16 (9) UNITED STATES WATERS.—The term
17 “United States waters” means United States inter-
18 nal waters, the United States territorial sea, and the
19 United States contiguous zone.

1 **Subtitle D—Counter-Drug**
2 **Activities**

3 **SEC. 1031. CONTINUATION OF AUTHORITY TO USE DEPART-**
4 **MENT OF DEFENSE FUNDS FOR UNIFIED**
5 **COUNTERDRUG AND COUNTERTERRORISM**
6 **CAMPAIGN IN COLOMBIA.**

7 (a) **AUTHORITY TO PROVIDE ASSISTANCE.**—During
8 fiscal years 2005 and 2006, the Secretary of Defense may
9 use funds made available to the Department of Defense
10 for drug interdiction and counter-drug activities to provide
11 assistance to the Government of Colombia—

12 (1) to support a unified campaign against nar-
13 cotics trafficking in Colombia;

14 (2) to support a unified campaign against ac-
15 tivities by designated terrorist organizations, such as
16 the Revolutionary Armed Forces of Colombia
17 (FARC), the National Liberation Army (ELN), and
18 the United Self-Defense Forces of Colombia (AUC);
19 and

20 (3) to take actions to protect human health and
21 welfare in emergency circumstances, including un-
22 dertaking rescue operations.

23 (b) **RELATION TO OTHER ASSISTANCE AUTHOR-**
24 **ITY.**—The authority provided by subsection (a) is in addi-

1 tion to other provisions of law authorizing the provision
2 of assistance to the Government of Colombia.

3 **SEC. 1032. LIMITATION ON NUMBER OF UNITED STATES**
4 **MILITARY PERSONNEL IN COLOMBIA.**

5 (a) **LIMITATION.**—None of the funds available to the
6 Department of Defense for any fiscal year may be used
7 to support or maintain more than 500 members of the
8 Armed Forces on duty in the Republic of Colombia at any
9 time.

10 (b) **EXCLUSION OF CERTAIN MEMBERS.**—For pur-
11 poses of determining compliance with the limitation in
12 subsection (a), the Secretary of Defense may exclude the
13 following military personnel:

14 (1) A member of the Armed Forces in the Re-
15 public of Colombia for the purpose of rescuing or re-
16 trieving United States military or civilian Govern-
17 ment personnel, except that the period for which
18 such a member may be so excluded may not exceed
19 30 days unless expressly authorized by law.

20 (2) A member of the Armed Forces assigned to
21 the United States Embassy in Colombia as an
22 attaché, as a member of the security assistance of-
23 fice, or as a member of the Marine Corps security
24 contingent.

1 **SEC. 1042. STUDY OF EFFECT ON DEFENSE INDUSTRIAL**
2 **BASE OF ELIMINATION OF UNITED STATES**
3 **DOMESTIC FIREARMS MANUFACTURING**
4 **BASE.**

5 Not later than 60 days after the date of the enact-
6 ment of this Act, the Secretary of Defense shall submit
7 to the congressional defense committees a report describ-
8 ing in detail the effect on both military readiness and the
9 defense industrial base that would result from the elimi-
10 nation of the United States domestic firearms manufac-
11 turing base.

12 **SEC. 1043. STUDY OF EXTENT AND QUALITY OF TRAINING**
13 **PROVIDED TO MEMBERS OF THE ARMED**
14 **SERVICES TO PREPARE FOR POST-CONFLICT**
15 **OPERATIONS.**

16 (a) **STUDY REQUIRED.**—The Secretary of Defense
17 shall conduct a study to determine the extent to which
18 members of the Armed Forces assigned to duty in support
19 of contingency operations receive training in preparation
20 for post-conflict operations and to evaluate the quality of
21 such training

22 (b) **MATTERS INCLUDED IN STUDY.**—As part of the
23 study under subsection (a), the Secretary shall specifically
24 evaluate the following:

25 (1) The doctrine, training, and leader-develop-
26 ment system necessary to enable members of the

1 Armed Forces to successfully operate in post-conflict
2 operations.

3 (2) The adequacy of curricula at military edu-
4 cational facilities to ensure that the Armed Forces
5 has a cadre of members skilled in post-conflict du-
6 ties, foreign languages, and foreign cultures.

7 (3) The training time and resources available to
8 members and units to develop cultural awareness
9 about ethnic backgrounds, religious beliefs, and po-
10 litical loyalties of the people living in areas in which
11 the Armed Forces operate.

12 (4) The organization of the combatant com-
13 mands to conduct post-conflict operations.

14 (c) SUBMISSION OF STUDY RESULTS.—Not later
15 than March 15, 2005, the Secretary of Defense shall sub-
16 mit to the Committee on Armed Services of the Senate
17 and the Committee on Armed Services of the House of
18 Representatives a report containing the results of the
19 study conducted under this section.

20 **Subtitle F—Security Matters**

21 **SEC. 1051. USE OF NATIONAL DRIVER REGISTER FOR PER-** 22 **SONNEL SECURITY INVESTIGATIONS AND DE-** 23 **TERMINATIONS.**

24 Section 30305(b) of title 49, United States Code, is
25 amended—

1 (1) by redesignating paragraphs (9) through
2 (11) as paragraphs (10) through (12), respectively;
3 and

4 (2) by inserting after paragraph (8) the fol-
5 lowing new paragraph:

6 “(9) An individual who has or is seeking access to
7 national security information for purposes of Executive
8 Order 12968, or any successor Executive order, or an indi-
9 vidual who is being investigated for Federal employment
10 under authority of Executive Order 10450, or any suc-
11 cessor Executive order, may request the chief driver licens-
12 ing official of a State to provide information about the
13 individual pursuant to subsection (a) of this section to a
14 Federal department or agency that is authorized to inves-
15 tigate the individual for the purpose of assisting in the
16 determination of the eligibility of the individual for access
17 to national security information or for Federal employ-
18 ment. A Federal department or agency that receives such
19 information about an individual may use it in accordance
20 with applicable law.”.

21 **SEC. 1052. STANDARDS FOR DISQUALIFICATION FROM ELI-**
22 **GIBILITY FOR DEPARTMENT OF DEFENSE SE-**
23 **CURITY CLEARANCE .**

24 (a) **DISQUALIFIED PERSONS.**—Subsection (c)(1) of
25 section 986 of title 10, United States Code, is amended—

1 (1) by striking “and” and inserting “, was”;

2 and

3 (2) and inserting before the period at the end
4 the following: “, and was incarcerated as a result of
5 that sentence for not less than one year”.

6 (b) WAIVER AUTHORITY.—Subsection (d) of such
7 section is amended to read as follows:

8 “(d) WAIVER AUTHORITY.—In a meritorious case, an
9 exception to the prohibition in subsection (a) may be au-
10 thorized for a person described in paragraph (1) or (4)
11 of subsection (c) if there are mitigating factors. Any such
12 waiver may be authorized only in accordance with stand-
13 ards and procedures prescribed by, or under the authority
14 of, an Executive order or other guidance issued by the
15 President.”.

16 **Subtitle G—Transportation-Related** 17 **Matters**

18 **SEC. 1061. USE OF MILITARY AIRCRAFT TO TRANSPORT** 19 **MAIL TO AND FROM OVERSEAS LOCATIONS.**

20 (a) AUTHORITY FOR USE OF MILITARY AIRCRAFT.—
21 Section 3401 of title 39, United States Code, is
22 amended—

23 (1) in subsection (b)—

24 (A) in the matter preceding paragraph

25 (1)(A), by striking “title 49,” and inserting

1 “title 49, or on military aircraft at rates not to
2 exceed those so fixed and determined for sched-
3 uled United States air carriers,”; and

4 (B) in the sentence following paragraph
5 (3), by striking “carriers” each place it appears
6 and inserting “carriers and military aircraft”;
7 and

8 (2) in subsection (c)—

9 (A) in the first sentence, by striking “title
10 49,” and inserting “title 49, or on military air-
11 craft at rates not to exceed those so fixed and
12 determined for scheduled United States air car-
13 riers,”; and

14 (B) in the second sentence—

15 (i) by inserting “and military air-
16 craft” after “carriers” the first place it ap-
17 pears; and

18 (ii) by striking “by air carriers other
19 than scheduled United States air carriers”
20 and inserting “by other than scheduled
21 United States air carriers and military air-
22 craft”.

23 (b) DEFINITION.—Such section is further amended
24 by adding at the end the following new subsection:

1 “(g) In this section, the term ‘military aircraft’
2 means an aircraft owned, operated, or chartered by the
3 Department of Defense.”.

4 **SEC. 1062. REORGANIZATION AND CLARIFICATION OF CER-**
5 **TAIN PROVISIONS RELATING TO CONTROL**
6 **AND SUPERVISION OF TRANSPORTATION**
7 **WITHIN THE DEPARTMENT OF DEFENSE.**

8 (a) **TRANSFER OF CERTAIN TRANSPORTATION AU-**
9 **THORITIES.**—Sections 4744, 4745, 4746, and 4747 of
10 title 10, United States Code, are transferred to chapter
11 157 of such title, inserted (in that order) at the end of
12 such chapter, and redesignated as sections 2648, 2649,
13 2650, and 2651, respectively.

14 (b) **CLARIFICATION OF APPLICABILITY OF TRANS-**
15 **FERRED AUTHORITIES THROUGHOUT THE DEPARTMENT**
16 **OF DEFENSE.**—(1) Section 2648 of such title, as trans-
17 ferred and redesignated by subsection (a), is amended—

18 (A) by striking “Secretary of the Army” in the
19 matter preceding paragraph (1) and inserting “Sec-
20 retary of Defense”;

21 (B) by striking “Army transport agencies” in
22 the matter preceding paragraph (1) and all that fol-
23 lows through “military transport agency of”; and

24 (C) by striking paragraphs (1), (2), and (3);

1 (D) by redesignating paragraph (4), (5), (6),
2 and (7) as paragraphs (1), (2), (3), and (4), respec-
3 tively;

4 (E) by redesignating paragraph (8) as para-
5 graph (5) and in that paragraph striking “persons
6 described in clauses (1), (2), (4), (5), and (7)” and
7 inserting “members of the armed forces, officers and
8 employees of the Department of Defense or the
9 Coast Guard, and persons described i paragraphs
10 (1), (2), and (4)”;

11 (F) by striking “clause (7) or (8)” in the last
12 sentence and inserting “paragraph (4) or (5)”.

13 (2) Section 2649 of such title, as transferred and re-
14 designated by subsection (a), is amended—

15 (A) by striking the section heading and insert-
16 ing the following:

17 **“§ 2649. Civilian passengers and commercial cargoes:**
18 **transportation on Department of Defense**
19 **vessels”;**

20 (B) by striking “(1) on vessels” and all that
21 follows through “Department of the Army”;

22 (C) by striking “any transport agency of”; and

23 (D) by striking “Secretary of the Army” and all
24 that follows through “be transported” and inserting
25 “Secretary of Defense, be transported”.

1 (3) Section 2650 of such title, as transferred and re-
2 designated by subsection (a), is amended—

3 (A) in the matter preceding paragraph (1), by
4 striking “Army transport agencies” and all that fol-
5 lows through “military transport agency of”;

6 (B) in paragraph (1), by striking “Secretary of
7 the Army” and inserting “Secretary of Defense”;
8 and

9 (C) in paragraph (4), by striking “by air—”
10 and all that follows through “the transportation can-
11 not” and inserting “by air, the transportation can-
12 not”.

13 (4) Section 2651 of such title, as transferred and re-
14 designated by subsection (a), is amended by striking
15 “Army transport agencies” and all that follows and insert-
16 ing “the Department of Defense, under regulations and
17 at rates to be prescribed by the Secretary of Defense.”.

18 (c) REPEAL OF SUPERSEDED AND OBSOLETE PROVI-
19 SIONS.—The following sections of such title are repealed:
20 sections 4741, 4743, 9741, 9743, and 9746.

21 (d) CLERICAL AMENDMENTS.—

22 (1) The table of sections at the beginning of
23 chapter 157 of such title is amended by adding at
24 the end the following new items:

“2648. Persons and supplies: sea transportation.

“2649. Civilian passengers and commercial cargoes: transportation on Depart-
ment of Defense vessels.

“2650. Civilian personnel in Alaska.

“2651. Passengers and merchandise to Guam: sea transport.”.

1 (2) The table of sections at the beginning of
2 chapter 447 of such title is amended by striking the
3 items relating to sections 4741, 4743, 4744, 4745,
4 4746, and 4747.

5 (3) The table of sections at the beginning of
6 chapter 947 of such title is amended by striking the
7 items relating to sections 9741, 9743, and 9746.

8 **SEC. 1063. DETERMINATION OF WHETHER PRIVATE AIR**
9 **CARRIERS ARE CONTROLLED BY UNITED**
10 **STATES CITIZENS FOR PURPOSES OF ELIGI-**
11 **BILITY FOR GOVERNMENT CONTRACTS FOR**
12 **TRANSPORTATION OF PASSENGERS OR SUP-**
13 **PLIES.**

14 Section 2710 of the Emergency Wartime Supple-
15 mental Appropriations Act, 2003 (Public Law 108–11;
16 117 Stat. 601), is amended by adding at the end the fol-
17 lowing new sentence: “Any determination for purposes of
18 this section of whether (in accordance with the first pro-
19 viso of this section) an air carrier is effectively controlled
20 by citizens of the United States shall be made by, or shall
21 be based on determinations made by, the Secretary of
22 Transportation.”.

1 **SEC. 1064. EVALUATION OF WHETHER TO PROHIBIT CER-**
2 **TAIN OFFERS FOR TRANSPORTATION OF SE-**
3 **CURITY-SENSITIVE CARGO.**

4 (a) **EVALUATION REQUIREMENT.**—The Secretary of
5 Defense shall evaluate whether, and under what cir-
6 cumstances, in the award of service contracts for domestic
7 freight transportation for security-sensitive cargo (such as
8 arms, ammunitions, explosive, and classified material), the
9 Secretary should not consider an offer or tender from
10 more than one motor carrier that is part of a group of
11 motor carriers under common financial or administrative
12 control. In conducting the evaluation, the Secretary shall
13 seek industry comment.

14 (b) **REPORT.**—Not later than January 1, 2005, the
15 Secretary of Defense shall submit to the Committees on
16 Armed Services of the House of Representatives and the
17 Senate a report on the results of the evaluation conducted
18 under subsection (a).

1 **Subtitle H—Other Matters**

2 **SEC. 1071. TWO-YEAR EXTENSION OF AUTHORITY OF THE**
3 **SECRETARY OF DEFENSE TO ENGAGE IN**
4 **COMMERCIAL ACTIVITIES AS SECURITY FOR**
5 **INTELLIGENCE COLLECTION ACTIVITIES**
6 **ABROAD.**

7 Section 431(a) of title 10, United States Code, is
8 amended by striking “December 31, 2004” and inserting
9 “December 31, 2006”.

10 **SEC. 1072. ASSISTANCE FOR STUDY OF FEASIBILITY OF BI-**
11 **ENNIAL INTERNATIONAL AIR TRADE SHOW**
12 **IN THE UNITED STATES AND FOR INITIAL IM-**
13 **PLEMENTATION.**

14 (a) ASSISTANCE FOR COMMUNITY FEASIBILITY
15 STUDY.—(1) The Secretary of Defense shall provide as-
16 sistance to a community selected under subsection (d) for
17 expenses of a study by that community of the feasibility
18 of the establishment and operation of a biennial inter-
19 national air trade show in the area of that community.

20 (2) The Secretary shall provide for the community
21 to submit to the Secretary a report containing the results
22 of the study not later than September 30, 2005. The Sec-
23 retary shall promptly submit the report to Congress, to-
24 gether with such comments on the report as the Secretary
25 considers appropriate.

1 (b) ASSISTANCE FOR IMPLEMENTATION.—If the
2 community conducting the study under subsection (a) de-
3 termines that the establishment and operation of such an
4 air show is feasible and should be implemented, the Sec-
5 retary shall provide assistance to the community for the
6 initial expenses of implementing such an air show in the
7 selected community.

8 (c) AMOUNT OF ASSISTANCE.—The amount of assist-
9 ance provided by the Secretary under subsections (a) and
10 (b)—

11 (1) may not exceed a total of \$1,000,000, to be
12 derived from amounts available for operation and
13 maintenance for the Air Force for fiscal year 2005
14 or later fiscal years; and

15 (2) may not exceed one-half of the cost of the
16 study and may not exceed one-half the cost of such
17 initial implementation.

18 (d) SELECTION OF COMMUNITY.—The Secretary
19 shall select a community for purposes of subsection (a)
20 through the use of competitive procedures. In making such
21 selection, the Secretary shall give preference to those com-
22 munities that already sponsor an air show, have dem-
23 onstrated a history of supporting air shows with local re-
24 sources, and have a significant role in the aerospace com-

1 munity. The community shall be selected not later than
2 March 1, 2005.

3 **SEC. 1073. TECHNICAL AND CLERICAL AMENDMENTS.**

4 (a) CLARIFICATION OF DEFINITION OF “OPER-
5 ATIONAL RANGE”.—Section 101(e)(3) of title 10, United
6 States Code, is amended by striking “Secretary of De-
7 fense” and inserting “Secretary of a military depart-
8 ment”.

9 (b) AMENDMENTS RELATING TO DEFINITION OF
10 CONGRESSIONAL DEFENSE COMMITTEES.—

11 (1) Chapter 169 of such title is amended as fol-
12 lows:

13 (A) Paragraph (4) of section 2801(c) is
14 amended to read as follows:

15 “(4) The term ‘congressional defense commit-
16 tees’ includes, with respect to any project to be car-
17 ried out by, or for the use of, an intelligence compo-
18 nent of the Department of Defense—

19 “(A) the Permanent Select Committee on
20 Intelligence of the House of Representatives;
21 and

22 “(B) the Select Committee on Intelligence
23 of the Senate.”.

24 (B) The following sections are amended by
25 striking “appropriate committees of Congress”

1 each place it appears and inserting “congres-
2 sional defense committees”: sections 2803(b),
3 2804(b), 2805(b)(2), 2806(c)(2), 2807(b),
4 2807(c), 2808(b), 2809(f)(1), 2811(d),
5 2812(c)(1)(A), 2813(c), 2814(a)(2)(A),
6 2814(g)(1), 2825(b)(1), 2827(b), 2828(f),
7 2835(g), 2836(f), 2837(c)(2), 2853(c)(2),
8 2854(b), 2854a(c)(1), 2865(e)(2), 2866(c)(2),
9 2875(e), 2881a(d)(2), 2881a(e), 2883(f), and
10 2884(a).

11 (2) Section 2215 is amended—

12 (A) by striking “(a) CERTIFICATION RE-
13 QUIRED.—”;

14 (B) by striking “congressional committees
15 specified in subsection (b)” and inserting “con-
16 gressional defense committees”; and

17 (C) by striking subsection (b).

18 (3) Section 2306b(g) is amended by striking
19 “Committee on” the first place it appears and all
20 that follows through “House of Representatives”
21 and inserting “congressional defense committees”.

22 (4) Section 2515(d) is amended—

23 (A) by striking “(1)” before “The Sec-
24 retary”;

1 (B) by striking “congressional committees
2 specified in paragraph (2)” and inserting “con-
3 gressional defense committees”; and

4 (C) by striking paragraph (2).

5 (5) Section 2676(d) is amended by striking
6 “appropriate committees of Congress” at the end of
7 the first sentence and inserting “congressional de-
8 fense committees”.

9 (6) Section 2694a is amended by striking “ap-
10 propriate committees of Congress” in subsections (e)
11 and (i)(1) and inserting “congressional defense com-
12 mittees”.

13 (c) AMENDMENTS RELATING TO DEFINITION OF
14 BASE CLOSURE LAWS.—

15 (1) Section 2694a(i) of title 10, United States
16 Code, is amended by striking paragraph (2).

17 (2) Paragraph (1) of section 1333(i) of the Na-
18 tional Defense Authorization Act for Fiscal Year
19 1994 (Public Law 103–160; 10 U.S.C. 2701 note)
20 is amended to read as follows:

21 “(1) BASE CLOSURE LAW.—The term ‘base clo-
22 sure law’ has the meaning given such term in section
23 101(a)(17) of title 10, United States Code.”.

24 (3) Subsection (b) of section 2814 of the Mili-
25 tary Construction Authorization Act for Fiscal Year

1 1995 (division B of Public Law 103–337; 10 U.S.C.
2 2687 note) is amended to read as follows:

3 “(b) BASE CLOSURE LAW DEFINED.—In this sec-
4 tion, the term ‘base closure law’ has the meaning given
5 such term in section 101(a)(17) of title 10, United States
6 Code.”.

7 (4) Subsection (c) of section 3341 of title 5,
8 United States Code, is amended to read as follows:

9 “(c) For purposes of this section, the term ‘base clo-
10 sure law’ has the meaning given such term in section
11 101(a)(17) of title 10.”.

12 (5)(A) Paragraph (1) of section 554(a) of title
13 40, United States Code, is amended to read as fol-
14 lows:

15 “(1) BASE CLOSURE LAW.—The term ‘base clo-
16 sure law’ has the meaning given that term in section
17 101(a)(17) of title 10.”.

18 (B) Subparagraph (B) of section 572(b)(1) of
19 title 40 is amended to read as follows:

20 “(B) BASE CLOSURE LAW.—The term
21 ‘base closure law’ has the meaning given that
22 term in section 101(a)(17) of title 10.”.

23 (d) DEFINITION OF STATE FOR PURPOSES OF SEC-
24 TION 2694A.—Subsection (i) of section 2694a of title 10,

1 United States Code, as amended by subsections (b)(6) and
2 (c)(1), is further amended—

3 (1) by inserting after paragraph (1) the fol-
4 lowing new paragraph (2):

5 “(2) The term ‘State’ includes the District of
6 Columbia, the Commonwealth of Puerto Rico, the
7 Commonwealth of the Northern Mariana Islands,
8 Guam, the Virgin Islands, and American Samoa.”;
9 and

10 (2) by striking paragraph (4).

11 (e) MISCELLANEOUS AMENDMENTS TO TITLE 10,
12 UNITED STATES CODE.—Title 10, United States Code, is
13 amended as follows:

14 (1) The tables of chapters at the beginning of
15 subtitle A, and at the beginning of part I of subtitle
16 A, are amended by striking “481” in the item relat-
17 ing to chapter 23 and inserting “480”.

18 (2) Section 130a is amended—

19 (A) by striking “Effective October 1, 2002,
20 the” in subsection (a) and inserting “The”;

21 (B) by striking “baseline number” in sub-
22 section (a) and all that follows through “means
23 the” in subsection (c);

1 (C) by transferring subsection (e) so as to
2 appear before subsection (d) and redesignating
3 that subsection as subsection (b);

4 (D) by redesignating subsections (d) and
5 (f) as subsection (c) and (d), respectively; and

6 (E) by striking subsection (g).

7 (3) Section 437(c) is amended by inserting “(50
8 U.S.C. 415b)” after “National Security Act of
9 1947”.

10 (4) Section 487(d) is amended by striking
11 “OTHER DEFINITIONS” and inserting “INAPPLICA-
12 BILITY TO COAST GUARD”.

13 (5) Section 503(c)(1)(B) is amended by striking
14 “education” in the second sentence and inserting
15 “educational”.

16 (6) Section 632(c)(1) is amended—

17 (A) by striking “paragraph (2)” and in-
18 serting “paragraph (3)”; and

19 (B) by striking “under that paragraph”
20 and inserting “under that subsection”.

21 (7) The item relating to section 1076b in the
22 table of sections at the beginning of chapter 55 is
23 amended to read as follows:

“1076b. TRICARE program: coverage for members of the Ready Reserve.”.

24 (8) Section 1108(e) is amended by striking
25 “heath” and inserting “health”.

1 (9) Section 1406(g) is amended—

2 (A) by striking “section 305” and insert-
3 ing “section 245”; and

4 (B) by inserting “(33 U.S.C. 3045)” after
5 “of 2002”.

6 (10) Sections 1448(b)(1)(F), 1448(d)(2)(B),
7 1448(d)(6)(A), and 1458(j) are amended by striking
8 “on or after the date of the enactment of the Na-
9 tional Defense Authorization Act for Fiscal Year
10 2004” and inserting “after November 23, 2003,”.

11 (11) Sections 1463(a), 1465(c)(1)(A),
12 1465(c)(1)(B), 1465(c)(4)(A), 1465(c)(4)(B), and
13 1466(b)(2)(D) are amended by striking “1413,
14 1413a,” and inserting “1413a”.

15 (12) Section 1557(b) is amended “Effective Oc-
16 tober 1, 2002, final” and inserting “Final”.

17 (13) Section 1566 is amended—

18 (A) in subsection (g)(2), by striking “the
19 date that is 6 months after the date of the en-
20 actment of the Help America Vote Act of
21 2002” in the last sentence and inserting “April
22 29, 2003”; and

23 (B) in subsections (h), (i)(1), and (i)(3),
24 by striking “Armed Forces” and inserting
25 “armed forces”.

1 (14) Sections 1724(d) and 1732(d)(1) are
2 amended by striking “its decision” in the second
3 sentence and inserting “the decision of the Sec-
4 retary”.

5 (15) Section 1761(b) is amended—

6 (A) in the matter preceding paragraph (1),
7 by striking “provide for—” and inserting “pro-
8 vide for the following:”;

9 (B) in paragraphs (1), (2), and (3), by
10 capitalizing the first letter of the first word;

11 (C) at the end of paragraphs (1) and (2),
12 by striking the semicolon and inserting a pe-
13 riod;

14 (D) at the end of paragraph (3), by strik-
15 ing “; and” and inserting a period; and

16 (E) by striking paragraph (4).

17 (16) Section 2193b(c)(2) is amended by strik-
18 ing “the date of the enactment of this section” and
19 inserting “October 5, 1999”.

20 (17) Section 2224(c) is amended in the matter
21 preceding paragraph (1) by striking “subtitle II of
22 chapter 35” and inserting “subchapter II of chapter
23 35”.

1 (18) Section 2349(d) is amended by striking
2 “section 2350a(i)(3)” and inserting “section
3 2350a(i)(2)”.

4 (19) Section 2350b(g) is amended—

5 (A) in the matter preceding paragraph (1),
6 by inserting “the Secretary of Defense” after
7 “authorizing”; and

8 (B) in paragraph (1), by striking “the Sec-
9 retary of Defense”.

10 (20) Section 2540(b)(2) is amended by insert-
11 ing “, as in effect on that date” before the period
12 at the end.

13 (21) Section 2662(a)(2) is amended—

14 (A) in the first sentence, by striking “must
15 include a summarization” and inserting “shall
16 include a summary”; and

17 (B) in the second sentence, by inserting
18 “of paragraph (1)” after “in subparagraph
19 (E)”.

20 (22) Section 2672a(a) is amended—

21 (A) in the matter preceding paragraph (1),
22 by inserting “in any case in which the Secretary
23 determines” after “in land”;

1 (B) in paragraph (1), by striking “the Sec-
2 retary determines” and inserting “the acquisi-
3 tion”; and

4 (C) in paragraph (2), by inserting “the ac-
5 quisition” after “(2)”.

6 (23) Section 2701 is amended—

7 (A) in subsection (a)(2), by inserting “(42
8 U.S.C. 9620)” before the period at the end;

9 (B) in subsection (c)(2), by striking “of
10 CERCLA (relating to settlements)” and insert-
11 ing “(relating to settlements) of CERCLA (42
12 U.S.C. 9622)”;

13 (C) in subsection (e), by inserting “(42
14 U.S.C. 9619)” after “CERCLA”; and

15 (D) in subsection (j)(2), by striking “the
16 Comprehensive” and all the follows through “of
17 1980” and inserting “CERCLA”.

18 (24) Section 2702 is amended by inserting “(42
19 U.S.C. 9660(a)(5))” in the second sentence of sub-
20 section (a) before the period at the end.

21 (25) Section 2703(b) is amended by striking
22 “The terms” at the beginning of the second sentence
23 and inserting “For purposes of the preceding sen-
24 tence, the terms”.

1 (26) Section 2704 is amended by inserting “(42
2 U.S.C. 9604(i))” in subsections (c), (e), and (f)
3 after “CERCLA”.

4 (27) The second section 3755, added by section
5 543(b)(1) of the Bob Stump National Defense Au-
6 thorization Act for Fiscal Year 2003 (Public Law
7 107–314; 116 Stat. 2549), is redesignated as section
8 3756, and the item relating to that section in the
9 table of sections at the beginning of chapter 357 is
10 revised to reflect such redesignation.

11 (28) Section 4689 is amended by striking
12 “Building” after “Capitol”.

13 (29) The second section 6257, added by section
14 543(c)(1) of the Bob Stump National Defense Au-
15 thorization Act for Fiscal Year 2003 (Public Law
16 107–314; 116 Stat. 2549), is redesignated as section
17 6258, and the item relating to that section in the
18 table of sections at the beginning of chapter 567 is
19 revised to reflect such redesignation.

20 (30) Section 7102 is amended—

21 (A) by striking “AUTHORITY” at the begin-
22 ning of subsection (a) and inserting “MASTER
23 OF MILITARY STUDIES”;

24 (B) by striking “MARINE CORPS WAR
25 COLLEGE” at the beginning of subsection (b)

1 and inserting “MASTER OF STRATEGIC STUD-
2 IES”;

3 (C) by striking “COMMAND AND STAFF
4 COLLEGE OF THE MARINE CORPS UNIVER-
5 SITY” at the beginning of subsection (c) and in-
6 serting “MASTER OF OPERATIONAL STUDIES”;
7 and

8 (D) by striking “subsections (a) and (b)”
9 in subsection (d) and inserting “this section”.

10 (31) Section 8084 is amended by striking
11 “capabilty” and inserting “capability”.

12 (32) The second section 8755, added by section
13 543(d)(1) of the Bob Stump National Defense Au-
14 thorization Act for Fiscal Year 2003 (Public Law
15 107–314; 116 Stat. 2550), is redesignated as section
16 8756, and the item relating to that section in the
17 table of sections at the beginning of chapter 857 is
18 revised to reflect such redesignation.

19 (33) The table in section 12012(a) is amended
20 by inserting a colon after “Air National Guard”.

21 (f) TITLE 37, UNITED STATES CODE.—Section
22 323(h) of title 37, United States Code, is amended by
23 striking “Secretary of Transportation” and inserting
24 “Secretary of Homeland Security”.

1 (g) PUBLIC LAW 108–136.—Effective as of Novem-
2 ber 24, 2003, and as if included therein as enacted, the
3 National Defense Authorization Act for Fiscal Year 2004
4 (Public Law 108–136) is amended as follows:

5 (1) Sections 832(a) and 834(a) (117 Stat.
6 1550) are each amended by striking “such title” and
7 inserting “title 10, United States Code,”

8 (2) Section 931(a)(1) (117 Stat. 1580) is
9 amended by striking “and donations” in the first
10 quoted matter and inserting “or donations”.

11 (3) Section 2204(b) (117 Stat. 1706) is amend-
12 ed by striking “section 2101(a)” each place it ap-
13 pears and inserting “section 2201(a)”.

14 (h) PUBLIC LAW 107–314.—Effective as of Decem-
15 ber 2, 2002, and as if included therein as enacted, section
16 1064(a)(2) of the Bob Stump National Defense Author-
17 ization Act for Fiscal Year 2003 (Public Law 107–314;
18 116 Stat. 2654) is amended by inserting “the item relat-
19 ing to” after “is amended by inserting after”.

20 (i) PUBLIC LAW 101–510.—Section 2902(e)(2)(B) of
21 the Defense Base Closure and Realignment Act of 1990
22 (part A of title XXIX of Public Law 101–510; 10 U.S.C.
23 2687 note) is amended—

24 (1) in clause (i), by striking “Subcommittee on
25 Readiness, Sustainability, and Support” and insert-

1 ing “Subcommittee on Readiness and Management
2 Support”; and

3 (2) in clause (ii), by striking “Subcommittee on
4 Military Installations and Facilities” and inserting
5 “Subcommittee on Readiness”.

6 (j) NATIONAL SECURITY ACT OF 1947.—Sections
7 702(a)(6)(B)(iv)(I), 703(a)(6)(B)(iv)(I), and
8 704(f)(2)(D)(i) of the National Security Act of 1947 are
9 amended by striking “responsible records” and inserting
10 “responsive records”.

11 (k) CODIFICATION RELATING TO LEAVE FOR AT-
12 TENDANCE AT CERTAIN HEARINGS.—Subsection (b) of
13 section 363 of the Personal Responsibility and Work Op-
14 portunity Reconciliation Act of 1996 (10 U.S.C. 704 note)
15 is—

16 (1) transferred to section 704 of title 10,
17 United States Code;

18 (2) inserted at the end of that section;

19 (3) redesignated as subsection (c); and

20 (4) amended—

21 (A) by striking “Armed Forces” each place
22 it appears and inserting “armed forces”;

23 (B) in paragraph (1)—

1 (i) by striking “Secretary of each”
2 and all that follows through “in the Navy,”
3 and inserting “Secretary concerned”; and

4 (ii) by striking “(as defined in section
5 101 of title 10, United States Code)”; and
6 (C) in paragraph (3)—

7 (i) by striking “For purposes of this
8 subsection—” and inserting “In this sub-
9 section:”;

10 (ii) in subparagraph (A), by striking
11 “title 10, United States Code” and insert-
12 ing “this title”; and

13 (iii) in subparagraph (B), by striking
14 “such term” and inserting “that term”.

15 **SEC. 1074. COMMISSION ON THE LONG-TERM IMPLEMENTA-**
16 **TION OF THE NEW STRATEGIC POSTURE OF**
17 **THE UNITED STATES.**

18 (a) ESTABLISHMENT OF COMMISSION.—

19 (1) ESTABLISHMENT.—There is hereby estab-
20 lished a commission to be known as the “Commis-
21 sion on the Long-Term Implementation of the New
22 Strategic Posture of the United States”. The Sec-
23 retary of Defense shall enter into a contract with a
24 federally funded research and development center to
25 provide for the organization, management, and sup-

1 port of the Commission. Such contract shall be en-
2 tered into in consultation with the Secretary of En-
3 ergy.

4 (2) COMPOSITION.—(A) The Commission shall
5 be composed of 12 members who shall be appointed
6 by the Secretary of Defense. In selecting individuals
7 for appointment to the Commission, the Secretary of
8 Defense shall consult with the chairman and ranking
9 minority member of the Committee on Armed Serv-
10 ices of the Senate and the chairman and ranking mi-
11 nority member of the Committee on Armed Services
12 of the House of Representatives.

13 (B) Members of the Commission shall be ap-
14 pointed from among private United States citizens
15 with knowledge and expertise in the political, mili-
16 tary, operational, and technical aspects of nuclear
17 strategy.

18 (3) CHAIRMAN OF THE COMMISSION.—The Sec-
19 retary of Defense shall designate one of the mem-
20 bers of the Commission to serve as chairman of the
21 Commission.

22 (4) PERIOD OF APPOINTMENT; VACANCIES.—
23 Members shall be appointed for the life of the Com-
24 mission. Any vacancy in the Commission shall be

1 filled in the same manner as the original appoint-
2 ment.

3 (5) SECURITY CLEARANCES.—All members of
4 the Commission shall hold appropriate security
5 clearances.

6 (b) DUTIES OF COMMISSION.—

7 (1) REVIEW OF LONG-TERM IMPLEMENTATION
8 OF THE NUCLEAR POSTURE REVIEW.—The Com-
9 mission shall examine long-term programmatic re-
10 quirements to achieve the goals set forth in the re-
11 port of the Secretary of Defense submitted to Con-
12 gress on December 31, 2001, providing the results
13 of the Nuclear Posture Review conducted pursuant
14 to section 1041 of the Floyd D. Spence National De-
15 fense Authorization Act for Fiscal Year 2001 (as en-
16 acted into law by Public Law 106–398; 114 Stat.
17 1654, 1654A–262) and results of periodic assess-
18 ments of the Nuclear Posture Review. Matters ex-
19 amined by the Commission shall include the fol-
20 lowing:

21 (A) The process of establishing require-
22 ments for strategic forces and how that process
23 accommodates employment of nonnuclear strike
24 platforms and munitions in a strategic role.

1 (B) How strategic intelligence, reconnais-
2 sance, and surveillance requirements differ from
3 nuclear intelligence, reconnaissance, and sur-
4 veillance requirements.

5 (C) The ability of a limited number of
6 strategic platforms to carry out a growing
7 range of nonnuclear strategic strike missions.

8 (D) The limits of tactical systems to per-
9 form nonnuclear global strategic missions in a
10 prompt manner.

11 (E) An assessment of the ability of the
12 current nuclear stockpile to address the evolving
13 strategic threat environment through 2025.

14 (2) RECOMMENDATIONS.—The Commission
15 shall include in its report recommendations with re-
16 spect to the following:

17 (A) Changes to the requirements process
18 to employ nonnuclear strike platforms and mu-
19 nitions in a strategic role.

20 (B) Changes to the nuclear stockpile and
21 infrastructure required to preserve a nuclear ca-
22 pability commensurate with the changes to the
23 strategic threat environment through 2025.

24 (C) Actions the Secretary of Defense and
25 the Secretary of Energy can take to preserve

1 flexibility of the defense nuclear complexes while
2 reducing the cost of a Cold War strategic infra-
3 structure.

4 (D) Identify shortfalls in the strategic
5 modernization programs of the United States
6 that would undermine the ability of the United
7 States to develop new nonnuclear strategic
8 strike capabilities.

9 (3) COOPERATION FROM GOVERNMENT OFFI-
10 CIALS.—(A) In carrying out its duties, the Commis-
11 sion shall receive the full and timely cooperation of
12 the Secretary of Defense, the Secretary of Energy,
13 and any other United States Government official in
14 providing the Commission with analyses, briefings,
15 and other information necessary for the fulfillment
16 of its responsibilities.

17 (B) The Secretary of Energy and the Secretary
18 of Defense shall each designate at least one officer
19 or employee of the Department of Energy and the
20 Department of Defense, respectively, to serve as a li-
21 aison officer between the department and the Com-
22 mission.

23 (c) REPORTS.—

24 (1) COMMISSION REPORT.—The Commission
25 shall submit to the Secretary of Defense and the

1 Committees on Armed Services of the Senate and
2 House of Representatives a report on the Commis-
3 sion's findings and conclusions. Such report shall be
4 submitted not later than 28 months after the date of
5 the first meeting of the Commission.

6 (2) SECRETARY OF DEFENSE RESPONSE.—Not
7 later than one year after the date on which the Com-
8 mission submits its report under paragraph (1), the
9 Secretary of Defense shall submit to Congress a
10 report—

11 (A) commenting on the Commission's find-
12 ings and conclusions; and

13 (B) explaining what actions, if any, the
14 Secretary intends to take to implement the rec-
15 ommendations of the Commission and, with re-
16 spect to each such recommendation, the Sec-
17 retary's reasons for implementing, or not imple-
18 menting, the recommendation.

19 (d) HEARINGS AND PROCEDURES.—

20 (1) HEARINGS.—The Commission may, for the
21 purpose of carrying out the purposes of this section,
22 hold hearings and take testimony.

23 (2) PROCEDURES.—The federally funded re-
24 search and development center with which a contract
25 is entered into under subsection (a)(1) shall be re-

1 sponsible for establishing appropriate procedures for
2 the Commission.

3 (3) DETAIL OF GOVERNMENT EMPLOYEES.—

4 Upon request of the chairman of the Commission,
5 the head of any Federal department or agency may
6 detail, on a nonreimbursable basis, personnel of that
7 department or agency to the Commission to assist it
8 in carrying out its duties.

9 (e) FUNDING.—Funds for activities of the Commis-
10 sion shall be provided from amounts appropriated for the
11 Department of Defense.

12 (f) TERMINATION OF COMMISSION.—The Commis-
13 sion shall terminate 60 days after the date of the submis-
14 sion of its report under subsection (c)(1).

15 (g) IMPLEMENTATION.—

16 (1) FFRDC CONTRACT.—The Secretary of De-
17 fense shall enter into the contract required under
18 subsection (a)(1) not later than 60 days after the
19 date of the enactment of this Act.

20 (2) FIRST MEETING.—The Commission shall
21 convene its first meeting not later than 60 days
22 after the date as of which all members of the Com-
23 mission have been appointed.

1 **SEC. 1075. LIABILITY PROTECTION FOR CERTAIN DEPART-**
2 **MENT OF DEFENSE VOLUNTEERS WORKING**
3 **IN THE MARITIME ENVIRONMENT.**

4 (a) **AUTHORITY TO ACCEPT CERTAIN VOLUNTEER**
5 **SERVICES.**—Subsection (a) of section 1588 of title 10,
6 United States Code, is amended by adding at the end the
7 following new paragraph:

8 “(8) Voluntary services provided to the United
9 States Military Academy, United States Naval Acad-
10 emy, and United States Air Force Academy for the
11 training of cadets and midshipmen.”.

12 (b) **LIABILITY PROTECTION FOR VOLUNTEERS IN**
13 **MARITIME ENVIRONMENT.**—Subparagraph (D) of sub-
14 section (d)(1) of such section is amended—

15 (1) by striking “and” after “this title” and in-
16 serting a comma; and

17 (2) by inserting before the period at the end the
18 following: “, and chapters 20 and 22 of title 46 (re-
19 lating to claims for damages or loss on navigable wa-
20 ters)”.

21 **SEC. 1076. TRANSFER OF HISTORIC F3A-1 BREWSTER COR-**
22 **SAIR AIRCRAFT.**

23 (a) **AUTHORITY TO CONVEY.**—The Secretary of the
24 Navy may convey, without consideration, to Lex Cralley,
25 of Princeton Minnesota (in this section referred to as
26 “transferee”), all right, title and interest of the United

1 States in and to a F3A-1 Brewster Corsair aircraft (Bu-
2 reau Number 04634). The conveyance shall be made by
3 means of a deed of gift.

4 (b) CONDITION OF AIRCRAFT.—The aircraft shall be
5 conveyed under subsection (a) in its current unflyable, “as
6 is” condition. The Secretary is not required to repair or
7 alter the condition of the aircraft before conveying owner-
8 ship of the aircraft.

9 (c) CONVEYANCE AT NO COST TO THE UNITED
10 STATES.—The conveyance of the aircraft under subsection
11 (a) shall be made at no cost to the United States. Any
12 costs associated with the conveyance and costs of oper-
13 ation and maintenance of the aircraft conveyed shall be
14 borne by the transferee.

15 (d) ADDITIONAL TERMS AND CONDITIONS.—The
16 Secretary may require such additional terms and condi-
17 tions in connection with a conveyance under this section
18 as the Secretary considers appropriate to protect the inter-
19 ests of the United States.

1 **TITLE XI—DEPARTMENT OF**
2 **DEFENSE CIVILIAN PERSONNEL**

3 **SEC. 1101. PAYMENT OF FEDERAL EMPLOYEE HEALTH BEN-**
4 **EFIT PREMIUMS FOR MOBILIZED FEDERAL**
5 **EMPLOYEES.**

6 (a) AUTHORITY TO CONTINUE BENEFIT COV-
7 ERAGE.—Section 8905a of title 5, United States Code is
8 amended—

9 (1) in subsection (a), by striking “paragraph
10 (1) or (2) of”;

11 (2) in subsection (b)—

12 (A) in paragraph (1)(B), by striking “and”
13 at the end;

14 (B) in paragraph (2)(C), by striking the
15 period at the end and inserting “; and”; and

16 (C) by adding at the end the following new
17 paragraph:

18 “(3) any employee who—

19 “(A) is enrolled in a health benefits plan
20 under this chapter;

21 “(B) is a member of a Reserve component
22 of the armed forces;

23 “(C) is called or ordered to active duty in
24 support of a contingency operation (as defined
25 in section 101(a)(13) of title 10);

1 “(D) is placed on leave without pay or sep-
2 arated from service to perform active duty; and

3 “(E) serves on active duty for a period of
4 more than 30 consecutive days.”; and

5 (4) in subsection (e)(1)—

6 (A) in subparagraph (A), by striking “or”
7 at the end;

8 (B) in subparagraph (B), by striking the
9 period at the end and inserting “; or”; and

10 (C) by adding at the end the following new
11 subparagraph:

12 “(C) in the case of an employee described
13 in subsection (b)(3), the date which is 24
14 months after the employee is placed on leave
15 without pay or separated from service to per-
16 form active duty.”.

17 (b) **AUTHORITY FOR AGENCIES TO PAY PRE-**
18 **MIUMS.**—Subparagraph (C) of section 8906(e)(3) of such
19 title is amended by striking “18 months” and inserting
20 “24 months”.

21 (c) **EFFECTIVE DATE.**—The amendments made by
22 this section shall apply with respect to Federal employees
23 called or ordered to active duty on or after September 14,
24 2001.

1 **SEC. 1102. FOREIGN LANGUAGE PROFICIENCY PAY.**

2 Section 1596a of title 10, United States Code, is
3 amended—

4 (1) in subsection (a)(2), by striking “during a
5 contingency operation supported by the armed
6 forces”; and

7 (2) in subsection (c), by inserting before the pe-
8 riod at the end the following: “and shall not be con-
9 sidered base pay for any purpose”.

10 **SEC. 1103. PAY PARITY FOR CIVILIAN INTELLIGENCE PER-**
11 **SONNEL.**

12 Section 1602 of title 10, United States Code, is
13 amended—

14 (1) in subsection (a), by striking “in relation to
15 the rates of pay provided in subpart D of part III
16 of title 5 for positions subject to that subpart which
17 have corresponding levels of duties and responsibil-
18 ities” and inserting “in relation to the rates of pay
19 provided for Department of Defense Senior Execu-
20 tive, Senior Level, and other comparable positions”;
21 and

22 (2) by amending subsection (b) to read as fol-
23 lows:

24 “(b) PERFORMANCE APPRAISAL SYSTEM.—The posi-
25 tions referred to in subsection (a) shall be subject to a
26 performance appraisal system which, as designed and ap-

1 plied, is certified by the Secretary of Defense as making
2 meaningful distinctions based on relative performance and
3 may be the same performance appraisal system estab-
4 lished and implemented within the Department for mem-
5 bers of the Senior Executive Service.”.

6 **SEC. 1104. PAY PARITY FOR SENIOR EXECUTIVES IN NON-**
7 **APPROPRIATED FUND INSTRUMENTALITIES.**

8 (a) IN GENERAL.—Chapter 81 of title 10, United
9 States Code, is amended by adding at the end the fol-
10 lowing new section:

11 **“§ 1599e. Senior executive compensation for non-**
12 **appropriated fund instrumentalities**

13 “Notwithstanding any provisions of title 5, the Sec-
14 retary of Defense may regulate the amount of total com-
15 pensation, including the rate of basic pay, of senior execu-
16 tives employed by Department of Defense nonappropriated
17 fund instrumentalities, to provide for parity with the total
18 compensation, including basic pay, of Department of De-
19 fense employees in the Senior Executive Service and other
20 similar senior executive positions.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of such chapter is amended by inserting
23 after the item relating to section 1599d the following new
24 item:

“1599e. Senior executive compensation for nonappropriated fund instrumentalities.”.

1 **SEC. 1105. PROHIBITION OF UNAUTHORIZED WEARING OR**
2 **USE OF CIVILIAN MEDALS OR DECORATIONS.**

3 Chapter 57 of title 10, United States Code, is amend-
4 ed by adding at the end the following new section:

5 **“§ 1134. Civilian medals or decorations of the Depart-**
6 **ment of Defense**

7 “(a) PROHIBITION.—Except with the written permis-
8 sion of the Secretary of Defense or when authorized by
9 regulations, no person may knowingly—

10 “(1) wear; or

11 “(2) use, in connection with any merchandise,
12 retail product, impersonation, solicitation, or com-
13 mercial activity;

14 medals, decorations, or other insignia awarded by the Sec-
15 retary of Defense to recognize Department of Defense ci-
16 vilian employees and other individuals who render service
17 to the Department of Defense.

18 “(b) AUTHORITY TO ENJOIN VIOLATIONS.—When-
19 ever it appears to the Attorney General that any person
20 is engaged or is about to engage in an act or practice
21 which constitutes or will constitute conduct prohibited by
22 subsection (a), the Attorney General may initiate a civil
23 proceeding in a district court of the United States to en-
24 join such act or practice. Such court shall proceed as soon
25 as practicable to the hearing and determination of such
26 action and may, at any time before final determination,

1 enter such restraining orders or prohibitions, or take such
2 other actions as is warranted, including imposing a civil
3 penalty not to exceed \$25,000 for each violation, to pre-
4 vent injury to the United States or to any person or class
5 of persons for whose protection the action is brought.”.

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

“1134. Civilian medals or decorations of the Department of Defense.”

9 **TITLE XII—MATTERS RELATING**
10 **TO OTHER NATIONS**
11 **Subtitle A—Matters Relating to**
12 **Iraq, Afghanistan, and Global War**
13 **on Terrorism**

14 **SEC. 1201. DOCUMENTATION OF CONDITIONS IN IRAQ**
15 **UNDER FORMER DICTATORIAL GOVERNMENT**
16 **AS PART OF TRANSITION TO POST-DICTATO-**
17 **RIAL GOVERNMENT.**

18 (a) FINDINGS.—The Congress makes the following
19 findings:

20 (1) The regime of Saddam Hussein in Iraq was
21 a dictatorial regime prone to secrecy in the mainte-
22 nance of its hold on power.

23 (2) The people of Iraq all suffered as a result
24 of Saddam Hussein’s dictatorial control.

1 (3) Efforts in other post-dictatorial states to
2 document the crimes and abuses of their predecessor
3 dictatorial governments have contributed to the
4 process of national reconciliation and have served as
5 a reminder about the importance of protecting indi-
6 vidual rights.

7 (b) TRANSFER OF CERTAIN DOCUMENTS AND
8 RECORDS.—The Secretary of Defense shall, to the extent
9 practicable, establish a process for expeditiously transfer-
10 ring to indigenous Iraqi entities committed to docu-
11 menting publicly the nature of the Saddam Hussein re-
12 gime any documents and records described in subsection
13 (c) that are obtained by United States military forces in
14 Iraq.

15 (c) COVERED DOCUMENTS AND RECORDS.—The doc-
16 uments and records referred to in subsection (b) are docu-
17 ments and records—

18 (1) that were created by—

19 (A) the Government of Iraq between 1968
20 and May 1, 2003; or

21 (B) the Ba’ath Socialist Party in Iraq
22 after 1968; and

23 (2) that provide insight into—

24 (A) the functioning of the Government of
25 Iraq or the Ba’ath Socialist Party in Iraq; or

1 (B) the crimes, atrocities, and brutal prac-
2 tices of the Iraqi government towards the peo-
3 ple of Iraq during the period between 1968 and
4 May 1, 2003.

5 **SEC. 1202. SUPPORT OF MILITARY OPERATIONS TO COM-**
6 **BAT TERRORISM.**

7 (a) **AUTHORITY.**—The Secretary of Defense may ex-
8 pend up to \$25,000,000 during any fiscal year during
9 which this subsection is in effect to provide support to for-
10 eign forces, irregular forces, groups, or individuals en-
11 gaged in supporting or facilitating ongoing military oper-
12 ations by United States special operations forces to com-
13 bat terrorism.

14 (b) **INTELLIGENCE ACTIVITIES.**—This section does
15 not constitute authority to conduct a covert action, as such
16 term is defined in section 503(e) of the National Security
17 Act of 1947 (50 U.S.C. 413b(e)).

18 (c) **ANNUAL REPORT.**—Not later than 30 days after
19 the close of each fiscal year during which subsection (a)
20 is in effect, the Secretary of Defense shall submit to the
21 congressional defense committees a report on support pro-
22 vided under this section during that fiscal year. Each such
23 report shall describe the support provided, including a
24 statement of the recipient of the support and the amount
25 obligated to provide the support.

1 (d) FISCAL YEAR 2005 LIMITATION.—Support may
2 be provided under subsection (a) during fiscal year 2005
3 only from funds made available for operations and mainte-
4 nance pursuant to title XV of this Act.

5 (e) PERIOD OF AUTHORITY.—The authority under
6 subsection (a) is in effect during each of fiscal years 2005
7 through 2007.

8 **SEC. 1203. COMMANDERS' EMERGENCY RESPONSE PRO-**
9 **GRAM.**

10 (a) FISCAL YEAR 2005 AUTHORITY.—During fiscal
11 year 2005, from funds made available to the Department
12 of Defense for operation and maintenance pursuant to
13 title XV of this Act, not to exceed \$300,000,000 may be
14 used, notwithstanding any other provision of law, to pro-
15 vide funds for the Commanders' Emergency Response
16 Program, established by the Administrator of the Coali-
17 tion Provisional Authority for the purpose of enabling
18 military commanders in Iraq to respond to urgent humani-
19 tarian relief and reconstruction requirements within their
20 areas of responsibility by carrying out programs that will
21 immediately assist the Iraqi people, and to provide funds
22 for a similar program to assist the people of Afghanistan.

23 (b) QUARTERLY REPORTS.—The Secretary of De-
24 fense shall submit to the congressional defense committees
25 a quarterly report, beginning on January 15, 2005, re-

1 guarding the source of funds and the allocation and use
2 of funds made available pursuant to the authority provided
3 in this section.

4 **SEC. 1204. STATUS OF IRAQI SECURITY FORCES.**

5 (a) STRATEGIC PLAN.—No later than 120 days after
6 the date of the enactment of this Act, the Secretary of
7 Defense shall submit to the Committees on Armed Serv-
8 ices of the Senate and House of Representatives a stra-
9 tegic plan setting forth the manner in which the United
10 States will achieve the goal of establishing viable and pro-
11 fessional Iraqi security forces able to provide for the long-
12 term security of the Iraqi people.

13 (b) COMPONENTS.—The strategic plan established
14 under subsection (a) shall include at least the following:

15 (1) Recruiting and retention goals, shown for
16 each service of the Iraqi security forces.

17 (2) Training plans for each service of the Iraqi
18 security forces.

19 (3) A description of metrics by which progress
20 toward the goal of Iraqi provision for its own secu-
21 rity can be measured.

22 (4) A description of equipment needs, shown for
23 each service of the Iraqi security forces.

24 (5) A resourcing plan for achieving the goals of
25 the strategic plan.

1 (6) Personnel plans in terms of United States
2 military and contractor personnel to be used in
3 training each such service.

4 (7) A description of challenges faced and oppor-
5 tunities presented in particular regions of Iraq and
6 a plan for addressing those challenges.

7 (8) A discussion of training and deployment
8 successes and failures to the date of the report and
9 how lessons from those successes and failures will be
10 incorporated into the strategic plan.

11 (c) SUBSEQUENT REPORTS.—Ninety days following
12 the submission of the strategic plan to Congress under
13 subsection (a) and every 90 days thereafter, the Secretary
14 shall submit to the Committees on Armed Services of the
15 Senate and House of Representatives a report on progress
16 toward meeting the goals established in the strategic plan.
17 Each such report shall address the following:

18 (1) The number of forces recruited, currently
19 serving, and that have left (along with a break-down
20 of the reasons for leaving) by service over the period
21 in question.

22 (2) Progress in meeting training goals.

23 (3) Progress in achieving other metrics as iden-
24 tified in the strategic plan.

1 (4) A description and analysis of any training
2 incidents and deployment successes and failures,
3 with a discussion of how those incidents and suc-
4 cesses will affect future efforts to achieve the goals
5 of the strategic plan.

6 (d) IRAQI SECURITY FORCES DEFINED.—In this sec-
7 tion, the term “Iraqi security forces” means the Iraqi
8 Armed Forces (IAF), the Iraqi Civil Defense Corps
9 (ICDC), the Iraqi Police Service (IPS), the Department
10 of Border Enforcement (DBE), and the Facilities Protec-
11 tion Services (FCS).

12 **SEC. 1205. GUIDANCE AND REPORT REQUIRED ON CON-**
13 **TRACTORS SUPPORTING DEPLOYED FORCES**
14 **IN IRAQ.**

15 (a) GUIDANCE.—Not later than 90 days after the
16 date of the enactment of this Act, the Secretary of Defense
17 shall issue guidance on how to manage contractors that
18 support deployed forces and shall direct the Secretaries
19 of the military departments to develop procedures to en-
20 sure implementation of the guidance. The guidance
21 shall—

22 (1) establish policies for the use of contractors
23 to support deployed forces;

24 (2) delineate the roles and responsibilities of
25 commanders regarding the management and over-

1 sight of contractors that support deployed forces;
2 and

3 (3) integrate into a single document other guid-
4 ance and doctrine that may affect Department of
5 Defense responsibilities to contractors in locations
6 where members of the Armed Forces are deployed.

7 (b) REPORT.—Not later than 30 days after issuing
8 the guidance required under subsection (a), the Secretary
9 of Defense shall submit to the Committees on Armed Serv-
10 ices of the House of Representatives and the Senate a re-
11 port containing a discussion of the following:

12 (1) A description of the process used by the De-
13 partment of Defense for deciding which security
14 functions in Iraq will be performed by military per-
15 sonnel and which by private security companies.

16 (2) A discussion of the overall chain of com-
17 mand and oversight mechanisms that are in place to
18 ensure adequate command and supervision of con-
19 tractor personnel in critical security roles.

20 (3) An explanation of the rules of engagement
21 for private security personnel throughout Iraq, along
22 with how training in these rules of engagement is
23 being carried out.

24 (4) A description of mechanisms that exist or
25 that are under consideration to share intelligence

1 and standardize communications procedures among
2 private security companies.

3 (5) Casualty and fatality figures for each con-
4 tractor in Iraq supporting deployed forces over the
5 period beginning on May 1, 2003, and ending on the
6 date of the issuance of the guidance.

7 (6) Disciplinary or criminal actions brought
8 against such contractors during the period covered
9 by the report.

10 (7) Any incidents of note in Iraq regarding
11 such contractors during the period covered by the
12 report.

13 (8) A plan for establishing and implementing a
14 process for collecting data on individual contractors,
15 the value of the contracts, and the number of per-
16 sonnel in Iraq performing the following services:

17 (A) Personal security details.

18 (B) Non-military site security.

19 (C) Non-military convoy security.

20 (D) Interrogation services at interrogation
21 centers operated by the Department of Defense.

22 **SEC. 1206. FINDINGS AND SENSE OF CONGRESS CON-**
23 **CERNING ARMY SPECIALIST JOSEPH DARBY.**

24 (a) FINDINGS.—Congress makes the following find-
25 ings:

1 (1) The need to act in accord with one's con-
2 science, risking one's career and even the esteem of
3 one's colleagues by pursuing what is right is espe-
4 cially important today.

5 (2) While the Department of Defense inves-
6 tigate the horrific abuses in American detention fa-
7 cilities in Iraq, the Nation should bear in mind that
8 the abuses were only brought to light because of the
9 courage of an American soldier.

10 (3) By alerting his superiors to abuses at Abu
11 Ghraib prison in Iraq, Army Specialist Joseph
12 Darby demonstrated the courage to speak out and
13 do what is right for his country.

14 (4) Such an action is especially important in
15 light of the many challenges facing the country.

16 (5) Specialist Darby deserves the Nation's
17 thanks for speaking up and for standing up for what
18 is right.

19 (b) SENSE OF CONGRESS.—It is the sense of Con-
20 gress that—

21 (1) the Secretary of Defense should make every
22 protection available to Army Specialist Joseph
23 Darby and others who demonstrate such courage;
24 and

1 (2) Specialist Darby should be commended ap-
2 propriately by the Secretary of the Army.

3 **Subtitle B—Other Matters**

4 **SEC. 1211. ASSIGNMENT OF ALLIED NAVAL PERSONNEL TO**
5 **SUBMARINE SAFETY PROGRAMS.**

6 (a) IN GENERAL.—Chapter 631 of title 10, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

9 **“§ 7234. Submarine safety programs: participation of**
10 **allied naval personnel**

11 “(a) ACCEPTANCE OF ASSIGNMENT OF FOREIGN
12 NAVAL PERSONNEL.—In order to facilitate the develop-
13 ment, standardization, and interoperability of submarine
14 vessel safety and rescue systems and procedures, the Sec-
15 retary of the Navy may conduct a program under which
16 members of the naval service of any of the member nations
17 of the North Atlantic Treaty Organization and Australia,
18 Japan, the Republic of Korea, and Sweden may be as-
19 signed to United States commands to work on such sys-
20 tems and procedures.

21 “(b) COSTS FOR FOREIGN PERSONNEL.—(1) The
22 United States may not pay the following costs for a mem-
23 ber of a foreign naval service sent to the United States
24 under the program authorized by this section:

25 “(A) Salary.

1 “(B) Per diem.

2 “(C) Cost of living.

3 “(D) Travel costs.

4 “(E) Cost of language or other training.

5 “(F) Other costs.

6 “(2) Paragraph (1) does not apply to the following
7 costs, which may be paid by the United States:

8 “(A) The cost of temporary duty directed by
9 the United States Navy.

10 “(B) The cost of training programs conducted
11 to familiarize, orient, or certify members of foreign
12 naval services regarding unique aspects of their as-
13 signments.

14 “(C) Costs incident to the use of the facilities
15 of the United States Navy in the performance of as-
16 signed duties.

17 “(d) APPLICABILITY TO AUTHORITY TO ENTER INTO
18 AGREEMENTS.—The requirements of this section shall
19 apply in the exercise of any authority of the Secretary of
20 the Navy to enter into an agreement with the government
21 of a foreign country, subject to the concurrence of the Sec-
22 retary of State, to provide for the assignment of members
23 of the naval service of the foreign country to a United
24 States Navy submarine safety program.

1 “(e) REGULATIONS.—The Secretary of the Navy may
2 prescribe regulations for the application of this section in
3 the exercise of authority referred to in subsection (d).”.

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

“7234. Submarine safety programs: participation of allied naval personnel.”.

7 **SEC. 1212. EXPANSION OF ENTITIES OF THE PEOPLE’S RE-**
8 **PUBLIC OF CHINA SUBJECT TO CERTAIN**
9 **PRESIDENTIAL AUTHORITIES WHEN OPER-**
10 **ATING IN THE UNITED STATES.**

11 Section 1237(b)(4)(B)(i) of the Strom Thurmond
12 National Defense Authorization Act for Fiscal Year 1999
13 (50 U.S.C. 1701 note) is amended by inserting after “the
14 People’s Liberation Army” the following: “, by a ministry
15 of the government of the People’s Republic of China, or
16 by an entity affiliated with the defense industrial base of
17 the People’s Republic of China”.

18 **SEC. 1213. REPORT BY PRESIDENT ON GLOBAL PEACE OP-**
19 **ERATIONS INITIATIVE.**

20 Not later than one year after the date of the enact-
21 ment of this Act, the President shall submit to the Con-
22 gress a report on the Global Peace Operations Initiative.
23 The report shall include the following elements:

1 (1) A summary of the goals of the Global Peace
2 Operations Initiative and the timetable for achieving
3 those goals.

4 (2) An examination of the mechanisms by
5 which the United States will ensure that foreign
6 countries acquiring new capabilities as a result of
7 that Initiative will use those capabilities to the na-
8 tional security benefit of the United States.

9 (3) An examination of the mechanisms by
10 which the United States will ensure that training
11 and equipment provided under that Initiative are
12 used solely for the purposes of peacekeeping and
13 peace enforcement operations.

14 (4) An examination of the human rights prac-
15 tices of potential recipients under that Initiative, to
16 include a discussion of each potential recipient's
17 commitment to representative government.

18 (5) An assessment of the financial resources re-
19 quired to carry out that Initiative during fiscal years
20 2005 through 2009.

21 (6) An assessment of the effectiveness of the
22 program of the Department of State referred to as
23 the African Contingency Operations and Training
24 Assistance program and the capacity of that pro-
25 gram to be expanded.

1 (7) A review that compares and contrasts the
2 basic military skills required of warfighters and the
3 skills needed for peacekeeping and peace enforce-
4 ment operations.

5 (8) An assessment of the ability of military
6 forces in the developing world to absorb, retain, and
7 use the advanced skills and capabilities needed for
8 effective peacekeeping and peace enforcement oper-
9 ations.

10 (9) A proposal for providing sufficient resources
11 to the Department of State to conduct the Global
12 Peace Operations Initiative without significant fi-
13 nancial contributions from the Department of De-
14 fense.

15 (10) An explanation of the reasons of the Ad-
16 ministration for proposing to exempt the Global
17 Peace Operations Initiative from existing law related
18 to the type of military and police training the United
19 States may provide to foreign countries.

20 (11) An examination of the costs and benefits
21 of transferring responsibility for the training and
22 equipping of foreign military and security forces
23 from the Department of State to the Department of
24 Defense, including an identification of any increased
25 resources that will be provided to the Department of

1 Defense should the Department of Defense become
2 responsible for that activity.

3 **SEC. 1214. PROCUREMENT SANCTIONS AGAINST FOREIGN**
4 **PERSONS THAT TRANSFER CERTAIN DE-**
5 **FENSE ARTICLES AND SERVICES TO THE**
6 **PEOPLE'S REPUBLIC OF CHINA.**

7 (a) DECLARATION OF POLICY.—Congress declares
8 that it is the policy of the United States to deny the Peo-
9 ple's Republic of China such defense goods and defense
10 technology that could be used to threaten the United
11 States or undermine the security of Taiwan or the stability
12 of the Western Pacific region.

13 (b) PROCUREMENT SANCTION.—(1) The Secretary of
14 Defense may not procure, by contract or otherwise, any
15 goods or services from—

16 (A) any foreign person the Secretary of Defense
17 determines has, with actual knowledge, on or after
18 the date of the enactment of this Act, exported,
19 transferred, or otherwise provided to governmental
20 or nongovernmental entities of the People's Republic
21 of China any item or class of items on the United
22 States Munitions List (or any item or class of items
23 that are identical, substantially identical, or directly
24 competitive to an item or class of items on the
25 United States Munitions List); and

1 (B) any foreign person the Secretary of Defense
2 determines—

3 (i) is a successor entity to a person re-
4 ferred to in paragraph (1);

5 (ii) is a parent or subsidiary of a person
6 referred to in paragraph (1); or

7 (iii) is an affiliate of a person referred to
8 in paragraph (1) if that affiliate is controlled in
9 fact by such person.

10 (2) The prohibition under paragraph (1) with respect
11 to a foreign person shall last for a period of five years
12 after a determination is made by the Secretary of Defense
13 with respect to that person under paragraph (1)(A).

14 (c) PUBLIC AVAILABILITY OF LIST OF SANCTIONED
15 PERSONS.—(1) The Secretary of Defense shall annually
16 publish in the Federal Register a current list of any for-
17 eign persons sanctioned under subsection (b). The removal
18 of foreign persons from, and the addition of foreign per-
19 sons to, the list shall also be so published.

20 (2) The Secretary shall maintain the list published
21 under paragraph (1) on the Internet website of the De-
22 partment of Defense.

23 (d) REMOVAL FROM LIST OF SANCTIONED PER-
24 SONS.—The Secretary of Defense may remove a person
25 from the list of sanctioned persons referred to in sub-

1 section (e) only after the five-year prohibition period im-
2 posed under subsection (b) with respect to the person has
3 expired.

4 (e) EXCEPTIONS.—(1) Subsection (b) shall not
5 apply—

6 (A) to contracts, or subcontracts under such
7 contracts, in existence on the date of the enactment
8 of this Act, including options under such contracts;

9 (B) if the Secretary of Defense determines in
10 writing that the person to which the sanctions would
11 otherwise be applied is a sole source supplier of the
12 goods or services being procured, that the goods or
13 services are essential, and that alternative sources
14 are not readily or reasonably available;

15 (C) in the case of a contract for routine serv-
16 icing and maintenance, if the Secretary of Defense
17 determines in writing alternative sources for per-
18 forming the contract are not readily or reasonably
19 available; or

20 (D) if the Secretary of Defense determines in
21 writing that goods or services proposed to be pro-
22 cured under the contract are essential to the na-
23 tional security of the United States.

24 (2) Determinations under paragraph (1) shall be pub-
25 lished in the Federal Register.

1 (f) DEFINITIONS.—In this section:

2 (1) The term “foreign person” has the meaning
3 given the term in section 14 of the Iran and Libya
4 Sanctions Act of 1996 (50 U.S.C. 1701).

5 (2) The term “United States Munitions List”
6 means the list referred to in section 38(a)(1) of the
7 Arms Export Control Act (22 U.S.C. 2778(a)(1)).

8 **TITLE XIII—COOPERATIVE**
9 **THREAT REDUCTION WITH**
10 **STATES OF THE FORMER SO-**
11 **VIET UNION**

12 **SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT RE-**
13 **DUCTION PROGRAMS AND FUNDS.**

14 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
15 poses of section 301 and other provisions of this Act, Co-
16 operative Threat Reduction programs are the programs
17 specified in section 1501(b) of the National Defense Au-
18 thorization Act for Fiscal Year 1997 (Public Law 104-
19 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

20 (b) FISCAL YEAR 2005 COOPERATIVE THREAT RE-
21 Duction Funds Defined.—As used in this title, the
22 term “fiscal year 2005 Cooperative Threat Reduction
23 funds” means the funds appropriated pursuant to the au-
24 thorization of appropriations in section 301 for Coopera-
25 tive Threat Reduction programs.

1 (c) AVAILABILITY OF FUNDS.—Funds appropriated
2 pursuant to the authorization of appropriations in section
3 301 for Cooperative Threat Reduction programs shall be
4 available for obligation for three fiscal years.

5 **SEC. 1302. FUNDING ALLOCATIONS.**

6 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
7 amount authorized to be appropriated to the Department
8 of Defense for fiscal year 2005 in section 301(19) for Co-
9 operative Threat Reduction programs, the following
10 amounts may be obligated for the purposes specified:

11 (1) For strategic offensive arms elimination in
12 Russia, \$58,522,000.

13 (2) For nuclear weapons transportation security
14 in Russia, \$26,284,000.

15 (3) For nuclear weapons storage security in
16 Russia, \$48,720,000.

17 (4) For activities designated as Other Assess-
18 ments/Administrative Support, \$14,267,000.

19 (5) For defense and military contacts,
20 \$8,000,000.

21 (6) For chemical weapons destruction in Rus-
22 sia, \$158,400,000.

23 (7) For biological weapons proliferation preven-
24 tion in the former Soviet Union, \$55,013,000.

1 (8) For weapons of mass destruction prolifera-
2 tion prevention in the states of the former Soviet
3 Union, \$40,030,000.

4 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
5 FUNDS FOR OTHER PURPOSES.—No fiscal year 2005 Co-
6 operative Threat Reduction funds may be obligated or ex-
7 pended for a purpose other than a purpose listed in para-
8 graphs (1) through (8) of subsection (a) until 30 days
9 after the date that the Secretary of Defense submits to
10 Congress a report on the purpose for which the funds will
11 be obligated or expended and the amount of funds to be
12 obligated or expended. Nothing in the preceding sentence
13 shall be construed as authorizing the obligation or expend-
14 iture of fiscal year 2005 Cooperative Threat Reduction
15 funds for a purpose for which the obligation or expendi-
16 ture of such funds is specifically prohibited under this title
17 or any other provision of law.

18 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
19 AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any
20 case in which the Secretary of Defense determines that
21 it is necessary to do so in the national interest, the Sec-
22 retary may obligate amounts appropriated for fiscal year
23 2005 for a purpose listed in any of the paragraphs in sub-
24 section (a) in excess of the specific amount authorized for
25 that purpose.

1 (2) An obligation of funds for a purpose stated in
2 any of the paragraphs in subsection (a) in excess of the
3 specific amount authorized for such purpose may be made
4 using the authority provided in paragraph (1) only after—

5 (A) the Secretary submits to Congress notifica-
6 tion of the intent to do so together with a complete
7 discussion of the justification for doing so; and

8 (B) 15 days have elapsed following the date of
9 the notification.

10 (3) The Secretary may not, under the authority pro-
11 vided in paragraph (1), obligate amounts for a purpose
12 stated in any of paragraphs (5) through (8) of subsection
13 (a) in excess of 125 percent of the specific amount author-
14 ized for such purpose.

15 **SEC. 1303. TEMPORARY AUTHORITY TO WAIVE LIMITATION**
16 **ON FUNDING FOR CHEMICAL WEAPONS DE-**
17 **STRUCTION FACILITY IN RUSSIA.**

18 (a) TEMPORARY AUTHORITY.—Section 1305 of the
19 National Defense Authorization Act for Fiscal Year 2000
20 (Public Law 106–65; 22 U.S.C. 5952 note) shall not apply
21 if the President submits to Congress a written certification
22 that includes—

23 (1) a statement as to why a waiver of the condi-
24 tions described in such section 1305 is important to
25 the national security interests of the United States;

1 (2) a full and complete justification for the
2 waiver of the conditions; and

3 (3) a plan to promote a full and accurate dislo-
4 sure by Russia regarding the size, content, status,
5 and location of its chemical weapons stockpile.

6 (b) EXPIRATION.—The authority in subsection (a)
7 shall expire on September 30, 2005.

8 **TITLE XIV—EXPORT CONTROLS**
9 **AND COUNTERPROLIFER-**
10 **ATION MATTERS**

11 **Subtitle A—Export Control Matters**

12 **SEC. 1401. DEFINITIONS UNDER ARMS EXPORT CONTROL**
13 **ACT.**

14 Section 47 of the Arms Export Control Act (22
15 U.S.C. 2794) is amended—

16 (1) in paragraph (10)—

17 (A) by moving the margin two ems to the
18 left; and

19 (B) by striking “and” at the end;

20 (2) in paragraph (11)—

21 (A) by moving the margin two ems to the
22 left; and

23 (B) by striking the period at the end and
24 inserting a semicolon; and

25 (3) by adding at the end the following:

1 “(12) ‘license’ means a document bearing the word
2 license issued by the United States Government agency
3 charged with implementing section 38 of this Act, which
4 permits the export or import of a defense article or defense
5 service;

6 “(13) ‘agent’ means a representative or emissary of
7 a government other than an officer or employee of the gov-
8 ernment; and

9 “(14) ‘exporting agent’ means a freight forwarder or
10 other consignee designated on a license application who
11 is authorized to act on behalf of and the control of the
12 license applicant.”.

13 **SEC. 1402. EXEMPTION FROM LICENSING REQUIREMENTS**
14 **FOR EXPORT OF SIGNIFICANT MILITARY**
15 **EQUIPMENT.**

16 Section 38(b)(2) of the Arms Export Control Act (22
17 U.S.C. 2778(b)(2)) is amended—

18 (1) by striking “(2) Except” and inserting
19 “(2)(A) Except”;

20 (2) by striking “(A) for official” and inserting
21 “(i) for official” and further by striking “(B) for
22 carrying out” and inserting “(ii) for carrying out”;
23 and

24 (3) by adding at the end the following:

1 “(B) The President may not establish an exemption
2 in regulation or otherwise from the license requirements
3 of this section for the export of a defense article that is
4 significant military equipment (other than a firearm that
5 is intended for personal use).”.

6 **SEC. 1403. COOPERATIVE PROJECTS WITH FRIENDLY FOR-**
7 **EIGN COUNTRIES.**

8 Section 27 of the Arms Export Control Act (22
9 U.S.C. 2767) is amended—

10 (1) in subsection (g) to read as follows:

11 “(g) Unless the President states in his certification
12 that an emergency exists which requires the immediate ap-
13 proval of the cooperative agreement in the national secu-
14 rity interests of the United States (in which case the
15 President shall set forth in the certification a justification
16 for this determination), an agreement shall not be signed
17 if, within the 30-day period specified in subsection (f), a
18 joint resolution prohibiting the agreement is enacted into
19 law.”; and

20 (2) by adding at the end the following:

21 “(k) A license shall be required for the export of de-
22 fense articles or defense services relating to a cooperative
23 project by any person required to be registered under sec-
24 tion 38(b)(1)(A)(i) whenever such export is made pursu-
25 ant to, or in furtherance of, a private contract, purchase

1 order, or similar commercial arrangement with a foreign
2 corporation.”.

3 **SEC. 1404. LICENSING REQUIREMENT FOR EXPORT OF**
4 **MILITARILY CRITICAL TECHNOLOGIES.**

5 (a) LICENSING REQUIREMENT.—The President shall
6 require a license under the Export Administration Regula-
7 tions of the Department of Commerce (15 C.F.R. part 730
8 et seq.) or the International Traffic in Arms Regulations
9 (22 C.F.R. part 120 et seq.), as the case may be, for the
10 export of goods or technologies included on the Military
11 Critical Technologies List.

12 (b) DEFINITION.—In this section, the term “Mili-
13 tarily Critical Technologies List” means the list required
14 to be developed by the Secretary of Defense pursuant to
15 section 5(d)(2) of the Export Administration Act of 1979
16 (50 U.S.C. App. 2404(d)(2)), as such list was effect on
17 January 20, 2004, and includes any goods or technologies
18 that have been added to the list after that date.

19 **SEC. 1405. CONTROL OF EXPORTS OF UNITED STATES**
20 **WEAPONS TECHNOLOGY TO THE PEOPLE’S**
21 **REPUBLIC OF CHINA.**

22 A dual use good or technology subject to the jurisdic-
23 tion of the Export Administration Regulations of the De-
24 partment of Commerce (15 C.F.R. part 730 et seq.) and
25 a defense article or defense service subject to the jurisdic-

1 tion of the International Traffic in Arms Regulations (22
2 C.F.R. part 120 et seq.) may be exported to a foreign per-
3 son or a foreign country that has previously exported any
4 such item to the military, intelligence, police, or internal
5 security services of the Government of the People's Repub-
6 lic of China that would be prohibited for export to China
7 if subject to United States export control laws only if—

8 (1) a license for such export is approved under
9 the Export Administration Regulations or the Inter-
10 national Traffic in Arms Regulations and the Sec-
11 retary of Defense concurs in the approval of such li-
12 cense; and

13 (2) the foreign person or foreign country agrees
14 in writing not to transfer title to or possession of,
15 or otherwise provide access to, the licensed items,
16 unless the President provides written consent there-
17 to.

18 **SEC. 1406. STRENGTHENING INTERNATIONAL EXPORT CON-**
19 **TROLS.**

20 (a) **FINDING.**—The Congress recognizes that the
21 international export control system, as currently con-
22 stituted, is insufficient to achieve the national security in-
23 terests of the United States.

24 (b) **NATIONAL EXPORT CONTROL POLICY.**—It is the
25 policy of the United States to seek continued negotiations

1 of a strengthened international export control system for
2 the control of arms and militarily-sensitive goods and tech-
3 nology to countries of concern.

4 (c) PRESIDENTIAL REPORTING REQUIREMENT.—(1)

5 Not later than 180 days after the date of the enactment
6 of this Act, and every six months thereafter, the President
7 shall submit to the committees referred to in subsection
8 (d) a report setting forth the President’s plan for effecting
9 a strengthened international export control system capable
10 of achieving the national security interests of the United
11 States.

12 (2) The report shall include—

13 (A) an evaluation of the effectiveness of the
14 current international export control system;

15 (B) a plan for negotiating and implementing a
16 strengthened international export control system ca-
17 pable of achieving the national security interests of
18 the United States; and

19 (C) challenges to and progress in negotiating
20 and implementing that plan.

21 (d) COMMITTEES; CLASSIFICATION OF REPORT.—(1)

22 The report required by subsection (c) shall be submitted
23 to—

24 (A) the Committee on Armed Services, the
25 Committee on International Relations, and the Per-

1 manent Select Committee on Intelligence of the
2 House of Representatives; and

3 (B) the Committee on Armed Services, the
4 Committee on Banking, Housing and Urban Affairs,
5 and the Select Committee on Intelligence of the Sen-
6 ate.

7 (2) The report shall be submitted in unclassified form
8 and, as necessary, in classified form.

9 **Subtitle B—Counterproliferation**
10 **Matters**

11 **SEC. 1411. DEFENSE INTERNATIONAL COUNTER-**
12 **PROLIFERATION PROGRAMS.**

13 (a) INTERNATIONAL SECURITY PROGRAM TO PRE-
14 VENT UNAUTHORIZED TRANSFER AND TRANSPORTATION
15 OF WMDs.—Subsection (b) of section 1424 of the De-
16 fense Against Weapons of Mass Destruction Act of 1996
17 (50 U.S.C. 2333) is amended to read as follows:

18 “(b) OTHER COUNTRIES.—The Secretary of Defense
19 may carry out programs under subsection (a) in a country
20 other than a country specified in that subsection if the
21 Secretary determines that there exists in that country a
22 significant threat of the unauthorized transfer and trans-
23 portation of nuclear, biological, or chemical weapons or re-
24 lated materials.”.

1 (b) INTERNATIONAL TRAINING PROGRAM TO DETER
2 WMD PROLIFERATION.—Section 1504(e)(3)(A) of the
3 National Defense Authorization Act for Fiscal Year 1995
4 (Public Law 103–337; 108 Stat. 2918) is amended—

5 (1) by striking “The training program referred
6 to in paragraph (1)(B) is a” and inserting “The Sec-
7 retary of Defense may participate in a”;

8 (2) by inserting “of” after “acquisition”;

9 (3) by striking “and” after “countries”; and

10 (4) by inserting before the period at the end the
11 following: “, and in other countries in which, as de-
12 termined by the Secretary of Defense, there exists a
13 significant threat of such proliferation and acquisi-
14 tion”.

15 **SEC. 1412. DEFENSE COUNTERPROLIFERATION FELLOW-**
16 **SHIP PROGRAM.**

17 (a) PROGRAM AUTHORIZED.—Chapter 101 of title
18 10, United States Code, is amended by adding at the end
19 the following new section:

20 **“§ 2015. Defense counterproliferation fellowship pro-**
21 **gram**

22 “(a) PROGRAM AUTHORITY.—The Secretary of De-
23 fense may carry out a program under which foreign mili-
24 tary defense personnel are selected to attend Department
25 of Defense courses and programs in counterproliferation

1 and nonproliferation matters in order to improve the abil-
2 ity of the foreign military defense personnel to contribute
3 to halting the illicit acquisition or transportation of weap-
4 ons of mass destruction or of materials that support the
5 development or use of such weapons.

6 “(b) AUTHORITY TO PAY FOR COSTS OF PARTICI-
7 PANTS.—The Secretary of Defense may pay for all costs
8 (including transportation, travel, and subsistence costs)
9 associated with the attendance by a participant at courses
10 and programs in the program under this section.

11 “(c) PARTICIPANTS.—(1) The following persons may
12 be selected for participation in the program under this sec-
13 tion:

14 “(A) Foreign military officers.

15 “(B) Foreign ministry of defense officials.

16 “(2) Participants in the program shall be selected by
17 the Secretary of Defense based upon recommendations
18 made by the commanders of the regional unified combat-
19 ant commands.

20 “(d) AUTHORIZED PROGRAM ACTIVITIES.—Partici-
21 pants in the program may be selected for attendance at,
22 and may be authorize to attend, any of the following:

23 “(1) Department of Defense professional mili-
24 tary educational institutions.

1 “(2) Regional centers for security studies of the
2 Department of Defense.

3 “(e) REGULATIONS.—The Secretary of Defense shall
4 prescribe regulations for the administration of the pro-
5 gram under this section.”.

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

 “2015. Defense counterproliferation fellowship program.”.

9 **Subtitle C—Initiatives Relating to**
10 **Countries of Former Soviet Union**

11 **SEC. 1421. SILK ROAD INITIATIVE.**

12 (a) FINDINGS.—Congress makes the following find-
13 ings:

14 (1) A number of independent states of the
15 former Soviet Union have been helpful to the United
16 States in the war on terrorism.

17 (2) Such states are new and struggling democ-
18 racies and would benefit considerably from assist-
19 ance to create sustainable jobs for their under-
20 employed or unemployed scientists, engineers, and
21 technicians who were formerly engaged in activities
22 to develop and produce weapons of mass destruction
23 for the Russian Federation or other such state.

24 (b) POLICIES.—(1) It is the policy of the United
25 States to seek to establish and promote programs to pre-

1 vent the proliferation, from scientists, engineers, and tech-
2 nicians of the Russian Federation and other independent
3 states of the former Soviet Union to countries of prolifera-
4 tion concern, of expertise to develop and produce weapons
5 of mass destruction.

6 (2) It is also the policy of the United States to seek
7 to assist independent states of the former Soviet Union
8 that have been helpful to the United States in the war
9 on terrorism so as to promote the creation of jobs that
10 foster economic stability and democracy.

11 (c) PROGRAM AUTHORIZED.—(1) The Secretary of
12 Energy may carry out a program, to be known as the Silk
13 Road Initiative, to promote non-weapons-related employ-
14 ment opportunities in the United States and in Silk Road
15 nations for scientists, engineers, and technicians formerly
16 engaged in activities to develop and produce weapons of
17 mass destruction in Silk Road nations. The program
18 should—

19 (A) incorporate best practices under the former
20 Initiatives for Proliferation Prevention program; and

21 (B) facilitate commercial partnerships between
22 private entities in the United States and scientists,
23 engineers, and technicians in the Silk Road nations.

24 (2) Before implementing the program with respect to
25 multiple Silk Road nations, the Secretary of Energy shall

1 carry out a pilot program with respect to one Silk Road
2 nation selected by the Secretary. It is the sense of Con-
3 gress that the Secretary should select the Republic of
4 Georgia.

5 (d) SILK ROAD NATIONS DEFINED.—In this section,
6 the Silk Road nations are Armenia, Azerbaijan, the Re-
7 public of Georgia, Kazakhstan, Kyrgyzstan, Tajikistan,
8 Turkmenistan, and Uzbekistan.

9 (e) FUNDING.—Of the funds authorized to be appro-
10 priated to the Department of Energy for nonproliferation
11 and international security for fiscal year 2005,
12 \$10,000,000 may be used to carry out this section.

13 **SEC. 1422. TELLER-KURCHATOV NONPROLIFERATION FEL-**
14 **LOWSHIPS.**

15 (a) IN GENERAL.—(1) From amounts made available
16 to carry out this section, the Administrator for Nuclear
17 Security may carry out a program under which the Ad-
18 ministrator awards, to scientists employed at the
19 Kurchatov Institute of the Russian Federation and sci-
20 entists employed at Lawrence Livermore National Labora-
21 tory, international exchange fellowships, to be known as
22 Teller-Kurchatov Nonproliferation Fellowships, in the nu-
23 clear nonproliferation sciences.

24 (2) The purpose of the program shall be to provide
25 opportunities for advancement in the field of nuclear non-

1 proliferation to scientists who, as demonstrated by their
2 academic or professional achievements, show particular
3 promise of making significant contributions in that field.

4 (3) A fellowship awarded to a scientist under the pro-
5 gram shall be for study and training at (and, where appro-
6 priate, at an institution of higher education in the vicinity
7 of)—

8 (A) the Kurchatov Institute, in the case of a
9 scientist employed at Lawrence Livermore National
10 Laboratory; and

11 (B) Lawrence Livermore National Laboratory,
12 in the case of a scientist employed at the Kurchatov
13 Institute.

14 (4) The duration of a fellowship under the program
15 may not exceed two years, except that the Administrator
16 may provide for a longer duration in an individual case
17 to the extent warranted by extraordinary circumstances,
18 as determined by the Administrator.

19 (5) In a calendar year, the Administrator may not
20 award more than—

21 (A) one fellowship to a scientist employed at the
22 Kurchatov Institute; and

23 (B) one fellowship to a scientist employed at
24 Lawrence Livermore National Laboratory.

25 (6) A fellowship under the program shall include—

1 (A) travel expenses;

2 (B) any tuition and fees at an institution of
3 higher education for study or training under the fel-
4 lowship; and

5 (C) any other expenses that the Administrator
6 considers appropriate, such as room and board.

7 (b) DEFINITIONS.—In this section:

8 (1) The term “institution of higher education”
9 means a college, university, or other educational in-
10 stitution that is empowered by an appropriate au-
11 thority, as determined by the Administrator, to
12 award degrees higher than the baccalaureate level.

13 (2) The term “nuclear nonproliferation
14 sciences” means bodies of scientific knowledge rel-
15 evant to developing or advancing the means to pre-
16 vent or impede the proliferation of nuclear weap-
17 onry.

18 (3) The term “scientist” means an individual
19 who has a degree from an institution of higher edu-
20 cation in a science that has practical application in
21 the field of nuclear nonproliferation.

22 (c) FUNDING.—Of the funds authorized to be appro-
23 priated to the Department of Energy for nonproliferation
24 and international security for fiscal year 2005,
25 \$10,000,000 may be used to carry out this section.

1 **SEC. 1423. COLLABORATION TO REDUCE THE RISKS OF A**
2 **LAUNCH OF RUSSIAN NUCLEAR WEAPONS.**

3 (a) FINDINGS.—Congress finds that, despite the end-
4 ing of the Cold War more than a decade ago, the nuclear
5 postures and strategic command and control systems of
6 the Russian Federation pose risks that a nuclear ballistic
7 missile could be launched as the result of an accident, mis-
8 information, miscalculation, or unauthorized use. Such
9 risks are posed as a result of factors including the fol-
10 lowing:

11 (1) The high state of readiness of the Russian
12 Federation's nuclear forces.

13 (2) The remote locations of much of the Rus-
14 sian Federation's nuclear forces.

15 (3) The inadequacy of the Russian Federation's
16 early-warning information.

17 (4) The very short time that would be available
18 to the President of the Russian Federation if the
19 President were informed that a nuclear ballistic mis-
20 sile attack was or might be underway.

21 (5) The possibility that the Russian Federation,
22 because of concerns that much of its nuclear forces
23 would not survive a nuclear attack, may have a nu-
24 clear deterrence posture reliant upon launching a re-
25 taliatory nuclear strike when it believes a nuclear

1 ballistic missile attack against it is or might be un-
2 derway.

3 (6) Deficiencies in the security and control of
4 the nuclear forces of the Russian Federation that
5 could result in unauthorized personnel gaining con-
6 trol of a nuclear-armed missile or warhead.

7 (7) The susceptibility of nuclear strategic com-
8 mand and control systems and early-warning sys-
9 tems to an intrusion or accident that could create
10 the false appearance that a nuclear ballistic missile
11 attack is or might be underway.

12 (b) REPORT.—(1) Not later than November 1, 2005,
13 the Secretary of Defense shall submit to Congress a report
14 on the collaborative measures that the United States and
15 the Russian Federation could take to reduce the risks that
16 a nuclear ballistic missile could be launched as the result
17 of an accident, misinformation, miscalculation, or unau-
18 thorized use. For each such measure, the report shall
19 provide—

20 (A) specific comments on the advisability of the
21 measure in terms of the potential contribution of the
22 measure to the national security interests of the
23 United States, including the potential contribution
24 of the measure in improving relations between the
25 United States and the Russian Federation; and

1 (B) a description of the obstacles and opportu-
2 nities associated with pursuing the measure.

3 (2) In addition to any other measure that the Sec-
4 retary considers appropriate, the report required by para-
5 graph (1) shall cover the following measures:

6 (A) The future of the Joint Data Exchange
7 Center.

8 (B) Potential topics for discussion between
9 high-level military leaders of the United States and
10 of the Russian Federation on reducing the risk that
11 a nuclear ballistic missile could be launched as the
12 result of an accident, misinformation, miscalculation,
13 or unauthorized use.

14 **TITLE XV—AUTHORIZATION FOR**
15 **INCREASED COSTS DUE TO**
16 **OPERATION IRAQI FREEDOM**
17 **AND OPERATION ENDURING**
18 **FREEDOM**

19 **SEC. 1501. PURPOSE.**

20 The purpose of this title is to authorize appropria-
21 tions for the Department of Defense for fiscal year 2005,
22 in addition to amounts otherwise authorized by this Act,
23 to provide funds for additional costs due to Operation
24 Iraqi Freedom and Operation Enduring Freedom.

1 **Subtitle A—Authorization of**
2 **Appropriations**

3 **SEC. 1511. ARMY PROCUREMENT.**

4 Funds are hereby authorized to be appropriated for
5 fiscal year 2005 for procurement accounts of the Army
6 in amounts as follows:

7 (1) For aircraft, \$498,300,000.

8 (2) For missiles, \$42,800,000.

9 (3) For weapons and tracked combat vehicles,
10 \$201,900,000.

11 (4) For ammunition, \$78,750,000.

12 (5) For other procurement, \$1,567,410,000.

13 (6) For National Guard and Reserve equip-
14 ment, \$50,000,000.

15 **SEC. 1512. NAVY AND MARINE CORPS PROCUREMENT.**

16 (a) MARINE CORPS.—Funds are hereby authorized to
17 be appropriated for fiscal year 2005 for the procurement
18 account for the Marine Corps in the amount of
19 \$98,190,000.

20 (b) NAVY AND MARINE CORPS AMMUNITION.—
21 Funds are hereby authorized to be appropriated for fiscal
22 year 2005 for the procurement account for ammunition
23 for the Navy and the Marine Corps in the amount of
24 \$38,402,000.

1 **SEC. 1513. AIR FORCE PROCUREMENT.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2005 for the procurement account for aircraft
4 for the Air Force in amount of \$99,000,000.

5 **SEC. 1514. DEFENSE-WIDE ACTIVITIES PROCUREMENT.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 2005 for the procurement account for Defense-
8 wide procurement in the amount of \$720,000,000.

9 **SEC. 1515. OPERATION AND MAINTENANCE.**

10 Funds are hereby authorized to be appropriated for
11 fiscal year 2005 for the use of the Armed Forces for ex-
12 penses, not otherwise provided for, for operation and
13 maintenance, in amounts as follows:

14 (1) For the Army, \$9,607,113,000.

15 (2) For the Navy, \$256,500,000.

16 (3) For the Marine Corps, \$2,398,735,000.

17 (4) For the Air Force, \$1,635,000,000.

18 (5) For Defense-wide, \$2,327,900,000.

19 **SEC. 1516. DEFENSE HEALTH PROGRAM.**

20 Funds are hereby authorized to be appropriated for
21 the Department of Defense for fiscal year 2005 for ex-
22 penses, not otherwise provided for, for the Defense Health
23 Program, in the amount of \$75,000,000, for Operation
24 and Maintenance.

1 **SEC. 1517. MILITARY PERSONNEL.**

2 There is hereby authorized to be appropriated to the
3 Department of Defense for military personnel accounts for
4 fiscal year 2005 a total of \$5,305,000,000.

5 **SEC. 1518. TREATMENT AS ADDITIONAL AUTHORIZATIONS.**

6 The amounts authorized to be appropriated by this
7 title are in addition to amounts otherwise authorized to
8 be appropriated by this Act.

9 **SEC. 1519. TRANSFER AUTHORITY.**

10 (a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.—**

11 (1) Upon determination by the Secretary of Defense that
12 such action is necessary in the national interest, the Sec-
13 retary may transfer amounts of authorizations made avail-
14 able to the Department of Defense in this title for fiscal
15 year 2005 between any such authorizations for that fiscal
16 year (or any subdivisions thereof). Amounts of authoriza-
17 tions so transferred shall be merged with and be available
18 for the same purposes as the authorization to which trans-
19 ferred.

20 (2) The total amount of authorizations that the Sec-
21 retary may transfer under the authority of this section
22 may not exceed \$2,000,000,000. The transfer authority
23 provided in this section is in addition to any other transfer
24 authority available to the Secretary of Defense.

25 (b) **LIMITATIONS.—**The authority provided by this
26 section to transfer authorizations—

1 (1) may only be used to provide authority for
2 items that have a higher priority than the items
3 from which authority is transferred;

4 (2) may not be used to provide authority for an
5 item that has been denied authorization by Con-
6 gress; and

7 (3) may not be combined with the authority
8 under section 1001.

9 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
10 transfer made from one account to another under the au-
11 thority of this section shall be deemed to increase the
12 amount authorized for the account to which the amount
13 is transferred by an amount equal to the amount trans-
14 ferred.

15 (d) NOTICE TO CONGRESS.—The Secretary shall
16 promptly notify Congress of each transfer made under
17 subsection (a).

18 **SEC. 1520. DESIGNATION OF EMERGENCY AUTHORIZA-**
19 **TIONS.**

20 The amounts authorized to be appropriated by this
21 title are designated for emergency contingency operations
22 related to the global war on terrorism.

1 **Subtitle B—Personnel Provisions**

2 **SEC. 1531. THREE-YEAR INCREASE IN ACTIVE ARMY**
3 **STRENGTH LEVELS.**

4 (a) AUTHORIZED END STRENGTHS.—(1) The end
5 strength level authorized for the Army for fiscal year 2005
6 under section 401 is hereby increased by 10,000.

7 (2) For fiscal years 2006 and 2007, the Army is au-
8 thorized strengths for active duty personnel as follows:

9 (A) As of September 30, 2006, 502,400.

10 (B) As of September 30, 2007, 512,400.

11 (b) STATUTORY MINIMUM ACTIVE STRENGTH
12 LEVEL.—The minimum strength for the Army under sec-
13 tion 691(b) of title 10, United States Code (notwith-
14 standing the number specified in paragraph (1) of that
15 section)—

16 (1) for the period beginning on October 1,
17 2004, and ending on September 30, 2005, shall be
18 the number specified in section 401(1) of this Act,
19 increased by 10,000;

20 (2) for the period beginning on October 1,
21 2005, and ending on September 30, 2006, shall be
22 502,400; and

23 (3) for the period beginning on October 1,
24 2006, and ending on September 30, 2007, shall be
25 512,400.

1 (c) NOTICE TO CONGRESS.—If the Secretary of De-
2 fense, in consultation with the Secretary of the Army, de-
3 termines that adjustments are necessary to the minimum
4 end-strength level for the Army in effect at any time pur-
5 suant to subsection (b), the Secretary of Defense shall
6 submit to the Committees on Armed Services of the Sen-
7 ate and House of Representatives a report providing the
8 Secretary’s recommendations and rationale for such an
9 adjustment. Such a report must be submitted before the
10 submission of the budget request for the fiscal year for
11 which the change would be effective.

12 **SEC. 1532. THREE-YEAR INCREASE IN ACTIVE MARINE**
13 **CORPS STRENGTH LEVELS.**

14 (a) AUTHORIZED END STRENGTHS.—(1) The end
15 strength level authorized for the Marine Corps for fiscal
16 year 2005 under section 401 is hereby increased by 3,000.

17 (2) For fiscal years 2006 and 2007, the Marine Corps
18 is authorized strengths for active duty personnel as fol-
19 lows:

20 (A) As of September 30, 2006, 181,000.

21 (B) As of September 30, 2007, 184,000.

22 (b) STATUTORY MINIMUM ACTIVE STRENGTH
23 LEVEL.—The minimum strength for the Marine Corps
24 under section 691(b) of title 10, United States Code (not-

1 withstanding the number specified in paragraph (3) of
2 that section)—

3 (1) for the period beginning on October 1,
4 2004, and ending on September 30, 2005, shall be
5 the number specified in section 401(3) of this Act,
6 increased by 3,000;

7 (2) for the period beginning on October 1,
8 2005, and ending on September 30, 2006, shall be
9 181,000; and

10 (3) for the period beginning on October 1,
11 2006, and ending on September 30, 2007, shall be
12 184,000.

13 (c) NOTICE TO CONGRESS.—If the Secretary of De-
14 fense, in consultation with the Secretary of the Navy, de-
15 termines that adjustments are necessary to the minimum
16 end-strength level for the Marine Corps in effect at any
17 time pursuant to subsection (b), the Secretary of Defense
18 shall submit to the Committees on Armed Services of the
19 Senate and House of Representatives a report providing
20 the Secretary's recommendations and rationale for such
21 an adjustment. Such a report must be submitted before
22 the submission of the budget request for the fiscal year
23 for which the change would be effective.

1 **SEC. 1533. EXTENSION OF INCREASED RATES FOR IMMI-**
2 **NENT DANGER PAY AND FAMILY SEPARATION**
3 **ALLOWANCE.**

4 (a) **IMMINENT DANGER PAY.**—(1) Subsection (e) of
5 section 310 of title 37, United States Code, is amended
6 by striking “December 31, 2004” and inserting “Decem-
7 ber 31, 2005”.

8 (2) Effective January 1, 2006, such section is further
9 amended—

10 (A) in subsection (a), by striking “\$150” and
11 inserting “\$225”; and

12 (B) by striking subsection (e).

13 (b) **FAMILY SEPARATION ALLOWANCE.**—(1) Sub-
14 section (e) of section 427 of such title is amended by strik-
15 ing “December 31, 2004” and inserting “December 31,
16 2005”.

17 (2) Effective January 1, 2006, such section is further
18 amended—

19 (A) in subsection (a)(1), by striking “\$100”
20 and inserting “\$250”; and

21 (B) by striking subsection (e).

1 **Subtitle C—Financial Management**
2 **Matters**

3 **SEC. 1541. REVISED FUNDING METHODOLOGY FOR MILI-**
4 **TARY RETIREE HEALTH CARE BENEFITS.**

5 (a) REVISION.—Section 1116 of title 10, United
6 States Code, is amended to read as follows:

7 **“§ 1116. Payments into the Fund**

8 “(a) At the beginning of each fiscal year after Sep-
9 tember 30, 2005, the Secretary of the Treasury shall
10 promptly pay into the Fund from the General Fund of
11 the Treasury—

12 “(1) the amount certified to the Secretary by
13 the Secretary of Defense under subsection (c), which
14 shall be the contribution to the Fund for that fiscal
15 year required by section 1115; and

16 “(2) the amount determined by each admin-
17 istering Secretary under section 1111(c) as the con-
18 tribution to the Fund on behalf of the members of
19 the uniformed services under the jurisdiction of that
20 Secretary.

21 “(b) At the beginning of each fiscal year, the Sec-
22 retary of Defense shall determine the sum of the following:

23 “(1) The amount of the payment for that year
24 under the amortization schedule determined by the
25 Board of Actuaries under section 1115(a) of this

1 title for the amortization of the original unfunded li-
2 ability of the Fund.

3 “(2) The amount (including any negative
4 amount) of the Department of Defense contribution
5 for that year as determined by the Secretary of De-
6 fense under section 1115(b) of this title.

7 “(3) The amount (including any negative
8 amount) for that year under the most recent amorti-
9 zation schedule determined by the Secretary of De-
10 fense under section 1115(c)(2) of this title for the
11 amortization of any cumulative unfunded liability (or
12 any gain) to the Fund resulting from changes in
13 benefits.

14 “(4) The amount (including any negative
15 amount) for that year under the most recent amorti-
16 zation schedule determined by the Secretary of De-
17 fense under section 1115(c)(3) of this title for the
18 amortization of any cumulative actuarial gain or loss
19 to the Fund resulting from actuarial assumption
20 changes.

21 “(5) The amount (including any negative
22 amount) for that year under the most recent amorti-
23 zation schedule determined by the Secretary of De-
24 fense under section 1115(c)(4) of this title for the

1 amortization of any cumulative actuarial gain or loss
2 to the Fund resulting from actuarial experience.

3 “(c) The Secretary of Defense shall promptly certify
4 the amount determined under subsection (b) each year to
5 the Secretary of the Treasury.”.

6 (b) CONFORMING AMENDMENTS.—(1) Section
7 1111(c) of title 10, United States Code, is amended in
8 the last sentence by striking “1116” and all that follows
9 through the end of the sentence and inserting “1115(b)
10 of this title, and such contributions shall be paid into the
11 Fund as provided in section 1116(a).”.

12 (2) Section 1115(a) of such title is amended by strik-
13 ing “1116(c)” and inserting “1116”.

14 (3) Section 1115(b) of such title is amended—

15 (A) by striking “(1) The Secretary of Defense”
16 and all that follows through “of this title.” and in-
17 serting “The Secretary of Defense shall determine,
18 before the beginning of each fiscal year after Sep-
19 tember 30, 2005, the total amount of the Depart-
20 ment of Defense contribution to be made to the
21 Fund for that fiscal year for purposes of section
22 1116(b)(2).”;

23 (B) by striking paragraph (2);

24 (C) by redesignating subparagraphs (A) and
25 (B) as paragraphs (1) and (2), respectively;

1 (D) in each of paragraphs (1) and (2), as so re-
2 designated, by redesignating clauses (i) and (ii) as
3 subparagraphs (A) and (B), respectively; and

4 (E) in paragraph (2)(B), as so redesignated, by
5 striking “subparagraph (A)(ii)” and inserting “para-
6 graph (1)(B)”.

7 (4) Section 1115(c)(1) of such title is amended by
8 striking “and section 1116(a) of this title”.

9 (5) Section 1115(c)(5) of such title is amended by
10 striking “1116(c)” and inserting “1116”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on October 1, 2005.

13 **DIVISION B—MILITARY CON-**
14 **STRUCTION AUTHORIZA-**
15 **TIONS**

16 **SECTION 2001. SHORT TITLE.**

17 This division may be cited as the “Military Construc-
18 tion Authorization Act for Fiscal Year 2005”.

19 **TITLE XXI—ARMY**

20 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**
21 **ACQUISITION PROJECTS.**

22 (a) INSIDE THE UNITED STATES.—Using amounts
23 appropriated pursuant to the authorization of appropria-
24 tions in section 2104(a)(1), the Secretary of the Army
25 may acquire real property and carry out military construc-

1 tion projects for the installations or locations inside the
 2 United States, and in the amounts, set forth in the fol-
 3 lowing table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Anniston Army Depot	\$23,690,000
Alaska	Fort Richardson	\$24,300,000
	Fort Wainwright	\$92,459,000
California	Fort Irwin	\$38,100,000
Colorado	Fort Carson	\$59,508,000
Georgia	Fort Benning	\$73,627,000
	Fort Gillem	\$5,800,000
	Fort McPherson	\$4,900,000
	Fort Stewart/Hunter Army Air Field	\$65,495,000
Hawaii	Helemano Military Reservation	\$75,300,000
	Hickam Air Force	\$11,200,000
	Schofield Barracks	\$241,792,000
Kansas	Fort Riley	\$44,050,000
Kentucky	Fort Campbell	\$89,600,000
	Fort Knox	\$73,850,000
Louisiana	Fort Polk	\$70,953,000
Maryland	Fort Detrick	\$4,000,000
Missouri	Fort Leonard Wood	\$21,450,000
New Jersey	Picatinny Arsenal	\$9,900,000
New Mexico	White Sands Missile Range	\$33,000,000
New York	Fort Drum	\$13,650,000
	Fort Hamilton	\$7,600,000
	Hancock Field	\$6,000,000
	Military Entrance Processing Station, Buffalo	\$6,200,000
	United States Military Academy, West Point	\$60,000,000
North Carolina	Fort Bragg	\$111,687,000
Oklahoma	Fort Sill	\$17,800,000
Texas	Camp Bullis	\$5,300,000
	Fort Bliss	\$19,400,000
	Fort Hood	\$88,888,000
Virginia	Fort A.P. Hill	\$3,975,000
	Fort Lee	\$4,250,000
	Fort Myer	\$49,526,000
Washington	Fort Lewis	\$48,000,000
	Total	\$1,505,250,000

4 (b) OUTSIDE THE UNITED STATES.—Using amounts
 5 appropriated pursuant to the authorization of appropria-

1 tions in section 2104(a)(2), the Secretary of the Army
 2 may acquire real property and carry out military construc-
 3 tion projects for the installations or locations outside the
 4 United States, and in the amounts, set forth in the fol-
 5 lowing table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	\$77,200,000
Italy	Livorno	\$26,000,000
Korea	Camp Humphreys	\$12,000,000
	Total	\$115,200,000

6 **SEC. 2102. FAMILY HOUSING.**

7 (a) CONSTRUCTION AND ACQUISITION.—Using
 8 amounts appropriated pursuant to the authorization of ap-
 9 propriations in section 2104(a)(5)(A), the Secretary of the
 10 Army may construct or acquire family housing units (in-
 11 cluding land acquisition and supporting facilities) at the
 12 installations or locations, for the purposes and in the
 13 amounts, set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Fort Richardson	92 Units	\$42,000,000
	Fort Wainwright	246 Units	\$124,000,000
Arizona	Fort Huachuca	205 Units	\$41,000,000
	Yuma Proving Ground	55 Units	\$14,900,000
Kansas	Fort Riley	126 Units	\$33,000,000
New Mexico	White Sands Missile		
	Range	156 Units	\$31,000,000
Oklahoma	Fort Sill	247 Units	\$47,000,000
Virginia	Fort Lee	218 Units	\$46,000,000
	Fort Monroe	68 Units	\$16,000,000

Army: Family Housing—Continued

State	Installation or Location	Purpose	Amount
	Total	\$394,900,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
 2 priated pursuant to the authorization of appropriations in
 3 section 2104(a)(5)(A), the Secretary of the Army may
 4 carry out architectural and engineering services and con-
 5 struction design activities with respect to the construction
 6 or improvement of family housing units in an amount not
 7 to exceed \$29,209,000.

8 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 9 **UNITS.**

10 Subject to section 2825 of title 10, United States
 11 Code, and using amounts appropriated pursuant to the
 12 authorization of appropriations in section 2104(a)(5)(A),
 13 the Secretary of the Army may improve existing military
 14 family housing units in an amount not to exceed
 15 \$211,990,000.

16 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
 18 are hereby authorized to be appropriated for fiscal years
 19 beginning after September 30, 2004, for military con-
 20 struction, land acquisition and military family housing
 21 functions of the Department of the Army in the total
 22 amount of \$3,428,815,000 as follows:

1 (1) For military construction projects inside the
2 United States authorized by section 2101(a),
3 \$1,335,750,000.

4 (2) For military construction projects outside
5 the United States authorized by section 2101(b),
6 \$115,200,000.

7 (3) For unspecified minor military construction
8 projects authorized by section 2805 of title 10,
9 United States Code, \$20,000,000.

10 (4) For architectural and engineering services
11 and construction design under section 2807 of title
12 10, United States Code, \$161,209,000.

13 (5) For military family housing functions:

14 (A) For construction and acquisition, plan-
15 ning and design, and improvement of military
16 family housing and facilities, \$636,099,000.

17 (B) For support of military family housing
18 (including the functions described in section
19 2833 of title 10, United States Code),
20 \$926,507,000.

21 (6) For the construction of phase 2 of a bar-
22 racks complex, 5th & 16th Street, at Fort Stewart/
23 Hunter Army Air Field, Georgia, authorized by sec-
24 tion 2101(a) of the Military Construction Authoriza-

1 tion Act for Fiscal Year 2004 (division B of Public
2 Law 108–136; 117 Stat. 1697), \$32,950,000.

3 (7) For the construction of phase 3 of a bar-
4 racks complex renewal, Capron Road, at Schofield
5 Barracks, Hawaii, authorized by section 2101(a) of
6 the Military Construction Authorization Act for Fis-
7 cal Year 2002 (division B of Public Law 107–107;
8 115 Stat. 1283) and as amended by section 2105 of
9 the Military Authorization Act for Fiscal Year 2004
10 (division B of Public Law 108–136; 117 Stat.
11 1697), \$48,000,000.

12 (8) For the construction of phase 2 of the
13 Lewis & Clark instructional facility at Fort Leaven-
14 worth, Kansas, authorized by section 2101(a) of the
15 Military Construction Authorization Act for Fiscal
16 Year 2003 (division B of Public Law 107–314; 116
17 Stat. 2681), \$44,000,000.

18 (9) For the construction of phase 2 of a bar-
19 racks complex at Wheeler Sack Army Air Field at
20 Fort Drum, New York, authorized by section
21 2101(a) of the Military Construction Authorization
22 Act for Fiscal Year 2004 (division B of Public Law
23 108–136; 117 Stat. 1697), \$48,000,000.

24 (10) For the construction of phase 2 of a bar-
25 racks complex, Bastogne Drive, Fort Bragg, North

1 Carolina, authorized by section 2101(a) of the Mili-
2 tary Construction Authorization Act for Fiscal Year
3 2004 (division B of Public Law 108–136; 117 Stat.
4 1697), \$48,000,000.

5 (11) For the construction of phase 3 of a main-
6 tenance complex at Fort Sill, Oklahoma, authorized
7 by section 2101(a) of the Military Construction Au-
8 thorization Act for Fiscal Year 2003 (division B of
9 Public Law 107–314; 116 Stat. 2681), \$13,100,000.

10 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
11 PROJECTS.—Notwithstanding the cost variations author-
12 ized by section 2853 of title 10, United States Code, and
13 any other cost variation authorized by law, the total cost
14 of all projects carried out under section 2101 of this Act
15 may not exceed the sum of the following:

16 (1) The total amount authorized to be appro-
17 priated under paragraphs (1) and (2) of subsection
18 (a).

19 (2) \$41,000,000 (the balance of the amount au-
20 thorized under section 2101(a) to upgrade Drum
21 Road, Helemano Military Reservation, Hawaii).

22 (3) \$25,000,000 (the balance of the amount au-
23 thorized under section 2101(a) for construction of a
24 vehicle maintenance facility, Schofield Barracks, Ha-
25 waii).

1 (3) \$25,000,000 (the balance of the amount au-
2 thORIZED under section 2101(a) for construction of a
3 barracks complex, Fort Campbell, Kentucky).

4 (4) \$22,000,000 (the balance of the amount au-
5 thORIZED under section 2101(a) for construction of
6 trainee barracks, Basic Training Complex 1, Fort
7 Knox, Kentucky).

8 (5) \$25,500,000 (the balance of the amount au-
9 thORIZED under section 2101(a) for construction of a
10 library and learning facility, United States Military
11 Academy, West Point, New York).

12 (6) \$31,000,000 (the balance of the amount au-
13 thORIZED under section 2101(a) for a barracks com-
14 plex renewal project, Fort Bragg, North Carolina).

15 **SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT**
16 **CERTAIN FISCAL YEAR 2004 PROJECTS.**

17 (a) MODIFICATION OF INSIDE THE UNITED STATES
18 PROJECTS.—The table in section 2101(a) of the Military
19 Construction Authorization Act for Fiscal Year 2004 (di-
20 vision B of Public Law 108–136; 117 Stat. 1697) is
21 amended—

22 (1) in the item relating to Fort Stewart/Hunter
23 Army Air Field, Georgia, by striking
24 “\$113,500,000” in the amount column and inserting
25 “\$114,450,000”;

1 (2) in the item relating to Fort Drum, New
2 York, by striking “\$130,700,000” in the amount
3 column and inserting “\$135,700,000”; and

4 (3) by striking the amount identified as the
5 total in the amount column and inserting
6 “\$1,043,150,000”.

7 (b) CONFORMING AMENDMENTS.—Section 2104(b)
8 of that Act (117 Stat. 1700) is amended—

9 (1) in paragraph (2), by striking
10 “\$32,000,000” and inserting “\$32,950,000”; and

11 (2) in paragraph (4), by striking
12 “\$43,000,000” and inserting “\$48,000,000”.

13 **SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT**
14 **CERTAIN FISCAL YEAR 2003 PROJECT.**

15 (a) MODIFICATION OF INSIDE THE UNITED STATES
16 PROJECT.—The table in section 2101(a) of the Military
17 Construction Authorization Act for Fiscal Year 2003 (di-
18 vision B of Public Law 107–314; 116 Stat. 2681), as
19 amended by section 2105(a) of the Military Construction
20 Authorization Act for Fiscal Year 2004 (division B of
21 Public Law 108–136; 117 Stat. 1700), is further
22 amended—

23 (1) in the item relating to Fort Sill, Oklahoma,
24 by striking “\$39,652,000” in the amount column
25 and inserting “\$40,752,000”; and

1 (2) by striking the amount identified as the
 2 total in the amount column and inserting
 3 “\$1,157,267,000”.

4 (b) CONFORMING AMENDMENT.—Section 2104(b)(6)
 5 of the Military Construction Authorization Act for Fiscal
 6 Year 2003 (division B of Public Law 107–314; 116 Stat.
 7 2684) is amended by striking “\$25,000,000” and insert-
 8 ing “\$26,100,000”.

9 **TITLE XXII—NAVY**

10 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND**
 11 **ACQUISITION PROJECTS.**

12 (a) INSIDE THE UNITED STATES.—Using amounts
 13 appropriated pursuant to the authorization of appropria-
 14 tions in section 2204(a)(1), the Secretary of the Navy may
 15 acquire real property and carry out military construction
 16 projects for the installations or locations inside the United
 17 States, and in the amounts, set forth in the following
 18 table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	\$26,670,000
California	Marine Corps Air-Ground Task Force Training Center, Twentynine Palms	\$15,700,000
	Marine Corps Air Station, Camp Pendleton	\$11,540,000
	Marine Corps Base, Camp Pen- dleton	\$26,915,000
	Marine Corps Logistics Base, Barstow	\$4,930,000
	Naval Air Facility, El Centro	\$54,331,000

Navy: Inside the United States—Continued

State	Installation or Location	Amount
	Naval Air Station, North Island ..	\$10,180,000
	Naval Surface Warfare Center, Division Corona	\$9,850,000
Connecticut	Naval Submarine Base, New Lon- don	\$50,302,000
District of Columbia	Naval Observatory, Washington ..	\$3,239,000
Florida	Eglin Air Force Base	\$2,060,000
	Naval Station, Mayport	\$6,200,000
Georgia	Strategic Weapons Facility Atlan- tic, Kings Bay	\$16,000,000
Hawaii	Naval Shipyard, Pearl Harbor	\$5,100,000
Illinois	Naval Training Center, Great Lakes	\$74,781,000
Indiana	Naval Surface Warfare Center, Crane	\$10,580,000
Louisiana	Joint Reserve Base/Naval Air Station, New Orleans	\$6,030,000
Maryland	Naval Surface Warfare Center, Indian Head	\$23,000,000
North Carolina	Marine Corps Air Station, New River	\$35,140,000
	Marine Corps Base, Camp Lejeune	\$11,030,000
Nevada	Naval Air Station, Fallon	\$4,980,000
South Carolina	Marine Corps Air Station, Beau- fort	\$5,480,000
Virginia	Camp Elmore Marine Corps De- tachment	\$13,500,000
	Marine Corps Air Facility, Quantico	\$21,180,000
	Marine Corps Combat Develop- ment Command, Quantico	\$24,140,000
	Naval Air Station, Oceana	\$2,770,000
	Naval Amphibious Base, Little Creek	\$9,550,000
	Naval Station, Norfolk	\$4,330,000
	Naval Weapons Station, York- town	\$9,870,000
Washington	Naval Air Station, Whidbey Is- land	\$1,990,000
	Naval Shipyard, Puget Sound	\$23,455,000
	Naval Station, Bremerton	\$74,125,000
	Strategic Weapons Facility Pa- cific, Bangor	\$131,090,000
	Total	\$730,038,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-

1 tions in section 2204(a)(2), the Secretary of the Navy may
 2 acquire real property and carry out military construction
 3 projects for the installations or locations outside the
 4 United States, and in the amounts, set forth in the fol-
 5 lowing table:

Navy: Outside the United States

Country	Installation or Location	Amount
Bahamas	Naval Undersea Warfare Center, Andros Islands	\$20,750,000
Diego Garcia	Naval Support Facility, Diego Garcia	\$17,500,000
Guam	Naval Public Works Center, Guam	\$20,700,000
	Naval Station, Guam	\$12,500,000
Italy	Sigonella	\$22,550,000
Spain	Naval Station, Rota	\$32,700,000
	Total	\$126,700,000

6 (c) UNSPECIFIED WORLDWIDE.—Using the amounts
 7 appropriated pursuant to the authorization of appropria-
 8 tions in section 2204(a)(3), the Secretary of the Navy may
 9 acquire real property and carry out military construction
 10 projects for the installations or locations and in the
 11 amount, set forth in the following table:

Navy: Unspecified Worldwide

Location	Installation or Location	Amount
	Unspecified Worldwide	\$148,640,000
	Total	\$148,640,000

12 **SEC. 2202. FAMILY HOUSING.**

13 Using amounts appropriated pursuant to the author-
 14 ization of appropriations in section 2204(a)(6)(A), the

1 Secretary of the Navy may construct or acquire family
 2 housing units (including land acquisition and supporting
 3 facilities) at the installations or locations, for the purposes
 4 and in the amounts, set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
North Carolina	Marine Corps Air Station, Cherry Point ...	198 Units	\$27,002,000
	Total	\$27,002,000

5 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 6 **UNITS.**

7 Subject to section 2825 of title 10, United States
 8 Code, and using amounts appropriated pursuant to the
 9 authorization of appropriations in section 2204(a)(6)(A),
 10 the Secretary of the Navy may improve existing military
 11 family housing units in an amount not to exceed
 12 \$112,105,000.

13 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

14 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
 15 are hereby authorized to be appropriated for fiscal years
 16 beginning after September 30, 2004, for military con-
 17 struction, land acquisition, and military family housing
 18 functions of the Department of the Navy in the total
 19 amount of \$1,913,273,000, as follows:

1 (1) For military construction projects inside the
2 United States authorized by section 2201(a),
3 \$631,908,000.

4 (2) For military construction projects outside
5 the United States authorized by section 2201(b),
6 \$126,700,000.

7 (3) For the military construction projects at
8 unspecified worldwide locations authorized by section
9 2201(c), \$98,560,000.

10 (4) For unspecified minor military construction
11 projects authorized by section 2805 of title 10,
12 United States Code, \$12,000,000.

13 (5) For architectural and engineering services
14 and construction design under section 2807 of title
15 10, United States Code, \$93,804,000.

16 (6) For military family housing functions:

17 (A) For construction and acquisition, plan-
18 ning and design, and improvement of military
19 family housing and facilities, \$139,107,000.

20 (B) For support of military family housing
21 (including functions described in section 2833
22 of title 10, United States Code), \$696,304,000.

23 (7) For the construction of increment 2 of the
24 tertiary sewage treatment plant at Marine Corps
25 Base, Camp Pendleton, California, authorized by

1 section 2201(a) of the Military Construction Author-
2 ization Act for Fiscal Year 2004 (division B of Pub-
3 lic Law 108–136; 117 Stat. 1703), \$25,690,000.

4 (8) For the construction of increment 2 of the
5 general purpose berthing pier at Naval Weapons
6 Station, Earle, New Jersey, authorized by section
7 2201(a) of the Military Construction Authorization
8 Act of Fiscal Year 2004 (division B of Public Law
9 108–136; 117 Stat. 1704), \$49,200,000.

10 (9) For the construction of increment 2 of pier
11 11 replacement at Naval Station, Norfolk, Virginia,
12 authorized by section 2201(a) of the Military Con-
13 struction Authorization Act of Fiscal Year 2004 (di-
14 vision B of Public Law 108–136; 117 Stat. 1704),
15 \$40,000,000.

16 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
17 PROJECTS.—Notwithstanding the cost variations author-
18 ized by section 2853 of title 10, United States Code, and
19 any other cost variation authorized by law, the total cost
20 of all projects carried out under section 2201 of this Act
21 may not exceed the sum of the following:

22 (1) The total amount authorized to be appro-
23 priated under paragraphs (1), (2) and (3) of sub-
24 section (a).

1 (2) \$21,000,000 (the balance of the amount au-
2 thorized under section 2201(a) for apron and hangar
3 recapitalization, Naval Air Facility, El Centro, Cali-
4 fornia).

5 (3) \$40,000,000 (the balance of the amount au-
6 thorized under section 2201(a) for construction of
7 bachelor enlisted quarters, Naval Station, Brem-
8 erton, Washington).

9 (4) \$95,320,000 (the balance of the amount au-
10 thorized under section 2201(a) for construction of a
11 limited area processing and storage complex, Stra-
12 tegic Weapons Facility Pacific, Bangor, Wash-
13 ington).

14 (5) \$34,098,000 (the balance of the amount au-
15 thorized under section 2201(c) for construction of a
16 White Side complex at an unspecified location world-
17 wide).

18 (6) \$15,982,000 (the balance of the amount au-
19 thorized under section 2201(c) for construction of a
20 presidential helicopter programs support facility at
21 an unspecified location).

1 **TITLE XXIII—AIR FORCE**

2 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND**
 3 **LAND ACQUISITION PROJECTS.**

4 (a) INSIDE THE UNITED STATES.—Using amounts
 5 appropriated pursuant to the authorization of appropria-
 6 tions in section 2304(a)(1), the Secretary of the Air Force
 7 may acquire real property and carry out military construc-
 8 tion projects for the installations or locations inside the
 9 United States, and in the amounts, set forth in the fol-
 10 lowing table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Elmendorf Air Force Base	\$26,057,000
Arizona	Davis-Monthan Air Force Base ...	\$17,029,000
	Luke Air Force Base	\$17,900,000
Arkansas	Little Rock Air Force Base	\$8,931,000
California	Beale Air Force Base	\$10,186,000
	Edwards Air Force Base	\$9,965,000
	Travis Air Force Base	\$18,894,000
Colorado	Buckley Air Force Base	\$12,247,000
Florida	Tyndall Air Force Base	\$29,162,000
Georgia	Moody Air Force Base	\$9,600,000
	Robins Air Force Base	\$15,000,000
Hawaii	Hickam Air Force Base	\$25,900,000
Louisiana	Barksdale Air Force Base	\$13,800,000
Maryland	Andrews Air Force Base	\$17,100,000
Mississippi	Columbus Air Force Base	\$7,700,000
Missouri	Whiteman Air Force Base	\$7,600,000
New Mexico	Kirtland Air Force Base	\$9,200,000
North Carolina	Pope Air Force Base	\$15,150,000
Ohio	Wright-Patterson Air Force Base	\$9,200,000
South Carolina	Shaw Air Force Base	\$7,000,000
Tennessee	Arnold Air Force Base	\$24,500,000
Texas	Dyess Air Force Base	\$3,300,000
	Lackland Air Force Base	\$2,596,000
	Laughlin Air Force Base	\$6,900,000
	Sheppard Air Force Base	\$50,284,000
Utah	Hill Air Force Base	\$18,013,000
Wyoming	F.E. Warren Air Force Base	\$5,500,000
	Total	\$398,714,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2304(a)(2), the Secretary of the Air Force
 4 may acquire real property and carry out military construc-
 5 tion projects for the installations or locations outside the
 6 United States, and in the amounts, set forth in the fol-
 7 lowing table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	\$25,404,000
Greenland	Thule Air Base	\$19,800,000
Guam	Andersen Air Force Base	\$19,593,000
Italy	Aviano Air Base	\$6,760,000
Japan	Misawa Air Base	\$6,700,000
Korea	Kunsan Air Base	\$37,100,000
	Osan Air Base	\$18,600,000
Portugal	Lajes Field, Azores	\$5,689,000
Spain	Naval Station, Rota	\$14,153,000
United Kingdom	Royal Air Force Lakenheath	\$5,500,000
	Total	\$159,299,000

8 (c) UNSPECIFIED WORLDWIDE.—Using the amounts
 9 appropriated pursuant to the authorization of appropria-
 10 tions in section 2304(a)(3), the Secretary of the Air Force
 11 may acquire real property and carry out military construc-
 12 tion projects for the installations or locations, and in the
 13 amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
	Classified Locations	\$26,121,000
	Unspecified Worldwide	\$28,794,000
	Total	\$54,915,000

1 **SEC. 2302. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using
 3 amounts appropriated pursuant to the authorization of ap-
 4 propriations in section 2304(a)(6)(A), the Secretary of the
 5 Air Force may construct or acquire family housing units
 6 (including land acquisition and supporting facilities) at the
 7 installations or locations, for the purposes and in the
 8 amounts, set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	250 Units	\$48,500,000
California	Edwards Air Force Base	218 Units	\$41,202,000
	Vandenberg Air Force Base	120 Units	\$30,906,000
Florida	MacDill Air Force Base	61 Units	\$21,723,000
	MacDill Air Force Base	Housing Maintenance Facility	\$1,250,000
Idaho	Mountain Home Air Force Base	147 Units	\$39,333,000
Mississippi	Columbus Air Force Base	Housing Management Facility	\$711,000
Missouri	Whiteman Air Force Base	160 Units	\$37,087,000
Montana	Malmstrom Air Force Base	115 Units	\$29,910,000
North Carolina	Seymour Johnson Air Force Base	167 Units	\$32,693,000
North Dakota ..	Grand Forks Air Force Base	90 Units	\$26,169,000
	Minot Air Force Base	142 Units	\$37,087,000
South Carolina	Charleston Air Force Base	Fire Station	\$1,976,000
South Dakota ..	Ellsworth Air Force Base	75 Units	\$21,482,000
Texas	Dyess Air Force Base	127 Units	\$28,664,000

Air Force: Family Housing—Continued

State	Installation or Location	Purpose	Amount
	Goodfellow Air Force Base	127 Units	\$20,604,000
Germany	Ramstein Air Base	144 Units	\$57,691,000
Italy	Aviano Air Base	Housing Office	\$2,542,000
Korea	Osan Air Base	117 Units	\$46,834,000
United Kingdom.	Royal Air Force Lakenheath	154 Units	\$43,976,000
	Total	\$570,340,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
 2 priated pursuant to the authorization of appropriations in
 3 section 2304(a)(6)(A), the Secretary of the Air Force may
 4 carry out architectural and engineering services and con-
 5 struction design activities with respect to the construction
 6 or improvement of military family housing units in an
 7 amount not to exceed \$38,266,000.

8 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 9 **UNITS.**

10 Subject to section 2825 of title 10, United States
 11 Code, and using amounts appropriated pursuant to the
 12 authorization of appropriations in section 2304(a)(6)(A),
 13 the Secretary of the Air Force may improve existing mili-
 14 tary family housing units in an amount not to exceed
 15 \$238,353,000.

1 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
2 **FORCE.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
4 are hereby authorized to be appropriated for fiscal years
5 beginning after September 30, 2004, for military con-
6 struction, land acquisition, and military family housing
7 functions of the Department of the Air Force in the total
8 amount of \$2,493,679,000, as follows:

9 (1) For military construction projects inside the
10 United States authorized by section 2301(a),
11 \$398,714,000.

12 (2) For military construction projects outside
13 the United States authorized by section 2301(b),
14 \$159,299,000.

15 (3) For the military construction projects at
16 unspecified worldwide locations authorized by section
17 2301(c), \$54,915,000.

18 (4) For unspecified minor military construction
19 projects authorized by section 2805 of title 10,
20 United States Code, \$13,000,000.

21 (5) For architectural and engineering services
22 and construction design, under section 2807 of title
23 10, United States Code, \$166,126,000.

24 (6) For military family housing functions:

1 (A) For construction and acquisition, plan-
2 ning and design and improvement of military
3 family housing and facilities, \$846,959,000.

4 (B) For support of military family housing
5 (including functions described in section 2833
6 of title 10, United States Code), \$854,666,000.

7 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
8 PROJECTS.—Notwithstanding the cost variations author-
9 ized by section 2853 of title 10, United States Code, and
10 any other cost variation authorized by law, the total cost
11 of all projects carried out under section 2301 of this Act
12 may not exceed the total amount authorized to be appro-
13 priated under paragraphs (1), (2), and (3) of subsection
14 (a).

15 **TITLE XXIV—DEFENSE**
16 **AGENCIES**

17 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUC-**
18 **TION AND LAND ACQUISITION PROJECTS.**

19 (a) INSIDE THE UNITED STATES.—Using amounts
20 appropriated pursuant to the authorization of appropria-
21 tions in section 2404(a)(1), the Secretary of Defense may
22 acquire real property and carry out military construction
23 projects for the installations or locations inside the United
24 States, and in the amounts, set forth in the following
25 table:

Defense Agencies: Inside the United States

Agency	Installation or Location	Amount
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	\$6,000,000
Defense Logistics Agency	Defense Distribution Depot, New Cumberland, Pennsylvania	\$22,300,000
	Defense Distribution Depot, Richmond, Virginia	\$10,100,000
	Defense Fuel Support Point, Naval Air Station, Oceana, Virginia	\$3,589,000
	Defense Supply Center, Columbus, Ohio	\$5,500,000
	Marina Corps Air Station, Cherry Point, North Carolina	\$22,700,000
	Naval Air Station, Kingsville, Texas	\$3,900,000
	Naval Station, Pearl Harbor, Hawaii	\$3,500,000
	Tinker Air Force Base, Oklahoma	\$5,400,000
	Travis Air Force Base, California	\$15,100,000
Missile Defense Agency	Huntsville, Alabama	\$19,560,000
National Security Agency	Fort Meade, Maryland	\$15,007,000
Special Operations Command	Corona, California	\$13,600,000
	Fleet Combat Training Center, Dam Neck, Virginia	\$5,700,000
	Fort A.P. Hill, Virginia	\$1,500,000
	Fort Bragg, North Carolina	\$42,888,000
	Fort Stewart/Hunter Army Air Field, Georgia	\$17,600,000
	Hurlburt Field, Florida	\$2,500,000
	Naval Amphibious Base, Little Creek, Virginia	\$33,200,000
	Naval Air Station, North Island, California	\$1,000,000
TRICARE Management Activity	Buckley Air Force Base, Colorado	\$2,100,000
	Defense Language Institute, Presidio, Monterey	\$6,700,000
	Fort Belvoir, Virginia	\$100,000,000
	Fort Benning, Georgia	\$7,100,000
	Langley Air Force Base, Virginia	\$50,800,000
	Marine Corps Recruit Depot, Parris Island, South Carolina ..	\$25,000,000
	Naval Air Station, Jacksonville, Florida	\$28,438,000
	Total	\$470,782,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2404(a)(2), the Secretary of Defense may
 4 acquire real property and carry out military construction
 5 projects for the installations or locations outside the
 6 United States, and in the amounts, set forth in the fol-
 7 lowing table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Defense Education Ac- tivity	Grafenwoehr, Germany	\$36,247,000
	Naval Station, Guam	\$26,964,000
	Vilseck, Germany	\$9,011,000
Defense Logistics Agency	Defense Fuel Support Point, Lajes Field, Portugal	\$19,113,000
	Misawa Air Base, Japan	\$19,900,000
Special Operations Command	Naval Station, Guam, Marianas Islands	\$2,200,000
	Royal Air Force Mildenhall, United Kingdom	\$10,200,000
TRICARE Manage- ment Activity	Diego Garcia	\$3,800,000
	Grafenwoehr, Germany	\$13,000,000
	Total	\$140,435,000

8 (c) UNSPECIFIED WORLDWIDE.—Using the amounts
 9 appropriated pursuant to the authorization of appropria-
 10 tions in section 2404(a)(3), the Secretary of Defense may
 11 acquire real property and carry out military construction
 12 projects for the installations or locations, and in the
 13 amount, set forth in the following table:

Defense Agencies: Unspecified Worldwide

Location	Installation or Location	Amount
Special Operations Command	Classified Locations	\$7,400,000
	Unspecified Worldwide	\$2,900,000
	Total	\$10,300,000

1 **SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 2 **UNITS.**

3 Subject to section 2825 of title 10, United States
 4 Code, and using amounts appropriated pursuant to the
 5 authorization of appropriations in section 2404(a)(9)(A),
 6 the Secretary of Defense may improve existing military
 7 family housing units in an amount not to exceed \$49,000.

8 **SEC. 2403. ENERGY CONSERVATION PROJECTS.**

9 Using amounts appropriated pursuant to the author-
 10 ization of appropriations in section 2404(a)(7), the Sec-
 11 retary of Defense may carry out energy conservation
 12 projects under section 2865 of title 10, United States
 13 Code, in the amount of \$50,000,000.

14 **SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DE-**
 15 **FENSE AGENCIES.**

16 (a) **MODIFICATION OF INSIDE THE UNITED STATES**
 17 **PROJECTS.**—Funds are hereby authorized to be appro-
 18 priated for fiscal years beginning after September 30,
 19 2004, for military construction, land acquisition, and mili-
 20 tary family housing functions of the Department of De-

1 fense (other than the military departments) in the total
2 amount of \$1,089,063,000, as follows:

3 (1) For military construction projects inside the
4 United States authorized by section 2401(a),
5 \$413,782,000.

6 (2) For military construction projects outside
7 the United States authorized by section 2401(b),
8 \$140,435,000.

9 (3) For the military construction projects at
10 unspecified worldwide locations authorized by section
11 2401(c), \$10,300,000.

12 (4) For unspecified minor military construction
13 projects under section 2805 of title 10, United
14 States Code, \$20,938,000.

15 (5) For contingency construction projects of the
16 Secretary of Defense under section 2804 of title 10,
17 United States Code, \$10,000,000.

18 (6) For architectural and engineering services
19 and construction design under section 2807 of title
20 10, United States Code, \$63,482,000.

21 (7) For Energy Conservation projects author-
22 ized by section 2404 of this Act, \$50,000,000.

23 (8) For base closure and realignment activities
24 as authorized by the Defense Base Closure and Re-
25 alignment Act of 1990 (part A of title XXIX of

1 Public Law 101–510; 10 U.S.C. 2687 note),
2 \$246,116,000.

3 (9) For military family housing functions:

4 (A) For improvement of military family
5 housing and facilities, \$49,000.

6 (B) For support of military family housing
7 (including functions described in section 2833
8 of title 10, United States Code), \$49,575,000.

9 (C) For credit to the Department of De-
10 fense Family Housing Improvement Fund es-
11 tablished by section 2883(a)(1) of title 10,
12 United States Code, \$2,500,000.

13 (10) For the construction of phase 6 of an am-
14 munition demilitarization facility at Pueblo Depot
15 Activity, Colorado, authorized by section 2401(a) of
16 the Military Construction Authorization Act for Fis-
17 cal Year 1997 (division B of Public Law 104–201;
18 110 Stat. 2775), as amended by section 2406 of the
19 Military Construction Authorization Act for Fiscal
20 Year 2000 (division B of Public Law 106–65; 113
21 Stat. 839), and section 2407 of the Military Con-
22 struction Authorization Act for Fiscal Year 2003
23 (division B of Public Law 107–314; 116 Stat.
24 2698), \$44,792,000.

1 (11) For the construction of phase 5 of an am-
2 munition demilitarization facility at Blue Grass
3 Army Depot, Kentucky, authorized by section
4 2401(a) of the Military Construction Authorization
5 Act for Fiscal Year 2000 (division B of Public Law
6 106–65; 113 Stat. 835), as amended by section
7 2405 of the Military Construction Authorization Act
8 of 2002 (division B of Public Law 107–107; 115
9 Stat. 1298), and section 2405 of the Military Con-
10 struction Authorization Act for Fiscal Year 2003
11 (division B of Public Law 107–314; 116 Stat.
12 2698), \$37,094,000.

13 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
14 PROJECTS.—Notwithstanding the cost variations author-
15 ized by section 2853 of title 10, United States Code, and
16 any other cost variation authorized by law, the total cost
17 of all projects carried out under section 2401 of this Act
18 may not exceed the sum of the following:

19 (1) The total amount authorized to be appro-
20 priated under paragraphs (1), (2) and (3) of sub-
21 section (a).

22 (2) \$57,000,000 (the balance of the amount au-
23 thorized under section 2401(a) for hospital replace-
24 ment, Fort Belvoir, Virginia).

1 **TITLE XXV—NORTH ATLANTIC**
2 **TREATY ORGANIZATION SE-**
3 **CURITY INVESTMENT PRO-**
4 **GRAM**

5 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**
6 **ACQUISITION PROJECTS.**

7 The Secretary of Defense may make contributions for
8 the North Atlantic Treaty Organization Security Invest-
9 ment Program as provided in section 2806 of title 10,
10 United States Code, in an amount not to exceed the sum
11 of the amount authorized to be appropriated for this pur-
12 pose in section 2502 and the amount collected from the
13 North Atlantic Treaty Organization as a result of con-
14 struction previously financed by the United States.

15 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

16 Funds are hereby authorized to be appropriated for
17 fiscal years beginning after September 30, 2004, for con-
18 tributions by the Secretary of Defense under section 2806
19 of title 10, United States Code, for the share of the United
20 States of the cost of projects for the North Atlantic Treaty
21 Organization Security Investment Program authorized by
22 section 2501, in the amount of \$165,800,000.

1 **TITLE XXVI—GUARD AND**
2 **RESERVE FORCES FACILITIES**

3 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**
4 **TION AND LAND ACQUISITION PROJECTS.**

5 Funds are hereby authorized to be appropriated for
6 fiscal years beginning after September 30, 2004, for the
7 costs of acquisition, architectural and engineering services,
8 and construction of facilities for the Guard and Reserve
9 Forces, and for contributions therefor, under chapter
10 1803 of title 10, United States Code (including the cost
11 of acquisition of land for those facilities), the following
12 amounts:

13 (1) For the Department of the Army—

14 (A) for the Army National Guard of the
15 United States, \$393,225,000; and

16 (B) for the Army Reserve, \$116,955,000.

17 (2) For the Department of the Navy, for the
18 Naval and Marine Corps Reserve, \$30,955,000.

19 (3) For the Department of the Air Force—

20 (A) for the Air National Guard of the
21 United States, \$184,620,000; and

22 (B) for the Air Force Reserve,
23 \$114,090,000.

1 **TITLE XXVII—EXPIRATION AND**
2 **EXTENSION OF AUTHORIZA-**
3 **TIONS**

4 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**
5 **AMOUNTS REQUIRED TO BE SPECIFIED BY**
6 **LAW.**

7 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE
8 YEARS.—Except as provided in subsection (b), all author-
9 izations contained in titles XXI through XXVI for military
10 construction projects, land acquisition, family housing
11 projects and facilities, and contributions to the North At-
12 lantic Treaty Organization Security Investment Program
13 (and authorizations of appropriations therefor) shall ex-
14 pire on the later of—

15 (1) October 1, 2007; or

16 (2) the date of the enactment of an Act author-
17 izing funds for military construction for fiscal year
18 2008.

19 (b) EXCEPTION.—Subsection (a) shall not apply to
20 authorizations for military construction projects, land ac-
21 quisition, family housing projects and facilities, and con-
22 tributions to the North Atlantic Treaty Organization Se-
23 curity Investment program (and authorizations of appro-
24 priations therefor), for which appropriated funds have
25 been obligated before the later of—

1 (1) October 1, 2007; or

2 (2) the date of the enactment of an Act author-
 3 izing funds for fiscal year 2008 for military con-
 4 struction projects, land acquisition, family housing
 5 projects and facilities, or contributions to the North
 6 Atlantic Treaty Organization Security Investment
 7 program.

8 **SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
 9 **FISCAL YEAR 2002 PROJECTS.**

10 (a) EXTENSION.—Notwithstanding section 2701 of
 11 the Military Construction Authorization Act for Fiscal
 12 Year 2002 (division B of Public Law 107–107; 115 Stat.
 13 1301), authorizations set forth in the tables in subsection
 14 (b), as provided in section 2101 or 2302 of that Act, shall
 15 remain in effect until October 1, 2005, or the date of the
 16 enactment of an Act authorizing funds for military con-
 17 struction for fiscal year 2006, whichever is later.

18 (b) TABLES.—The tables referred to in subsection (a)
 19 are as follows:

Army: Extension of 2002 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Fort Wainwright	Power plant cool- ing tower	\$23,000,000
Hawaii	Pohakuloa Train- ing Area	Parker Ranch land acquisition	\$1,500,000

Air Force: Extension of 2002 Project Authorizations

State	Installation or Location	Project	Amount
Colorado	Buckley Air Force Base	Family housing (55 Units)	\$11,400,000
Louisiana	Barksdale Air Force Base	Family housing (56 Units)	\$7,300,000

1 **SEC. 2703. EXTENSION AND RENEWAL OF AUTHORIZATIONS**
 2 **OF CERTAIN FISCAL YEAR 2001 PROJECTS.**

3 (a) EXTENSION AND RENEWAL.—Notwithstanding
 4 section 2701 of the Military Construction Authorization
 5 Act for Fiscal Year 2001 (division B of the Floyd D.
 6 Spence National Defense Authorization Act for Fiscal
 7 Year 2001 (as enacted into law by Public Law 106–398;
 8 114 Stat. 1654A–407)), authorizations set forth in the ta-
 9 bles in subsection (b), as provided in section 2102 or 2401
 10 of that Act and, in the case of the authorization set forth
 11 in the first table in subsection (b), extended by section
 12 2702 of the Military Construction Authorization Act for
 13 Fiscal Year 2004 (division B of Public Law 108–136; 117
 14 Stat. 1716), shall remain in effect until October 1, 2005,
 15 or the date of the enactment of an Act authorizing funds
 16 for military construction for fiscal year 2006, whichever
 17 is later.

18 (b) TABLES.—The tables referred to in subsection (a)
 19 are as follows:

Army: Extension of 2001 Project Authorization

State	Installation or Location	Project	Amount
South Carolina	Fort Jackson	Family housing (1 unit)	\$250,000

Defense Agencies: Extension of 2001 Project Authorizations

Agency	Installation or Location	Project	Amount
Defense Finance and Accounting Service	Kleber Kaserne, Germany	Building renovation	\$7,400,000
Defense Education Activity	Osan Air Base, Korea	Osan Elementary School addition	\$843,000

1 SEC. 2704. EFFECTIVE DATE.

2 Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI

3 of this Act shall take effect on the later of—

4 (1) October 1, 2004; or

5 (2) the date of the enactment of this Act.

1 **TITLE XXVIII—GENERAL**
2 **PROVISIONS**
3 **Subtitle A—Military Construction**
4 **Program and Military Family**
5 **Housing Changes**

6 **SECTION 2801. INCREASE IN CERTAIN THRESHOLDS FOR**
7 **CARRYING OUT UNSPECIFIED MINOR MILI-**
8 **TARY CONSTRUCTION PROJECTS.**

9 (a) **ADVANCE APPROVAL AND CONGRESSIONAL NOTI-**
10 **FICATION THRESHOLD.**—Subsection (b)(1) of section
11 2805 of title 10, United States Code, is amended by strik-
12 ing “\$750,000” and inserting “\$1,000,000”.

13 (b) **USE OF OPERATION AND MAINTENANCE FUNDS**
14 **THRESHOLD.**—Subsection (c) of such section is
15 amended—

16 (1) by striking paragraph (1) and inserting the
17 following new paragraph:

18 “(1) Except as provided in paragraphs (2) and (3),
19 the Secretary concerned may spend from appropriations
20 available for operation and maintenance amounts nec-
21 essary to carry out an unspecified minor military construc-
22 tion project costing not more than \$1,500,000.”; and

23 (2) in paragraph (3), by striking “limitations”
24 and inserting “limitation”.

1 **SEC. 2802. ASSESSMENT OF VULNERABILITY OF MILITARY**
2 **INSTALLATIONS TO TERRORIST ATTACK AND**
3 **ANNUAL REPORT ON MILITARY CONSTRUC-**
4 **TION REQUIREMENTS RELATED TO**
5 **ANTITERRORISM AND FORCE PROTECTION.**

6 (a) ANNUAL ASSESSMENT AND REPORT.—Section
7 2808 of title 10, United States Code, is amended by add-
8 ing at the end the following new subsection:

9 “(d) ANTITERRORISM AND FORCE PROTECTION AS-
10 SESSMENTS AND MILITARY CONSTRUCTION REQUIRE-
11 MENTS.—(1) The Secretary of Defense shall develop com-
12 mon guidance and criteria to be used by the Secretary
13 concerned—

14 “(A) to assess the vulnerability of military in-
15 stallations located inside and outside of the United
16 States to terrorist attack;

17 “(B) to develop construction standards designed
18 to reduce the vulnerability of structures to terrorist
19 attack and improve the security of the occupants of
20 such structures;

21 “(C) to prepare and carry out military con-
22 struction projects, such as gate and fenceline con-
23 struction, to improve the physical security of mili-
24 tary installations; and

1 “(D) to assist in prioritizing such projects with-
2 in the military construction budget of each of the
3 armed forces.

4 “(2) The Secretary of Defense shall require vulner-
5 ability assessments of military installations to be con-
6 ducted, at regular intervals, using the criteria developed
7 under paragraph (1).

8 “(3) As part of the budget materials submitted to
9 Congress in connection with the submission of the budget
10 for a fiscal year pursuant to section 1105 of title 31, but
11 in no case later than March 15 of each year, the Secretary
12 of Defense shall submit a report describing—

13 “(A) the location and results of the vulner-
14 ability assessments conducted during the preceding
15 fiscal year;

16 “(B) the military construction requirements an-
17 ticipated to be necessary during the next three fiscal
18 years to improve the physical security of military in-
19 stallations; and

20 “(C) the extent to which funds are not re-
21 quested in the Department of Defense budget for
22 the next fiscal year to meet those requirements.

23 “(4) In the case of the report required under para-
24 graph (3) to be submitted in 2006, the Secretary of De-
25 fense shall include a certification by the Secretary that

1 since September 11, 2001, vulnerability assessments have
2 been undertaken at all major military installations. The
3 Secretary shall indicate the basis by which the Secretary
4 differentiated between major and nonmajor military in-
5 stallations for purposes of making the certification.”.

6 (b) **STYLISTIC AND CLERICAL AMENDMENTS.—**(1)
7 The heading of such section is amended to read as follows:
8 **“§ 2808. Construction authority related to declaration**
9 **of war or national emergency; construc-**
10 **tion requirements related to**
11 **antiterrorism and force protection”.**

12 (2) Such section is further amended—

13 (A) in subsection (a), by inserting “CONSTRUC-
14 TION AUTHORITY; LIMITATION.—” after “(a)”;

15 (B) in subsection (b), by inserting “CONGRES-
16 SIONAL NOTIFICATION.—” after “(b)”;

17 (C) in subsection (c), by inserting “TERMI-
18 NATION.—” after “(c)”.

19 (3) The table of sections at the beginning of chapter
20 169 of such title is amended by striking the item relating
21 to section 2808 and inserting the following new item:

“2808. Construction authority related to declaration of war or national emer-
gency; construction requirements related to antiterrorism and
force protection.”.

1 **SEC. 2803. CHANGE IN THRESHOLD FOR CONGRESSIONAL**
2 **NOTIFICATION REGARDING USE OF OPER-**
3 **ATION AND MAINTENANCE FUNDS FOR FA-**
4 **CILITY REPAIR.**

5 Section 2811(d) of title 10, United States Code, is
6 amended by striking “\$10,000,000” and inserting
7 “\$7,500,000”.

8 **SEC. 2804. REPORTING REQUIREMENTS REGARDING MILI-**
9 **TARY FAMILY HOUSING REQUIREMENTS FOR**
10 **GENERAL OFFICERS AND FLAG OFFICERS.**

11 (a) ANNUAL REPORT ON COST OF GENERAL AND
12 FLAG OFFICERS QUARTERS.—Section 2831 of title 10,
13 United States Code, is amended by adding at the end the
14 following new subsection:

15 “(e) ANNUAL REPORT OF COST OF GENERAL OFFI-
16 CERS AND FLAG OFFICERS QUARTERS.—As part of the
17 budget materials submitted to Congress in connection with
18 the submission of the budget for a fiscal year pursuant
19 to section 1105 of title 31, but in no case later than March
20 30 of each year, the Secretary of Defense shall submit
21 a report—

22 “(1) identifying family housing units used, or
23 intended for use, as quarters for general officers or
24 flag officers for which the total operation and main-
25 tenance costs, utility costs, and repair costs are an-

1 anticipated to exceed \$20,000 in the next fiscal year;
2 and

3 “(2) specifying the total of such costs for each
4 unit of family housing identified under paragraph
5 (1).”.

6 (b) REPORT ON NEED FOR SUCH QUARTERS IN NA-
7 TIONAL CAPITAL REGION.—The Secretary of Defense
8 shall prepare a report analyzing anticipated needs in the
9 National Capital Region for family housing units for gen-
10 eral officers and flag officers. In conducting the analysis,
11 the Secretary shall consider the extent of available housing
12 in the National Capital Region and the necessity of pro-
13 viding housing for general officers and flag officers in se-
14 cure locations.

15 (c) REPORT ON WORLD-WIDE INVENTORY OF SUCH
16 QUARTERS.—The Secretary of Defense shall prepare a re-
17 port containing a worldwide inventory of family housing
18 units for general officers and flag officers and identifying
19 annual expenditures for each such unit for operation and
20 maintenance, utilities, and repair for each for the fiscal
21 years 2000 through 2004.

22 (d) SUBMISSION OF REPORTS.—The reports required
23 by subsections (b) and (c) shall be submitted to the con-
24 gressional defense committees not later than March 30,
25 2005.

1 (e) DEFINITIONS.—In this section:

2 (1) The terms “general officer” and “flag offi-
3 cer” have the meanings given such terms in section
4 101(b) of title 10, United States Code.

5 (2) The term “National Capital Region” has
6 the meaning given such term in section 2674(f) of
7 such title.

8 **SEC. 2805. CONGRESSIONAL NOTIFICATION OF DEVIATIONS**
9 **FROM AUTHORIZED COST VARIATIONS FOR**
10 **MILITARY CONSTRUCTION PROJECTS AND**
11 **MILITARY FAMILY HOUSING PROJECTS.**

12 Section 2853(c)(3) of title 10, United States Code,
13 is amended by inserting before the period at the end the
14 following: “or, if over sooner, a period of 14 days has
15 elapsed after the date on which a copy of the notification
16 is provided in an electronic medium pursuant to section
17 480 of this title”.

18 **SEC. 2806. REPEAL OF LIMITATION ON USE OF ALTER-**
19 **NATIVE AUTHORITY FOR ACQUISITION AND**
20 **IMPROVEMENT OF MILITARY FAMILY HOUS-**
21 **ING.**

22 Effective October 1, 2005, subsection (g) of section
23 2883 of title 10, United States Code, is amended to read
24 as follows:

1 “(g) LIMITATION ON USE OF AUTHORITY TO AC-
2 QUIRE OR CONSTRUCT MILITARY UNACCOMPANIED
3 HOUSING.—The total value in budget authority of all con-
4 tracts and investments undertaken using the authorities
5 provided in this subchapter for the acquisition or construc-
6 tion of military unaccompanied housing shall not exceed
7 \$150,000,000.”.

8 **SEC. 2807. TEMPORARY AUTHORITY TO ACCELERATE DE-**
9 **SIGN EFFORTS FOR MILITARY CONSTRUC-**
10 **TION PROJECTS CARRIED OUT USING DE-**
11 **SIGN-BUILD SELECTION PROCEDURES.**

12 Section 2305a of title 10, United States Code, is
13 amended by adding at the end the following new sub-
14 section:

15 “(f) SPECIAL AUTHORITY FOR MILITARY CONSTRUC-
16 TION PROJECTS.—(1) The Secretary of a military depart-
17 ment, and the Secretary of Defense with respect to mat-
18 ters concerning the Defense Agencies, may use funds
19 available to the Secretary under section 2807(a) or
20 18233(e) of this title to accelerate the design effort in con-
21 nection with a military construction project for which the
22 two-phase selection procedures described in subsection (c)
23 are used to select the contractor for both the design and
24 construction portion of the project before the project is
25 specifically authorized by law and before funds are appro-

1 priated for the construction portion of the project. Not-
2 withstanding the limitations contained in such sections,
3 use of such funds for the design portion of a military con-
4 struction project may continue despite the subsequent au-
5 thorization of the project. The advance notice requirement
6 of section 2807(b) of this title shall continue to apply
7 whenever the estimated cost of the design portion of the
8 project exceeds the amount specified in such section.

9 “(2) Any military construction contract that provides
10 for an accelerated design effort, as authorized by para-
11 graph (1), shall include as a condition of the contract that
12 the liability of the United States in a termination for con-
13 venience may not exceed costs above the costs attributable
14 to the final design of the project.

15 “(3) Not more than 36 military construction projects
16 containing the accelerated design effort authorized by
17 paragraph (1) may be carried out.

18 “(4) Not later than March 1, 2007, the Secretary of
19 Defense shall submit to the congressional defense commit-
20 tees a report evaluating the usefulness of the authority
21 provided by this subsection in expediting the design and
22 construction of military construction projects. The author-
23 ity provided by this subsection expires September 30,
24 2008, except that, if the report required by this paragraph

1 is not submitted by March 1, 2007, the authority shall
2 expire on that date.”.

3 **SEC. 2808. EXCHANGE OR SALE OF RESERVE COMPONENT**
4 **FACILITIES TO ACQUIRE REPLACEMENT FA-**
5 **CILITIES.**

6 Section 18233 of title 10, United States Code, is
7 amended by adding at the end the following new sub-
8 section:

9 “(g)(1) The Secretary of Defense may convey, by ex-
10 change or sale, an existing facility of a reserve component
11 of the armed forces for the purpose of acquiring a replace-
12 ment facility under this section or using the proceeds from
13 the sale to acquire a replacement facility under this sec-
14 tion, if the Secretary determines it is in the best interests
15 of the United States to acquire the replacement facility
16 by such exchange or sale. The United States shall receive
17 funds or a replacement facility, or a combination of both,
18 having a total value at least equal to the fair market value
19 of the conveyed facility.

20 “(2) Acquisition of a replacement facility under this
21 subsection may be accomplished by construction, expan-
22 sion, rehabilitation, or conversion and must result in a
23 fully equipped and operational replacement facility. Noth-
24 ing in this subsection prohibits the Secretary of Defense
25 from contributing additional funds, in accordance with

1 this section, to obtain a fully equipped and operational re-
2 placement facility.

3 “(3) Funds received under this subsection shall be
4 deposited in a separate account and remain available to
5 the Secretary of Defense, without appropriation, for use
6 in accordance with this subsection. Any funds received
7 under this subsection in connection with a conveyance in
8 excess of the funds required to obtain a fully equipped and
9 operational replacement facility for the conveyed facility
10 may be used by the Secretary for the purposes of sub-
11 section (a).”.

12 **SEC. 2809. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED**
13 **AUTHORITY TO USE OPERATION AND MAIN-**
14 **TENANCE FUNDS FOR CONSTRUCTION**
15 **PROJECTS OUTSIDE THE UNITED STATES.**

16 Section 2808 of the Military Construction Authoriza-
17 tion Act for Fiscal Year 2004 (division B of Public Law
18 108–136; 117 Stat. 1723) is amended—

19 (1) in subsections (a) and (d), by striking “fis-
20 cal year 2004” both places it appears and inserting
21 “fiscal years 2004 and 2005”; and

22 (2) in subsection (e)(1), by striking “in fiscal
23 year 2004” and inserting “in a fiscal year”.

1 **Subtitle B—Real Property and**
2 **Facilities Administration**

3 **SEC. 2811. INCREASE IN CERTAIN THRESHOLDS FOR RE-**
4 **PORTING REAL PROPERTY TRANSACTIONS.**

5 (a) GENERAL NOTICE AND WAIT THRESHOLD.—

6 Subsection (a) of section 2662 of title 10, United States
7 Code, is amended by striking “\$750,000” each place it
8 appears and inserting “\$1,500,000”.

9 (b) ANNUAL REPORT ON MINOR TRANSACTIONS

10 **THRESHOLD.**—Subsection (b) of such section is amended
11 by striking “subsection (a) that involve an estimated value
12 of more than \$250,000, but not more than \$750,000” and
13 inserting “such subsection that involve an estimated value
14 of more than \$500,000, but not more than the amount
15 specified in such subsection”.

16 (c) NOTICE AND WAIT THRESHOLD FOR CERTAIN

17 **GSA LEASES.**—Subsection (e) of such section is amended
18 by striking “\$750,000” and inserting “\$1,500,000”.

19 (d) THRESHOLD FOR ACQUISITION OF LOW-COST IN-

20 **TERESTS IN LAND.**—Subsection (a) of section 2672 of
21 such title is amended to read as follows:

22 “(a) ACQUISITION AUTHORITY.—The Secretary of a
23 military department may acquire any interest in land
24 that—

1 priated for the Department of Defense is two percent of
2 the purchase price.”.

3 (2) Section 2666 of such title is repealed.

4 (b) REPEAL OF OBSOLETE AUTHORITY TO ACQUIRE
5 LAND FOR TIMBER PRODUCTION.—Section 2664 of such
6 title is repealed.

7 (c) AVAILABILITY OF FUNDS FOR ACQUISITION OF
8 CERTAIN INTERESTS IN REAL PROPERTY.—(1) Section
9 2672 of such title is amended by adding at the end the
10 following new subsection:

11 “(d) AVAILABILITY OF FUNDS.—Appropriations
12 available to the Department of Defense for operation and
13 maintenance or construction may be used for the acqui-
14 sition of land or interests in land under this section.”.

15 (2) Section 2673 of such title is repealed.

16 (3) Section 2675 of such title is amended—

17 (A) by inserting before “The Secretary” the fol-
18 lowing “(a) LEASE AUTHORITY; DURATION.—”; and

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

21 “(b) AVAILABILITY OF FUNDS.—Appropriations
22 available to the Department of Defense for operation and
23 maintenance or construction may be used for the acqui-
24 sition of interests in land under this section.”.

1 (d) STYLISTIC AND CLERICAL AMENDMENTS.—(1)

2 Section 2661 of such title is further amended—

3 (A) in subsection (a), by inserting “AVAIL-
4 ABILITY OF OPERATION AND MAINTENANCE
5 FUNDS.—” after “(a)” ; and

6 (B) in subsection (b), by inserting “LEASING
7 AND ROAD MAINTENANCE AUTHORITY.—” after
8 “(b)”.

9 (2) The table of sections at the beginning of chapter
10 159 of such title is amended by striking the items relating
11 to sections 2664, 2666, and 2673.

12 **SEC. 2813. TREATMENT OF MONEY RENTALS FROM GOLF**
13 **COURSE AT ROCK ISLAND ARSENAL, ILLI-**
14 **NOIS.**

15 (a) SUPPORT OF MWR ACTIVITIES.—Section
16 2667(d) of title 10, United States Code, is amended—

17 (1) in paragraph (1)(B)—

18 (A) by redesignating clause (ii) as clause
19 (iii); and

20 (B) by inserting after clause (i) the fol-
21 lowing new clause:

22 “(ii) Money rentals deposited in a non-
23 appropriated morale, welfare, and recreation account
24 under paragraph (3).”; and

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

3 “(3) The Secretary of the Army may deposit up to
4 50 percent of the money rentals received by the United
5 States from a lease involving the golf course at Rock Is-
6 land Arsenal, Illinois, in the nonappropriated morale, wel-
7 fare, and recreation account for that installation, to be
8 used for quality-of-life programs at that installation.”.

9 (b) EFFECTIVE DATE.—Paragraph (3) of section
10 2667(d) of title 10, United States Code, as added by sub-
11 section (a), shall apply to money rentals referred to in
12 such paragraph received by the United States after Sep-
13 tember 30, 2004.

14 **SEC. 2814. NUMBER OF CONTRACTS AUTHORIZED DEPART-**
15 **MENT-WIDE UNDER DEMONSTRATION PRO-**
16 **GRAM ON REDUCTION IN LONG-TERM FACIL-**
17 **ITY MAINTENANCE COSTS.**

18 Section 2814 of the National Defense Authorization
19 Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C.
20 2809 note) is amended—

21 (1) in subsection (a), by striking “or the Sec-
22 retary of a military department” and inserting “and
23 the Secretaries of the military departments”;

1 **SEC. 2817. ELIMINATION OF REVERSIONARY INTERESTS**
2 **CLOUDING UNITED STATES TITLE TO PROP-**
3 **ERTY USED AS NAVY HOMEPORTS.**

4 (a) **AUTHORITY TO ACQUIRE COMPLETE TITLE.**—If
5 real property owned by the United States and used as a
6 Navy homeport is subject to a reversionary interest of any
7 kind, the Secretary of the Navy may enter into an agree-
8 ment with the holder of the reversionary interest to ac-
9 quire the reversionary interest and thereby secure for the
10 United States all right, title, and interest in and to the
11 property.

12 (b) **CONSIDERATION.**—(1) As consideration for the
13 acquisition of a reversionary interest under subsection (a),
14 the Secretary shall provide the holder of the reversionary
15 interest with in-kind consideration, to be determined pur-
16 suant to negotiations between the Secretary and the holder
17 of the reversionary interest. In determining the type and
18 value of any in-kind consideration to be provided for the
19 acquisition of a reversionary interest under subsection (a),
20 the Secretary shall take into account the nature of the
21 reversionary interest, including whether it would require
22 the holder of the reversionary interest to pay for any im-
23 provements acquired by the holder as part of the reversion
24 of the real property, and the long-term use and ultimate
25 disposition of the real property if the United States were

1 to acquire all right, title, and interest in and to the real
2 property subject to the reversionary interest.

3 (2) Cash payments are not authorized as consider-
4 ation for the acquisition of reversionary interests under
5 subsection (a).

6 **SEC. 2818. REPORT ON REAL PROPERTY DISPOSAL AT MA-**
7 **RINE CORPS AIR STATION, EL TORO, CALI-**
8 **FORNIA.**

9 Not later than 180 days after the date of the enact-
10 ment of this Act, the Secretary of the Navy shall submit
11 to Congress a report describing—

12 (1) the progress being made with regard to the
13 disposal of real property at Marine Corps Air Sta-
14 tion, El Toro, California, including any challenges
15 arising from plans to dispose of property at the in-
16 stallation by auction;

17 (2) the anticipated future uses of the property;
18 and

19 (3) the requests received from other Federal
20 agencies (including other military departments) for
21 property at the installation.

1 **Subtitle C—Base Closure and**
2 **Realignment**

3 **SEC. 2821. TWO-YEAR POSTPONEMENT OF 2005 BASE CLO-**
4 **SURE AND REALIGNMENT ROUND AND SUB-**
5 **MISSION OF REPORTS REGARDING FUTURE**
6 **INFRASTRUCTURE REQUIREMENTS FOR THE**
7 **ARMED FORCES.**

8 (a) TWO-YEAR POSTPONEMENT IN SUBMITTAL OF
9 BASE CLOSURE AND REALIGNMENT RECOMMENDA-
10 TIONS.—Section 2914 of the Defense Base Closure and
11 Realignment Act of 1990 (part A of title XXIX of Public
12 Law 101–510; 10 U.S.C. 2687 note), as added by section
13 3003 of the National Defense Authorization Act for Fiscal
14 Year 2002 (Public Law 107–107; 115 Stat. 1345), is
15 amended—

16 (1) in the section heading, by striking “**2005**”
17 and inserting “**2007**”; and

18 (2) in subsection (a), by striking “May 16,
19 2005,” and inserting “May 16, 2007,”.

20 (b) COMMISSION REVIEW AND RECOMMENDA-
21 TIONS.—Subsection (d) of section 2914 of the Defense
22 Base Closure and Realignment Act of 1990 is amended—

23 (1) in paragraphs (1) and (2), by striking “Sep-
24 tember 8, 2005” both places it appears and insert-
25 ing “September 8, 2007”; and

1 (2) in paragraph (6)—

2 (A) by striking “in 2005” and inserting
3 “under this section”; and

4 (B) by striking “July 1, 2005” and insert-
5 ing “July 1, 2007”.

6 (c) REVIEW BY PRESIDENT AND TRANSMITTAL TO
7 CONGRESS.—Subsection (e) of section 2914 of the De-
8 fense Base Closure and Realignment Act of 1990 is
9 amended—

10 (1) in paragraph (1)—

11 (A) by striking “in 2005” and inserting
12 “under this section”; and

13 (B) by striking “September 23, 2005” and
14 inserting “September 23, 2007”;

15 (2) in paragraph (2), by striking “October 20,
16 2005” and inserting “October 20, 2007”; and

17 (3) in paragraph (3)—

18 (A) by striking “November 7, 2005” and
19 inserting “November 7, 2007”; and

20 (B) by striking “in 2005” and inserting
21 “in 2007”.

22 (d) NEW FORCE STRUCTURE PLAN AND INFRA-
23 STRUCTURE INVENTORY; RECERTIFICATION OF NEED
24 FOR ADDITIONAL ROUND.—Section 2912 of the Defense
25 Base Closure and Realignment Act of 1990 (part A of title

1 XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as
2 added by section 3001 of the National Defense Authoriza-
3 tion Act for Fiscal Year 2002 (Public Law 107–107; 115
4 Stat. 1342), is amended—

5 (1) in the section heading, by striking “**2005**”
6 and inserting “**2007**”;

7 (2) by striking “fiscal year 2005” each place it
8 appears and inserting “fiscal year 2007”;

9 (3) in subsection (b)(1), by inserting “for fiscal
10 year 2007” after “subsection (a)”;

11 (4) in subsections (b)(2) and (d), by striking
12 “in 2005” each place it appears and inserting
13 “under section 2914”;

14 (5) in subsection (d), by striking “March 15,
15 2005” both places it appears and inserting “March
16 15, 2007”;

17 (6) in subsection (d)(4), by striking “calendar
18 year 2005 and shall terminate on April 15, 2006”
19 and inserting “calendar year 2007 and shall termi-
20 nate on April 15, 2008”; and

21 (7) in subsection (d)(5), by striking “second
22 session of the 108th Congress for the activities of
23 the Commission in 2005” and inserting “second ses-
24 sion of the 109th Congress for the activities of the
25 Commission under section 2914”.

1 (e) INFRASTRUCTURE-RELATED REPORTING RE-
2 QUIREMENTS; TERMINATION OF BASE CLOSURE
3 ROUND.—Section 2912 of the Defense Base Closure and
4 Realignment Act of 1990 is further amended by adding
5 at the end the following new subsection:

6 “(e) INFRASTRUCTURE-RELATED REPORTS.—

7 “(1) REQUIRED REPORTS.—The Secretary shall
8 prepare the following reports related to infrastruc-
9 ture requirements for the Armed Forces:

10 “(A) A report containing the Integrated
11 Global Presence and Basing Strategy of the De-
12 partment of Defense, including the location of
13 long-term overseas installations, installations to
14 be used for rotational purposes, and forward
15 operating locations, anticipated rotational plans
16 and policies, and domestic and overseas infra-
17 structure requirements associated with the
18 strategy.

19 “(B) A report describing the anticipated
20 infrastructure requirements associated with the
21 probable end-strength levels and major military
22 force units (including land force divisions, car-
23 rier and other major combatant vessels, air
24 wings, and other comparable units) for each of

1 the Armed Forces resulting from force trans-
2 formation.

3 “(C) A report describing the anticipated
4 infrastructure requirements related to expected
5 changes in the active component versus reserve
6 component personnel mix of the Armed Forces.

7 “(D) A report describing the anticipated
8 infrastructure requirements associated with the
9 so-called ‘10–30–30 objective’ of the Secretary
10 to ensure that military forces are capable of de-
11 ployment overseas within 10 days in sufficient
12 strength to defeat an enemy within 30 days and
13 be ready for redeployment within 30 days after
14 the end of combat operations.

15 “(E) A report containing the results of a
16 complete reassessment of the infrastructure
17 necessary to support the force structure de-
18 scribed in the force-structure plan prepared
19 under paragraph (1) of subsection (a) and de-
20 scribing any resulting excess infrastructure and
21 infrastructure capacity, which were previously
22 required by paragraph (2) of such subsection.
23 The reassessment shall be based on actual in-
24 frastructure, facility, and space requirements

1 for the Armed Forces rather than a compara-
2 tive study between 1989 and 2003.

3 “(F) A report describing the anticipated
4 infrastructure requirements associated with the
5 assessment prepared by the Secretary pursuant
6 to section 2822 of the National Defense Au-
7 thorization Act for Fiscal Year 2004 (Public
8 Law 108–136; 117 Stat. 1726), in which Con-
9 gress required the Secretary to assess the prob-
10 able threats to national security and determine
11 the potential, prudent, surge requirements for
12 the Armed Forces and military installations to
13 meet those threats.

14 “(2) TIME FOR SUBMISSION OF REPORTS.—The
15 reports required by paragraph (1) shall be submitted
16 to the congressional defense committees only during
17 the period beginning on January 1, 2006, and end-
18 ing on March 15, 2006.

19 “(3) TERMINATION OF ROUND FOR FAILURE TO
20 SUBMIT REPORTS AS REQUIRED.—If the reports re-
21 quired by paragraph (1) are not submitted during
22 the period specified in paragraph (2), the process for
23 the making of recommendations to the Congress for
24 the closure or realignment of military installations
25 and the selection of installations for closure or re-

1 alignment under this part in 2007 shall be termi-
2 nated.”.

3 (f) CONFORMING AMENDMENTS.—(1) Section
4 2904(a)(3) of the Defense Base Closure and Realignment
5 Act of 1990 is amended by striking “in the 2005 report”
6 and inserting “in a report submitted after 2001”.

7 (2) Section 2906(e) of such Act is amended by strik-
8 ing “2005” and inserting “2007”.

9 (3) Section 2906A of such Act is amended—

10 (A) in the section heading, by striking “**2005**”
11 and inserting “**2007**”; and

12 (B) by striking “2005” each place it appears
13 and inserting “2007”.

14 (4) Section 2909(a) of such Act is amended by strik-
15 ing “2006” and inserting “2008”.

16 **SEC. 2822. ESTABLISHMENT OF SPECIFIC DEADLINE FOR**
17 **SUBMISSION OF REVISIONS TO FORCE-**
18 **STRUCTURE PLAN AND INFRASTRUCTURE IN-**
19 **VENTORY FOR NEXT BASE CLOSURE ROUND.**

20 Section 2912(a)(4) of the Defense Base Closure and
21 Realignment Act of 1990 (part A of title XXIX of Public
22 Law 101–510; 10 U.S.C. 2687 note) is amended by strik-
23 ing “as part of the budget justification document sub-
24 mitted to Congress for fiscal year 2006.” and inserting
25 “not later than March 15 of the year in which the Sec-

1 retary will submit, consistent with subsection (e) of this
2 section, the list of the military installations inside the
3 United States that the Secretary recommends for closure
4 or realignment. No revision of the force-structure plan or
5 infrastructure inventory is authorized after that March 15
6 date.”.

7 **SEC. 2823. SPECIFICATION OF FINAL SELECTION CRITERIA**
8 **FOR NEXT BASE CLOSURE ROUND.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Title XXX of the National Defense Author-
11 ization Act for Fiscal Year 2002 (Public Law 107–
12 107; 115 Stat. 1342) amended the Defense Base
13 Closure and Realignment Act of 1990 (part A of
14 title XXIX of Public Law 101–510; 10 U.S.C. 2687
15 note) to authorize the Secretary of Defense to con-
16 duct an additional round of base realignments and
17 closures.

18 (2) In section 2822 of the National Defense
19 Authorization Act for Fiscal Year 2004 (Public Law
20 108–136; 117 Stat. 1726), approved November 24,
21 2003, Congress required the Secretary of Defense to
22 assess the probable threats to national security and
23 determine the potential, prudent, surge requirements
24 for the Armed Forces and military installations to
25 meet those threats. Such section specifically requires

1 the Secretary of Defense to use the determination of
2 surge requirements in exercising the authority of the
3 Secretary to conduct the next round of base realign-
4 ments and closures.

5 (3) Section 2913 of the Defense Base Closure
6 and Realignment Act of 1990, as added by title
7 XXX of the National Defense Authorization Act for
8 Fiscal Year 2002, specified the process by which the
9 Secretary of Defense was to prepare the criteria to
10 be used by the Secretary in making recommenda-
11 tions for the next round of base realignments and
12 closures and listed certain requirements the Sec-
13 retary had to comply with as part of the process, in-
14 cluding the advance publication of the proposed cri-
15 teria and the solicitation and consideration of public
16 comments.

17 (4) In subsection (e) of such section, Congress
18 required the Secretary of Defense to publish in the
19 Federal Register and transmit to Congress not later
20 than February 16, 2004, the final criteria intended
21 to be used by the Secretary in making recommenda-
22 tions for the next round of base realignments and
23 closures. Pursuant to such subsection, the Secretary
24 of Defense published the final selection criteria in

1 the Federal Register on February 12, 2004 (69 Fed.
2 Reg. 6948).

3 (5) In addition to specifically reserving its right
4 to disapprove the final selection criteria, Congress
5 may modify or otherwise amend the criteria by Act
6 of Congress.

7 (b) CONGRESSIONAL SPECIFICATION OF FINAL
8 BRAC SELECTION CRITERIA.—Section 2913 of the De-
9 fense Base Closure and Realignment Act of 1990 (part
10 A of title XXIX of Public Law 101–510; 10 U.S.C. 2687
11 note), as added by section 3002 of the National Defense
12 Authorization Act for Fiscal Year 2002 (Public Law 107–
13 107; 115 Stat. 1344), is amended to read as follows:

14 **“SEC. 2913. FINAL SELECTION CRITERIA FOR ADDITIONAL**
15 **ROUND OF BASE CLOSURES AND REALIGN-**
16 **MENTS.**

17 **“(a) FINAL SELECTION CRITERIA.—**The final cri-
18 teria to be used by the Secretary in making recommenda-
19 tions for the closure or realignment of military installa-
20 tions inside the United States under this part in any addi-
21 tional round of base closures and realignments are as fol-
22 lows:

23 **“(1)** The current and future mission require-
24 ments and the impact on operational readiness of
25 the total force of the Department of Defense, includ-

1 ing the impact on joint warfighting, training, readi-
2 ness, and research, development, test, and evaluation
3 of weapons systems and equipment.

4 “(2) The availability and condition of land, fa-
5 cilities, infrastructure, and associated air and water
6 space (including preservation of training areas suit-
7 able for maneuver by ground, naval, or air forces
8 throughout a diversity of climate and terrain areas,
9 the preservation of testing ranges able to accommo-
10 date current or future military weapons systems and
11 equipment, and the preservation of staging areas for
12 the use of the Armed Forces in homeland defense
13 missions) at both existing and potential receiving lo-
14 cations.

15 “(3) The ability to accommodate contingency,
16 mobilization, and future total force requirements at
17 both existing and potential receiving locations to
18 support operations, training, maintenance, and re-
19 pair.

20 “(4) Preservation of land, air, and water space,
21 facilities, and infrastructure necessary to support
22 training and operations of military forces determined
23 to be surge requirements by the Secretary of De-
24 fense, as required by section 2822 of the National

1 Defense Authorization Act for Fiscal Year 2004
2 (Public Law 108–136; 117 Stat. 1726).

3 “(5) The extent and timing of potential costs
4 and savings of base realignment and closure actions
5 on the entire Federal budget, as well as the Depart-
6 ment of Defense, including the number of years, be-
7 ginning with the date of completion of the closure or
8 realignment, for the savings to exceed the costs.
9 Costs shall include those costs related to potential
10 environmental restoration, waste management, and
11 environmental compliance activities.

12 “(6) The economic impact on existing commu-
13 nities in the vicinity of military installations.

14 “(7) The ability of the infrastructure of both
15 the existing and potential receiving communities to
16 support forces, missions, and personnel, including
17 quality of living standards for members of the
18 Armed Forces and their dependents.

19 “(8) The environmental impact on receiving lo-
20 cations.

21 “(b) PRIORITY GIVEN TO MILITARY VALUE.—In rec-
22 ommending military installations for closure or realign-
23 ment, the Secretary shall give priority consideration to the
24 first four criteria specified in subsection (a).

1 “(c) RELATION TO OTHER MATERIALS.—The final
2 selection criteria specified in subsection (a) shall be the
3 only criteria to be used, along with the force-structure
4 plan and infrastructure inventory referred to in section
5 2912, in making recommendations for the closure or re-
6 alignment of military installations inside the United States
7 under this part after December 31, 2003.

8 “(d) RELATION TO CRITERIA FOR EARLIER
9 ROUNDS.—Section 2903(b), and the selection criteria pre-
10 pared under such section, shall not apply with respect to
11 the process of making recommendations for the closure or
12 realignment of military installations after December 31,
13 2003.”.

14 (c) CONFORMING AMENDMENTS.—The Defense Base
15 Closure and Realignment Act of 1990 is amended—

16 (1) in section 2912(c)(1)(A), by striking “cri-
17 teria prepared under section 2913” and inserting
18 “criteria specified in section 2913”; and

19 (2) in section 2914(a), by striking “criteria pre-
20 pared by the Secretary under section 2913” and in-
21 serting “criteria specified in section 2913”.

1 **SEC. 2824. REQUIREMENT FOR UNANIMOUS VOTE OF DE-**
2 **FENSE BASE CLOSURE AND REALIGNMENT**
3 **COMMISSION TO ADD TO OR OTHERWISE EX-**
4 **PAND CLOSURE AND REALIGNMENT REC-**
5 **COMMENDATIONS MADE BY SECRETARY OF**
6 **DEFENSE.**

7 Section 2914(d) of the Defense Base Closure and Re-
8 alignment Act of 1990 (part A of title XXIX of Public
9 Law 101–510; 10 U.S.C. 2687 note), as added by section
10 3003 of the Military Construction Authorization Act for
11 Fiscal Year 2002 (division B of Public Law 107–107; 155
12 Stat, 1346) and amended by section 2854 of the Bob
13 Stump National Defense Authorization Act for Fiscal
14 Year 2003 (Public Law 107–314; 116 Stat. 2728), is
15 amended—

16 (1) in paragraph (3), by striking “TO ADD” and
17 inserting “TO CONSIDER ADDITIONS”; and

18 (2) by striking paragraph (5) and inserting the
19 following new paragraph:

20 “(5) REQUIREMENTS TO EXPAND CLOSURE OR
21 REALIGNMENT RECOMMENDATIONS.—In the report
22 required under section 2903(d)(2)(A) that is to be
23 transmitted under paragraph (1), the Commission
24 may not make a change in the recommendations of
25 the Secretary that would close a military installation
26 not recommended for closure by the Secretary,

1 would realign a military installation not rec-
2 ommended for closure or realignment by the Sec-
3 retary, or would expand the extent of the realign-
4 ment of a military installation recommended for re-
5 alignment by the Secretary unless—

6 “(A) at least two members of the Commis-
7 sion visit the military installation before the
8 date of the transmittal of the report; and

9 “(B) the decision of the Commission to
10 make the change to recommend the closure of
11 the military installation, the realignment of the
12 installation, or the expanded realignment of the
13 installation is unanimous.”.

14 **SEC. 2825. ADHERENCE TO CERTAIN AUTHORITIES ON**
15 **PRESERVATION OF MILITARY DEPOT CAPA-**
16 **BILITIES DURING ANY SUBSEQUENT ROUND**
17 **OF BASE CLOSURES AND REALIGNMENTS.**

18 The Defense Base Closure and Realignment Act of
19 1990 (part A of title XXIX of Public Law 101–510; 10
20 U.S.C. 2687 note) is amended by adding at the end the
21 following new section:

1 **“SEC. 2915. ADHERENCE TO CERTAIN AUTHORITIES ON**
2 **PRESERVATION OF MILITARY DEPOT CAPA-**
3 **BILITIES DURING ANY SUBSEQUENT ROUND**
4 **OF BASE CLOSURES AND REALIGNMENTS.**

5 “(a) ADHERENCE REQUIRED.—(1) Any base closure
6 and realignment actions under section 2914 or subsequent
7 round of base closure and realignment, and any actions
8 to carry out the closure or realignment of military installa-
9 tions as a result of such actions, shall reflect a strict ad-
10 herence to the provisions of title 10, United States Code,
11 for the maintenance of government-owned, government-
12 operated depot-level maintenance, repair, and logistics ca-
13 pabilities within the Department of Defense, including the
14 provisions of chapter 146 of such title and other applicable
15 provisions.

16 “(2) No action to carry out the closure or realign-
17 ment of military installations in any base closures and re-
18 alignments under this part after the date of the enactment
19 of this section may include a waiver authorized by para-
20 graph (2) or (3) of section 2464(b) or section 2466(b) of
21 title 10, United States Code.

22 “(b) BASE CLOSURE AND REALIGNMENT ACTIONS
23 DEFINED.—In this section, the term ‘base closure and re-
24 alignment actions’ means the following:

25 “(1) The preparation by the Secretary of De-
26 fense of recommendations on installations for closure

1 or realignment under this part or any subsequent
2 base closure law.

3 “(2) The review by the Commission of the rec-
4 ommendations referred to in paragraph (1).

5 “(3) The review by the President of the rec-
6 ommendations referred to in paragraphs (1) and
7 (2).”.

8 **Subtitle D—Land Conveyances**

9 **PART I—ARMY CONVEYANCES**

10 **SEC. 2831. TRANSFER OF ADMINISTRATIVE JURISDICTION,**

11 **DEFENSE SUPPLY CENTER, COLUMBUS,**

12 **OHIO.**

13 (a) **TRANSFER REQUIRED.**—As soon as practicable
14 after the date of the enactment of this Act, the Secretary
15 of the Army shall transfer, without reimbursement, to the
16 administrative jurisdiction of the Secretary of Veterans
17 Affairs a parcel of real property consisting of approxi-
18 mately 20 acres and comprising a portion of the Defense
19 Supply Center in Columbus, Ohio, for the purpose of per-
20 mitting the Secretary of Veterans Affairs to use the prop-
21 erty as the site for an outpatient clinic.

22 (b) **PAYMENT OF COSTS OF CONVEYANCE.**—(1) The
23 Secretary of the Army shall require the Secretary of Vet-
24 erans Affairs to cover costs to be incurred by the Secretary
25 of the Army, or to reimburse the Secretary of the Army

1 for costs incurred by the Secretary of the Army, to carry
2 out the conveyance under subsection (a), including survey
3 costs, costs related to environmental documentation, and
4 other administrative costs related to the conveyance. If
5 amounts are collected from the Secretary of Veterans Af-
6 fairs in advance of the Secretary of the Army incurring
7 the actual costs, and the amount collected exceeds the
8 costs actually incurred by the Secretary of the Army to
9 carry out the conveyance, the Secretary of the Army shall
10 refund the excess amount to the Secretary of Veterans Af-
11 fairs.

12 (2) Amounts received as reimbursement under para-
13 graph (1) shall be credited to the fund or account that
14 was used to cover the costs incurred by the Secretary of
15 the Army in carrying out the conveyance. Amounts so
16 credited shall be merged with amounts in such fund or
17 account, and shall be available for the same purposes, and
18 subject to the same conditions and limitations, as amounts
19 in such fund or account.

20 (c) DESCRIPTION OF REAL PROPERTY.—The exact
21 acreage and legal description of the real property to be
22 transferred under subsection (a) shall be determined by
23 a survey satisfactory to the Secretary of the Army.

1 **SEC. 2832. LAND CONVEYANCE, FORT HOOD, TEXAS.**

2 (a) CONVEYANCE AUTHORIZED.—The Secretary of
3 the Army may convey to the Texas A&M University Sys-
4 tem of the State of Texas (in this section referred to as
5 the “University System”), all right, title, and interest of
6 the United States in and to a parcel of real property, in-
7 cluding improvements thereon, consisting of approxi-
8 mately 662 acres at Fort Hood, Texas, for the sole pur-
9 pose of permitting the University System to establish on
10 the property an upper level (junior, senior and graduate)
11 university that will be State-supported, separate from
12 other universities of the University System, and des-
13 ignated as Texas A&M University, Central Texas.

14 (b) CONSIDERATION.—(1) As consideration for the
15 conveyance under subsection (a), the University System
16 shall pay to the United States an amount equal to the
17 fair market value of the conveyed property, as determined
18 pursuant to an appraisal acceptable to the Secretary.

19 (2) In lieu of all or a portion of the cash consideration
20 required by paragraph (1), the Secretary may accept in-
21 kind consideration, including the conveyance by the Uni-
22 versity System of real property acceptable to the Sec-
23 retary.

24 (c) CONDITION OF CONVEYANCE.—The conveyance
25 under subsection (a) shall be subject to the condition that
26 the Secretary determine that the conveyance of the prop-

1 erty and the establishment of a university on the property
2 will not adversely impact the operation of Robert Grey
3 Army Airfield, which is located on Fort Hood approxi-
4 mately one mile from the property authorized for convey-
5 ance.

6 (d) DESCRIPTION OF PROPERTY.—The exact acreage
7 and legal description of the real property to be conveyed
8 under subsection (a) shall be determined by a survey satis-
9 factory to the Secretary. The cost of the survey shall be
10 borne by the University System.

11 (e) ADDITIONAL TERMS AND CONDITIONS.—The
12 Secretary may require such additional terms and condi-
13 tions in connection with the conveyance under subsection
14 (a) as the Secretary considers appropriate to protect the
15 interests of the United States.

16 **SEC. 2833. LAND CONVEYANCE, ARMY NATIONAL GUARD**
17 **FACILITY, SEATTLE, WASHINGTON.**

18 (a) CONVEYANCE AUTHORIZED.—The Secretary of
19 the Army may convey, without consideration, to the State
20 of Washington (in this section referred to as the “State”)
21 all right, title, and interest of the United States in and
22 to a parcel of real property, including any improvements
23 thereon, consisting of approximately 9.747 acres in Se-
24 attle, Washington, and comprising a portion of the Na-
25 tional Guard Facility, Pier 91, for the purpose of permit-

1 ting the State to convey the facility unencumbered for eco-
2 nomic development purposes.

3 (b) ADMINISTRATIVE EXPENSES.—(1) The State
4 shall reimburse the Secretary for the administrative ex-
5 penses incurred by the Secretary in carrying out the con-
6 veyance under subsection (a), including expenses related
7 to surveys and legal descriptions, boundary
8 monumentation, environmental surveys, necessary docu-
9 mentation, travel, and deed preparation.

10 (2) Section 2695(c) of title 10, United States Code,
11 shall apply to any amounts received by the Secretary as
12 reimbursement under this subsection.

13 (c) EXEMPTION FROM FEDERAL SCREENING.—The
14 conveyance authorized by subsection (a) is exempt from
15 the requirement to screen the property for other Federal
16 use pursuant to sections 2693 and 2696 of title 10, United
17 States Code.

18 (d) DESCRIPTION OF PROPERTY.—The exact acreage
19 and legal description of the property to be conveyed under
20 subsection (a) shall be determined by a survey satisfactory
21 to the Secretary. The cost of the survey shall be borne
22 by the United States, subject to the requirement for reim-
23 bursement under subsection (b).

24 (e) ADDITIONAL TERMS AND CONDITIONS.—The
25 Secretary may require such additional terms and condi-

1 tions in connection with the conveyance under subsection
2 (a) as the Secretary considers appropriate to protect the
3 interests of the United States.

4 **PART II—NAVY CONVEYANCES**

5 **SEC. 2841. TRANSFER OF JURISDICTION, NEBRASKA AVE-**
6 **NUE NAVAL COMPLEX, DISTRICT OF COLUM-**
7 **BIA.**

8 (a) **TRANSFER REQUIRED.**—Except as provided in
9 subsection (b), the Secretary of the Navy shall transfer
10 to the administrative jurisdiction of the Administrator of
11 General Services the parcel of Department of the Navy
12 real property in the District of Columbia known as the
13 Nebraska Avenue Complex for the purpose of permitting
14 the Administrator to use the Complex to accommodate the
15 Department of Homeland Security. The Complex shall be
16 transferred in its existing condition.

17 (b) **AUTHORITY TO RETAIN MILITARY FAMILY**
18 **HOUSING.**—At the option of the Secretary of the Navy,
19 the Secretary may retain administrative jurisdiction over
20 that portion of the Complex that, as of the date of the
21 enactment of this Act, is being used to provide Navy fam-
22 ily housing.

23 (c) **TIME FOR TRANSFER.**—Not later than January
24 1, 2005, the Secretary of the Navy shall complete the
25 transfer of administrative jurisdiction over the portion of

1 the Complex required to be transferred under subsection
2 (a).

3 (d) RELOCATION OF NAVY ACTIVITIES.—As part of
4 the transfer of the Complex under subsection (a), the Sec-
5 retary of the Navy shall relocate Department of the Navy
6 activities at the Complex to other locations.

7 (e) PAYMENT OF INITIAL RELOCATION COSTS.—
8 Subject to the availability of appropriations for this pur-
9 pose, the Secretary of the Department of Homeland Secu-
10 rity shall be responsible for the payment of—

11 (1) all reasonable costs, including costs to move
12 furnishings and equipment, related to the initial re-
13 location of Department of the Navy activities from
14 the Complex under subsection (d); and

15 (2) all reasonable costs incident to the initial
16 occupancy by such activities of interim leased space,
17 including rental costs for the first year.

18 (f) PAYMENT OF LONG-TERM RELOCATION COSTS.—

19 (1) SENSE OF CONGRESS REGARDING PAY-
20 MENT.—It is the sense of the Congress that the Sec-
21 retary of the Navy should receive, from Federal
22 agencies other than the Department of Defense,
23 funds authorized and appropriated for the purpose
24 of covering all reasonable costs, not paid under sub-
25 section (e), that are incurred or will be incurred by

1 the Secretary to permanently relocate Department of
2 the Navy activities from the Complex under sub-
3 section (d).

4 (2) SUBMISSION OF COST ESTIMATES.—As soon
5 as practicable after the date of the enactment of this
6 Act , the Secretary of the Navy shall submit to the
7 Director of the Office of Management and Budget
8 and the Congress an initial estimate of the amounts
9 that will be necessary to cover the costs to perma-
10 nently relocate Department of the Navy activities
11 from the portion of the Complex to be transferred
12 under subsection (a). The Secretary shall include in
13 the estimate anticipated land acquisition and con-
14 struction costs. The Secretary shall revise the esti-
15 mate as necessary whenever information regarding
16 the actual costs for the relocation is obtained.

17 (g) TREATMENT OF FUNDS.—(1) Funds received by
18 the Secretary of the Navy, from sources outside the De-
19 partment of Defense, to relocate Department of the Navy
20 activities from the Complex shall be used to pay the costs
21 incurred by the Secretary to permanently relocate Depart-
22 ment of the Navy activities from the Complex. A military
23 construction project carried out using such funds is
24 deemed to be an authorized military construction project
25 for purposes of section 2802 of title 10, United States

1 Code. Section 2822 of such title shall continue to apply
2 to any military family housing unit proposed to be con-
3 structed or acquired using such funds.

4 (2) When a decision is made to carry out a military
5 construction project using such funds, the Secretary of the
6 Navy shall notify Congress in writing of that decision, in-
7 cluding the justification for the project and the current
8 estimate of the cost of the project. The project may then
9 be carried out only after the end of the 21-day period be-
10 ginning on the date the notification is received by Con-
11 gress or, if earlier, the end of the 14-day period beginning
12 on the date on which a copy of the notification is provided
13 in an electronic medium pursuant to section 480 of title
14 10, United States Code.

15 (h) EFFECT OF FAILURE TO RECEIVE SUFFICIENT
16 FUNDS FOR RELOCATION COSTS.—

17 (1) CONGRESSIONAL NOTIFICATION.—At the
18 end of the three-year period beginning on the date
19 of the transfer of the Complex under subsection (a),
20 the Secretary of the Navy shall submit to Congress
21 a report—

22 (A) specifying the total amount needed to
23 cover both the initial and permanent costs of
24 relocating Department of the Navy activities

1 from the portion of the Complex transferred
2 under subsection (a);

3 (B) specifying the total amount of the ini-
4 tial relocation costs paid by the Secretary of the
5 Department of Homeland Security under sub-
6 section (e); and

7 (C) specifying the total amount of appro-
8 priated funds received by the Secretary of the
9 Navy, from sources outside the Department of
10 Defense, to cover the permanent relocation
11 costs.

12 (2) ROLE OF OMB.—The Secretary of the Navy
13 shall obtain the assistance and concurrence of the
14 Director of the Office of Management and Budget in
15 determining the total amount needed to cover both
16 the initial and permanent costs of relocating Depart-
17 ment of the Navy activities from the portion of the
18 Complex transferred under subsection (a), as re-
19 quired by paragraph (1)(A).

20 (3) CERTIFICATION REGARDING RELOCATION
21 COSTS.—Not later than 30 days after the date on
22 which the report under paragraph (1) is required to
23 be submitted to Congress, the President shall certify
24 to Congress whether the amounts specified in the re-
25 port pursuant to subparagraphs (B) and (C) of such

1 paragraph are sufficient to cover both the initial and
2 permanent costs of relocating Department of the
3 Navy activities from the portion of the Complex
4 transferred under subsection (a). The President
5 shall make this certification only after consultation
6 with the Chairman and ranking minority member of
7 the Committee on Armed Services and the Com-
8 mittee on Appropriations of the House of Represent-
9 atives and the Chairman and ranking minority mem-
10 ber of the Committee on Armed Services and the
11 Committee on Appropriations of the Senate.

12 (4) RESTORATION OF COMPLEX TO NAVY.—If
13 the President certifies under paragraph (3) that
14 amounts referred to in subparagraphs (B) and (C)
15 of paragraph (1) are insufficient to cover Navy relo-
16 cation costs, the Administrator of General Services,
17 at the request of the Secretary of the Navy, shall re-
18 store the Complex to the administrative jurisdiction
19 of the Secretary of the Navy.

20 (5) NAVY SALE OF COMPLEX.—If administra-
21 tive jurisdiction over the Complex is restored to the
22 Secretary of the Navy, the Secretary shall convey
23 the Complex by competitive sale. Amounts received
24 by the United States as consideration from any sale
25 under this paragraph shall be deposited in the spe-

1 cial account in the Treasury established pursuant to
2 section 572(b) of title 40, United States Code.

3 **SEC. 2842. LAND CONVEYANCE, NAVY PROPERTY, FORMER**
4 **FORT SHERIDAN, ILLINOIS.**

5 (a) CONVEYANCE AUTHORIZED.—The Secretary of
6 the Navy may convey, without consideration, to the State
7 of Illinois, a political subdivision of the State, or a non-
8 profit land conservation organization (in this section col-
9 lectively referred to as the “grantee”), all right, title, and
10 interest of the United States in and to certain environ-
11 mentally sensitive land at the former Fort Sheridan, Illi-
12 nois, consisting of mostly bluffs and ravines, for the pur-
13 pose of ensuring the permanent protection of the lands.

14 (b) REVERSIONARY INTEREST.—If the Secretary de-
15 termines at any time that the real property conveyed
16 under subsection (a) is not being used or maintained in
17 accordance with the purpose of the conveyance specified
18 in such subsection, all right, title, and interest in and to
19 all or any portion of the property shall revert, at the option
20 of the Secretary, to the United States, and the United
21 States shall have the right of immediate entry onto the
22 property. Any determination of the Secretary under this
23 subsection shall be made on the record after an oppor-
24 tunity for a hearing.

1 (c) RECONVEYANCE AUTHORIZED.—The Secretary
2 may permit the grantee to convey the real property con-
3 veyed under subsection (a) to another eligible entity de-
4 scribed in such subsection, subject to the same covenants
5 and terms and conditions as provided in the deed from
6 the United States.

7 (d) PAYMENT OF COSTS OF CONVEYANCE.—(1) The
8 Secretary shall require the grantee to cover costs to be
9 incurred by the Secretary, or to reimburse the Secretary
10 for costs incurred by the Secretary, to carry out the con-
11 veyance under subsection (a), including survey costs, costs
12 related to environmental documentation, and other admin-
13 istrative costs related to the conveyance. If amounts are
14 collected from the grantee in advance of the Secretary in-
15 ccurring the actual costs, and the amount collected exceeds
16 the costs actually incurred by the Secretary to carry out
17 the conveyance, the Secretary shall refund the excess
18 amount to the grantee.

19 (2) Amounts received as reimbursement under para-
20 graph (1) shall be credited to the fund or account that
21 was used to cover the costs incurred by the Secretary in
22 carrying out the conveyance. Amounts so credited shall be
23 merged with amounts in such fund or account, and shall
24 be available for the same purposes, and subject to the

1 same conditions and limitations, as amounts in such fund
2 or account.

3 (e) EXEMPTION FROM FEDERAL SCREENING.—The
4 conveyance authorized by subsection (a) is exempt from
5 the requirement to screen the property for other Federal
6 use pursuant to sections 2693 and 2696 of title 10, United
7 States Code.

8 (f) DESCRIPTION OF PROPERTY.—The exact acreage
9 and legal description of the real property to be conveyed
10 under subsection (a) shall be determined by a survey satis-
11 factory to the Secretary.

12 (g) ADDITIONAL TERMS AND CONDITIONS.—The
13 Secretary may require such additional terms and condi-
14 tions in connection with the conveyance under subsection
15 (a) as the Secretary considers appropriate to protect the
16 interests of the United States.

17 (h) USE OF ALTERNATE CONVEYANCE AUTHOR-
18 ITY.—In lieu of using the authority provided by this sec-
19 tion to convey the real property described in subsection
20 (a), the Secretary may elect to include the property in a
21 conveyance authorized by section 2878 of title 10, United
22 States Code, subject to such terms, reservations, restric-
23 tions, and conditions as may be necessary to ensure the
24 permanent protection of the property, if the Secretary de-

1 terminates that a conveyance under such section is advan-
2 tageous to the interests of the United States.

3 **SEC. 2843. LAND EXCHANGE, NAVAL AIR STATION, PATUX-**
4 **ENT RIVER, MARYLAND.**

5 (a) CONVEYANCE AUTHORIZED.—The Secretary of
6 the Navy may convey to the State of Maryland (in this
7 section referred to as “State”), all right, title, and interest
8 of the United States in and to a parcel of real property,
9 including improvements thereon, consisting of approxi-
10 mately five acres at Naval Air Station, Patuxent River,
11 Maryland, and containing the Point Lookout Lighthouse,
12 other structures related to the lighthouse, and an archae-
13 ological site pertaining to the military hospital that was
14 located on the property during the Civil War. The convey-
15 ance shall include artifacts pertaining to the military hos-
16 pital recovered by the Navy and held at the installation.

17 (b) PROPERTY RECEIVED IN EXCHANGE.—As con-
18 sideration for the conveyance of the real property under
19 subsection (a), the State shall convey to the United States
20 a parcel of real property consisting of approximately five
21 acres located in Point Lookout State Park, St. Mary’s
22 County, Maryland.

23 (c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The
24 Secretary may require the State to cover costs to be in-
25 curred by the Secretary, or to reimburse the Secretary for

1 costs incurred by the Secretary, to carry out the convey-
2 ance under subsection (a), including survey costs, costs re-
3 lated to environmental documentation, relocation expenses
4 incurred under subsection (b), and other administrative
5 costs related to the conveyance. If amounts are collected
6 from the State in advance of the Secretary incurring the
7 actual costs, and the amount collected exceeds the costs
8 actually incurred by the Secretary to carry out the convey-
9 ance, the Secretary shall refund the excess amount to
10 State.

11 (2) Amounts received as reimbursement under para-
12 graph (1) shall be credited to the fund or account that
13 was used to cover the costs incurred by the Secretary in
14 carrying out the conveyance. Amounts so credited shall be
15 merged with amounts in such fund or account, and shall
16 be available for the same purposes, and subject to the
17 same conditions and limitations, as amounts in such fund
18 or account.

19 (d) DESCRIPTION OF PROPERTY.—The exact acreage
20 and legal description of the properties to be conveyed
21 under this section shall be determined by surveys satisfac-
22 tory to the Secretary.

23 (e) EXEMPTION FROM FEDERAL SCREENING.—The
24 conveyance authorized by subsection (a) is exempt from
25 the requirement to screen the property for other Federal

1 use pursuant to sections 2693 and 2696 of title 10, United
2 States Code.

3 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
4 retary may require such additional terms and conditions
5 in connection with the conveyances under this section as
6 the Secretary considers appropriate to protect the inter-
7 ests of the United States.

8 **PART III—AIR FORCE CONVEYANCES**

9 **SEC. 2851. LAND EXCHANGE, MAXWELL AIR FORCE BASE,**
10 **ALABAMA.**

11 (a) CONVEYANCE AUTHORIZED.—The Secretary of
12 the Air Force may convey to the City of Montgomery, Ala-
13 bama (in this section referred to as the “City”), all right,
14 title, and interest of the United States in and to a parcel
15 of real property, including improvements thereon, con-
16 sisting of all of the Maxwell Heights Housing site at Max-
17 well Air Force Base, Alabama.

18 (b) CONSIDERATION.—(1) As consideration for the
19 conveyance of the real property under subsection (a), the
20 City shall convey to the United States a parcel of real
21 property, including improvements thereon, consisting of
22 approximately 35 acres designated as project AL 6–4 that
23 is owned by the City and is contiguous to Maxwell Air
24 Force Base. The Secretary shall have jurisdiction over the
25 real property received under this paragraph.

1 (2) If the fair market value of the real property re-
2 ceived under paragraph (1) is less than the fair market
3 value of the real property conveyed under subsection (a),
4 the Secretary may require the City to make up the dif-
5 ference through the payment of cash, the provision of in-
6 kind consideration, or a combination thereof, to be deter-
7 mined pursuant to negotiations between the Secretary and
8 the City.

9 (3) The fair market values of the real property to
10 be exchanged under this section shall be determined by
11 appraisals acceptable to the Secretary and the City.

12 (c) DESCRIPTION OF PROPERTY.—The exact acreage
13 and legal description of the property to be conveyed under
14 this section shall be determined by surveys satisfactory to
15 the Secretary.

16 (d) ADDITIONAL TERMS AND CONDITIONS.—The
17 Secretary may require such additional terms and condi-
18 tions in connection with the conveyances under this section
19 as the Secretary considers appropriate to protect the inter-
20 ests of the United States.

1 **DIVISION C—DEPARTMENT OF**
2 **ENERGY NATIONAL SECURITY**
3 **AUTHORIZATIONS AND**
4 **OTHER AUTHORIZATIONS**
5 **TITLE XXXI—DEPARTMENT OF**
6 **ENERGY NATIONAL SECURITY**
7 **PROGRAMS**
8 **Subtitle A—National Security**
9 **Programs Authorizations**

10 **SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRA-**
11 **TION.**

12 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
13 are hereby authorized to be appropriated to the Depart-
14 ment of Energy for fiscal year 2005 for the activities of
15 the National Nuclear Security Administration in carrying
16 out programs necessary for national security in the
17 amount of \$9,047,700,000, to be allocated as follows:

18 (1) For weapons activities, \$6,577,953,000.

19 (2) For defense nuclear nonproliferation activi-
20 ties, \$1,338,147,000.

21 (3) For naval reactors, \$797,900,000.

22 (4) For the Office of the Administrator for Nu-
23 clear Security, \$333,700,000.

24 (b) **AUTHORIZATION OF NEW PLANT PROJECTS.**—
25 From funds referred to in subsection (a) that are available

1 for carrying out plant projects, the Secretary of Energy
2 may carry out, for weapons activities, the following new
3 plant projects:

4 Project 05–D–140, project engineering and de-
5 sign, various locations, \$11,600,000.

6 Project 05–D–160, facilities and infrastructure
7 recapitalization program, project engineering and de-
8 sign, various locations, \$8,700,000.

9 Project 05–D–170, project engineering and de-
10 sign, safeguards and security, various locations,
11 \$17,000,000.

12 Project 05–D–401, production bays upgrade,
13 Pantex Plant, Amarillo, Texas, \$25,100,000.

14 Project 05–D–402, beryllium capability project,
15 Y–12 national security complex, Oak Ridge, Ten-
16 nessee, \$3,627,000.

17 Project 05–D–601, compressed air upgrades
18 project, Y–12 national security complex, Oak Ridge,
19 Tennessee, \$4,400,000.

20 Project 05–D–602, power grid infrastructure
21 upgrade, Los Alamos National Laboratory, Los Ala-
22 mos, New Mexico, \$10,000,000.

23 Project 05–D–603, new master substation,
24 Sandia National Laboratories, Albuquerque, New
25 Mexico, \$600,000.

1 Project 05–D–701, security perimeter, Los Ala-
2 mos National Laboratory, Los Alamos, New Mexico,
3 \$20,000,000.

4 **SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.**

5 Funds are hereby authorized to be appropriated to
6 the Department of Energy for fiscal year 2005 for envi-
7 ronmental management activities in carrying out pro-
8 grams necessary for national security in the amount of
9 \$6,863,307,000, to be allocated as follows:

10 (1) For defense site acceleration completion,
11 \$5,876,837,000.

12 (2) For defense environmental services,
13 \$986,470,000.

14 **SEC. 3103. OTHER DEFENSE ACTIVITIES.**

15 Funds are hereby authorized to be appropriated to
16 the Department of Energy for fiscal year 2005 for other
17 defense activities in carrying out programs necessary for
18 national security in the amount of \$658,618,000.

19 **SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.**

20 Funds are hereby authorized to be appropriated to
21 the Department of Energy for fiscal year 2005 for defense
22 nuclear waste disposal for payment to the Nuclear Waste
23 Fund established in section 302(c) of the Nuclear Waste
24 Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount
25 of \$131,000,000.

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

4 **SEC. 3111. EXTENSION OF AUTHORITY FOR APPOINTMENT**
5 **OF CERTAIN SCIENTIFIC, ENGINEERING, AND**
6 **TECHNICAL PERSONNEL.**

7 Section 4601 of the Atomic Energy Defense Act (50
8 U.S.C. 2701) is amended by striking “September 30,
9 2004” and inserting “September 30, 2006”.

10 **SEC. 3112. REQUIREMENTS FOR BASELINE OF PROJECTS**
11 **UNDER FACILITIES AND INFRASTRUCTURE**
12 **RECAPITALIZATION PROGRAM.**

13 Subsection (a) of section 3114 of the National De-
14 fense Authorization Act for Fiscal Year 2004 (Public Law
15 108-136; 117 Stat. 1744; 50 U.S.C. 2453 note) is
16 amended—

17 (1) in paragraph (1) by inserting “of a base-
18 line” after “selection”; and

19 (2) by amending paragraph (2) to read as fol-
20 lows:

21 “(2)(A) After December 31, 2004, a project
22 may be added to or removed from the Facilities and
23 Infrastructure Recapitalization Program only after
24 the Administrator submits to the congressional de-
25 fense committees a notice that the Administrator

1 has identified such project for addition or removal
2 and has approved such addition or removal as a
3 modification to the baseline for that program.

4 “(B) The Administrator may not obligate funds
5 for any project added under subparagraph (A) until
6 a period of 60 days has elapsed after the date on
7 which such committees receive the notice under sub-
8 paragraph (A) with respect to that project.

9 “(C) The authority of the Administrator to
10 identify and approve under subparagraph (A) may
11 not be delegated.”.

12 **Subtitle C—Other Matters**

13 **SEC. 3131. TRANSFERS AND REPROGRAMMINGS OF NA-** 14 **TIONAL NUCLEAR SECURITY ADMINISTRA-** 15 **TION FUNDS.**

16 Section 3252 of the National Nuclear Security Ad-
17 ministration Act (50 U.S.C. 2452) is amended by adding
18 at the end the following new subsection:

19 “(d) **TRANSFER AND REPROGRAMMING PROCESS.—**
20 (1) The Administrator shall have sole jurisdiction within
21 the Department of Energy to submit to Congress or the
22 appropriate congressional committees a notice of, or re-
23 quest for, a transfer or reprogramming of funds of the
24 Administration.

1 “(2) The functions of the Chief Financial Officer of
2 the Department of Energy shall not apply to a notice or
3 request described in paragraph (1), except to certify
4 whether the funds covered by such notice or request are
5 available.”.

6 **SEC. 3132. NATIONAL ACADEMY OF SCIENCES STUDY ON**
7 **MANAGEMENT BY DEPARTMENT OF ENERGY**
8 **OF HIGH-LEVEL RADIOACTIVE WASTE.**

9 (a) **REVIEW REQUIRED.**—The Secretary of Energy
10 shall enter into an arrangement with the National Re-
11 search Council of the National Academy of Sciences to
12 carry out a study of the plans of the Department of En-
13 ergy to manage the waste streams specified in subsection
14 (b) that are not currently planned for disposal in a high-
15 level repository.

16 (b) **COVERED WASTE STREAMS.**—The waste streams
17 referred to in subsection (a) are the streams of high-level
18 radioactive waste at—

- 19 (1) the Savannah River Site, South Carolina;
20 (2) the Idaho National Engineering Laboratory,
21 Idaho; and
22 (3) the Hanford Reservation, Washington.

23 (c) **MATTERS INCLUDED.**—The study required by
24 subsection (a) shall evaluate—

1 (1) the physical, chemical, and radiological
2 characteristics of the waste referred to in subsection
3 (b), including specifically the waste proposed to be
4 left indefinitely in storage tanks;

5 (2) the probability that such waste, if left in-
6 definitely in storage tanks, will leak into the environ-
7 ment and the range of potential dangers such leak-
8 age would represent;

9 (3) the plans of the Department for the dis-
10 posal of the high-level radioactive waste that the De-
11 partment had planned, before certain litigation in
12 Federal district court in 2003 on “Waste Incidental
13 to Reprocessing”, to reclassify as low-level waste;

14 (4) treatment and disposal alternatives to the
15 plans referred to in paragraph (3), including, for
16 each such alternative, assessments of the technology
17 approaches and of the implications with respect to
18 cost, worker safety, and long-term environmental
19 and human health;

20 (5) the adequacy of the plans referred to in
21 subsection (a), including Department of Energy
22 Order No. 435.1, to protect, for the long term, the
23 environment and population surrounding each site
24 referred to in subsection (b); and

1 (6) any other matters that the National Re-
2 search Council considers appropriate and directly re-
3 lated to the subject matter of the study.

4 (d) RECOMMENDATIONS REQUIRED.—In carrying out
5 the study, the National Research Council shall develop
6 recommendations relating to the subject matter of the
7 study. The recommendations shall include—

8 (1) recommendations for improving the sci-
9 entific basis for managing the waste covered by the
10 study, including alternative criteria for determining
11 what waste should be managed as “Waste Incidental
12 to Reprocessing”; and

13 (2) any other recommendations that the Na-
14 tional Research Council considers appropriate and
15 directly related to the subject matter of the study.

16 (e) REPORTS.—The National Research Council shall
17 submit to the Secretary of Energy and the congressional
18 defense committees—

19 (1) not later than six months after entering
20 into the arrangement required by subsection (a), an
21 interim report on the study with respect to the waste
22 proposed to be left indefinitely in storage tanks, in-
23 cluding the tentative findings, conclusions, and rec-
24 ommendations with respect to such waste; and

1 **TITLE XXXII—DEFENSE NU-**
2 **CLEAR FACILITIES SAFETY**
3 **BOARD**

4 **SEC. 3201. AUTHORIZATION.**

5 There are authorized to be appropriated for fiscal
6 year 2005, \$21,268,000 for the operation of the Defense
7 Nuclear Facilities Safety Board under chapter 21 of the
8 Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

9 **TITLE XXXIII—NATIONAL**
10 **DEFENSE STOCKPILE**

11 **SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE**
12 **STOCKPILE FUNDS.**

13 (a) OBLIGATION OF STOCKPILE FUNDS.—During fis-
14 cal year 2005, the National Defense Stockpile Manager
15 may obligate up to \$59,700,000 of the funds in the Na-
16 tional Defense Stockpile Transaction Fund established
17 under subsection (a) of section 9 of the Strategic and Crit-
18 ical Materials Stock Piling Act (50 U.S.C. 98h) for the
19 authorized uses of such funds under subsection (b)(2) of
20 such section, including the disposal of hazardous materials
21 that are environmentally sensitive.

22 (b) ADDITIONAL OBLIGATIONS.—The National De-
23 fense Stockpile Manager may obligate amounts in excess
24 of the amount specified in subsection (a) if the National
25 Defense Stockpile Manager notifies Congress that extraor-

1 dinary or emergency conditions necessitate the additional
2 obligations. The National Defense Stockpile Manager may
3 make the additional obligations described in the notifica-
4 tion after the end of the 45-day period beginning on the
5 date on which Congress receives the notification.

6 (c) LIMITATIONS.—The authorities provided by this
7 section shall be subject to such limitations as may be pro-
8 vided in appropriations Acts.

9 **SEC. 3302. RELAXATION OF QUANTITY RESTRICTIONS ON**
10 **DISPOSAL OF MANGANESE FERRO IN NA-**
11 **TIONAL DEFENSE STOCKPILE.**

12 Section 3306(a) of the National Defense Authoriza-
13 tion Act for Fiscal Year 2002 (Public Law 107–107; 115
14 Stat. 1391; 50 U.S.C. 98d note) is amended—

15 (1) in paragraph (3), by striking “each of the
16 fiscal years 2004 and 2005” and inserting “fiscal
17 year 2004”; and

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

20 “(4) During fiscal year 2005, 100,000 short
21 tons of high carbon manganese ferro of the highest
22 grade.

1 **SEC. 3303. REVISION OF EARLIER AUTHORITY TO DISPOSE**
2 **OF CERTAIN MATERIALS IN NATIONAL DE-**
3 **FENSE STOCKPILE.**

4 Section 3303(a) of the Strom Thurmond National
5 Defense Authorization Act for Fiscal Year 1999 (Public
6 Law 105–261; 50 U.S.C. 98d note) is amended by striking
7 paragraphs (4) and (5) and inserting the following new
8 paragraphs:

9 “(4) \$785,000,000 by the end of fiscal year
10 2005; and

11 “(5) \$870,000,000 by the end of fiscal year
12 2009.”.

13 **TITLE XXXIV—NAVAL**
14 **PETROLEUM RESERVES**

15 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There
17 are hereby authorized to be appropriated to the Secretary
18 of Energy \$20,000,000 for fiscal year 2005 for the pur-
19 pose of carrying out activities under chapter 641 of title
20 10, United States Code, relating to the naval petroleum
21 reserves.

22 (b) **PERIOD OF AVAILABILITY.**—Funds appropriated
23 pursuant to the authorization of appropriations in sub-
24 section (a) shall remain available until expended.

1 **TITLE XXXV—MARITIME**
2 **ADMINISTRATION**

3 **SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR MAR-**
4 **ITIME ADMINISTRATION.**

5 There are authorized to be appropriated to the Sec-
6 retary of Transportation for the Maritime Administration
7 for fiscal year 2005 (in lieu of amounts authorized for the
8 same purposes by section 3511 of the National Defense
9 Authorization Act for Fiscal Year 2004)—

10 (1) for expenses necessary for operations and
11 training activities, \$109,300,000;

12 (2) for administrative expenses under the loan
13 guarantee program authorized by title XI of the
14 Merchant Marine Act, 1936 (46 U.S.C. App. 1271
15 et seq.), \$4,764,000; and

16 (3) for ship disposal, \$35,000,000, of which
17 \$2,000,000 shall be for decommissioning, removal,
18 and disposal of the nuclear reactor and hazardous
19 materials on board the vessel SAVANNAH.

20 **SEC. 3502. EXTENSION OF AUTHORITY TO PROVIDE WAR**
21 **RISK INSURANCE FOR MERCHANT MARINE**
22 **VESSELS.**

23 (a) EXTENSION.— Section 1214 of the Merchant Ma-
24 rine Act, 1936 (46 U.S.C. App. 1294), is amended by

1 striking “June 30, 2005” and inserting “December 31,
2 2010”.

3 (b) INVESTMENT OF ASSETS IN INSURANCE FUND.—
4 Section 1208(a) of such Act (46 U.S.C. App. 1288), is
5 amended by striking the third sentence and inserting the
6 following: “The Secretary of Transportation may request
7 the Secretary of the Treasury to invest such portion of
8 the Fund as is not, in the judgment of the Secretary of
9 Transportation, required to meet the current needs of the
10 fund. Such investments shall be made by the Secretary
11 of the Treasury in public debt securities of the United
12 States, with maturities suitable to the needs of the fund,
13 and bearing interest rates determined by the Secretary of
14 the Treasury, taking into consideration current market
15 yields on outstanding marketable obligations of the United
16 States of comparable maturity.”.

Amend the title so as to read: “A bill to authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.”.